Court File No.: CL-26-00000053-0000

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.

RESPONDING AND CROSS-MOTION RECORD OF THE MONITOR

(Returnable July 10, 2026)

July 7, 2026

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TO: THE ATTACHED SERVICE LIST

Court File No. CL-26-00000053-0000

ONTARIO
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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.

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1	Notice of Motion
2	Third Report of the Monitor dated July 7, 2026
A	Appendix "A" – Second Report of KPMG Inc. dated March 27, 2026 (without appendices)
B	Appendix "B" – Correspondence from Paliare Roland Rosenberg Rothstein LLP to Stikeman Elliott LLP dated February 16, 2026
C	Appendix "C" – Correspondence from M. Ahsan to the Monitor dated June 5, 2026
D	Appendix "D" – Correspondence from the Monitor to M. Ahsan dated May 21, 2026
3	Draft Expanded Powers Order

TAB 1

Court File No. CV-26-00000053-0000

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. (the "Applicant")

NOTICE OF MOTION
(Returnable July 10, 2026)

KPMG Inc. ("**KPMG**"), in its capacity as the Court-appointed monitor (in such capacity, the "**Monitor**") of LJM Developments (Hamilton) Inc. (the "**Applicant**" or "**LJM Hamilton**"), will make a motion before the Honourable Justice Cavanagh of the Ontario Superior Court (Commercial List) (the "**Court**") on July 10, 2026 at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

☐ in writing under subrule 37.12.1 (1);

☐ in writing as an opposed motion under subrule 37.12.1 (4);

☐ in person at 330 University Avenue, Toronto, Ontario;

☐ by telephone conference;

☒ by video conference.

THIS MOTION IS FOR:

1. An Order substantially in the form attached as Tab 3 to the Responding and Cross-Motion Record of the Monitor dated July 7, 2026 (the **"Expanded Powers Order**"), among other things:

   (a) approving the Third Report of the Monitor dated July 7, 2026 (the "**Third Report**"), and the activities and conduct of the Monitor described therein; and

   (b) amending paragraph 23 of the Second Amended and Restated Initial Order dated February 27, 2026 (the "**Second ARIO**") to grant the Monitor certain additional powers required by the Monitor to assist it in conducting its investigation into the Excess Proceeds (as defined herein).

2. Such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. The Applicant is a single-purpose corporation established to develop a residential condominium development known as LJM Tower – Urban Living in the City (the "**Project**"), located in Hamilton, Ontario.

4. The Applicant was granted relief under the *Companies' Creditors Arrangement Ac*t, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), on February 10, 2026, pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The Initial Order, among other things, granted an initial stay of proceedings in favour of the Applicant

until February 20, 2026, and appointed Schwartz Levitsky Feldman Inc. ("**SLF**") as monitor of the Applicant. The Initial Order was granted on an *ex parte* basis.

5. At the comeback hearing in respect of the Initial Order, on a responding motion brought by Aviva Insurance Company of Canada, on February 20, 2026, the Court granted an Amended and Restated Initial Order (the "**ARIO**"), among other things:

(a) replacing SLF with KPMG as Monitor;

(b) extending the stay of proceedings to February 27, 2026;

(c) approving the Surety DIP Facility (as defined in the Third Report) provided by Aviva Canada Inc.; and

(d) expanding the Monitor's powers, including by authorizing and directing the Monitor to review and report to the Court on: (i) the use of approximately $19 million in excess proceeds (the "**Excess Proceeds**") from the sale of condominium units released to LJM Hamilton following repayment of the construction loan advanced by DUCA Financial Services Credit Union Ltd. (the "**Construction Lender**"); (ii) the taxes paid on certain sold units; and (iii) the status of amounts that were required to be held by the Applicant and maintained as security for the satisfaction of lien claims and related rights under the *Construction Act* (Ontario).

6. On February 27, 2026, the Court granted the Second ARIO, which, among other things, extended the stay of proceedings to April 3, 2026, and increased the interim borrowings under the Surety DIP Facility up to $1.6 million.

7. To advance the Applicant's restructuring objectives, it sought and obtained the following orders on April 8, 2026:

(a) the Lien Claims Process Order, among other things, approving a claims procedure for creditors to file proofs of construction lien claims with the Monitor;

(b) the Unit Sale Process Order, among other things, authorizing the Applicant to carry out the Unit Sale Process for the Unsold Units subject to the oversight of, and in consultation with, the Monitor (each as defined in the Unit Sale Process Order); and

(c) the First Ancillary Relief Order, among other things, extending the stay of proceedings to July 3, 2026, authorizing borrowings under the Surety DIP Facility up to a maximum borrowing limit of $2.5 million, and approving the First Report of the Monitor dated February 26, 2026, and the Second Report of the Monitor dated March 27, 2026, and the activities of the Monitor described therein.

8. In its capacity as Monitor, KPMG has participated in these CCAA Proceedings in accordance with its duties under the CCAA and the Orders granted in these CCAA Proceedings, and has filed various reports with the Court.

9. On June 30, 2026, the Applicant served a motion record returnable July 10, 2026, seeking an Order (the "**Proposed Order**"), among other things:

(a) extending the stay of proceedings to January 15, 2027;

(b) amending paragraph 14 of the Second ARIO to provide that limitation periods applicable to claims against the Applicant's current, former and future directors and officers are tolled, to the extent such claims are stayed by the Second ARIO;

(c) deeming that the transaction relating to Unit 105 of the Project constitutes a "Permitted Transaction" for purposes of the Unit Sale Process Order;

(d) directing the Land Registry Office for Wentworth to delete instrument number WE1588322 from certain parcels;

(e) clarifying, for greater certainty, the Applicant is entitled to sell units 217 and 417 pursuant to the Unit Sale Process Order;

(f) approving a revised target price list (the "**Revised Target Price List**") for use in connection with the Unit Sale Process;

(g) approving a first amendment to the Surety DIP Facility and the Surety DIP Assignment (as defined in the Third Report);

(h) sealing the purchase agreement for Unit 105 and the Revised Target Price List; and

(i) approving the Supplement to the Second Report dated April 7, 2026, and the activities of the Monitor set out therein.

10. The Monitor supports the relief sought by the Applicant pursuant to the Proposed Order. However, certain additional provisions requested by the Monitor were not included in the Proposed

Order, necessitating that the Monitor file this responding record and seek such relief on its own behalf.

Expanded Powers

11. As described in the Third Report, the Monitor has identified a need for additional powers to obtain and review information relevant to its investigation regarding the Excess Proceeds pursuant to paragraph 24 of the Second ARIO, including information in the possession, custody or control of persons other than the Applicant.

12. In particular, the Monitor has undertaken a review of the Excess Proceeds released to the Applicant following the repayment in full of the Construction Lender. Based on its review to date, the Monitor has identified significant disbursements from the Applicant, including approximately $11.5 million in payments to entities within the LJM group and other related parties (the "**Intercompany Payments**"), approximately $5.3 million to ICP Developers, and approximately $0.5 million to Clifton Blake (a lender to the LJM group), as well as payments to various Project suppliers and service providers.

13. Based upon the responses received to date, the Monitor is of the view that certain of the transactions may constitute preferences and/or transfers at undervalue contrary to sections 95 and 96 of the *Bankruptcy and Insolvency Act* (Canada) or may otherwise constitute impugnable transfers.

14. Notwithstanding the Monitor's ongoing inquiries, the Applicant has failed to provide adequate responses or documentation sufficient to permit the Monitor to complete its review. The Monitor has been unable to verify the use of the Intercompany Payments, as the responses from

management of the LJM group have been limited to general assertions that funds are regularly transferred among the LJM group of companies, without providing the supporting documentation and particulars requested by the Monitor.

15. As such, the Monitor is now seeking the following expanded powers necessary to advance its investigation:

(a) the authorization to compel the production, from time to time, from any person having possession, custody or control of any books, records, accountings, documents, correspondences or papers, electronically stored or otherwise, relating to the Applicant or the Monitor's investigations pursuant to paragraph 24 of the Second ARIO (the "**Requested Information**"); and

(b) the authorization to conduct investigations from time to time, including examinations under oath of any person reasonably thought to have knowledge relating to the Requested Information.

16. Pursuant to the proposed Expanded Powers Order, the Requested Information will be required to be delivered within thirty (30) days of the Monitor's request or such longer time period as the Monitor may agree.

17. The expanded powers sought by the Monitor are necessary to enable it to compel the production of relevant documents and information from third parties, including officers, directors, employees, related entities, lenders, advisors and other persons who may have knowledge of the transactions in question. The Monitor further requires authority to conduct examinations under

oath in order to clarify the information gathered to date and to determine how the Excess Proceeds were ultimately applied.

18. As noted above, prior to delivering this responding motion record, the Monitor advised the Applicant's counsel of the need for the additional powers and requested that they be incorporated into the Applicant's motion materials. The Applicant refused to include any of the requested expanded powers provisions despite several requests from the Monitor's counsel to the Applicant's counsel. In these circumstances, the Monitor has been required to seek the requested relief by way of a responding motion to obtain the information and cooperation necessary to complete its review and discharge its Court-appointed responsibilities.

19. This Court has jurisdiction to grant the requested relief pursuant to sections 11 and 23(1)(c) of the CCAA. The relief sought is not intended to advance any particular claim or to reach any predetermined conclusion. The Monitor seeks the expanded powers solely to facilitate the completion of its independent review of the relevant transactions and to report its findings to this Court in accordance with the directions provided in the Second ARIO. The requested relief is tailored to the Monitor's Court-directed mandate and will assist the Monitor in completing its independent review and reporting its findings to the Court and stakeholders.

20. The Monitor submits that the relief sought is reasonable and proportionate in the circumstances and is necessary to ensure that a full accounting of the Excess Proceeds can be completed for the benefit of the Court and all stakeholders. The Monitor understands that the Original Surety DIP Lender supports the relief sought by the Monitor in this responding motion.

Approval of Reports and Activities

21. The Expanded Powers Order would also approve the Third Report and the activities of the Monitor outlined therein. The Monitor's activities were carried out prudently and diligently in accordance with its duties under the CCAA and as prescribed by the Orders granted by this Court in these CCAA Proceedings, and were undertaken in the best interests of LJM Hamilton and its stakeholders.

22. Despite requests from the Monitor's counsel, the Applicant declined to include approval by the Court of the Third Report among the relief sought under the Proposed Order without the Applicant first reviewing and being satisfied with the contents of the Third Report.

OTHER GROUNDS FOR THE MOTION ARE:

23. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court.

24. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16, 37, and 39 of the *Rules of Civil Procedure,* R.R.O. 1990, Reg. 194.

25. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the responding motion:

26. The Third Report, which is being filed separately with the Court but has been included at Tab 2 of the Responding and Cross-Motion Record for ease of reference.

27. The Fourth Affidavit of Mr. Muhammad Ahsan affirmed June 30, 2026.

28. Such further and other evidence as counsel may advise and this Honourable Court may permit.

July 7, 2026

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TO: THE SERVICE 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.

Court File No. CV-26-00000053-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced in Toronto

Notice of Motion
(Returnable July 10, 2026)

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TAB 2

Court File No.: CL-26-00000053-0000

LJM DEVELOPMENTS (HAMILTON) INC.

THIRD REPORT OF KPMG INC.,
IN ITS CAPACITY AS MONITOR

July 7, 2026

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Court File No.: CL-26-00000053-0000

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.

THIRD REPORT OF KPMG INC. IN ITS CAPACITY AS MONITOR

July 7, 2026

I. INTRODUCTION

1. On February 10, 2026 (the "**Filing Date**"), LJM Developments (Hamilton) Inc. (the "**Applicant**" or "**LJM Hamilton**") was granted relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The Applicant's CCAA proceedings are referred to herein as the "**CCAA Proceedings**". The relief granted under the Initial Order included, among other things:

    a. a stay of proceedings in favour of the Applicant until February 20, 2026 (the "**Initial Stay Period**");

    b. the appointment of Schwartz Levitsky Feldman Inc. ("**SLF**") as monitor (the party acting in such capacity, the "**Monitor**");

    c. a charge over the Property (as defined in the Initial Order) in favour of the Monitor, Monitor's counsel, and Applicant's counsel, up to a maximum aggregate amount of $300,000, to secure their professional fees and disbursements (the "**Administration Charge**");

    d. approval of a $2.5 million interim financing facility (the "**RCM DIP Facility**") between the Applicant and RCM Capital Syndication SPV III LP by its general partner RCM (2023) GP

Inc. (the "**DIP Lender**"), which borrowings were not to exceed $250,000 during the Initial Stay Period, and other related relief; and

e. a charge over the Property in favour of the DIP Lender to secure the borrowings under the proposed RCM DIP Facility (the "**DIP Lender's Charge**", and together with the Administration Charge, the "**Charges**"). The Charges were to rank in priority to all other Encumbrances (as defined in the Initial Order) – except for those of secured creditors who had not been served with the Notice of Application for the Initial Order – ranking in the following priority: 1) the Administration Charge, and 2) the DIP Lender's Charge.

2. SLF, in its then capacity as the proposed Monitor, provided this Court with a report dated February 9, 2026 (the "**Pre-Filing Report**").

3. In accordance with the Initial Order, the Court scheduled a comeback hearing to be heard on February 20, 2026 (the "**Comeback Hearing**").

4. Aviva Insurance Company of Canada ("**Aviva**")/ Westmount Guarantee Services Inc. in its capacity as surety and secured creditor of the Applicant, filed a Notice of Motion detailing pertinent information regarding LJM Hamilton that had not been disclosed to this Court at the time the Initial Order was granted, and requesting the following key amendments, among others, to the proposed form of Amended and Restated Order (the "**ARIO**") being sought by the Applicant at the Comeback Hearing:

   a. the appointment of KPMG Inc. ("**KPMG**") as the Monitor in these CCAA Proceedings, replacing SLF;

   b. the enhancement of the Monitor's powers, among other things:

      i. providing the Monitor with consent rights over any disbursements to be paid or settlements, agreements, or other commitments of any kind proposed to be entered into (including in the ordinary course);

      ii. authorizing and directing the Monitor to review and report back to the Court regarding the use of excess proceeds from the sale of certain condominium units on the Project (as defined herein) (the "**Units**") in the approximate amount of $19 million, released to LJM Hamilton by Harris Sheaffer LLP (in such capacity, the "**Escrow Agent**") pursuant to a deposit trust agreement between LJM Hamilton, Westmount Guarantee Services Inc. and Harris Sheaffer LLP dated August 14, 2019

(the "**Deposit Trust Agreement**") following repayment of its construction loan advanced by DUCA Financial Services Credit Union Ltd. (the "**Construction Lender**") in October 2025;

iii. authorizing and directing the Monitor to review all HST (as defined herein) paid in respect of the Sold Units (as defined herein) in the LJM Tower Condominium at 2782 Barton St E, Hamilton (the "**Project**"), and the remittance status of same to Canada Revenue Agency ("**CRA**"); and

iv. authorizing and directing the Monitor to review the status of amounts required to be withheld by the Applicant under the *Construction Act*, R.S.O., 1990, c. C.30 (the "***Construction Act***") as security for the satisfaction of lien claims;

c. a confirmation that the Property excludes any funds held in trust in respect of purchaser deposits on the Project or accrued interest thereon pursuant to the Deposit Trust Agreement;

d. a direction that no payments will be made to creditors in respect of goods or services provided prior to the date of the Initial Order; and

e. the termination of the RCM DIP Facility agreement and an authorization allowing the Applicant to enter into an alternative interim financing facility (the "**Surety DIP Facility**") with Aviva Canada Inc., an affiliated company to Aviva (in such capacity, the "**Surety DIP Lender**"), with a borrowing limit of $2.5 million, along with the approval of a super-priority "**Surety DIP Lender's Charge**" in favour of the Surety DIP Lender to secure the borrowings under the Surety DIP Facility.

5. SLF, in its then capacity as Monitor, provided this Court with a report dated February 19, 2026 (together with the Pre-Filing Report, the "**SLF Reports**").

6. At the Comeback Hearing, counsel for the City of Hamilton sought an adjournment of the relief sought by the Applicant in respect of the Surety DIP Facility. In the Honourable Justice Steele's endorsement dated February 20, 2026, the Comeback Hearing was adjourned in part to February 27, 2026, to address the Surety DIP Facility and a further extension of the Stay Period (as defined herein). On February 20, 2026, the Court granted the ARIO, which, among other things:

a. extended the stay of proceedings to and including February 27, 2026 (the "**Stay Period**");

b. appointed KPMG as Monitor in place of SLF;

c. approved the SLF Reports and SLF's actions, conduct and activities as set out therein, and provided releases in favour of SLF, in its capacity as Monitor, and its legal counsel during these CCAA Proceedings;

d. terminated the RCM DIP Facility and approved the Surety DIP Facility, and interim borrowings of up to a maximum amount of $250,000, during the brief Stay Period;

e. granted the Surety DIP Lender's Charge in place of the DIP Lender's Charge; and

f. enhanced the Monitor's powers to, among other things, authorize and direct it to:

    i. monitor and review the Applicant's receipts and disbursements, including the management and use of any funds advanced by the Surety DIP Lender to the Applicant;

    ii. advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the Surety DIP Lender;

    iii. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant; and

    iv. review and report back to the Court with respect to the following matters:

        1. the use of proceeds from sales of Units released to the Applicant following the payment of the Construction Lender in 2025 (the "**Use of Proceeds**");

        2. all taxes paid in respect of sales of Units including the amounts collected, whether such amounts were paid to the Applicant and/or the Escrow Agent pursuant to the Deposit Trust Agreement (the "**HST on Sold Units**") and the manner and timing of any remittances to CRA; and

        3. amounts that were required to be held by the Applicant and maintained as security for the satisfaction of lien claims and related rights under the *Construction Act* (the "**Construction Holdbacks**") and the current status of such amounts.

7. On February 27, 2026, this Court granted a second amended and restated initial Order (the "**Second ARIO**") that included, among other things, the following amendments to the ARIO:

    a. an extension of the Stay Period to April 3, 2026; and

    b. an increase to the interim borrowings under the Surety DIP Facility of up to $1.6 million.

8. KPMG, in its capacity as Monitor, provided this Court with its report dated February 26, 2026 (the "**First Report**") in connection with the Applicant's application for the Second ARIO.

