

No. S-248267  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44,  
THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF SAN INDUSTRIES LTD.,  
AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

## ORDER MADE AFTER APPLICATION (Lift Stay and Sale of Certain Assets)

BEFORE ) THE HONOURABLE JUSTICE STEPHENS ) January 29, 2025  
) )

ON THE APPLICATION of Deloitte Restructuring Inc. (the “**Monitor**”), in its capacity as Court-appointed monitor of San Industries Ltd. and those parties listed on **Schedule “A”** (collectively, the “**Company**”) coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on January 29, 2025 AND ON HEARING Peter L. Rubin and Claire Hildebrand, counsel for the Monitor, and such other counsel as listed in **Schedule “B”** hereto; AND UPON READING the materials filed, including the Third Report of the Monitor dated January 13, 2025;

THIS COURT ORDERS that:

1. The stay of proceedings provided for by paragraphs 17 and 18 of the Second Amended and Restated Initial Order pronounced in these proceedings on December 19, 2024 (the “**SARIO**”), as may be amended, is lifted and shall not apply to the Canadian Western Bank (“**CWB**”) in the enforcement of its security against: (i) the property of San Forest Specialty Ltd. and Mountainside Logging Ltd. (the “**San Specialty and Mountainside Property**”); and (ii) the property of San Industries Ltd. and San Forest Products Ltd. over which CWB has security and which is listed on **Schedule “C”** (including all attachments and accessions to such property) (the “**Schedule C Property**”, and collectively with the San Specialty and Mountainside Property, the “**Enforcement Property**”).

2. The Schedule C Property may be amended without further order of this Court on agreement of counsel for CWB and the Monitor, and with the consent of Royal Bank of Canada and Business Development Bank of Canada, with the parties at liberty to apply to this Court for directions.

3. Any proceeds realized by CWB from its enforcement against the Enforcement Property shall, net of the costs of realization (the "**Net Proceeds**"), be held by CWB's counsel McCarthy Tétrault LLP, in trust, pending further order of this Court.

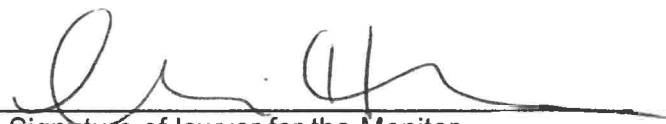
4. CWB shall provide the Monitor with an accounting of any costs of realization with respect to the Net Proceeds.

5. The sale of the Enforcement Property by CWB shall be free and clear of all court-ordered ~~charges~~ <sup>charges</sup> granted in these proceedings including, without limitation and as applicable, the Administration Charge, the Interim Lender's Charge and the Directors' Charge (each as defined in the SARIO and collectively referred to as the "**Charges**").

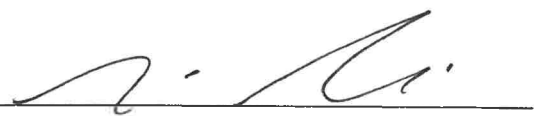
6. Notwithstanding paragraph 5 of this Order, for the purposes of determining the nature and priority of claims, (including, without limitation, claims relating to the Charges), the Net Proceeds from the sale of the Enforcement Property shall stand in the place and stead of the Enforcement Property, and all claims shall attach to the Net Proceeds from the sale of the Enforcement Property with the same priority as they had with respect to the Enforcement Property immediately prior to the sale, as if the Enforcement Property had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

7. No amounts incurred or otherwise arising and secured by the Charges from or after the date of this Order shall be allocated to the Enforcement Property.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

  
Signature of lawyer for the Monitor,  
Peter L. Rubin / Claire Hildebrand

BY THE COURT.

