

Court File No. CL-26-00000255-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

and

**ZONIX HOMES INC., ZONIX DUDLEY INC., DENIX CORPORATION,
PEJVAK GROUP LTD., DEZ BUILDING INC., LIFELONG SUPPORT
CORPORATION, PARADISE CO. INC., ELEVO CONSULTING
GROUP INC., DIBA PREMIER GROUP INC., HANNAH PREMIER
GROUP INC., PRO VOLO INC., FARNA CORPORATION and
BEVERNIK LTD.**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

SECOND SUPPLEMENTARY AFFIDAVIT

I, Reza Esfahany, City of Richmond Hill, in the Province of Ontario, **MAKE OATH**

AND SAY:

1. I am the President of Zonix Homes Inc. and Zonix Dudley Inc. (hereinafter referred collectively and individually as “Zonix”), and, as such, have knowledge of the matters contained in this Affidavit.

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2. This affidavit is a second supplementary affidavit. I swore my first affidavit dated July 3, 2026 (“**First Affidavit**”) and provided additional information in my supplementary affidavit sworn August 11, 2026 (“**Second Affidavit**”). This within affidavit is to provide an update pursuant to the Endorsement of Justice Black dated August 12, 2026, wherein he stated:

“If those conditions have been waived, then I expected a discussion that day about next steps, and, in that context, I have encouraged counsel for the Respondents that the Respondents should put their “best foot forward” that day and furnish additional evidence as to the status of the refinancing effort and, to the extent possible, evidence of the likelihood of that financing to be secured.”

3. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the Endorsement of Justice Black.
4. All defined terms herein are defined in the First and Second Affidavit.

Financing

5. As set out in my First and Second Affidavits, after over a year of marketing the property, an Agreement of Purchase and Sale (“**APS**”) was entered into, and the Purchaser, exercised their rights under the APS to extend the due diligence period (“**DD Condition**”). The due diligence period expired on August 19, 2026 (“**Condition Date**”). The DD Condition has been waived. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a true copy of the Waiver of DD Condition.
6. What remains is the financing condition which is to expire on September 19, 2026.
7. The Purchaser is intending to construct a long term health care facility on the subject Property.

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8. We have been advised by the Purchaser's lawyer, Joseph Malmazada, and do verily believe, that matters are progressing quite well.
9. The Region and the Province are very favourable to the construction of the long term health care facility. It will be a non-for-profit enterprise.
10. Title is to be taken by the not-for-profit corporation.
11. On or about August 17, 2026, I together with other representatives of the Respondents, met with the Purchaser. We have not disclosed to the Purchaser the within court proceedings as we do not want to jeopardize the APS and the closing of same.
12. We inquired specifically about their progress. We were advised, and did verily believe:
 - (a) Architectural drawings and plans have been completed. We were provided copies of same. Given the confidential business nature of these items, they have not been filed as an exhibit but will be available to the court for review and inspection.
 - (b) The Purchasers are working with BMO for financing and "*everything looks promising*".
 - (c) We were authorized by the Purchaser to speak to the architect they had retained being ICON Architects Inc. I met with the founder and principal, Mr. Eslami.
13. On or about August 18, 2026, I had extensive discussions with Mr. Eslami, who did advise me, and I did verily believe that:
 - (a) ICON Architects Inc. were retained over two months ago;

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- (b) They have been actively pursuing the development contemplated by the Purchaser being a long term health care facility;
- (c) Mr. Eslami explained that ICON Architects Inc. had been retained as architect, planner and project managers.
- (d) An initial concept had been prepared for a long term care facility;
- (e) A meeting had already taken place with the Mayor of the City of Markham. The Mayor had expressed support for the proposal and confirmed that a rezoning will not be required as the existing zoning can be utilized. Overall, the City's response has been very positive;
- (f) He also advised that there had been several meetings with the Ministry of Health. Since a long term care facility operates similar to a mini hospital, the process is more complex than a standard development project and requires additional time and coordination. There had been ongoing discussions with the Ministry of Health and all of the discussions have been very positive. There is a great deal of support not only from the Ministry of Health but also, the City of Markham;
- (g) Mr. Eslami had prepared an updated site plan and revised design. He is scheduled to meet on Thursday, August 20, 2026 with investors of the Purchaser's company to present the new design and discuss the next steps. Mr. Eslami expressed that the progress over the past few months have been very positive and his view, there is strong support for the project.