9. The Monitor provided this Court with its report dated March 27, 2026 (the "**Second Report**") in connection with the Applicant's application for the Lien Claims Process Order, the Unit Sale Process Order, and the First Ancillary Relief Order (each as defined herein) initially scheduled to be heard by this Court on March 31, 2026 (the "**March 31st Hearing**"). A copy of the Second Report (without appendices) is attached hereto as **Appendix "A"**.

10. As certain of the orders or relief sought by the Applicant were contested by various parties at the March 31st Hearing, the Honourable Justice Steele directed that the hearing be adjourned to permit sufficient time for the contested matters to be heard and further directed that the parties have discussions to attempt to resolve and/or narrow the disputed issues prior to the motion returnable on April 8, 2026 (the "**April 8th Hearing**").

11. The Monitor provided this Court with its supplemental report dated April 7, 2026 (the "**Supplemental Report**" and together with the First Report and the Second Report, the "**Prior Reports**") to provide additional information to the Court prior to the April 8th Hearing.

12. This Court granted the following orders, effective April 8, 2026:

    a. an order (the "**Lien Claims Process Order**"), among other things, approving the Liens Claim Process, including the establishment of the Claims Bar Date (each as defined in the Lien Claims Process Order) for creditors to file proofs of construction lien claims with the Monitor;

    b. an order (the "**Unit Sale Process Order**"), among other things:

        i. authorizing the Applicant to carry out the Unit Sale Process for the Unsold Units subject to the oversight of, and in consultation with, the Monitor, such that the Unsold Units may be sold so long as the selling price for each Unsold Unit is not less

than the minimum price on the Target Price List (each as defined in the Unit Sale Process Order or the Ahsan Affidavits (as defined herein));

ii. approving a template agreement of purchase and sale for use in the Unit Sale Process;

iii. approving the form of vesting order to convey one or more Unsold Units to a purchaser free and clear of any mortgages, charges, liens or other encumbrances; and

iv. approving the Target Price List; and

c. an Order (the "**First Ancillary Relief Order**"), among other things:

i. extending the Stay Period to July 3, 2026;

ii. authorizing borrowings under the Surety DIP Facility up to a maximum borrowing limit of $2.5 million;

iii. declaring that the HCRA Notice and the LAT appeal (each as defined in the Third Ahsan Affidavit (as defined herein)) as against the Applicant are stayed during the Stay Period;

iv. approving the First and Second Report of the Monitor and the activities of the Monitor set out therein; and

v. sealing the Target Price List.

13. On June 23, 2026, the Court granted an Order extending the stay of proceedings to July 10, 2026. The extension was sought by the Applicant to provide the affected stakeholders with reasonable notice of the requested relief at this upcoming motion (as detailed herein).

14. Copies of materials filed in connection with these CCAA Proceedings are available on the Monitor's website at kpmg.com/ca/ljmhamilton (the "**Monitor's Website**"). In addition, KPMG has arranged for a toll-free hotline 1-833-724-7005 and an email address ljmhamilton@kpmg.ca through which creditors of the Applicant or other interested parties can make inquiries with the Monitor related to the CCAA Proceedings.

II. PURPOSE OF REPORT

15. The purpose of this report (this "**Third Report**") is to provide the Court with information pertaining to:

    a. the activities of the Applicant since the date of the April 8th Hearing;

    b. the Monitor's activities since the date of the Second Report;

    c. the Monitor's progress with respect to its review of the Use of Proceeds (the "**Proceeds Review**");

    d. the Applicant's reported cash receipts and disbursements;

    e. the status of the Applicant's cash flow forecast for the period from June 13, 2026, to January 15, 2027 (the "**Forecast Period**");

    f. the Applicant's application for an Order (the "**Proposed Order**"), among other things:

        (i) extending the Stay of Proceedings to January 15, 2027 (the "**Extended Stay Period**");

        (ii) amending paragraph 14 of the Second ARIO to provide that limitation periods applicable to claims against the Applicant's current, former and future directors and officers are tolled, to the extent such claims are stayed by the Second ARIO;

        (iii) deeming the Unit 105 transaction contemplated by the Unit 105 Agreement (as defined herein) (the "**Unit 105 Transaction**") to be a "Permitted Transaction" for purposes of the Unit Sale Process Order;

        (iv) directing the Land Registry Office for Wentworth to delete instrument number WE1588322 from the Unit 1403 Parcels;

        (v) clarifying, for greater certainty, the Applicant is entitled to sell the Contested Units (as described herein), pursuant to the Unit Sale Process Order;

        (vi) approving the Revised Target Price List (as defined herein) for use in connection with the Unit Sale Process;

(vii) approving the First Amendment to the Surety DIP Facility and the Surety DIP Assignment (each as defined herein);

(viii) sealing the Unit 105 Agreement and the Revised Target Price List; and

(ix) approving the Supplemental Report and the activities of the Monitor set out therein; and

g. the Monitor's responding motion for an Order (the "**Expanded Powers Order**"), among other things:

(i) amending paragraph 23 of the Second ARIO to grant the Monitor certain additional expanded powers to assist the Monitor in advancing its investigation in respect of the Excess Proceeds (as defined herein); and

(ii) approving this Third Report and the Monitor's activities described herein.

h. the Monitor's conclusions and recommendations.

III. TERMS OF REFERENCE

16. Capitalized terms used but not defined in this Third Report are as defined in the Prior Reports, the SLF Reports, the Ahsan Affidavit and the Second ARIO.

17. The materials filed by the Applicant in support of the Proposed Order include the affidavit of Mr. Muhammad Ahsan ("**Mr. Ahsan**") affirmed June 30, 2026 (the "**Fourth Ahsan Affidavit**" and collectively with the affidavit of Mr. Ahsan affirmed March 24, 2026 (the "**Third Ahsan Affidavit**") and the supplement to the Third Ahsan Affidavit affirmed March 26, 2026, the "**Ahsan Affidavits**"). This Third Report should be read in conjunction with the Ahsan Affidavits, as certain information contained in this Third Report has not been included herein to avoid unnecessary duplication.

18. In preparing this Third Report, KPMG has relied solely on information and documents provided to it by the Applicant, and its respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Applicant, and discussions with management of the Applicant (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this Third Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would

comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

19. Future orientated financial information contained in the Updated Cash Flow Forecast (as defined herein) is based on the Applicant's estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.

20. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE APPLICANT

21. Since the date of the Second Report, the Applicant has been managing its operations in the normal course and working to stabilize the business as a result of the CCAA Proceedings, with the assistance of the Monitor.

22. As discussed in the Fourth Ahsan Affidavit, the Monitor understands that the activities of the Applicant since the April 8th Hearing have included:

    a. implementing the Unit Sales Process and working with the Applicant's agents to market the Unsold Units;

    b. completing the sale of Unit 1403 in accordance with the Unit Sale Process Order, and an Approval and Vesting Order filed with this Court on June 26, 2026;

    c. communicating with, providing information to, and answering questions of stakeholders regarding these CCAA Proceedings;

    d. communicating with Tarion to understand and begin addressing certain outstanding in-suite warranty claims from purchasers, and outstanding warrantable work on the building;

    e. obtaining quotes for, and scheduling trade vendors in respect of, certain remaining construction obligations to complete the Project;

    f. with the assistance of its consultants, and in communication with the condominium corporation for the Project, interpreting the findings from the recent compliance audit procured by the

condominium corporation and working with the Monitor to develop a budget for the remaining construction and warrantable items;

g. liaising with purchasers in respect of their claims for outstanding deficiencies;

h. providing the Monitor with access to the books and records of the Applicant with respect to the Unit Sale Process, the Lien Claims Process, and providing access to the Applicant's receipts and disbursements;

i. liaising with the Escrow Agent and interested buyers with respect to the ongoing negotiation of potential sales, including the terms of the agreement of purchase and sale;

j. responding to information requests from the Monitor in connection with its powers under paragraphs 23, 24 and 25 of the Second ARIO;

k. making disbursements with the approval of the Monitor, including the payment of certain pre-filing amounts owing to the Applicant's civil engineer and signage contractor where, in consultation with the Monitor and with the approval of the Surety DIP Lender, it was determined that such payments represented the most expeditious and cost-effective means of addressing these certain Project-related items;

l. communicating with the Construction Lender in respect of the expiry of certain letters of credit;

m. managing relationships with suppliers, and working diligently to operate the business in accordance with the terms of the Second ARIO and the Unit Sale Process Order;

n. working with and corresponding regularly with representatives of the Monitor regarding numerous matters in these CCAA Proceedings, including planned disbursements;

o. making payments to the City of Hamilton in respect of property taxes attributable to the post-filing period;

p. with the assistance of the Monitor, responding to information requests of, and providing reporting to, the Surety DIP Lender and its advisors; and

q. working with the Monitor to prepare an Updated Cash Flow Forecast.

V. MONITOR'S ACTIVITIES

23. Since the date of the Second Report, and in accordance with the Orders granted by this Court in these CCAA Proceedings, the Monitor's activities have included, among other things:

    a. monitoring the Applicant's cash receipts and disbursements;

    b. approving the Applicant's disbursements, including the payment of certain pre-filing amounts owing to the Applicant's civil engineer and signage contractor where, in consultation with the Applicant and with the approval of the Surety DIP Lender, it was determined that such payments represented the most expeditious and cost-effective means of addressing these certain Project-related items;

    c. approving the sale of Unit 1403 pursuant to the Unit Sale Process, and executing the Monitor's Certificates approving the Approval and Vesting Order and confirming the closing of the transaction;

    d. directing and depositing the net proceeds from the sale of Unit 1403 into the Monitor's trust account;

    e. directing and depositing the cash collateral released by the Construction Lender upon the expiry of one of the Applicant's letters of credit, at the request of the Applicant, to be held in the Monitor's trust account until further direction is obtained from this Court;

    f. monitoring the Unit Sale Process and approving asset purchase agreements in connection with sales of units pursuant to same;

    g. reviewing and engaging with the Applicant in respect of the Revised Target Price List;

    h. assisting the Applicant with its communications with stakeholders including, vendors, occupants of the Project, and claimants;

    i. continuing to progress the Monitor's Review, as defined and discussed further herein;

    j. attending various teleconferences, virtual meetings, and in-person meetings with representatives of the Applicant and the Applicant's counsel, and the Monitor's counsel, respectively, in respect of the Applicant's cash flow and liquidity requirements, operations, progress updates on the outstanding work to complete the Project, including addressing certain

Tarion warranty claims and the costs of related work, and these CCAA Proceedings more generally;

k. responding to inquiries from creditors and other stakeholders in connection with these CCAA Proceedings;

l. assisting the Applicant with the preparation of an Updated Cash Flow Forecast;

m. continuing to engage in communications with Tarion with respect to the Project;

n. communicating with the Surety DIP Lender and its counsel including, among other things, reporting of receipts and disbursements, advances under the Surety DIP Facility, and other status updates in these CCAA Proceedings;

o. approving the Applicant's draw requests under the Surety DIP Facility;

p. engaging with the Applicant and its consultant, and the Surety DIP Lender's construction specialist with respect to the remaining construction requirements of the Project;

q. corresponding with the Escrow Agent in respect of the Unit Sale Process;

r. progressing the Lien Claims Process, consulting with the Applicant, and corresponding with Lien Claimants, their counsel, and the Monitor's counsel in respect of same;

s. corresponding with various financial institutions at which the Applicant currently maintains, or has previously maintained, bank accounts in connection with the Proceeds Review (as defined herein);

t. engaging with the Applicant in respect of the status of HST returns and any notices of assessments from CRA;

u. corresponding with CRA to request access to the Applicant's tax accounts;

v. reviewing materials served by the Applicant in connection with the relief requested in the Proposed Order; and

w. preparing this Third Report.

VI. MONITOR'S REVIEW

24. As noted in the Second Report, following the granting of the ARIO, the Monitor commenced its review of the specific matters as directed by the Court therein (the "**Monitor's Review**"), including as follows:

    a. the Use of Proceeds from sales of Units prior to the Filing Date, being the Excess Proceeds (as defined below) in the amount of $19,043,030.60 released by the Escrow Agent to the Applicant following repayment of the Construction Loan (as defined herein);

    b. the HST on Sold Units paid to the Applicant and/or the Escrow Agent, and the manner and timing of any remittances to CRA; and

    c. the Construction Holdbacks required to be held by the Applicant, and the current status of same.

Use of Proceeds

25. As at the date of this Third Report, the Monitor's activities in connection with the review of the Use of Proceeds have included:

    a. obtaining certain information from the Applicant's books and records including a list of bank accounts in use by the Applicant within the past 12 months, copies of bank statements, progress reports of the Construction Lender's cost consultant provided by the Applicant to the Monitor (the "**Progress Reports**"), certain general ledger and accounting information, and reviewing and discussing same with the Applicant;

    b. reviewing and analyzing the Applicant's bank statements with respect to accounts held with the Construction Lender and Royal Bank of Canada, and independently classifying the Applicant's receipts and disbursements during the Review Period (as defined herein), based on the Monitor's understanding of the nature of the underlying transactions, for the purposes of the Monitor's review;

    c. corresponding with the Escrow Agent and obtaining certain supporting information and documents in respect of:

        i. the total amount of proceeds collected with respect to 258 completed sale transactions pursuant to the pre-sale agreements (the "**Sold Units**") in the amount of approximately $100.9 million, which the Monitor understands is net of

deductions for certain customary amounts such as legal fees, but also includes amounts collected from purchasers for a) property taxes and b) applicable HST (the "**Proceeds**");

ii. disbursements made by the Escrow Agent, from the Proceeds, to: (A) the City of Hamilton upon the closing of each of the Sold Units, in the approximate aggregate amount of $2.6 million in accordance with development agreements between the Applicant and the City of Hamilton; and (B) to the Construction Lender in full repayment of the construction financing in the approximate aggregate amount of $79.2 million; and

iii. the dates and corresponding amounts of the Proceeds released to the Applicant following repayment of the Construction Lender in the approximate aggregate amount of $19.0 million (the "**Excess Proceeds**").

26. The Monitor notes that from the information received to date, the Excess Proceeds were not used by the Applicant to, among other things: a) remit property taxes collected from purchasers in respect of the Sold Units; b) remit HST collected on the sale of the Sold Units.

27. The amount of the Excess Proceeds released by the Escrow Agent to the Applicant was $19,043,030.60. The Applicant reported to the Monitor that the Excess Proceeds were used as summarized below, which summary was also communicated in an email from the Applicant's counsel to Stikeman Elliott dated February 16, 2026, which was included in the Responding Motion Record of Aviva Insurance Company of Canada dated February 19, 2026 (the "**Responding Record**") as Exhibit "M" to the Affidavit of Andrew Armstrong affirmed February 19, 2026 (the "**February 16 Email**", a copy of which is attached hereto as **Appendix "B"**.

Use of Excess Proceeds		
Use of Funds		
Inter-Company		(10,969,756)
ICP Developer		(5,299,756)
Project Costs		(2,289,420)
Lien Security paid into Court		(550,000)
Total Use of Funds	**$**	**(19,108,932)**

28. To review the use of the Excess Proceeds, the Monitor obtained from the Escrow Agent a list of all payments made by the Escrow Agent to the Applicant in respect of the Excess Proceeds, which

payments were made between August 5, 2025, and October 9, 2025. The Monitor reviewed all of the Applicant's banking activity for the period from July 15, 2025, to November 10, 2025 (the "**Review Period**"). According to the bank statements made available to the Monitor by the Applicant, the Applicant had cash on hand of approximately $750,000 at the beginning of the Review Period, such that total disbursements were approximately $19.9 million in aggregate in the Review Period.

29. The Proceeds Review to date (based upon information provided by the Applicant's management and the work conducted by the Monitor as detailed below) indicates that the Excess Proceeds (including the Applicant's cash on hand at the beginning of the Review Period) were utilized for the following purposes:

Use of Excess Proceeds		
	Per Company	**Per Monitor**
Use of Funds		
Inter-Company	(10,969,756)	(11,519,756)
ICP Developer	(5,299,756)	(5,299,756)
Project Costs	(2,289,420)	(2,551,792)
Lien Security paid into Court	(550,000)	-
Clifton Blake	-	(517,042)
Total Use of Funds	**(19,108,932)**	**(19,888,346)**

30. Based on the information currently available to the Monitor, including the findings as detailed further below, certain payments made by the Applicant from the Excess Proceeds appear to warrant further review and may be indicative of transactions that are preferential in nature. As discussed later in this Third Report, the Monitor's review is limited by the information and documentation made available to date. Accordingly, the Monitor is seeking certain expanded powers as described herein to enable it to obtain additional information and records and complete its reporting obligations to the Court and other stakeholders.

Intercompany Payments – Approximately $11.5 Million

31. The Applicant advised the Monitor that approximately $11.0 million of the Excess Proceeds was distributed to entities related to the Applicant (the "**Intercompany Payments**"). The Monitor notes that ICP Developers is also related to the Applicant, but payments to this entity are discussed separately below. The Applicant further advised the Monitor that the related entities or persons within the LJM Group[1] do (or did, as the case may be) regularly move funds amongst themselves in the ordinary course

[1] The "**LJM Group**" comprises the Applicant, its affiliated companies and other related entities under common ownership or control, including but not limited to those identified in the schedules and tables contained in this section.

of operations, as referenced in Mr. Ahsan's correspondence to the Monitor dated June 5, 2026 (the "**June 5 Correspondence**", a copy of which is attached hereto as **Appendix "C"**).

Intercompany Loans

32. The Monitor understands from the Applicant that, at the outset of the Project, certain members of the LJM Group and related individuals purportedly advanced funds to the Applicant to satisfy its required equity contribution for the Project (the "**Intercompany Loans**"), as required by the Construction Lender as a condition of financing. The Proceeds Review identified numerous transfers of funds in and out of the Project to related parties during the Review Period, which were, in certain circumstances, recorded as Intercompany Loans in the Applicant's books and records.

33. The Monitor understands that the Intercompany Loans were not subject to loan agreements entered into between the Applicant and the related parties and did not have the benefit of any security. The Monitor intends to make further inquiries of the Applicant and review any additional supporting documentation considered necessary to complete its assessment.

34. As part of the administration of the construction financing facility provided to develop the Project (the "**Construction Loan**"), the Construction Lender retained Glynn Group (the "**Cost Consultant**") to monitor the construction budget. In connection with the Proceeds Review, the Monitor examined the Progress Reports of the Cost Consultant provided by the Applicant, which reported, among other things, the Construction Lender's equity funding requirements and the Applicant's satisfaction of those requirements, including through the Intercompany Loans.