  
Registrar



**Schedule "A"**

**Petitioners**

|                                  |
|----------------------------------|
| Acorn Forest Products Ltd.       |
| Axon Lumber Ltd.                 |
| Coulson Manufacturing 2017 Ltd.  |
| San Cedar Direct Sales Ltd.      |
| San Forest Products Ltd.         |
| San Holdings Inc.                |
| Super-Cut Lumber Industries Ltd. |
| 1224676 B.C. Ltd.                |
| 1260729 B.C. Ltd.                |
| Mountainside Logging Ltd.        |
| 1170518 B.C. Ltd.                |
| 1175465 B.C. Ltd.                |
| San Farming Ltd.                 |
| San Forest Specialty Ltd.        |
| San Terminals Inc.               |

**Schedule "B"**  
**Appearance List**

| COUNSEL NAME    | PARTY REPRESENTED  |
|-----------------|--|
| David Gruber    | San Industries Ltd., Acorn Forest Products Ltd., Axon Lumber Ltd., Coulson Manufacturing 2017 Ltd., San Cedar Direct Sales Ltd., San Forest Products Ltd., San Holdings Inc., Super-Cut Lumber Industries Ltd., 1224676 B.C. Ltd., 1260729 B.C. Ltd., Mountainside Logging Ltd., 1170518 B.C. Ltd., 1175465 B.C. Ltd., San Farming Ltd., San Forest Specialty Ltd., and San Terminals Inc. |
| Glen Nesbitt    | Royal Bank of Canada   |
| William Lance   | Canadian Western Bank  |
| Heather McMahon | Trustees of the IWA - Forest Industry Pension Plan and Trustees of the IWA - Forest Industry LTD Plan  |
| Caleb Groot     | United Steelworkers Local 2009 and Local 1-1937  |
|                 |  |
|                 |  |
|                 |  |
|                 |  |

**Schedule "C"**

**Property**

| <b>Year</b> | <b>Make</b>     | <b>Model</b>                                       | <b>S/N</b>        |
|-------------|-----------------|--|-------------------|
| 2019        | Weinig          | Weinig Hydromat 30N Planing Machine                | 253-890           |
| 2019        | c/w             | Walk-in Sound Cabin                                |                   |
| 2019        | c/w Weinig      | Infeed System with Hydraulic Unit Electric Cabinet |                   |
| 2019        | c/w Weidner     | Transport Belt                                     |                   |
| 2019        | HYUNDAI         | HD_70D-9 CL5 FORKLIFT                              | HHKHFA03CJ0000929 |
| 2020        | RFS PROTECH     | EG48X240X6 (RB) 30KW GENERATOR                     | 13-1022           |
| 2020        | MASSEY FERGUSON | 4707 GLOBAL LOADER TRACTOR                         | MC040CJ5302002    |
| 2020        | HLA-HORST       | MB84BO500 84" BUCKET                               | 19LA71178         |
| 2020        | MASCHIO         | H165 TILLER  | 164156            |
| 2020        | MASCHIO         | B230 TILLER  | 194628            |
| 2020        | Waco            | Dominant Planer Saws                               |                   |
| 2020        |                 | Grading Software                                   |                   |
| 2020        | Waco            | Dominant 3000                                      | 890473            |
| 2020        | Ultimizer       | 1400B-100 Full line                                | 1400B-318         |
| 2020        | Stacker         | Sony Software PVM-97                               | 1024480           |
| 2020        | KUBOTA          | SSV65P SKID STEER                                  | 13867             |
| 2020        | LAND PRIDE      | PALLET FORKS                                       | 1076718K          |
| 2020        | Taylor          | GT-100 Forklift                                    | P45275            |
| 2020        | Taylor          | GT-100 Forklift                                    | P-45277           |
| 2005        | GENIE           | Z60/34 4x4 ARTICULATED BOOM                        | Z60055331         |

| Year | Make       | Model  | S/N               |
|------|------------|--|-------------------|
|      |            | LIFT   |                   |
| 2013 | NEVILLE    | 48 FT TRIDEM   | 1N9DD4831DL175003 |
| 2003 | TY-CROP    | 45 FT TRIDEM   | 2T9YAAVC23D016176 |
| 2020 | TAYLOR     | TX GT-180 FORKLIFT                                   | P-45279           |
| 2020 | TAYLOR     | TX GT-180 FORKLIFT                                   | P-45280           |
| 2003 | JOHN DEERE | 800C LOG LOADER                                      | FF800CX971024     |
| 2003 | IMAC       | 4 cord Short Wood Grapple, Custom Bottom, Front Boom |                   |