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14. As set out in my prior affidavits, what the Respondents are seeking is that the appointment of a receiver be postponed at minimum, until end of September 2026. This will only be in 6 weeks.
15. If the Financing Condition is not waived, then we will need to revisit the issue of the appointment of a receiver. If the Financing Condition is waived, then the closing can take place shortly thereafter and there would be no need for a Receiver to be appointed.
16. I swear this affidavit for the within motion and for no wrongful or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on August 19, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:



Commissioner for Taking Affidavits
(or as may be)

JONATHAN KULATHUNGAM

Signed by:



CA811651F802450...

(Signature of deponent)

REZA ESFAHANY

This is Exhibit “A” referred to in the Affidavit of Reza Esfahany sworn by Reza Esfahany of the City of Richmond Hill, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on August 19, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:



97D104801AA444A...

Commissioner for Taking Affidavits (or as may be)

JONATHAN KULATHUNGAM



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CL-26-00000255-0000

DATE: August 12, 2026

NO. ON LIST: 1

TITLE OF PROCEEDING:

CAMERON STEPHENS MORTGAGE CAPITAL LTD. v. ZONIX HOMES INC et al.

BEFORE: JUSTICE BLACK

PARTICIPANT INFORMATION

For Applicant:

Name of Person Appearing	Name of Party	Contact Info
Yupei (Summer) Xia AND Wendy Greenspoon-Soer	Cameron Stephens Mortgage Capital Ltd.	sxia@garfinkle.com, wgreenspoon@garfinkle.com

For Respondent:

Name of Person Appearing	Name of Party	Contact Info
Jonathon Kulathungam	Counsel for Zonix Homes Inc et al.	jkulathungam@teplitskyllp.com

For Other:

Name of Person Appearing	Name of Party	Contact Info
Jeremy Borenstein	Counsel for Vector Financial Services Limited and Olympia Trust Company	jborenstein@cassels.com

ENDORSEMENT OF JUSTICE BLACK:

- [1] The applicant Cameron Stephens (in this endorsement I will use this and other terms as defined in the parties' materials) is seeking to appoint TDB as Receiver over the Property of the Debtors.
- [2] The CS Loan at issue entailed an initial advance of \$21,457,000.00 and a further advance of \$2,543,000.00, and was secured by the CS Security, including the CS GSA (with a right to appoint a receiver).
- [3] On March 21, 2024, the Non-Borrower Beneficial Owners executed two documents in which they:
 - (a) Acknowledged and consented to the CS Loan;
 - (b) Authorized the Nominees to enter into the CS Loan and the CS Security; and
 - (c) Granted charges and security interests over their beneficial interests in the Real Property in favour of Cameron Stephens.
- [4] The CS Loan matured on April 1, 2025 and the Nominees defaulted on repayment.
- [5] On May 9, 2025, Cameron Stephens issued demands and NITES under s. 244 of the BIA.
- [6] On May 22, 2025, Cameron Stephens agreed to a Forbearance Agreement under which it agreed to forbear from enforcing the CS Security until June 13, 2025, to permit the Nominees to refinance the CS Loan.
- [7] After the expiration of the Forbearance Agreement, on July 14, 2025, Cameron Stephens, the Nominees and the Zonix Guarantors entered into the Accommodation Agreement extending the forbearance period to April 30, 2026 and permitting a proposed refinancing with Vector.
- [8] The Accommodation Agreement contemplated a refinancing facility from Vector in an amount not less than \$24,500,000.00 and a partial repayment to Cameron Stephens of not less than \$21,300,000.00.
- [9] Pursuant to the Vector Commitment Letter (dated April 29, 2025 and subsequently amended) the Vector Creditors advanced a loan in the principal amount of \$24,500,000.00 to the Nominees. To facilitate the Vector Financing Cameron Stephens agreed to subordinate and postpone the CS Security in favour of the Vector Creditors (the details of which subordination and postponement are set out in Cameron Stephens' materials).
- [10] Following completion of the Vector Financing, Cameron Stephens received a partial repayment of \$21,331,563.20 toward the CS Loan.
- [11] However, the Nominees have not paid the Residual Principal Balance and certain interest and fees and expenses, which were due by April 30, 2026 (and the quantum of some of which appear to be disputed).
- [12] On May 6, 2026, Cameron Stephens issued further demands and NITES. In the circumstances, the Vector Creditors likewise issued demands and NITES for outstanding amounts owing to them.
- [13] The Respondents advised that they retained Colliers in July 2025 to list and market the Real Property for sale. However, according to information from Colliers, the (large) scale of the proposed development is causing challenges in the current market.
- [14] That said, the Respondents entered into an APS with the Purchaser on April 27, 2026. The APS provided for an initial 50-day due diligence period in favour of the Purchaser, expiring June 17, 2026.