35. Based on the Applicant's books and records, the Intercompany Loans payable immediately prior to the commencement of the Review Period (July 15, 2025) was approximately $11.1 million, as summarized below:

Intercompany Loans Payable	
Party	**Outstanding amount**
LJM Grimsby	1,008,421
Jacan Construction Limited	755,643
LJM Developments (Beamsville)	1,304,000
LJM Developments (Cambridge)	2,485,000
LJM Developments (Niagara Falls)	2,938,000
LJM Developments (Queenston)	2,635,000
Total	**$ 11,126,064**

36. To date, the Monitor has reviewed supporting documentation evidencing that the applicable related parties provided aggregate net funding in at least the amounts referenced above, except such funding made available by LJM Developments (Grimsby) Inc. ("**LJM Grimsby**"), given the high volume of transactions involving that entity (as further discussed below). For all other Intercompany Loans payable, the Applicant provided the Monitor with copies of cheques evidencing each equity contribution identified by the Applicant during the period in which the Construction Loan remained outstanding with the Construction Lender. The Monitor intends to continue its review of the Applicant's bank statements over the course of the Project prior to the commencement of the Review Period (and any other supporting documentation which may be subsequently obtained), to independently verify if there were any other related party transactions that were not reported by the Applicant to the Monitor which could impact the Intercompany Loans balance.

37. As noted above, the Applicant and LJM Grimsby have reportedly engaged in various fund transfers between the parties over the course of the Project. These transactions were recorded in the Applicant's books and records. Based on the books and records of the Applicant, the Monitor understands that immediately prior to the Review Period, the outstanding balance owing to LJM Grimsby was $1.0 million. The Monitor has requested the Applicant's bank records from the commencement date of the Project directly from the respective financial institutions to independently understand the total flow of funds between the two parties and Projects.

Intercompany Payments

38. The Applicant has characterized the Intercompany Payments as repayments of the Intercompany Loans, irrespective of whether the repayment was made to the same related party that advanced the corresponding Intercompany Loan. The Intercompany Payments by recipient as reported by the Applicant are summarized below:

Intercompany Payments - Summary by Entity	
Recipient	**Total Payments**
2202277 Ontario Inc.	2,500,000
2601939 Ontario Inc.	2,490,000
LJM Developments (Grimsby) Inc.	2,055,000
LJM Developments (Newmarket)	1,500,000
Mussarat Mian	1,500,000
LJM Developments (Brantford)	800,000
Liaquat Mian	96,836
Jacan Investments Canada Inc.	22,400
LJM Developments (Beamsville) Inc.	4,100
LJM Developments	1,200
LJM Developments (Stoney Creek) Inc.	220
Total	**$ 10,969,756**

39. The Applicant has reported to the Monitor that all recipients of the Intercompany Payments are entities which are part of the LJM Group, or persons related to the LJM Group. Corporate registry searches conducted by the Monitor indicate that Mr. Liaquat Mian is or was an officer of each of these entities, and further indicate that 2202277 Ontario Inc. was dissolved on December 29, 2025. The Monitor understands that Mrs. Mussarat Mian is the now late wife of Mr. Liaquat Mian. The Monitor has identified these relationships for the Court's information in connection with its review of related-party transactions.

40. The Monitor traced each of the Intercompany Payments to bank statements and copies of cancelled cheques. The Monitor identified one (1) payment to LJM Grimsby that was not reported by the Applicant. Upon inquiry, the Applicant advised that LJM Grimsby was directed to transfer funds to George Street Law, which funds were ultimately used to bond off two liens registered against the Applicant, rather than the Applicant making those payments directly, as was initially reported. The Monitor has reviewed a copy of a court receipt confirming payment of approximately $540,000 in aggregate toward two separate liens to the credit of the Applicant. An updated list of the Intercompany Payments in the aggregate amount of approximately $11.5 million is provided below.

Intercompany Payments Reports vs Determined			
Receipient	**Outstanding Amount**	**Determined**	**Difference**
LJM Grimsby	2,055,000.00	2,605,000.00	550,000.00
Jacan Construction Limited	22,400.00	22,400.00	-
LJM Developments (Beamsville) Inc.	4,100.00	4,100.00	-
LJM Developments (Stoney Creek) Inc.	220.00	220.00	-
2202277 Ontario Inc.	2,500,000.00	2,500,000.00	-
2601939 Ontario Inc.	2,490,000.00	2,490,000.00	-
Liaquat Mian	96,835.00	96,835.84	0.84
Mussarat Mian	1,500,000.00	1,500,000.00	-
LJM Developments (Newmarket) Inc.	1,500,000.00	1,500,000.00	-
LJM Developments	1,200.00	1,200.00	-
LJM Developments (Brantford) Inc.	800,000.00	800,000.00	-
Total	**10,969,755.00**	**11,519,755.84**	**550,000.84**

41. A comparison of the Intercompany Payments to the Intercompany Loans outstanding prior to the Review Period, on an entity-by-entity basis, is provided below.

Summary of Outstanding Intercompany Loans and Intercompany Payments			
Receipient	**Intercompany Loans**	**Intercompany Payments**	**Overfunding/ (Underfunding) of Intercompany Parties**
LJM Grimsby	1,008,420.94	2,605,000.00	1,596,579.06
Jacan Construction Limited	755,643.05	22,400.00	(733,243.05)
LJM Developments (Beamsville) Inc.	1,304,000.00	4,100.00	(1,299,900.00)
LJM Developments (Stoney Creek) Inc.	220.00	220.00	-
LJM Developments (Cambridge)	2,485,000.00	-	(2,485,000.00)
LJM Developments (Niagara Falls)	2,938,000.00	-	(2,938,000.00)
LJM Developments (Queenston)	2,635,000.00	-	(2,635,000.00)
2202277 Ontario Inc.	-	2,500,000.00	2,500,000.00
2601939 Ontario Inc.	-	2,490,000.00	2,490,000.00
Liaquat Mian	-	96,835.84	96,835.84
Mussarat Mian	-	1,500,000.00	1,500,000.00
LJM Developments (Newmarket) Inc.	-	1,500,000.00	1,500,000.00
LJM Developments	-	1,200.00	1,200.00
LJM Developments (Brantford) Inc.	-	800,000.00	800,000.00
Total	**11,126,283.99**	**11,519,755.84**	**393,471.85**

42. Searches conducted by the Monitor as of the Filing Date under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, indicate that none of the recipients of the Intercompany Payments identified in the table above had registered security interests against the Applicant.

43. The Monitor intends to separately inquire with each of the recipients of the Intercompany Payments as to the purposes of those payments, how the funds were used, or if the funds remain on hand. To assist with these efforts and facilitate the efficient collection of information, the Monitor requested that the Applicant seek relief expanding the Monitor's powers at its motion returnable July 10, 2026 (the "**July 10th Motion**"). The relief sought is intended to reinforce the Monitor's existing authority under

paragraph 25 of the ARIO to obtain the cooperation of persons with knowledge of the Applicant's business, property or affairs, and obtain access to documents and other information relevant to the Monitor's Review. As described in paragraph 73 below, the Applicant declined to seek the Monitor's requested relief. Accordingly, the Monitor was required to bring a responding motion seeking the expanded powers described herein.

44. As set out in an email dated May 21, 2026 (a copy of which is attached hereto as **Appendix "D"**), the Monitor requested that the Applicant provide information regarding the use of the Intercompany Payments by the respective recipients, including supporting documentation evidencing the ultimate disposition of such funds. As of the date of this Third Report, the Applicant has not provided a substantive response to the Monitor's requests, other than to reiterate that funds are regularly moved amongst the LJM Group, and accordingly, the Monitor has been unable to verify the use of those funds.

45. Based upon the responses received to date, the Monitor is of the view that certain of the transactions could constitute preferences and/or transfers at undervalue contrary to sections 95 and 96 of the *Bankruptcy and Insolvency Act* or otherwise constitute impugnable transfers. As discussed later in this Third Report, the Monitor is seeking additional powers from the Court to enable it to obtain further information and complete its review of these transactions and report further to the Court as to any steps the Monitor recommends be taken in respect thereof for the benefit of the Applicant and its creditors.

Payments to ICP Developers – Approximately $5.3 Million

46. As identified in the Responding Record, ICP Developers is related to the Applicant. The Applicant advised the Monitor that a portion of the Excess Proceeds was paid to ICP Developers in connection with development and construction management services it provided to the Applicant for the Project. Amounts totalling $5,299,756.15 in aggregate were paid to ICP Developers in the Review Period, for which the Monitor reviewed copies of cheques issued to ICP Developers provided by the Applicant.

47. The Monitor was advised by the Applicant, in an email from the Applicant's management dated June 5, 2026, that the arrangement between the Applicant and ICP Developers is not subject to a formal written development management and/or construction management agreement.

48. The Monitor has reviewed invoices issued by ICP Developers which were provided to it by the Applicant, indicating that fees were invoiced between October 2019 and November 2024 for a total of approximately $6,606,248.94, inclusive of HST.

49. Based on the Monitor's discussions with the Applicant, during which the Monitor and the Applicant reviewed the construction budget in detail, the Applicant advised the Monitor that certain line items within the construction budget related to costs and services to be provided by ICP Developers.

50. Based on a review of the Cost Consultant's Progress Reports, the Construction Lender advanced financing to the Applicant for costs incurred, including amounts in respect of those budget line items reported to relate to ICP Developers' services, however the Applicant has asserted that these were not paid to ICP Developers at the time, as additional equity funds were needed for the Project and were only paid when the Applicant believed that no further construction draws were expected, as detailed in the June 5 Correspondence.

51. Based on information provided to date, it is uncertain whether payments were issued during the period in which the Construction Loan was outstanding and/or if amounts owing to ICP Developers were held back as additional equity contributions, of some kind, to the Project. The Monitor intends to review all cheques issued throughout the Project to determine whether any payments were made to ICP Developers which were not reported to the Monitor by the Applicant, once those bank statements and cheque copies are received.

52. The Monitor notes that paragraph 53 of the ARIO and the DIP Term Sheet required the Applicants to discharge a security registration that had been improperly registered by ICP Developers. Notwithstanding that direction, the Monitor understands that despite repeated follow-up requests by the Surety DIP Lender to the Applicant, the security registration by ICP Developers has not yet been removed from title.

53. As noted, the Monitor is seeking additional powers from the Court to enable it to obtain further information and complete its review of these transactions, including assessing whether any such payments may be subject to challenge as preferential or otherwise reviewable transactions.

Payments to Clifton Blake – Approximately $0.5 Million

54. The Monitor's review of the Applicant's banking transactions over the Review Period indicated that a portion of the Excess Proceeds was paid to Clifton Blake, through payments denoted "Loan Clifton Blake", or "Investment CBCC" on the bank statements. Based on details obtained directly from the Applicant's bank accounts, payments to Clifton Blake totalled $517,041.63 during the Review Period (the "**Clifton Blake Payments**"). When asked about the purpose of the Clifton Blake Payments, detailed in the June 5 Correspondence, the Applicant advised the Monitor that Clifton Blake provided

financing to certain related parties of the Applicant to fund, either directly or indirectly, the Intercompany Loans, and that certain related party entities pledged assets to secure the financing obtained from Clifton Blake.

55. The Applicant has asserted that the payments to Clifton Blake represented interest payments on the Clifton Blake debt owing by parties related to the Applicant, notionally representing the financing costs associated with the Project equity.

56. No copies of Clifton Blake lending agreements were provided by the Applicant to support such payments, and the Monitor has not yet requested the Clifton Blake lending agreements nor reviewed the period prior to the Review Period to determine the full extent of payments made to Clifton Blake during the Project, and/or whether additional equity injections over the course of the Project were used to repay those amounts. The Monitor has not completed its review of the underlying Clifton Blake lending arrangements, including the terms of the financing, the identity of the borrowers, the security granted, or the flow of funds from Clifton Blake to the related parties and ultimately to the Applicant. If the Court grants the Expanded Powers Order, the Monitor intends to compel production of the documents and examine persons who may have relevant information and report on its findings with respect to the Clifton Blake Payments in a future report once its review is complete.

Payments to Project Suppliers and Operating Expenditures

57. The Applicant reported that the remainder of the Excess Proceeds were utilized to satisfy outstanding obligations to Project suppliers and to fund operating and administrative expenses associated with the Project and the Applicant's business.

58. The Monitor has identified payments totalling approximately $1,737,434 made to parties it understands to be third-party suppliers, contractors, consultants and other service providers (the "**Project Disbursements**") through review of the Applicant's bank statements. The Monitor has also identified payments totalling approximately $814,390 which appears to relate to operating expenses incurred in connection with the Project and/or the Applicant's ongoing business activities (the "**Operating Disbursements**"). Underlying invoices or other supporting documentation have not been reviewed at this time, however the Monitor notes that the payees include either:

    a. parties which the Monitor understands provided goods or services to the Project;

b. parties which the Monitor understands provided goods or services to the Applicant in connection with the ongoing construction, security, and construction management of the Project;

c. payroll; or

d. general operating costs including condominium fees, professional fees, insurance, and miscellaneous charges paid via credit card. The Monitor notes that it has not reviewed the underlying credit card statements to support the credit card payments that total approximately $84,000, which the Applicant has advised would be too cumbersome to provide.

Other Transactions Identified

59. The Proceeds Review identified certain other transactions in the Review Period which do not appear to have impacted the Applicant's cash on a net basis. These transactions are as follows:

a. purchase of a guaranteed investment certificate ("**GIC**") on September 16, 2025, for $3,000,000.00 from the Applicant's bank account during the Review Period. The $3,000,000.00 GIC was then redeemed on October 6, 2025, and the funds deposited into the Applicant's bank account;

b. an amount of $1,060,200.00 was transferred to another RBC account on October 29, 2025. The same amount was subsequently credited to the Applicant's account on October 30, 2025; and

c. an amount of $50,000.00 was transferred to another RBC account on November 3, 2025. A similar amount, totalling $49,535.00, was subsequently credited to the Applicant's account on November 7, 2025.

HST on Sold Units

60. As at the date of this Third Report, the Monitor's activities in connection with the review of HST on Sold Units include:

a. reviewing the Applicant's calculation of Harmonized Sales Tax ("**HST**"), which the Monitor understands was collected at the time of transaction closings with respect to the Sold Units, and discussing same with the Applicant;

b. reviewing a copy of the HST return(s) filed with CRA for the quarter ended September 30,

2025 (the period in which the majority of the Sold Units closed), which details the HST collected from purchasers on the Sold Units and resulted in net HST owed to CRA in the aggregate amount of approximately $11.5 million which has been reported, but not paid, to CRA. The Monitor understands that no notice of assessment on the Applicant's HST account has been received from CRA, and the Monitor has recommended to the Applicant that they follow up with CRA to seek same; and

c. as noted above, corresponding with the Escrow Agent and requesting supporting information in respect of the Proceeds.

61. As previously reported in the Second Report, the Monitor understands that payments made by the Escrow Agent or the Applicant from the Proceeds did not include any remittances of HST. The Applicant has likewise confirmed that approximately $11.5 million is owed to CRA from the Applicant's HST filing for the period from July 1, 2025, to September 30, 2025, before consideration of any prior amounts owing or interest and penalties thereon.

62. The Monitor understands that the Applicant has filed all outstanding HST returns as of the date of this Third Report.

Construction Holdbacks

63. As at the date of this Third Report, the Monitor's activities in connection with the Construction Holdbacks include:

a. reviewing the Applicant's books and records including those maintained on a per vendor basis and containing the Applicant's calculation of holdbacks payable; and

b. reviewing and analyzing the construction progress report, including supporting draw request information, related to construction loan draws made by the Construction Lender.

64. As previously reported in the Second Report, the Monitor understands that the amounts, if any, required to be held by the Applicant as security for the satisfaction of construction lien claims pursuant to the Construction Act have not been retained. Based on information provided to the Monitor, the Applicant did not separately maintain funds for future release of construction holdbacks. The Monitor further understands that the Construction Lender did not fund the Applicant for Construction Holdbacks until such time as those holdbacks were to be validly released to the respective trade.

65. The Monitor's Review in respect of the Construction Holdbacks will be informed by the Lien Claims Process (as defined herein) and as the Construction Lien Claims are determined.

VII. REQUEST FOR EXPANDED POWERS

66. As described in this Third Report, the Monitor has undertaken a review of the Excess Proceeds released to the Applicant following the repayment in full of the Construction Lender. Based on its review to date, the Monitor has identified payments made to related parties, including entities within the LJM Group, payments to ICP Developers, payments to Clifton Blake, and payments to various Project suppliers and service providers.

67. While the Applicant and certain stakeholders have provided information and documentation in response to the Monitor's inquiries, the Monitor's Review remains ongoing. Certain information which the Monitor views as necessary to complete its review has not yet been obtained, and in other instances, the information and responses provided by the Applicant have been insufficient to permit the Monitor to complete its review and satisfy its reporting obligations to the Court and stakeholders.

68. The Monitor has determined that a more comprehensive review of these matters is necessary to provide the Court and stakeholders with a complete accounting of the use of the Excess Proceeds and to assess the nature and propriety of certain transactions involving related parties.

69. The Monitor believes that the additional powers sought pursuant to the proposed Expanded Powers Order are necessary and appropriate to facilitate the completion of its review. In particular, the proposed powers would permit the Monitor to obtain documents and information from persons other than the Applicant, including current and former officers, directors, employees, related entities, lenders, advisors, service providers and other persons who may possess relevant information regarding the transactions under review.

70. The Monitor is also seeking authority to conduct examinations under oath where necessary to clarify information obtained, reconcile inconsistencies in the records reviewed, and determine the source, purpose and destination of funds relating to the Excess Proceeds.

71. The Monitor does not presently seek these powers for the purpose of advancing any claim or reaching any predetermined conclusion regarding the conduct of any person. Rather, the requested relief is intended to enable the Monitor to complete an independent and thorough review of the relevant transactions and to report its findings to the Court, as directed pursuant to the Second ARIO.

72. Accordingly, the Monitor respectfully submits that it is appropriate in the circumstances for the Court to authorize the Monitor to:

    a. compel the production, from time to time, from any person having possession, custody or control of books, records, accountings, documents, correspondence, electronically stored information or other materials relating to the Applicant, the Excess Proceeds, or the Monitor's investigations;

    b. require that such information be delivered within thirty (30) days of the Monitor's request, or such longer period as the Monitor may permit; and

    c. conduct investigations and examinations under oath of any person reasonably believed to possess relevant knowledge concerning the matters under investigation (collectively, the "**Expanded Powers**").

73. The form of the Expanded Powers Order is attached as Tab 3 to the Responding and Cross-Motion Record of the Monitor dated July 7, 2026.

74. Prior to bringing this motion, the Monitor advised the Applicant's counsel of the need for the requested provisions and requested that they be incorporated into the Applicant's motion materials. The Applicant refused to include any of the requested expanded powers provisions despite several requests from the Monitor's counsel to the Applicant's counsel. The Monitor views the expanded powers as necessary to further its investigation and, in these circumstances, the Monitor has been required to seek the requested relief to obtain the information and cooperation necessary to complete its review and discharge its court-appointed responsibilities.

75. In the Monitor's view, the proposed relief is reasonable, proportionate and necessary to permit the completion of the Monitor's review and to ensure that the Court and stakeholders receive a complete and reliable accounting of the use and disposition of the Excess Proceeds.

76. The Monitor understands that the Surety DIP Lender supports the relief sought by the Monitor in this motion.

VIII. UPDATE ON THE LIEN CLAIMS PROCESS

Overview

77. As noted in the Second Report, the Lien Claims Process established that any person asserting a Construction Lien Claim be required to deliver a Proof of Construction Lien Claim Form to the Monitor in accordance with the Lien Claims Process by no later than 5:00 p.m. (Toronto Time) on May 1, 2026 (the "**Claims Bar Date**"). The Lien Claims Process was approved pursuant to the Lien Claims Process Order granted on April 8, 2026.

78. In accordance with the terms of the Lien Claims Process, the Monitor provided notice of the Claims Bar Date by performing the following:

    a. placed a notice of the Lien Claims Process Order and the Lien Claims Process in the *Financial Post* on April 16, 2026; and

    b. posted the Claims Bar Date and the Proof of Construction Lien Claim Form (as defined in the proposed Lien Claims Process Order) on the Monitor's Website.

79. Though not required pursuant to the Lien Claims Process Order, the Monitor, through its counsel, also provided notice of the Claims Bar Date to the Service List.

80. Pursuant to the Lien Claims Process, any person that did not deliver a Proof of Lien Claim Form to the Monitor in accordance with the Lien Claims Process by the Claims Bar Date:

    a. is not entitled to receive any distributions in respect of a Construction Lien Claim; and

    b. is forever barred from asserting or enforcing a Construction Lien Claim.

81. The Monitor received ten (10) Construction Lien Claims by the Claims Bar Date, with an aggregate face value of approximately $3.2 million. The Monitor has not received any Proof of Lien Claim Forms after the Claims Bar Date.

Status of Review and Assessment of Lien Claims

82. Pursuant to the Lien Claims Process, the Monitor may accept, request for revision, settle, or disallow, in whole or in part, any Construction Lien Claim.

83. In conducting its review of Construction Lien Claims, the Monitor is assessing whether each Proof of Lien Claim Form: (i) relates to the Project; (ii) was timely asserted under applicable Provincial Lien Legislation; (iii) asserts a claim for lienable services or materials; and (iv) aligns with the Applicant's books and records.

84. As at the date of this Third Report, the Monitor continues its review and adjudication of the Construction Lien Claims received pursuant to the Lien Claims Process. The terms of the Lien Claims Process Order require that the Monitor provide each Construction Lien Claimant with a Notice of Evaluation no later than 90 days following the Claims Bar Date (being July 30, 2026).

IX. UNIT SALE PROCESS UPDATE

85. The Unit Sale Process was approved by this Court pursuant to the Unit Sale Process Order granted on April 8, 2026.

86. Since the approval of the Unit Sale Process Order, EXP Realty (the "**Broker**") and the Applicant have been undertaking marketing and sales efforts with respect to the Unsold Units, under the supervision of the Monitor, pursuant to the terms of the Unit Sale Process.

87. As noted above the sale of Unit 1403 was completed, and an Approval and Vesting Order was issued by this Court on June 26, 2026.

88. As at the date of this Third Report, the Applicant has entered into asset purchase agreements for two (2) units, with the approval of the Monitor, which one (1) unit sale has already closed and one (1) unit sales is anticipated to close in July (the "**Unit Sales**"). The Unit Sales conform with the Unit Sale Process requirements and exceed the Target Prices approved by the Court pursuant to the Unit Sale Process Order. A subset of Unsold Units is subject to listing agreements with the Broker.

Contested Units

89. Prior to the granting of the Unit Sale Process Order, the Monitor was made aware of disputes between the Applicant, and Syed Tariq Izhar and Huda Laiq, respectively, related to Pre-Sale Agreements (together, the "**Contested Agreements**") concerning the sale of Units 217 and 417 (together, the "**Contested Units**") in the Project. Mr. Izhar and Ms. Laiq have each delivered aide memoires dated April 6, 2026 (together, the "**Aide Memoires**") to the Applicant and the Monitor during these CCAA Proceedings. The Aide Memoires sought the following relief: (i) a declaration that certain modifications made to Mr. Izhar and Ms. Laiq's units constituted a material change under the *Condominium Act*

(Ontario) and their respective asset purchase agreements; (ii) a declaration that the recession of Mr. Izhar and Ms. Laiq's respective asset purchase agreements is valid; (iii) an order directing the Applicant to return all deposits paid by Mr. Izhar and Ms. Laiq, plus interest; and (iv) an order for the payment of Mr. Izhar and Ms. Laiq's litigation costs.

90. Based on the submissions made to the Court and the information available to the Monitor, the Monitor understands that Mr. Izhar and Ms. Laiq take the position that they are entitled to the return of deposits paid pursuant to the Contested Agreements. The Monitor further understands that neither Mr. Izhar nor Ms. Laiq is seeking specific performance of the Contested Agreements or asserting a right to complete the closing of the Pre-Sale Agreements contemplated thereunder. As noted in the Fourth Ahsan Affidavit, the Applicant disputes the purchasers' entitlement to the return of their deposits and prior to the commencement of these CCAA Proceedings, had commenced actions against Mr. Izhar and Ms. Laiq seeking damages for their purported breach of the Contested Agreements. Copies of the statements of claim issued by the Applicant against Mr. Izhar and Ms. Laiq are attached to the Fourth Ahsan Affidavit as **Exhibit "J"**. Copies of the statements of defence served by Mr. Izhar and Ms. Laiq, respectively, are attached to the Fourth Ahsan Affidavit as **Exhibit "K"**.

91. At the direction of this Court at the April 8th Hearing, the Monitor has engaged with the parties to the Contested Agreements in respect of the Contested Units and the July 10th Motion. The Monitor confirmed to the parties to the Contested Agreements following the April 8th Hearing that in response to their concerns, the Contested Units had not been listed for sale pursuant to the Unit Sale Process and that the Contested Units remained unsold.

92. The Monitor understands that the disputes between the Applicant and Mr. Izhar and Ms. Laiq relate to whether the purchasers are entitled to the return of their deposits and do not presently concern competing claims to acquire or take title to the Contested Units. In these circumstances, and subject to any determination of the Court, the Monitor understands that the sale of the Contested Units through the Court-approved Unit Sale Process would not prejudice the parties' respective positions under the Contested Agreements or any claims that Mr. Izhar and/or Ms. Laiq may assert for the return of their deposits.

93. The merits of these competing positions have not been determined by this Court or a court most appropriately suited to hear such arguments. As noted in the Fourth Ahsan Affidavit, the Monitor understands that the Applicant intends to address the disputes relating to the validity of the claims

relating to the Contested Agreements at a later date. As noted above, pursuant to the terms of the Second ARIO, purchaser deposits are excluded from the Applicant's Property.

94. As noted, the Applicant is seeking clarification that the Contested Units may be included in the Unit Sale Process.

95. Prior to the date of this Third Report, the Monitor engaged in discussions with Ms. Laiq and Mr. Izhar to advise them of the relief sought by the Applicant in respect of the Contested Units and to discuss the motion materials served to the Service List by the Applicant's Counsel. The Monitor has communicated its understanding that the inclusion of Mr. Izhar's and Ms. Laiq's Contested Units in the Unit Sale Process is without prejudice to any rights or entitlement they may have, if any, to assert a claim in respect of any deposit(s) paid in connection with the Contested Units, including a claim for the return of such deposit(s). The Monitor's involvement in those discussions has been limited to ensuring Ms. Laiq and Mr. Izhar are aware of the relief being sought at the upcoming motion and should not be construed as expressing any view on the merits of the underlying disputes.

96. In the Monitor's view, it is appropriate that the Contested Units be included in the Unit Sale Process and supports the Applicant's request that the Court make a declaration clarifying same, as it does not impact the ability of Mr. Izhar and Ms. Laiq to pursue any claims they may have in respect of the deposits paid under the Contested Agreements, and does not prejudice the merits of those claims. Any rights, claims, defences, or entitlements of the parties arising from the Contested Agreements would remain to be determined in the appropriate forum.

Unit 105 Transaction

97. Also as noted, the Applicant is seeking this Court's approval of an agreement of purchase and sale for Unit 105 (the "**Unit 105 Agreement**", a copy of which is filed as **Confidential Exhibit "1"** to the Fourth Ahsan Affidavit) and the Reinstatement Agreement (as defined below, a copy of which is attached as **Exhibit "I"** to the Fourth Ahsan Affidavit, and together with the Unit 105 Agreement, the "**Unit 105 PA**") and is requesting that the Court grant an Approval and Vesting Order in respect of the Unit 105 Transaction. As further detailed in the Fourth Ahsan Affidavit, the Monitor understands that the Unit 105 Agreement was originally entered into by the Applicant on August 10, 2021, with Kashif Mushtaq and Ally Capital Inc. (together the "**Unit 105 Purchasers**"), and that, after the Unit 105 Purchasers failed to complete the sale transaction, the Applicant noted the Unit 105 Purchasers in default and terminated the Unit 105 Agreement.

98. The Monitor further understands that, on June 1, 2026, the Applicant and the Unit 105 Purchasers entered into a reinstatement agreement, pursuant to which the parties agreed to reinstate the Unit 105 Agreement (the "**Reinstatement Agreement**"). The Unit 105 PA provides for the sale of Unit 105 to the Unit 105 Purchasers, albeit at a lower price than the original price in the Unit 105 Agreement.

99. The Monitor has reviewed the Unit 105 Agreement, the Reinstatement Agreement, and the proposed Approval and Vesting Order in respect of Unit 105. As the Unit 105 Agreement was entered into prior to the date that occupancy was achieved for the Project, it is not substantially similar to the Template APS (as defined in the Second Report) approved by the Court for use in the Unit Sale Process. However, the Monitor is of the view that the Unit 105 PA reaches substantively the same commercial effect as the Court-approved Template APS. The Monitor further notes that the purchase price and the gross proceeds anticipated on closing for the Unit 105 Transaction each exceed the Target Price set for Unit 105 in the Target Price List, being the minimum price at which Unit 105 could be sold pursuant to the Unit Sale Process Order.

100. The Monitor also understands that the Unit 105 Purchasers intend to assign the Unit 105 PA to another party.

101. The Monitor understands that the deposits in respect of Unit 105 were received by the Applicant in various tranches between September 2021 and May 2025. Pursuant to the applicable ECDI policy, the deposits are no longer required to be held in trust. The proposed transaction does not contemplate the payment of any additional deposit by the assignee. As noted above, the deposit does not form part of the Applicant's estate in these CCAA Proceedings.

102. Accordingly, the Monitor is of the view that the proposed Unit 105 Transaction is consistent with the Unit Sale Process Order and is commercially reasonable in the circumstances.

103. The Monitor is also of the view that the completion of the Unit 105 Transaction would be beneficial to the CCAA Proceedings, as it will facilitate the monetization of Unit 105, reduce the Applicant's remaining inventory in the Project, and generate proceeds for the benefit of the Applicant's estate and stakeholders.

104. Based on the Monitor's review of the Unit 105 Agreement, Reinstatement Agreement, and proposed Approval and Vesting Order, the Monitor supports the Applicant's request for approval of the Unit 105 Transaction and the granting of the Approval and Vesting Order by this Court.

Revised Target Price List

105. As noted above, the Court approved a minimum sale price for each of the Unsold Units via the Target Price List, pursuant to the Unit Sale Process Order, such that the Applicant would be permitted to sell the Unsold Units without further approval of the Court if the purchase price met or exceeded the Target Price for that Unsold Unit, subject to, among other things, approval of the Monitor.

106. The Applicant is seeking the Court's approval of a revised Target Price List (a copy of which has been filed confidentially with this Court as **Confidential Appendix "1"** to this Third Report) (the "**Revised Target Price List**"). Given the uncertainty in the current real estate market and the duration of the proposed Extended Stay Period through to January 15, 2027, being sought by the Applicant, the Monitor is of the view that revising the Target Price List with the Revised Target Price List is appropriate to provide the Applicant and its broker(s) with flexibility in negotiations and the ability to respond to any changing market conditions that may arise during the proposed Extended Stay Period. The Monitor believes that maintaining such flexibility will support the continued marketing and sale of the Unsold Units, subject to the approval of the Monitor, and assist the Applicant in maximizing value for stakeholders.

107. The Monitor notes that the Revised Target Price List remains consistent with the independent analysis the Monitor, with the support of KPMG RE professional carried out, included, among other things:

    a. Reviewing general market conditions to the Unsold Units

    b. Conducting research on comparable sales transactions for both new development and resale projects in the city of Hamilton and the surrounding area; and

    c. Analyzing sales data gathered based on unit characteristics, including number of bedrooms and unit sizes and comparing same to the Target Prices of each Unsold Unit, including:

        i. estimating the indicative value of the Unsold Units based on observed market transactions

        ii. applying adjustments to each of the Unsold Units to reflect differences in characteristics, including unit size, view, elevation, and the presence of features such as larger balconies; and

iii. assessing and adjusting the value of associated parking and locker units based on prevailing market conditions.

108. Accordingly, the Monitor supports the amendment to the Target Prices. In the Monitor's view, the Revised Target Price List remains consistent with market feedback received to date while providing the Applicant and the Monitor with greater flexibility to respond to an evolving market environment, should it be necessary to do so. The Monitor notes that all listing agreements, including the applicable list prices, and any resulting transactions remain subject to the Monitor's review and approval.

X. LIFT STAY REQUESTS

109. The Monitor has reviewed the Applicant's request to amend paragraph 14 of the Second ARIO to provide that limitation periods applicable to claims against the Applicant's current, former and future directors and officers are tolled, to the extent such claims are stayed by the Second ARIO.

110. As further detailed in the Fourth Ahsan Affidavit, the Monitor understands that certain creditors, including Maple Terrazzo Marble & Tile Partnership and Speedy Electrical Contractors Limited, have requested that the Stay of Proceedings be lifted to permit them to commence proceedings against the Applicant and certain of its directors, officers, agents and related parties. The Monitor further understands that the principal concern underlying these requests relates to the potential expiry of limitation periods applicable to claims against directors and officers during the pendency of these CCAA Proceedings.

111. In the Monitor's view, the proposed tolling relief appropriately addresses these concerns by preserving the rights of affected creditors while maintaining the protections afforded by the Stay of Proceedings. The requested amendment would ensure that creditors are not prejudiced by the passage of time while the restructuring process continues and would eliminate the need for parties to seek stay relief solely for the purpose of preserving potential claims.

112. The Monitor supports the proposed tolling relief. The Monitor is of the view that the tolling of limitation periods strikes an appropriate balance between preserving creditor rights and advancing the objectives of these CCAA Proceedings.

113. Conversely, the Monitor does not agree that lifting the Stay of Proceedings to permit the proposed actions to proceed at this time would be beneficial to the restructuring proceedings or the broader stakeholder group. Permitting such litigation to advance would require the Applicant, and potentially

its directors and officers, to devote time, attention and resources to contested litigation matters at a time when efforts should remain focused on advancing the restructuring and maximizing value through the sale of the remaining Unsold Units. The Monitor is concerned that such litigation would increase costs, divert management's attention from restructuring activities and potentially impede the efficient administration of these CCAA Proceedings.

114. The Monitor is not aware of any circumstances demonstrating that the proposed claims must proceed immediately or that the claimants would suffer prejudice if the Stay of Proceedings remains in place, particularly if the requested tolling relief is granted. According to the Fourth Ahsan Affidavit, the Applicant does not carry any directors and officers insurance. In these circumstances, the Monitor believes that maintaining the Stay of Proceedings while tolling applicable limitation periods represents the more appropriate and efficient path forward and is consistent with the objectives of the CCAA Proceedings.

115. Accordingly, the Monitor supports the Applicant's request to amend the Second ARIO to toll limitation periods applicable to claims against the Applicant's current, former and future directors and officers, to the extent such claims are stayed, and does not support lifting the Stay of Proceedings with respect to the claims proposed by Maple Terrazzo Marble & Tile Partnership, Speedy Electrical Contractors Limited, or similar claims during the continuation of these CCAA Proceedings.

XI. ASSIGNMENT OF SURETY DIP LENDER'S RIGHTS

116. The Monitor understands that the Surety DIP Lender has assigned, subject to Court-approval, its rights and obligations under the Second DIP Term Sheet to Aviva Insurance Company of Canada, a related entity, for internal financial planning purposes.

117. The Applicant has executed an acknowledgment of the assignment agreement effecting the transfer of the Surety DIP Lender's rights and obligations under the Second DIP Term Sheet (the "**Surety DIP Assignment**"). The proposed Surety DIP Assignment does not alter the economic terms of the Second DIP Facility or the obligations of the Applicant thereunder.

118. The Monitor supports the requested approval of the Surety DIP Assignment, as such approval will facilitate the orderly administration and performance of the parties' respective rights and obligations under the Second DIP Term Sheet and the credit facility contemplated thereby.

XII. REPORTED CASH RECEIPTS AND DISBURSEMENTS

119. The Applicant's cash flow forecast for the period from March 21, 2026, to July 3, 2026 (the "**March 21 Cash Flow Forecast**") was filed with the Court as an appendix to the Second Report.

120. Since the date of the Second Report, the Monitor has worked with the Applicant to prepare analyses of their reported weekly cash flows as compared to the March 21 Cash Flow Forecast.

121. A comparison of the Applicant's reported cash receipts and disbursements for the 15-week period ended July 3, 2026 (the "**Reporting Period**"), as compared to the March 21 Cash Flow Forecast, is summarized below.