- [15] The Respondents before me today requested an adjournment of this application – scheduled for today – on the basis that on June 17, 2026, the Purchaser under the APS had exercised its right to extend the due diligence period by a further 60 days to complete its investigations and determine whether it would waive the applicable conditions.
- [16] The critical financing condition is open until September 19, 2026, and the Respondents’ position set out in their factum was that the matter should be adjourned until after that date.
- [17] However, there is an earlier deadline of August 19 for certain other conditions to be waived.
- [18] Respondents’ counsel acknowledged that if those conditions are not waived by August 19, the proposed receivership will be inevitable. There was some agreement, albeit in fairness understandably somewhat grudging from Cameron Stephens and Vector, that it would be reasonable to wait to see if the conditions at issue are waived by August 19 as required. If they are, there is still a live issue as to whether or not it is realistic to expect the financing condition to be met, but for the time being a further appointment for a case conference has been scheduled for August 21, 2026 at 12:30 p.m. for 30 minutes.
- [19] If the August 19 conditions have not been waived, I expect the Receivership to be confirmed at that point. If those conditions have been waived, then I expect a discussion that day about next steps, and, in that context, I have encouraged counsel for the Respondents that the Respondents should put their “best foot forward” that day, and furnish additional evidence as to the status of the refinancing effort and, to the extent possible, evidence of the likelihood of that financing to be secured. I understand the concerns of Cameron Stephens and Vector that they do not wish to be strung along as substantial interest charges continue to accrue, and so my expectation, if the August 19 conditions are waived, is that the Respondents will provide evidence to reassure all concerned, including the court, that a further extension is warranted.



Justice W.D. Black

Date: Aug 12, 2026

This is Exhibit “B” referred to in the Affidavit of Reza Esfahany sworn by Reza Esfahany of the City of Richmond Hill, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on August 19, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

87D104891AA444A

Commissioner for Taking Affidavits (or as may be)

JONATHAN KULATHUNGAM



Waiver

Agreement of Purchase and Sale

Form 123

for use in the Province of Ontario

BUYER: DE SHAN FOUNDATION INC.

SELLER: ZONIX HOMES INC. and ZONIX DUDLEY INC.

REAL PROPERTY: 36 to 48 Steeles Avenue East and 37 to 49 Highland Park Avenue, Thornhill, ON

In accordance with the terms and conditions of the Agreement of Purchase and Sale dated the 27 day of April,

2026, regarding the above property, I/We hereby waive the condition(s) which read(s) as follows:

This Agreement is conditional, for the sole benefit of the Buyer, for a period of fifty (50) days after acceptance of this Agreement, during which period the Buyer may conduct such due diligence investigations respecting the Property as the Buyer deems appropriate, in the Buyer's sole and absolute discretion.

If the Buyer does not waive this condition in writing within such fifty (50) day period, this Agreement shall be null and void and the Deposit shall be returned to the Buyer, without deduction or set-off, except as otherwise expressly provided herein.

All other terms and conditions in the aforementioned Agreement of Purchase and Sale to remain unchanged.

For the purposes of this Waiver, "Buyer" includes purchaser and "Seller" includes vendor.

DATED at _____, Ontario, at _____ this _____ day of _____ 20_____
(a.m./p.m.)

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)

(Buyer/Seller)

August 18, 2026
(Seal) (Date)

(Witness)

(Buyer/Seller)

(Seal) (Date)

Receipt acknowledged at _____ this _____ day of _____ 20_____ by:
(a.m./p.m.)

Print Name: _____

Signature: _____



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CAMERON STEPHENS MORTGAGE CAPITAL LTD.
Applicant

-and- ZONIX HOMES INC., ZONIX DUDLEY INC. et al.
Respondents

Court File No. CL-26-00000255-0000

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COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

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