LJM Developments (Hamilton) Inc. Summary of Actual Receipts and Disbursements For 15 weeks ended July 3, 2026 In CAD; unaudited			
	Actual	**Forecast**	**Var. ($)**
Receipts			
Collection of occupancy rent/VTB	9,407	9,407	-
Total receipts	**9,407**	**9,407**	**-**
Disbursements			
Payroll	(152,318)	(129,600)	(22,718)
Consulting fees	(4,068)	(15,594)	11,526
Office overhead	-	(5,252)	5,252
Condo fees	(118,854)	(117,212)	(1,641)
Condo insurance	(6,802)	(4,104)	(2,698)
Utilities	(7,705)	(9,900)	2,195
After sale services & warranty items	(21,026)	(212,750)	191,724
Property tax	(98,014)	(98,014)	-
Professional fees	(846,017)	(1,304,588)	458,571
Bank charges	(114)	-	(114)
Contingency	(5,559)	(120,000)	114,441
DIP loan interest	(10,699)	(33,082)	22,384
Total disbursements	**(1,271,176)**	**(2,050,097)**	**778,921**
Net cash flow	**(1,261,769)**	**(2,040,690)**	**778,921**
Opening cash	**104,498**	**104,498**	**(0)**
Net cash flow	(1,261,769)	(2,040,690)	778,921
DIP financing	1,619,822	2,050,000	(430,178)
Ending cash	**462,551**	**113,808**	**348,743**
DIP Facility (excl. accrued interest)			
Opening balance	250,000	250,000	-
Draw	1,619,822	2,050,000	(430,178)
Closing balance	**1,869,822**	**2,300,000**	**(430,178)**

122. As reflected in the summary table above, the Applicant reported a cumulative net cash outflow of approximately $1.2 million over the Reporting Period. As at July 3, 2026, the Applicant reported a cash balance of approximately $463,000, approximately $349,000 higher than forecast.

123. The Monitor understands that the 15-week net cash flow variance of approximately $779,000, can be summarized as follows:

    a. favourable variances in operating disbursements in the amount of approximately $787,000 primarily due to:

        i. timing differences in the payment of after-sale services and warranty items, of approximately $192,000, as the Applicant, in consultation with the Monitor, continues to review and revise the construction budget to facilitate completion of the Project prior to incurring costs;

        ii. timing differences in relation to payments of professional fees, of approximately $459,000, in these CCAA Proceedings including amounts owing to the Applicant's counsel, the Monitor, the Monitor's counsel, and the Surety DIP Lender's counsel;

        iii. no amounts having been required to be paid out of the projected contingency during the Reporting Period, forecasted to be approximately $114,000; and

        iv. permanent differences in the payment of DIP loan interest resulting from lower disbursements due to timing differences as noted above, of approximately 22,000, which reduced the amount of DIP funding required during the Reporting Period; and

    b. these favourable variances were partially offset by a permanent difference in payroll and condominium fees and insurance, totalling approximately $25,000.

XIII. UPDATED CASH FLOW FORECAST

124. The Monitor understands that the Applicant is working to finalize an updated cash flow forecast, from the period from July 4, 2026, to January 15, 2026 (the "**Updated Cash Flow Forecast**").

125. The Monitor will provide its views with respect to the Updated Cash Flow Forecast, once finalized, in a supplemental report to be filed with this Court.

XIV. ANCILLARY RELIEF

Stay Extension

126. Pursuant to the First Ancillary Relief Order, the Stay Period was extended to July 3, 2026. By Order of this Court dated June 23, 2026, the Stay Period was further extended to July 10, 2026.

127. The Applicant is seeking an extension of the Stay Period up to and including January 15, 2027.

128. As noted above, the Applicant has not yet finalized its Updated Cash Flow Forecast. Subject to receipt and review of an Updated Cash Flow Forecast satisfactory to the Monitor demonstrating that the Applicant will maintain sufficient liquidity throughout the proposed extension of the Stay Period, the Monitor is supportive of the Applicant's request for an extension of the Stay Period up to and including January 15, 2027, for the following reasons:

    a. the Applicant has and continues to act in good faith and with due diligence during these CCAA Proceedings;

    b. the Extended Stay Period will allow the Applicant the opportunity to continue the Unit Sale Process and bring further proceeds into the Applicant’s estate for the benefit of the creditors;

    c. the Extended Stay Period should allow sufficient time for a significant amount of the work required to be performed on the Project to be completed;

    d. it will allow the Applicant and the Monitor to complete the Lien Claims Process;

    e. it will permit the Monitor to continue the Monitor’s Review and report to the Court when able; and

    f. the granting of the Extended Stay Period should not materially prejudice any creditor of the Applicant as (i) the Extended Stay Period avoids the added procedural costs of more Court appearances than necessary, and (ii) provided that the Updated Cash Flow Forecast demonstrates that the Applicant will have sufficient funding to continue to operate in the normal course through the proposed Extended Stay Period, and provided that it remains compliant with the terms of the Surety DIP Facility.

The Request for Sealing

129. The Applicant is requesting the sealing of **Confidential Appendix "1"** to this Third Report until sales of all of the Unsold Units are completed, or until further order of this Court.

130. The Monitor supports the sealing of the confidential Revised Target Price List, as it contains commercially sensitive information, including unit-specific pricing expectations and strategic sale parameters. In the Monitor's view, public disclosure of this information could prejudice the integrity of the sales process by undermining the Applicant's and the listing broker's ability to negotiate with prospective purchasers and could adversely impact realizations for stakeholders. The Monitor is satisfied that the limited and targeted sealing of the Target Price List is appropriate in the circumstances and consistent with maintaining a fair and value-maximizing sales process.

131. The Applicant is also requesting the sealing of the unredacted Unit 105 PA until the earlier of:

    a. the closing of all Unsold Units; or

    b. further order of this Court.

132. The Monitor supports the sealing relief of the unredacted Unit 105 PA as it contains commercially sensitive information, including the negotiated purchase price and other confidential terms, the disclosure of which could reasonably be expected to prejudice the marketing and sale of the remaining Unsold Units by establishing a pricing benchmark or otherwise impairing the Applicant's ability to maximize realizations for the benefit of the estate and its stakeholders.

133. In the Monitor's view, the requesting sealing order is limited in scope and duration and is appropriate in the circumstances to preserve the integrity of the Unit Sale Process.

Approval of Monitor's Report and Activities

134. The Proposed Order seeks approval of the Supplemental Report and the activities and conduct of the Monitor set out therein. The Monitor also requested that the Applicant include in its July 10th Motion, the approval of this Third Report and the activities and conduct of the Monitor included herein. The Applicant refused to do so, on the grounds that it had not yet had the benefit of reading this Third Report. Accordingly, along with its responding motion for expanded powers, the Monitor is seeking this Court's approval of this Third Report and the activities and conduct of the Monitor set out herein. The Monitor has been acting in good faith and with due diligence to fulfil its role and to advance these

CCAA Proceedings and both the Third Report and the Supplement to the Second Report should be approved.

XV. MONITOR'S RECOMMENDATIONS

135. For the reasons set out in this Third Report, the Monitor is of the view that the relief requested by the Applicant in the Proposed Order is appropriate and reasonable, subject to the Monitor receiving a satisfactory Updated Cash Flow Forecast. Granting the relief sought by the Applicant will provide the Applicant with the best opportunity available in the circumstances to sell the Unsold Units in an orderly and efficient manner, including clarifying the approval to market and sell the Contested Units pursuant to the Unit Sale Process, with a view to maximizing creditor and stakeholder value.

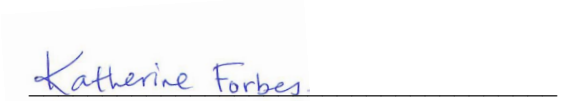
136. The Monitor is also of the view that the relief sought in the Expanded Powers Order is necessary to facilitate the completion of the Monitor's Review as required under the Second ARIO and appropriate in the circumstances.

137. Based on the foregoing, the Monitor respectfully recommends that this Court approve the relief sought by the Applicant and the Monitor, respectively.

All of which is respectfully submitted this 7th day of July 2026.

KPMG Inc.
In its capacity as Monitor of
LJM Developments (Hamilton) Inc.
And not in its personal or corporate capacity

Per:



Katherine Forbes
CPA, CA, CIRP, LIT
Senior Vice President

Appendix “A”

Court File No.: CL-26-00000053-0000

LJM DEVELOPMENTS (HAMILTON) INC.

SECOND REPORT OF KPMG INC.,
IN ITS CAPACITY AS MONITOR

March 27, 2026

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Court File No.: CL-26-00000053-0000

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.

SECOND REPORT OF KPMG INC.
IN ITS CAPACITY AS MONITOR

MARCH 27, 2026

I. INTRODUCTION

1. On February 10, 2026, LJM Developments (Hamilton) Inc. (the "**Applicant**" or "**LJM Hamilton**") was granted relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an initial order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). The Applicant's CCAA proceedings are referred to herein as the "**CCAA Proceedings**". The relief granted under the Initial Order included, among other things:

    a. a stay of proceedings in favour of the Applicant until February 20, 2026 (the "**Initial Stay Period**");

    b. the appointment of Schwartz Levitsky Feldman Inc. ("**SLF**") as monitor (the party acting in such capacity, the "**Monitor**");

    c. a charge over the Property (as defined in the Initial Order) in favour of the Monitor, Monitor's counsel, and Applicant's counsel, up to a maximum aggregate amount of $300,000, to secure their professional fees and disbursements (the "**Administration Charge**");

    d. approval of a $2.5 million interim financing facility (the "**RCM DIP Facility**") between the Applicant and RCM Capital Syndication SPV III LP by its general partner RCM (2023) GP Inc. (the "**DIP Lender**"), which borrowings were not to exceed $250,000 during the Initial Stay Period and other related relief; and

    e. a charge over the Property in favour of the DIP Lender to secure the borrowings under the proposed RCM DIP Facility (the "**DIP Lender's Charge**", and together with the Administration Charge, the "**Charges**"). The Charges were to rank in priority to all other Encumbrances – except for those of secured creditors who had not been served with the Notice of Application for the Initial Order – ranking in the following priority: 1) the Administration Charge, and 2) the DIP Lender's Charge.

2. SLF, in its then capacity as the proposed Monitor, provided this Court with a report dated February 9, 2026 (the "**Pre-Filing Report**").

3. In accordance with the Initial Order, the Court scheduled a comeback hearing to be heard on February 20, 2026 (the "**Comeback Hearing**").

4. On February 19, 2026, Aviva Insurance Company of Canada ("**Aviva**"), in its capacity as surety and secured creditor of the Applicant, filed a Notice of Motion detailing pertinent information regarding

LJM Hamilton that had not been disclosed to this Court at the time the Initial Order was granted, and requesting the following key amendments, among others, to the proposed form of Amended and Restated Order (the "**ARIO**") being sought by the Applicant at the Comeback Hearing:

a. the appointment of KPMG Inc. ("**KPMG**") as the Monitor in these CCAA Proceedings, replacing SLF;

b. the enhancement of the Monitor's powers, among other things:

   i. providing the Monitor with consent rights over any disbursements to be paid or settlements, agreements, or other commitments of any kind proposed to be entered into (including in the ordinary course);

   ii. authorizing and directing the Monitor to review and report back to the Court regarding the use of excess proceeds from the sale of certain condominium units on the Project (as defined herein) (the "**Units**") in the approximate amount of $19 million, released to LJM Hamilton by Harris Sheaffer LLP (in such capacity, the "**Escrow Agent**" pursuant to the Deposit Trust Agreement) following repayment of its construction lender (the "**Construction Lender**") in October 2025;

   iii. authorizing and directing the Monitor to review all HST (as defined herein) paid in respect of the Sold Units (as defined herein) in the LJM Tower Condominium at 2782 Barton St E, Hamilton (the "**Project**"), and the remittance status of same to CRA (as defined herein); and

   iv. authorizing and directing the Monitor to review the status of amounts required to be withheld by the Applicant under the *Construction Act*, R.S.O., 1990, c. C.30 (the "***Construction Act***"), to secure against construction liens;

c. a confirmation that the Property excludes any funds held in trust in respect of purchaser deposits on the Project or accrued interest thereon pursuant to the Deposit Trust Agreement;

d. a direction that no payments shall be made to creditors in respect of goods or services provided prior to the date of the Initial Order; and

e. the termination of the RCM DIP Facility agreement and an authorization allowing the Applicant to enter into an alternative interim financing facility (the "**Surety DIP Facility**")

with Aviva Canada Inc., an affiliated company to Aviva (in such capacity, the "**Surety DIP Lender**"), with a borrowing limit of $2.5 million, along with the approval of a priority "**Surety DIP Lender's Charge**" in favour of the Surety DIP Lender to secure the borrowings under the Surety DIP Facility.

5. SLF, in its then capacity as Monitor, provided this Court with a report dated February 19, 2026 (together with the Pre-Filing Report, the "**SLF Reports**").

6. At the Comeback Hearing, counsel for the City of Hamilton sought an adjournment of the relief sought by the Applicant in respect of the Surety DIP Facility. In the Honourable Justice Steele's endorsement dated February 20, 2026, the Comeback Hearing was adjourned in part to February 27, 2026, to address the Surety DIP Facility and a further extension of the Stay Period (as defined herein). On February 20, 2026, the Court granted the ARIO, which, among other things:

    a. extended the stay of proceedings to and including February 27, 2026 (the "**Stay Period**");

    b. appointed KPMG as Monitor in place of SLF;

    c. approved the SLF Reports and SLF's actions, conduct and activities as set out therein, and provided releases in favour of SLF, in its capacity as Monitor, and its legal counsel during these CCAA Proceedings;

    d. terminated the RCM DIP Facility and approved the Surety DIP Facility, and interim borrowings to a maximum amount of $250,000, during the brief Stay Period;

    e. granted the Surety DIP Lender's Charge in place of the DIP Lender's Charge; and

    f. enhanced the Monitor's powers to, among other things, authorize and direct it to:

        i. monitor and review the Applicant's receipts and disbursements, including the management and use of any funds advanced by the Surety DIP Lender to the Applicant;

        ii. advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the Surety DIP Lender;

        iii. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant; and

iv. review and report back to the Court with respect to the following matters:

1. the use of proceeds from sales of Units released to the Applicant following the payment of the Construction Lender in 2025 (the "**Use of Proceeds**");

2. all taxes paid in respect of sales of Units including the amounts collected, whether such amounts were paid to the Applicant and/or the Escrow Agent pursuant to the Deposit Trust Agreement (the "**HST on Sold Units**") and the manner and timing of any remittances to Canada Revenue Agency ("**CRA**"); and

3. amounts that were required to be held by the Applicant and maintained as security for the satisfaction of lien claims and related rights under the *Construction Act* (the "**Construction Holdbacks**") and the current status of such amounts.

7. On February 27, 2026, this Court granted a second amended and restated initial Order (the "**SARIO**") that included, among other things, the following amendments to the ARIO:

   a. granting an extension of the Stay Period to April 3, 2026; and

   b. approving an increase to the interim borrowings under the Surety DIP Facility to $1.6 million.

8. KPMG, in its capacity as Monitor, provided this Court with its report dated February 26, 2026 (the "**First Report**") in connection with the Applicant's application for the SARIO. A copy of the First Report (without appendices) is attached hereto as **Appendix "A"**.

9. Copies of materials filed in connection with these CCAA Proceedings are available on the Monitor's website at kpmg.com/ca/ljmhamilton (the "**Monitor's Website**"). In addition, KPMG has arranged for a toll-free hotline 1-833-724-7005 and an email address ljmhamilton@kpmg.ca through which creditors of the Applicant or other interested parties can make inquiries with the Monitor related to the CCAA Proceedings.

II. PURPOSE OF REPORT

10. The purpose of this report (this "**Second Report**") is to provide the Court with information pertaining to:

    a. the activities of the Applicant, as detailed in the Ahsan Affidavits (as defined herein);

    b. the Monitor's activities since the date of the First Report;

    c. the Monitor's progress with respect to, *inter alia,* its review of the Use of Proceeds, the HST on Sold Units, and the Construction Holdbacks, as directed by the Court in the ARIO;

    d. the Applicant's cash flow forecast for the period from March 21, 2026, to July 3, 2026 (the "**Forecast Period**");

    e. the Applicant's application for an Order (the "**Lien Claims Process Order**"), among other things, approving the Liens Claim Process (as defined herein), including the establishment of the Claims Bar Date (as defined herein) for creditors to file proofs of construction lien claims with the Monitor;

    f. the Applicant's application for an Order (the "**Unit Sale Process Order**"), among other things:

        (i) authorizing the Applicant to carry out the Unit Sale Process for the Unsold Units (each as defined below) subject to the oversight of, and in consultation with, the Monitor, such that the Unsold Units (as defined herein) may be sold so long as the selling price for each Unsold Unit is not less than the minimum price list on the Target Price List (as defined herein);

        (ii) approving a template agreement of purchase and sale (the "**Template APS**"), for use in the Unit Sale Process;

        (iii) approving the form of vesting order (each an "**Approval and Vesting Order**") to convey one or more Unsold Units to a purchaser free and clear of any mortgages, charges, liens or other encumbrances; and

        (iv) approving the Target Price List;

    g. the Applicant's application for an Order (the "**Ancillary Relief Order**"), among other things:

(i) extending the Stay of Proceedings to July 3, 2026 (the "**Extended Stay Period**");

(ii) authorizing borrowings under the Surety DIP Facility up to its maximum borrowing limit of $2.5 million;

(iii) declaring that the HCRA Notice and the LAT appeal as against the Applicant are stayed during the Extended Stay Period;

(iv) sealing the Target Price List (as defined herein), appended as Confidential Appendix "A" to this Second Report; and

(v) approving the First Report and this Second Report, and the activities of the Monitor set out therein; and

h. the Monitor's conclusions and recommendations.

III. TERMS OF REFERENCE

11. Capitalized terms used but not defined in this Second Report are as defined in the First Report, the SLF Reports, the Third Ahsan Affidavit (as defined herein) and in the SARIO. The materials filed by the Applicant in support of the Unit Sale Process Order, the Lien Claims Process Order, and the Ancillary Relief Order include the affidavit of Mr. Muhammad Ahsan ("**Mr. Ahsan**") affirmed March 24, 2026 (the "**Third Ahsan Affidavit**"), and the first supplement to the Third Ahsan Affidavit affirmed by Mr. Ahsan on March 26, 2026 (the "**Supplemental Affidavit**", and collectively with the Third Ahsan Affidavit, the "**Ahsan Affidavits**"). This Second Report should be read in conjunction with the Ahsan Affidavits, as certain information contained in this Second Report has not been included herein to avoid unnecessary duplication.

12. In preparing this Second Report, KPMG has relied solely on information and documents provided to it by the Applicant, and its respective advisors, including unaudited, draft and/or internal financial information, financial projections prepared by the Applicant, and discussions with management of the Applicant (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this Second Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional

Accountant of Canada Handbook and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

13. Future orientated financial information contained in the Updated Cash Flow Forecast (as defined herein) is based on the Applicant's estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow Forecast will be achieved.

14. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. ACTIVITIES OF THE APPLICANT

15. Since the date of the SARIO, the Applicant has been managing its operations in the normal course and working to stabilize the business as a result of the CCAA Proceedings, with the assistance of the Monitor.

16. As discussed in the Ahsan Affidavits, the Monitor understands that the activities of the Applicant have included:

    a. communicating with, providing information to, and answering questions of stakeholders regarding these CCAA Proceedings;

    b. communicating with Tarion to understand and begin addressing certain outstanding in-suite warranty claims from purchasers;

    c. obtaining quotes for remaining construction obligations to complete the Project;

    d. liaising with purchasers in respect of certain claims for outstanding deficiencies;

    e. providing the Monitor with access to the books and records of the Company;

    f. liaising with the Escrow Agent and interested buyers with respect to the ongoing negotiation of potential sales, including the terms of the agreement of purchase and sale;

    g. making disbursements with the approval of the Monitor;

    h. opening communications with the City of Hamilton with respect to conducting an on-site visit to address the remaining construction obligations of the Project;

i. communicating with the Construction Lender in respect of the expiry of certain letters of credit;

j. working with the Monitor and the Applicant's counsel to develop the Lien Claims Process, Unit Sale Process and the Target Price List;

k. managing relationships with suppliers, and working diligently to operate the business in accordance with the terms of the SARIO;

l. working with and corresponding regularly with representatives of the Monitor regarding numerous matters in these CCAA Proceedings, including planned disbursements;

m. making payments to the City of Hamilton in the aggregate amount of approximately $35,000, in respect of property taxes attributable to the post-filing period, in accordance with the terms of the Surety DIP Facility; and

n. working with the Monitor to prepare the Updated Cash Flow Forecast;

V. MONITOR'S ACTIVITIES SINCE THE SARIO

17. Since the date of the SARIO and in accordance with the SARIO, the Monitor's activities have included, among other things:

a. monitoring the Applicant's cash receipts and disbursements;

b. approving the Applicant's disbursements, including approving certain property tax payments in the aggregate amount of approximately $35,000, as noted above;

c. authorizing the Applicant to make a pre-filing payment to critical consultants to up to the amount of approximately $600, for which consent has been obtained from the Surety DIP Lender;

d. assisting the Applicant with its communications with stakeholders including, vendors, occupants of the Project, and claimants;

e. as further discussed herein, progressing the Monitor's Review (as defined herein);

f. attending various teleconferences, virtual meetings, and in-person meetings with representatives of the Applicant and the Applicant's counsel, and the Monitor's counsel, respectively, in respect of the Applicant's cash flow and liquidity requirements, operations,

progress updates on the outstanding work to the complete the Project, including addressing certain Tarion warranty claims and the costs of related work, and these CCAA Proceedings, generally;

g. responding to inquiries from creditors and other stakeholders in connection with these CCAA Proceedings;

h. assisting the Applicant with the preparation of the Updated Cash Flow Forecast;

i. engaging in initial communications with Tarion with respect to the Project;

j. communicating with the Surety DIP Lender and its counsel including, among other things, reporting of receipts and disbursements, advances under the Surety DIP Facility, and other status updates in these CCAA Proceedings;

k. approving the Applicant's draw requests under the Surety DIP Facility;

l. corresponding with the Escrow Agent in respect of the Monitor's Review and the Unit Sale Process;

m. reviewing materials served by the Applicant in connection with the relief requested in the proposed Orders; and

n. preparing this Second Report.

VI. MONITOR'S REVIEW

18. Following the granting of the ARIO, the Monitor commenced its review of the specific matters as directed therein (the "**Monitor's Review**), including as follows:

a. the Use of Proceeds from sales of Units prior to the Filing Date;

b. the HST on Sold Units paid to the Applicant and/or the Escrow Agent, and the manner and timing of any remittances to CRA; and

c. the Construction Holdbacks required to be held by the Applicant, and the current status of same.

Use of Proceeds

19. As at the date of this Second Report, the Monitor's activities in connection with the review of the Use of Proceeds include:

    a. obtaining certain information from the Applicant's books and records including a list of bank accounts in use by the Applicant within the past 12 months, copies of bank statements, cost consultant progress reports, certain general ledger and accounting information, and reviewing and discussing same with the Applicant;

    b. reviewing and analyzing the Applicant's bank statements with respect to accounts held with the Construction Lender and Royal Bank of Canada, and beginning a reconciliation of the general ledger information to the bank statements;

    c. corresponding with the Escrow Agent and obtaining certain supporting information and documents in respect of:

        i. the total amount of proceeds collected with respect to 258 completed sale transactions pursuant to the Pre-Sale Agreements (the "**Sold Units**") in the amount of approximately $100.9 million, which the Monitor understands is net of deductions for certain customary amounts such as legal fees, but also includes amount collected from purchasers for property taxes (the "**Proceeds**");

        ii. disbursements made by the Escrow Agent, from the Proceeds, to the City of Hamilton upon the closing of each of the Sold Units, in the approximate aggregate amount of $2.6 million in accordance with development agreements between the Applicant and the City of Hamilton, and to the Construction Lender in full repayment of the construction financing in the approximate aggregate amount of $79.2 million; and

        iii. the dates and corresponding amounts of the Proceeds released to the Applicant following repayment of the Construction Lender in the approximate aggregate amount of $19.0 million (the "**Excess Proceeds**").

20. In the course of its review, the Monitor has determined that the Proceeds were disbursed in their entirety to the City of Hamilton, the Construction Lender, and the Applicant, as detailed above.

21. As at the date of this Second Report, the Monitor's Review of the use of the Excess Proceeds remains in progress, and will be further reported to the Court at a later date.

HST on Sold Units

22. As at the date of this Second Report, the Monitor's activities in connection with the review of HST on Sold Units include:

    a. reviewing the Applicant's calculation of Harmonized Sales Tax ("**HST**"), which the Monitor understands was collected at the time of transaction closings with respect to the Sold Units, and discussing same with the Applicant;

    b. reviewing a copy of the HST return(s) filed with CRA for the quarter ended September 30, 2025 (the period in which the majority of the Sold Units closed), which details the HST collected from purchasers on the Sold Units and resulted in net HST owed to CRA in the aggregate amount of approximately $11.5 million which has been reported, but not paid, to CRA. The Monitor understands that no notice of assessment on the Applicant's HST account has been received from CRA, and the Monitor has recommended to the Applicant that they follow up with CRA to seek same; and

    c. as noted above, corresponding with the Escrow Agent and requesting supporting information in respect of the Proceeds.

23. As noted above, the Monitor understands that payments made by the Escrow Agent or the Applicant from the Proceeds did not include any remittances of HST. The Applicant has likewise confirmed that approximately $11.5 million is owed to CRA from the Applicant's HST filing for the period from July 1, 2025, to September 30, 2025, before consideration of any prior amounts owing or interest and penalties thereon.

24. The Monitor further understands that Company has not yet submitted HST returns to CRA for January 2026, and the Monitor will report back further to the Court when these are completed.

Construction Holdbacks

25. As at the date of this Second Report, the Monitor's activities in connection with the Construction Holdbacks include:

    a. reviewing the Applicant's books and records including those maintained on a per vendor basis and containing the Applicant's calculation of holdbacks payable; and

b. reviewing and analyzing the construction progress report, including supporting draw request information, related to construction loan draws made by the Construction Lender.

26. The Monitor understands that the amounts, if any, required to be held by the Applicant as security for the satisfaction of construction lien claims pursuant to the *Construction Act* have not been retained. Based on information provided to the Monitor, the Applicant did not separately maintain funds for future release of construction holdbacks. The Monitor further understands that the Construction Lender did not fund the Applicant for Construction Holdbacks until such time as those holdbacks were to be validly released to the respective trade.

27. The Monitor's Review in respect of the Construction Holdbacks will be informed by the Lien Claims Process (as defined herein) and as the Construction Lien Claims are determined.

VII. LIEN CLAIMS PROCESS

Overview

28. As noted in the Ahsan Affidavits, the Monitor is aware that approximately five (5) liens have been registered on title to the Project as at the Filing Date.

29. The Applicant is seeking this Court's approval of a claims process for determining the timeliness and quantum of construction lien claims registered against title to the Unsold Units (the "**Lien Claims Process**") allowing creditors of the Applicant to formally file certain Construction Lien Claims (as defined in the proposed Lien Claims Process Order, each a "**Construction Lien Claim**"). Under the proposed Lien Claims Process Order, a Construction Lien Claim is defined as follows:

> any claim or potential claim for lien under the *Construction Act* to the Unsold Units in respect of labour, services or materials supplied to improvements to the Project before February 10, 2026, including any claim against the holdback required to be maintained pursuant to Part IV of the *Construction Act*.

30. The Lien Claims Process is narrow in scope and is not applicable to any such claimant that does not wish to assert a claim against the Applicant as defined above.

Notice to Claimants

31. The Monitor shall cause the notice of the Lien Claims Process Order and the Lien Claims Process to be placed in the *Financial Post* as soon as reasonably practicable following the issuance of the Lien Claims Process Order.

32. The Monitor shall cause the Claims Bar Date and the Proof of Construction Lien Claim Form (as defined in the proposed Lien Claims Process Order) to be posted on the Monitor's Website as soon as reasonably possible after the Lien Claims Process Order has been approved by this Court.

Notice to Transferees

33. The Monitor shall not be obliged to give notice or otherwise deal with the transferee or assignee of a Construction Lien Claim unless and until actual notice of the transfer or assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment, shall have been received and acknowledged by the Monitor and the Monitor has acknowledged in writing such transfer or assignment. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the "Construction Lien Claimant" in respect of such Construction Lien Claim.

34. Any such transferee or assignee of a Construction Lien Claim shall be bound by any notices given or steps taken in respect of such Construction Lien Claim in accordance with the Lien Claims Process Order prior to the receipt and acknowledgment by the Applicant and the Monitor of satisfactory evidence of such transfer or assignment.

Proofs of Claim

35. Any Construction Lien Claimant wishing to assert a Construction Lien Claim must deliver to the Monitor a completed Proof of Construction Lien Claim Form, including all relevant supporting documentation, on or before the Claims Bar Date, as applicable.

36. Any Construction Lien Claimant that does not file a completed Proof of Construction Lien Claim Form by the Claims Bar Date in accordance with the Liens Claim Process shall be forever barred from asserting or enforcing such Construction Lien Claims against the Applicant, the Unsold Units, and any "owner" (as defined in the *Construction Act*) of the Unsold Units, and such Construction Lien Claim shall be forever discharged and extinguished, and any such Construction Lien Claimant shall not be entitled to receive, in respect of its Construction Lien Claim, any distribution in these CCAA Proceedings, if any, in respect of proceeds of sale of the Unsold Units and shall be deemed to not be a participant in the Lien Claims Process.

Claims Bar Date

37. The construction lien claims bar date with respect to the filing of any Construction Lien Claims is 5:00 p.m. (Toronto Time) on May 1, 2026 (the "**Claims Bar Date**"). The Monitor believes that the Claims Bar Date is reasonable in that it provides sufficient time for potential Construction Lien Claimants to evaluate and submit any such Construction Lien Claim they may have against the Applicant.

Adjudication of Construction Lien Claims

38. Any Construction Lien Claims denominated in a currency other than Canadian dollars shall be converted to and shall constitute obligations in Canadian dollars, such conversion to be affected using the Bank of Canada's daily average exchange rate for that currency against the Canadian Dollar on the Filing Date.

39. The Monitor, in consultation with the Applicant, shall review all Proofs of Construction Lien Claims filed and shall determine the validity, timeliness, status and quantum of each Construction Lien Claim by no later than 90 days from the Claims Bar Date. The Monitor will provide the Construction Lien Claimant and the Applicant with written notice of the Monitor's evaluation of the respective Proof of Construction Lien Claim, including the reasons for its determination (the "**Notice of Evaluation**").

40. The Applicant or any Construction Lien Claimant who intends to dispute a Notice of Evaluation shall deliver a notice of dispute (a "**Notice of Dispute**") to the Monitor within 30 days following the delivery to the Construction Lien Claimant of the Notice of Evaluation (the "**Dispute Bar Date**"). The Notice of Dispute shall be a written notice setting out the full particulars of the dispute.

41. Any Construction Lien Claimant that does not deliver a Notice of Dispute by the Dispute Bar Date, as applicable, shall be barred from disputing the determination in the Notice of Evaluation and the validity, timeliness, status and quantum of such Construction Lien Claim shall be deemed to be as set out in the Notice of Evaluation.

42. In the event that the Monitor receives one or more Notices of Dispute in respect of Construction Lien Claims by the Dispute Bar Date, the Monitor shall, following the Dispute Bar Date:

    a. attempt to resolve the validity, timeliness, status and quantum of the Construction Lien Claim with the Construction Lien Claimant(s) and/or the Applicant, on a consensual basis; and/or

b. schedule an appointment with the Court for the purpose of scheduling a motion[1] to have the validity, timeliness, status and/or quantum of the Construction Lien Claim(s) determined by the Court.

Monitor's Recommendation

43. The Monitor is of the view that the Lien Claims Process will afford a fair and reasonable opportunity for all potential Construction Lien Claimants to prove their Construction Lien Claims.

44. The creditors with registered liens on title are on the Service List and therefore will be provided with advanced notice of the Lien Claims Process and the Claims Bar Date.

45. No proceeds are available for potential distribution at this time. The Monitor also notes that the timeline contemplated under the proposed Lien Claims Process is appropriate and necessary in the circumstances, as it is expected to provide a forum to determine the valid Construction Lien Claims while the Unit Sale Process is underway. Establishing a clear and efficient process for the determination or resolution of such claims at this time will facilitate the ultimate distribution of available proceeds when such proceeds become available.

46. The Monitor understands that the Applicant, in consultation with the Monitor, intends to return to this Court to seek an order affirming the relative priorities of the secured claims against the Applicant at a later date, following the completion of a review and determination of the relative priority of such claims. Any payments on account of Construction Lien Claims or any other distributions to creditors will be made only with prior Court approval and in accordance with the priority ranking as determined by same.

47. Accordingly, the Monitor supports the approval of the proposed Lien Claims Process, as it will afford creditors a fair and reasonable opportunity to have their claims recognized and addressed while also advancing the broader restructuring objectives of the CCAA Proceedings, including the Unit Sale Process.

VIII. UNIT SALE PROCESS

48. As discussed in the Ahsan Affidavits, the Project is a 16-story building comprising 313 residential condominium units (the "**Condominium Units**"). The Applicant currently owns 55 unsold

[1] Any mortgagee(s) in respect of whom priority is being claimed will have standing at any such motion.

Condominium Units (the "**Unsold Units**") together with unsold parking units and storage lockers attributed to those Unsold Units.

Unit Sale Process

49. The Applicant is seeking this Court's authorization of a process (the "**Unit Sale Process**") by which it can complete sale transactions for the Unsold Units, without further approval of the Court, provided that:

    a. the total consideration payable by the purchaser of an Unsold Unit is not less than the target price for that Unsold Unit, such price being the "**Target Price**" and the list containing such Target Prices being the "**Target Price List**";

    b. the agreement of purchase and sale for such transaction is proposed to be substantially in the form of the Template APS, attached as Exhibit A to the Supplemental Affidavit, with such amendments as the Applicant, with prior written consent of the Monitor, deems necessary or desirable and are consistent with the terms of the Unit Sale Process (each a "**Unit Sale Agreement**"); and

    c. the Monitor delivers to the purchaser a certificate, appended to Schedule "A" of the Unit Sale Process Order (the "**Monitor's Certificate**"), which, among other things, certifies that:

        i. the Applicant entered into an agreement of purchase and sale for an Unsold Unit;

        ii. the purchase transaction is a Permitted Transaction (as defined below); and

        iii. the agreement of purchase and sale for the sale transaction is substantially in the form of the Template APS.

50. As detailed in the Target Price List, the Applicant, in consultation with the Monitor, has established Target Prices for each of the Unsold Units. In determining the Target Prices, the Applicant and the Monitor considered, among other things:

    a. prices obtained for the Sold Units prior to the commencement of these CCAA Proceedings; and

    b. sales data for comparable developments in Hamilton and the surrounding area.

51. The Monitor is of the view that the implementation of the Target Price List is appropriate and necessary to support a fair and orderly sales process and mitigate the risk of distressed or opportunistic transactions, to maximize recoveries to stakeholders.

52. The Monitor understands that certain of the Unsold Units to be sold pursuant to the Unit Sale Process are currently subject to Construction Lien Claims, as discussed above.

53. The transactions which meet the terms of the Unit Sale Process noted above (each a "**Permitted Transaction**") are proposed to each be completed by way of Approval and Vesting Orders which, if granted, will vest title in the applicable Unsold Units to the respective purchasers free and clear of all liens, claims, encumbrances, including the Construction Lien Claims, with such claims attaching to the net sale proceeds from the Permitted Transactions in the same priority as existed immediately prior to the granting of the Approval and Vesting Orders.

54. As more fully detailed in the proposed Unit Sale Process Order, the proposed Unit Sale Process also contemplates that completed Approval and Vesting Orders for Permitted Transactions will be presented to the Registrar of the Court, together with the Monitor's Certificate and that the Court Registrar shall be authorized, empowered and directed to enter each compliant Approval and Vesting Order, without the requirement for the Applicant to attend in Court for approval of same.

55. The vesting of the Unsold Unit(s) in and to the applicable purchaser will only become effective upon the Monitor delivering a second certificate, which certifies that, among other things:

    a. the Monitor has received confirmation from the Applicant that the purchaser has paid the purchase price; and

    b. the conditions to the closing of the Permitted Transaction have been either satisfied or waived.

Broker Engagement

56. The Monitor understands that prior to the commencement of these CCAA Proceedings, the Applicant engaged one or more licensed real estate brokers to market and facilitate the sale of the Condominium Units, including the Sold Units. The Monitor further understands that the real estate agent which was primarily involved with several of the Sold Units represents EXP Realty Inc. ("**EXP Realty**"), a licensed real estate broker.

57. The Monitor understands that the Applicant intends to engage EXP Realty on an exclusive basis in

respect of a limited number of Unsold Units, given EXP Realty's familiarity with the Project and the relevant agent's experience in selling a significant number of Sold Units, as well as units in other LJM Group Inc. developments. The proposed Unit Sale Process Order (as described below) provides the Applicant with the ability to engage one or more real estate brokers to assist with the Unit Sale Process.

58. On the basis of the foregoing, the Monitor is supportive of the Applicant's ability to engage real estate brokers, as it would in the ordinary course, to sell the Unsold Units. The Monitor intends to review each broker's qualifications and experience with similar projects, the terms of engagement to ensure that they will maximize sale prospects for the Unsold Units, and the commissions and other terms proposed to ensure they are market. The Monitor will continue to assess the marketing and selling efforts of EXP Realty and any other qualified broker engaged as the Applicant determines how to award further Unsold Units to brokers during the course of the Unit Sale Process.

Monitor's Recommendation

59. The Monitor is supportive of the proposed Unit Sale Process and recommends that the Court grant the Unit Sale Process Order for the following reasons:

    a. it will facilitate an efficient sale process for the Unsold Units that will allow title to vest in the purchasers free and clear, notwithstanding the liens or other encumbrances (other than permitted encumbrances) registered on title to the Unsold Units, and such process avoids the delay, professional costs, and Court resources of Court appearances to seek approval of Unit Sale Agreements;

    b. the engagement of qualified real estate brokers will ensure that the Unsold Units are appropriately marketed to maximize reach and attractiveness to potential purchasers;

    c. Permitted Transactions must be approved by the Monitor, and must meet the minimum Target Prices in the Target Price List, in order to be completed. The Target Prices are reasonable in the current market, and were determined in consultation with the Monitor based on comparable transactions;

    d. the proposed Template APS was developed by the Applicant and its legal real estate advisors, the Applicant's counsel, in consultation with the Monitor and its counsel; and

    e. the proposed Unit Sale Process is expected to maximize value in the circumstances, and maximize recoveries to stakeholders.

60. Accordingly, the Monitor recommends that this Court approve the proposed Unit Sale Process, including the Template APS and form of Approval and Vesting Order, and such other related relief contemplated in the Unit Sale Process Order.

IX. REPORTED CASH RECEIPTS AND DISBURSEMENTS

61. The Company's cash flow forecast for the period from February 14, 2026 to May 15, 2026 (the "**Initial Cash Flow Forecast**") was filed with the Court as an appendix to the Pre-Filing Report in support of the Company's application for the Initial Order.

62. Subsequently, for the purposes of the determining the interim borrowing requirements under the Surety DIP Facility in connection with the SARIO, a revised forecast for the period of February 14, 2026 to April 3, 2026, (the "**SARIO Cash Flow Forecast**") was filed with this Court, as an appendix to the First Report.

63. A comparison of the Applicant's reported cash receipts and disbursements for the five (5) week period ended March 20, 2026 (the "**Reporting Period**"), as compared to the SARIO Cash Flow Forecast, is summarized below.

LJM Developments (Hamilton) Inc. Summary of Reported Receipts and Disbursements For 5 week period from February 14, 2026 to March 20, 2026 In CAD; unaudited			
	Actual	**Forecast**	**Variance**
Receipts			
Collection of occupancy rent/VTB	3,136	-	3,136
Total receipts	**3,136**	**-**	**3,136**
Disbursements			
Payroll	(64,733)	(64,884)	150
Consulting fees	-	(5,424)	5,424
Office overhead	-	(1,313)	1,313
Condo fees	-	(30,000)	30,000
Condo insurance	-	(1,368)	1,368
Utilities	-	(3,300)	3,300
After sale services & warranty items	(1,000)	(43,750)	42,750
Property tax	-	-	-
Professional fees	(123,000)	(719,000)	596,000
Bank charges	(26)	-	(26)
Contingency	-	(60,000)	60,000
DIP loan interest	-	-	-
Total disbursements	**(188,759)**	**(929,038)**	**740,280**
Net cash flow	**(185,623)**	**(929,038)**	**743,415**
Opening cash	**40,121**	**40,121**	**-**
Net cash flow	(185,623)	(929,038)	743,415
DIP financing	250,000	900,000	(650,000)
Ending cash flow	**104,498**	**11,083**	**93,415**

64. As reflected in the summary table above, the Applicant reported a cumulative net cash outflow of approximately $189,000 over the Reporting Period. As at March 20, 2026, the Applicant reported a cash balance of approximately $104,000, approximately $93,000 higher than forecast.

65. The Monitor understands that the March 20, 2026, ending cash variance of approximately $93,000, can be summarized as follows:

    a. favourable variances in operating disbursements in the amount of approximately $743,000 due to:

        i. a timing difference in the payment of forecasted condominium fees totalling approximately $30,000 , which have since been paid;

        ii. timing differences in relation to payments of professional fees, of approximately $596,000, in these CCAA Proceedings including amounts owing to the Applicant's counsel, the Monitor, the Monitor's counsel, the Surety DIP Lender's counsel, and the fees and disbursements of SLF and its counsel, in its former capacity as Monitor;

        iii. timing differences in the payment of after-sale services and warranty items, of approximately $43,000, as the Applicant, in consultation with the Monitor, continues to review and revise the construction budget to facilitate completion of the Project prior to incurring costs; and

        iv. no amounts having been required to be paid out of the projected contingency during the Reporting Period, forecasted to be approximately $60,000; and

    b. these favourable variances were partially offset by a delay in the $650,000 Surety DIP Facility draw initially projected for the week ended March 20, 2026, and which was funded on March 25, 2026.

X. UPDATED CASH FLOW FORECAST

66. Since the date of the First Report, the Applicant has continued to provide the Monitor with their cooperation and access to their books and records. The Applicant, with the assistance of the Monitor,

has prepared an updated forecast of its cash receipts and disbursements for the period from March 21, 2026 to July 3, 2026 (the "**Updated Cash Flow Forecast**") for the purpose of projecting the estimated liquidity needs of the Applicant during the proposed Extended Stay Period. A copy of the Updated Cash Flow Forecast, accompanying notes and a report containing prescribed representations regarding the preparation of the Updated Cash Flow Forecast are attached hereto as **Appendix "B"**.

67. The Updated Cash Flow Forecast has been prepared on a conservative basis using probable and hypothetical assumptions set out in the notes to the Updated Cash Flow Forecast. The Updated Cash Flow Forecast reflects the Applicant's estimate of receipts and disbursements on a weekly basis over the Forecast Period. The Updated Cash Flow Forecast is summarized as follows:

LJM Developments (Hamilton) Inc. 15-Week Updated Cash Flow Forecast In CAD; unaudited	
Receipts	
Occupancy rent/VTB mortgage repayment	9,407
Total receipts	**9,407**
Disbursements	
Payroll	(151,200)
Consulting fees	(21,018)
Office overhead	(6,565)
Condo fees	(146,516)
Condo insurance	(5,472)
Utilities	(13,200)
After sale services & warranty items	(282,750)
Property taxes	(98,014)
Professional fees	(1,354,588)
Contingency	(150,000)
DIP loan interest	(52,192)
Total disbursements	**(2,281,515)**
Net cash flow	**(2,272,108)**
Opening cash	**104,498**
Net cash flow	(2,272,108)
DIP financing	2,250,000
Ending cash	**82,390**

68. Forecast operating cash receipts over the Forecast Period total approximately $9,000, primarily related to collections of occupancy rent and the vendor-take-back ("**VTB**") mortgage payments on a small number of Units.

69. Forecast operating disbursements over the Forecast Period total approximately $2.3 million and primarily consist of:

a. after sale services & warranty items totalling (approximately $283,000), including estimated Project costs to completion and known deficiencies, and a 25% contingency to the Applicant's draft budget;

b. payroll expenses (approximately $151,000), including salaries and wages, payroll taxes and remittances paid to the Applicant's four (4) employees;

c. condominium fees (approximately $146,000) owing on the Unsold Units in accordance with the Wentworth Standard Condominium Plan #664;

d. the post-filing portion of property taxes (approximately $98,000) owing to the City of Hamilton that are due or come due over the Forecast Period; and

e. professional fees (approximately $1.4 million) including payments to the former monitor, the former monitor's counsel, the Applicant's counsel, the Monitor, the Monitor's legal counsel, and the Surety DIP Lender's counsel.

70. Net cash outflow is forecast to be approximately $2.3 million over the Forecast Period, prior to any contemplated funding of advances from the Surety DIP Facility.

71. As evidenced in the Updated Cash Flow Forecast, without access to borrowings under the Surety DIP Facility, the Applicant lacks sufficient liquidity to maintain operations over the Extended Stay Period. The maximum borrowings under the Surety DIP Facility (in the amount of $2.5 million in aggregate) are projected to provide the Applicant with sufficient funding through July 3, 2026, to ensure continued operations during these CCAA Proceedings.

72. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor pursuant to section 23(1)(b) of the CCAA and the Canadian Association of Insolvency and Restructuring Professionals' standards of professional practice. Section 23(1)(b) 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. The Canadian Association of Insolvency and Restructuring Professionals' standards of professional practice include standards for CCAA monitors in connection with their statutory responsibilities under the CCAA in respect of a monitor's report on the Updated Cash Flow Forecast.

73. The Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Applicant. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were

limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast. The Monitor also reviewed the support provided by management of the Applicant for the probable and hypothetical assumptions, and the preparation and presentation of the Updated Cash Flow Forecast.

74. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

    a. the probable and hypothetical assumptions are not consistent with the purpose of the Updated Cash Flow Forecast;

    b. as at the date of this Second Report, the probable and hypothetical assumptions developed by the Applicant are not suitably supported and consistent with the restructuring plan of the Applicant or do not provide a reasonable basis for the Updated Cash Flow Forecast; or

    c. the Updated Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

75. The key changes in the underlying assumptions in the Updated Cash Flow Forecast as compared to the Initial Cash Flow Forecast are summarized below:

    a. updated projected timing and quantum of drawdowns of the Surety DIP Facility to more accurately reflect the liquidity requirements of the Applicant through June 2026;

    b. collections of minimal occupancy rent and VTB mortgage payments;

    c. increase in the contingency estimate within the construction budget for the remaining work to Project completion, from 10% to 25% of the estimated remaining construction costs, to account for ongoing Tarion warranty claims and increases in supplier quotes for costs to complete the Project;

    d. inclusion of property taxes owing to the City of Hamilton, which the Monitor initially understood, based on its review of the notes to the Initial Cash Flow Forecast, to have been included, but subsequently determined was not included in the Initial Cash Flow Forecast; and

    e. reduction in the weekly contingency amount as the Monitor, as stated in the First Report, has had additional time to review and develop a more informed understanding of the Applicant's liquidity requirements.

XI. SURETY DIP FACILITY

76. Based on the SARIO Cash Flow Forecast, the Applicant was permitted interim borrowings under the Surety DIP Facility up to the amount of $1.6 million. As noted above, the Applicant is projected to draw the maximum amount under the Surety DIP Facility over the proposed Extended Stay Period. Accordingly, the Applicant is seeking to increase the permitted borrowings under the Surety DIP Facility to the total committed amount of $2.5 million, with a corresponding increase to the Surety DIP Lender's Charge (as defined in the First Report).

77. The Monitor is further of the view that the Updated Cash Flow Forecast and the need for the full amount of the Surety DIP Facility remains consistent with and reflects the probable and hypothetical assumptions which it sets out. Nothing has come to the Monitor's attention that would cause it to believe that the probable and hypothetical assumptions applicable to the Updated Cash Flow Forecast do not continue to be suitably supported and consistent with the restructuring plans of the Applicant and do not provide a reasonable basis for the Updated Cash Flow Forecast.

78. The Monitor understands that the Surety DIP Lender is supportive of the proposed increase to the allowable borrowings under the Surety DIP Facility. Based on the Monitor's review of the Updated Cash Flow Forecast and the ongoing liquidity requirements, the Monitor is of the view that the proposed increase is reasonable and necessary to ensure the continued funding of the Applicant's operations and completing the Project during these CCAA Proceedings.

79. The Monitor is therefore of the view that the increase in the amount that may be borrowed by the Applicant under the Surety DIP Facility to $2.5 million and the corresponding increase to the Surety DIP Lender's Charge e, as sought in the Ancillary Relief Order, is reasonable and appropriate in the circumstances.

XII. ANCILLARY RELIEF

Stay Extension

80. The Stay Period currently expires on April 3, 2026. The Applicant is seeking an extension of the Stay Period up to and including July 3, 2026.

81. The Monitor supports the Applicant's request for an extension of the Stay Period up to and including July 3, 2026 for the following reasons:

a. the Applicant has and continues to act in good faith and with due diligence;

b. the Extended Stay Period will allow the Applicant the opportunity to begin Unit Sale Process for the Unsold Units;

c. the majority of the work required to be performed on the Project is anticipated to be completed over the proposed Extended Stay Period;

d. it will allow the Applicant and the Monitor to commence and advance the Lien Claims Process;

e. it will permit the Monitor to continue the Monitor's Review and report to the Court when able; and

f. the granting of the Extended Stay Period should not materially prejudice any creditor of the Applicant as (i) the Extended Stay Period avoids the added procedural costs of more Court appearances than necessary, and (ii) the Updated Cash Flow Forecast reflects that the Applicant is projected to have sufficient funding to continue to operate in the normal course through the proposed Extended Stay Period, provided that it remains compliant with the terms of the Surety DIP Facility, and should this Court see fit to permit the maximum borrowings under same.

Preservation of HCRA License

82. The Applicant is seeking to have their license with the Home Construction Regulatory Authority ("**HCRA**") preserved and maintained during the Stay of Proceedings, which will preserve their ability to sell the Unsold Units in the ordinary course under the license.

83. The Monitor understands that the HCRA issued a Notice of Proposal to Refuse to Renew/ Revoke a License against LJM Hamilton, and a number of related entities. The Monitor further understands that the Applicant has appealed such notice but deliver a notice of appeal to the License Appeal Tribunal (the "**LAT**").

84. The Monitor further understands that, on February 2, 2026, counsel for the Applicant attended before a member of the LAT in connection with the appeal of the HCRA notice.

85. The Monitor understands that if the HCRA license were to be cancelled or revoked, the Applicant would be unable to sell the Unsold Units, severely impairing its ability to operate as a going concern. In the Monitor's view, such an outcome would be counterproductive to the objectives of these CCAA

Proceedings, as it would impede the Applicant's restructuring efforts, and hinder the Applicant's ability to maximize recoveries for the benefit of its creditors and other stakeholders.

The Request for Sealing

86. The Applicant is requesting the sealing of Confidential Appendix "A" to this Second Report until all of the Unsold Units are sold or further direction from this Court.

87. The Monitor supports the sealing of the confidential Target Price List, as it contains commercially sensitive information, including unit-specific pricing expectations and strategic sale parameters. In the Monitor's view, public disclosure of this information could prejudice the integrity of the sales process by undermining the Applicant's and the listing broker's ability to negotiate with prospective purchasers and could adversely impact realizations for stakeholders. The Monitor is satisfied that the limited and targeted sealing of the Target Price List is appropriate in the circumstances and consistent with maintaining a fair and value-maximizing sales process.

XIII. MONITOR'S RECOMMENDATIONS

88. For the reasons set out in this Second Report, the Monitor is of the view that the relief requested by the Applicant in the Ancillary Relief Order, the Unit Sale Process Order, and the Lien Claims Process Order is appropriate and reasonable. The Monitor is also of the view that the Applicant is acting in good faith and with due diligence. Granting the relief sought by the Applicant will (i) provide the Applicant with the best opportunity available in the circumstances to sell the Unsold Units in an orderly and efficient manner, including through approval of the Template APS and the form of Approval and Vesting Order,, and (ii) provide Construction Lien Claimants a clear and efficient supervised mechanism and process for the identification, quantification and resolution of Construction Lien Claims, with a view to maximizing creditor and stakeholder value.

89. Based on the foregoing, the Monitor respectfully recommends that this Court approve the relief sought by the Applicant.

All of which is respectfully submitted this 27th day of March 2026.

KPMG Inc.
In its capacity as Monitor of
LJM Developments (Hamilton) Inc.
And not in its personal or corporate capacity

Per:

Katherine Forbes
CPA, CA, CIRP, LIT
Senior Vice President

Appendix “B”

Docusign Envelope ID: 22545CBC-5824-4CC8-A20E-9E632CA84DCE

From:	Jeff.Larry@paliareroland.com
To:	Elizabeth Pillon; Philip Yang
Cc:	ryan.shah@paliareroland.com
Subject:	LJM Hamilton
Date:	Monday, February 16, 2026 3:41:41 PM
Attachments:	LJM Developments - Barton Street - Progress Report No. 34 (June 2025).pdf Project cost paid.pdf Development fees.pdf Intercompany loans.xlsm Inter-Company Loans.pdf B47697 - LJM Developments (Hamilton) Inc. - Case History Export.xlsx Outstanding work Barton St Feb 1, 2026.xlsx

---

Liz/Phil

Further to our discussion last week, I am attaching documents that address: (i) the use of approximately $19.1 million in unit proceeds; and (ii) the estimated costs to complete the project.

Use of Proceeds

Our client advises that the approximately $19.1 million was used as follows:

1. $2,289,420 - payment of various project costs including payroll, payment of trades, legal fees and utilities;
2. $550,000 - posting bonds in connection with lien claims by two trades: Aeon Landscaping and Palm Enterprise;
3. $5,299,756 - payment of development management and construction management fees to a related party named ICP Developers Inc. Our client notes that these payments were contemplated in the project budget (see attached progress draw report) that was periodically provided to the construction lender and Westmount; and
4. $10,969,755 - repayment of intercompany loans/loans made by related parties. Our client advises that these funds were injected into the project in from related parties on an as-needed basis when the project monitor identified a shortfall in the project's funding.

The foregoing amounts are particularized in the attachments.

Cost to Complete

I attach two spreadsheets which our client advises accounts for: (1) the estimated cost to complete outstanding warranty work; and (2) the estimated cost to complete outstanding construction for the project. These amounts total approximately $207,000 in go-forward costs.

Docusign Envelope ID: 22545CBC-5824-4CC8-A20E-9E632CA84DCE

Please let us know if you or your client have questions on any of this information (or anything else).

[redacted]

Best,

Jeffrey Larry, LL.B, MBA
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
t: 416.646.4330
f: 416.646.4301
c: 416.553.2789
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The information contained in this e-mail message may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, disclosure, dissemination, distribution or copying of any portion of this message or any attachment is strictly prohibited.

Appendix “C”

From:	mahsan@ljmdevelopments.ca
To:	Forbes, Katherine J
Cc:	ryan.shah@paliareroland.com; jeff.larry@paliareroland.com; "Raj Sahni"; "Aiden Nelms"; Rodrigues, Cameron; "Liaquat Mian"; "Ronald Flom"
Subject:	RE: Excess Proceeds Review - OS items
Date:	Friday, June 5, 2026 4:11:40 PM
Attachments:	RE LJM CCAA DIP Request.msg Related company loan 5282025.pdf Draw Reports Uploaded.eml Intercompany loan .msg RBC bank statements.msg RE LJM - KPMG Follow Up Visit.msg RE LJM Hamilton.msg RE RBC bank statements.msg Receipts.pdf

---

Hi Katherine

Please see comments below

MO AHSAN

CPA,ACCA (UK),FCA (PAK)

CFO

LJM DEVELOPMENTS
LJM COMMUNITIES

28-1860 Appleby line
Burlington Ontario L7L 0B7, Canada.

Direct +1 (905) 592-0078
Fax +1 (289) 245-1901

Website: www.ljm.ca

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From: Forbes, Katherine J <katherineforbes@kpmg.ca>
Sent: May 21, 2026 9:16 AM
To: Muhammad Ahsan <mahsan@ljmdevelopments.ca>
Cc: 'ryan.shah@paliareroland.com' <ryan.shah@paliareroland.com>; 'jeff.larry@paliareroland.com' <jeff.larry@paliareroland.com>; Raj Sahni (sahnir@bennettjones.com) <sahnir@bennettjones.com>; Aiden Nelms <nelmsa@bennettjones.com>; Rodrigues, Cameron <cameronrodrigues@kpmg.ca>
Subject: Excess Proceeds Review - OS items

Mo,

We have catalogued the information received to date and compiled the outstanding items/requests required to complete our review of the use of the ~$19M of excess proceeds in accordance with paragraph 24 of the Second Amended and Restated Initial Order dated February 27, 2026. As you know, the Monitor's review has included a review of the disbursements made by the Applicant from August 2025 onward, as the DUCA loan was repaid in full from excess proceeds in August 2025.

To assist us in furthering our review, could you please provide the following as soon as possible:

1. Copies of all executed agreements, if any, between LJM Hamilton and ICP Developers relating to the construction management and development management work, or confirmation that none exist. We are aware of the related invoices and the inclusion of these costs within the construction budget and advances under the DUCA construction loan; however, we have not received or reviewed supporting documentation to support the fees charged by ICP Developers as a bona fide project cost. We also have not independently verified that ICP Developers did not receive payments from the Applicant prior to Aug. 2025. To independently verify same, we intend to request all bank statements and copies of cheques from DUCA and RBC for the time period that these accounts were open, as we understand from you that these are the only banks used by the Applicant.

[Mo Reply] **There is no written agreement between LJM Hamilton and ICP Developer's relating to these services. In consideration for the management fees paid to it, ICP Developers provided the services per the list as provided in the attached email dated April 29, 2026. The management fees were reviewed and approved, on an arm's length basis, by the construction lender as eligible project costs to be recognized under the construction lending agreement, included as part of the approved project budget, as demonstrated/explained during multiple in person meetings with Monitor team and substantiated by progress draw reports, and funded by the construction lender over the course of time. For the purposes of project records, these fees were appropriately recorded in the general ledger, supported by proper invoices, and the related input tax credits (ITCs) were claimed by the project company, consistent with the treatment of any other party services billed to the project. Conversely, ICP Developers recognized these fees as income over the course of several years, accounted for and remitted the applicable HST liability on such income, and paid income taxes on the revenue recorded. The company paid $ 62, 950 on account of Management fees on December 20, 2019.Group approach and methodology regarding fees is consistent throughout the group and for other development site/projects. It is important to note that these management fees were not paid to ICP during the course of construction due to it being treated as cash equity for project financing purposes, therefore, they were paid at the completion of project when no further construction draw was expected.**

Monitor team provided with all the bank statements on March 10, 11, 2026.

Monitor team provided with bank contact information on March 16, 2026.

2. Details regarding the use of funds received by the following non-arm's length related parties from excess proceeds, please provide a listing of the assets of those related entities. We understand from our discussions with you that the ~$11.5M paid to related parties were notional repayments of equity injected by the same and/or other related parties at the outset of the LJM Tower project (which, based on the Applicant's books and records, was still due to related parties in an aggregate amount exceeding ~$11.5M as at Aug. 1/25).

[Mo Reply] As per the PD 34 trial balance dated May 28, 2025 (provided ALL draw reports previously) , approximately $12.2 million remained outstanding in respect of related party loans, which were treated as project equity. These amounts represented actual net cash injections made by a particular related party into the project company. The related party may, in turn, have sourced such funds by leveraging its own assets or the assets of individual family members, with the funds first advanced to the related party entity and subsequently contributed to the project company. These were not merely accounting notional contributions, but actual cash contributions advanced by the legal entity to support the project. In this regard, we have already provided on March 26, 2026 the general ledger breakdown together with copies of the relevant cheques issued to the company evidencing such advances. As the group regularly moves funds between related entities in the ordinary course of operations, these balances are not fixed in nature but rather function similarly to a floating line of credit between related parties and the project company.

Below are the assets of these related entities, as of today, and to my knowledge.

a. 2202277 Ontario Inc. - $2,500,000

[Mo Reply] No material real estate asset

b. 2601939 Ontario Inc. - $2,490,000

[Mo Reply] No material Real estate assets

c. LJM Developments (Grimsby) Inc. - $2,055,000

[Mo Reply] 10 condo unit mortgaged with YNCU and few parking stalls

d. LJM Developments (Newmarket) Inc. - $1,500,000

[Mo Reply] Unzoned imperial land

e. LJM Developments (Brantford) Inc. - $1,500,000

[Mo Reply] unzoned imperial land

f. Jacan Investments Canada Inc. - $22,400

[Mo Reply] few parking stalls

g. LJM Developments (Beamsville) Inc. - $4,100

[Mo Reply] Zone condo land

h. LJM Developments - $1,200

[Mo Reply] ***No material assets***

i. LJM Developments (Stoney Creek) Inc. - $220

[Mo Reply] ***Zoned land mortgaged with MCU***

j. Liaquat Mian ($96,835.84)

k. Mussarat Mian ($1,500,000)

3. Details regarding the payments made to Clifton Blake in the amount of approximately $517,000 in aggregate since Aug. 1/25. We understand that these payments were made in respect of Clifton Blake debt incurred by related parties in order to provide funding to LJM Hamilton. Please advise on which entities' behalf these payments were made.

[Mo Reply] The injected equity through related parties consisted of funds borrowed by a ***related party such Jacan Investments Canada Inc, JACAN Construction Inc., LJM Developments (Beamsville) Inc, LJM Developments (Queenstown) Inc., LJM Developments (Cambridge) Inc., LJM Developments (Niagrafalls) Inc.*** through leveraging its own assets and/or funds received from another related party, which itself had leveraged its own assets to raise financing. Accordingly, interest payments made to **Clifton Blake** were paid directly by **LJM Hamilton** company in order to recognize, on an estimated basis, the financing cost associated with the equity injected into the project.
Under the DUCA construction facility, payments made by LJM Hamilton to Clifton Blake on account of interest owing by these related parties were not recognized as project expenses for the purposes of approved project costs. Instead, such amounts were effectively treated as equity withdrawals, resulting in the group contributing additional funds on an ongoing basis to replenish and maintain the required equity position within the project.

4. To date, we have reviewed supporting documentation to independently verify that related parties funded LJM Hamilton at the outset of, and in the course of the Project, in the amount of ~$10M in aggregate. We intend to review further to substantiate that the entire $11.5M was paid to related entities, plus the payments to Clifton Blake, for a total of approximately $12M.

[Mo Reply] **We have provided bank statements; copies of cheques were attached to those bank statements. Clifton Blake was in PAD/PAP for direct payment.**

5. Copies of any receivership or other enforcement or insolvency proceeding materials, notices of

intention to enforce security or litigation claims against (or initiated by, in the case of voluntary insolvency/restructuring proceedings) LJM in connection with any of their other ongoing projects.

***[Mo Reply]* Can you please explain the relevance of this request to this proceeding in relation to the Monitor's mandate and powers under the ARIO?**

6. Receipt or other proof of payment of funds paid into Court to bond off the liens registered by Palm Enterprises Inc. and Aeon Landscaping Corp. in the amount of approximately $550,000. We were unable to clearly trace these payments within the bank statements provided. However, we note that a payment of approximately $550,000 was made to LJM Grimsby within the same general timeframe, which was not included in the intercompany breakdown previously provided. Did LJM Grimsby make payment into Court on LJM Hamilton's behalf?
    - We understand there should be a receipt from the Court registrar, if paid directly to the Court, or a receipt from a bonding company if they are holding the funds in trust.

***[Mo Reply]* Funds were wired from a related company to GSL , LJM Developments (Grimsby). Receipt attached**

We respectfully request your reply confirming receipt of this correspondence and confirming that you will provide the above information by June 4, 2026.

Thank you, and please let us know if you have any questions regarding the above.

Best,
Katherine

Katherine Forbes, CPA, CA, CIRP, LIT
Senior Vice-President

KPMG Inc.
Bay Adelaide Centre
333 Bay Street, Suite 4600
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Our lawyers have recommended that we provide certain disclaimer language with our messages. Rather than including them here, we're drawing your attention to the following links where the full legal wording appears.

- **Disclaimer concerning confidential and privileged information/unintended recipient** (https://disclaimer.kpmg.ca).
- **Disclaimer concerning tax advice** (https://taxdisclaimer.kpmg.ca).

If you are unable to access the links above, please cut and paste the URL that follows the link into your browser.

Appendix “D”

From:	Forbes, Katherine J
To:	Muhammad Ahsan
Cc:	"ryan.shah@paliareroland.com"; "jeff.larry@paliareroland.com"; Raj Sahni (sahnir@bennettjones.com); Aiden Nelms; Rodrigues, Cameron
Subject:	Excess Proceeds Review - OS items
Date:	Thursday, May 21, 2026 9:16:26 AM

Mo,

We have catalogued the information received to date and compiled the outstanding items/requests required to complete our review of the use of the ~$19M of excess proceeds in accordance with paragraph 24 of the Second Amended and Restated Initial Order dated February 27, 2026. As you know, the Monitor's review has included a review of the disbursements made by the Applicant from August 2025 onward, as the DUCA loan was repaid in full from excess proceeds in August 2025.

To assist us in furthering our review, could you please provide the following as soon as possible:

1. Copies of all executed agreements, if any, between LJM Hamilton and ICP Developers relating to the construction management and development management work, or confirmation that none exist. We are aware of the related invoices and the inclusion of these costs within the construction budget and advances under the DUCA construction loan; however, we have not received or reviewed supporting documentation to support the fees charged by ICP Developers as a bona fide project cost. We also have not independently verified that ICP Developers did not receive payments from the Applicant prior to Aug. 2025. To independently verify same, we intend to request all bank statements and copies of cheques from DUCA and RBC for the time period that these accounts were open, as we understand from you that these are the only banks used by the Applicant.

2. Details regarding the use of funds received by the following non-arms length related parties from excess proceeds, please provide a listing of the assets of those related entities. We understand from our discussions with you that the ~$11.5M paid to related parties were notional repayments of equity injected by the same and/or other related parties at the outset of the LJM Tower project (which, based on the Applicant's books and records, was still due to related parties in an aggregate amount exceeding ~$11.5M as at Aug. 1/25).

   a. 2202277 Ontario Inc. - $2,500,000
   b. 2601939 Ontario Inc. - $2,490,000
   c. LJM Developments (Grimsby) Inc. - $2,055,000
   d. LJM Developments (Newmarket) Inc. - $1,500,000
   e. LJM Developments (Brantford) Inc. - $1,500,000
   f. Jacan Investments Canada Inc. - $22,400
   g. LJM Developments (Beamsville) Inc. - $4,100
   h. LJM Developments - $1,200
   i. LJM Developments (Stoney Creek) Inc. - $220
   j. Liaquat Mian ($96,835.84)
   k. Mussarat Mian ($1,500,000)

3. Details regarding the payments made to Clifton Blake in the amount of approximately $517,000 in

aggregate since Aug. 1/25. We understand that these payments were made in respect of Clifton Blake debt incurred by related parties in order to provide funding to LJM Hamilton. Please advise on which entities' behalf these payments were made.

4. To date, we have reviewed supporting documentation to independently verify that related parties funded LJM Hamilton at the outset of, and in the course of the Project, in the amount of ~$10M in aggregate. We intend to review further to substantiate that the entire $11.5M was paid to related entities, plus the payments to Clifton Blake, for a total of approximately $12M.

5. Copies of any receivership or other enforcement or insolvency proceeding materials, notices of intention to enforce security or litigation claims against (or initiated by, in the case of voluntary insolvency/restructuring proceedings) LJM in connection with any of their other ongoing projects.

6. Receipt or other proof of payment of funds paid into Court to bond off the liens registered by Palm Enterprises Inc. and Aeon Landscaping Corp. in the amount of approximately $550,000. We were unable to clearly trace these payments within the bank statements provided. However, we note that a payment of approximately $550,000 was made to LJM Grimsby within the same general timeframe, which was not included in the intercompany breakdown previously provided. Did LJM Grimsby make payment into Court on LJM Hamilton's behalf?
    - We understand there should be a receipt from the Court registrar, if paid directly to the Court, or a receipt from a bonding company if they are holding the funds in trust.

We respectfully request your reply confirming receipt of this correspondence and confirming that you will provide the above information by June 4, 2026.

Thank you, and please let us know if you have any questions regarding the above.

Best,
Katherine

Katherine Forbes, CPA, CA, CIRP, LIT
Senior Vice-President

KPMG Inc.
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
O: 416 777 8107
M: 416 303 3993
katherineforbes@kpmg.ca

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. CV-26-00000053-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced in Toronto

THIRD REPORT OF THE MONITOR

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Raj Sahni (LSO# 42942U)
Email: sahnir@bennettjones.com

Lincoln Caylor (LSO# 37030L)
Email: caylorl@bennettjones.com

Jamie Ernst (LSO# 88724A)
Email: ernstj@bennettjones.com

Chyna Brown (LSA# 26160)
Email: brownc@bennettjones.com

Lawyers for KPMG Inc. in its capacity as Monitor of the Applicant and not in its personal or corporate capacity

TAB 3

Court File No. CL-26-00000053-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 10TH
	)	
JUSTICE CAVANAGH	)	DAY OF JULY, 2026

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.

EXPANDED POWERS ORDER

THIS MOTION, made by KPMG Inc., in its capacity as the monitor (in such capacity, the "**Monitor**") of LJM Developments (Hamilton) Inc. (the "**Applicant**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order: (i) expanding the powers of the Monitor; and (ii) approving the Third Report (as defined below) and the conduct and activities of the Monitor described therein, was heard this day at 330 University Avenue, Toronto, Ontario via videoconference.

ON READING the Third Report of the Monitor dated July 7, 2026 (the "**Third Report**"), the affidavit of Muhammad Ahsan affirmed on June 30, 2026, and on hearing the submissions of counsel to the Applicant, counsel to the Monitor, counsel to Aviva Insurance Company of Canada and such other counsel listed on the counsel slip, no one else appearing although duly served as appears from the Lawyer's Certificates of Service, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Responding and Cross-Motion Record is hereby abridged and validated so that this Cross-Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Second Amended and Restated Initial Order dated February 27, 2026 (the "**Second ARIO**").

AMENDMENTS TO SECOND ARIO

3. **THIS COURT ORDERS** that paragraph 23 of the Second ARIO be and is hereby amended, *nunc pro tunc*, as follows:

> **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
>
> (a) monitor and review the Applicant's receipts and disbursements, including the management and use of any funds advanced by the Surety DIP Lender to the Applicant under the Definitive Documents;
>
> (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
>
> (c) assist with the Restructuring (as herein after defined) and the operations of the Applicant;

(d) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the Surety DIP Lender and its counsel at the times set out in the Second DIP Term Sheet and/or Definitive Documents, of financial and other information as agreed to between the Applicant and the Surety DIP Lender, which financial and other information may be used in these proceedings, including reporting on a basis to be agreed with the Surety DIP Lender;

(e) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the Surety DIP Lender, which information shall be reviewed with the Monitor and delivered to the Surety DIP Lender and its counsel monthly and within 15 business days after the end of each calendar month in accordance with the Definitive Documents, or as otherwise agreed to by the Surety DIP Lender;

(f) liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, wherever located and to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

(h) compel the production, from time to time, from any Person having possession, custody or control of any books, records, accountings, documents, correspondences or papers, electronically stored or otherwise, relating to the Applicant or the Monitor's investigations pursuant to paragraph 24 of this Order (the "**Requested Information**");

(i) require any Requested Information to be delivered within thirty (30) days of the Monitor's request or such a longer time period as the Monitor may agree;

(j) conduct investigations from time to time, including examinations under oath of any Person reasonably thought to have knowledge relating to the Requested Information;

(k) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(l) perform such other duties as are required by this Order or by this Court from time to time; and

(m) take any steps reasonably incidental to the exercise of the foregoing powers or the performance of any statutory obligations.

4. **THIS COURT ORDERS** that, for greater certainty, subject to paragraph 3, all other terms and provisions of the Second ARIO shall remain in full force and effect.

APPROVAL OF THIRD REPORT

5. **THIS COURT ORDERS** that the Third Report and the actions, conduct and activities of the Monitor set out therein, be and are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize such approval in any way.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, the Monitor and their agents as may be necessary or desirable to give effect to this Order or to assist the Applicant, the Monitor and/or their agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date hereof and are enforceable without the need for entry, filing, or a specific form of electronic signature stamp.

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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-26-00000053-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

EXPANDED POWERS ORDER

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Lawyers for KPMG Inc., in its capacity as Monitor of the Applicant and not in its personal or corporate capacity

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

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RESPONDING AND CROSS-MOTION RECORD
(Returnable July 10, 2026)

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