



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**  
**(Inventory Sale Process Approval)**

BEFORE     )     THE HONOURABLE JUSTICE STEPHENS     )     May 7, 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 "**Petitioners**") coming on for hearing at 800 Smith Street, Vancouver, British Columbia on May 7, 2025 AND ON HEARING Peter L. Rubin, counsel for the Monitor, and such other counsel as listed in **Schedule "B"** hereto; AND UPON READING the materials filed, including the Sixth Report of the Monitor, dated April 30, 2025 (the "**Sixth Report**"); AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, the *British Columbia Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS that:

1. The Proposal for Orderly Sale by Auction and Liquidation of Lumber Inventory between Tradewest Asset Solutions Inc., and Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the Petitioners, and not in its personal or other capacity (the "**Inventory Sale Agreement**"), a copy of which is attached as Appendix C to the Sixth Report, and the process for liquidating and auctioning all of Petitioners' remaining inventory, including but not limited to the inventory located at the Coulson Mill, the Langley Plant, and the San Forest Product Plant as set out in Appendix D to the Sixth Report (collectively, the "**Inventory**") is

hereby approved and the Monitor is authorized, but not directed, to sell the Inventory pursuant to the Inventory Sale Agreement and the terms of this Order.

2. The Monitor is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the sale of the Inventory, and the Monitor shall not incur any liability as a result thereof.

3. Upon the closing of a transaction or transactions (each, a "**Transaction**") for the sale of the Inventory (the "**Sold Inventory**") to a purchaser or purchasers (each, a "**Purchaser**"), all of the Petitioners' right, title and interest in and to the Sold Inventory shall be sold, transferred and vest absolutely in the Purchaser of such Sold Inventory, free and clear of, and from, any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trust (whether contractual, statutory, or otherwise), liens, executions, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, or otherwise in respect of that Sold Inventory (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Second Amended and Restated Initial Order of this Court dated December 19, 2024, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registration systems.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Sold Inventory shall stand in the place and stead of the Sold Inventory, and from and after the closing of a Transaction for Sold Inventory, all Claims shall attach to the net proceeds from the Transaction of the Sold Inventory with the same priority as they had with respect to the Sold Inventory immediately prior to the sale, as if the Sold Inventory had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

5. Notwithstanding:


- (a) the pendency of these proceedings;
- (b) the application for a bankruptcy order in respect of the Petitioners now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**") and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made by, or in respect of, the Petitioners;

the vesting of the Sold Inventory in a Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable by creditors of the Petitioners, nor shall it constitute nor be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. The Monitor may apply for such further or other directions as may be necessary or desirable to give effect to this Order, including without limitation the discharge of its powers and duties under this Order.

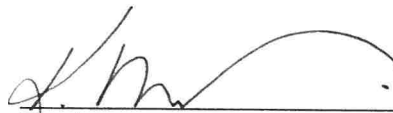
7. Endorsement of this Order by counsel appearing on this application other than counsel for the Monitor is hereby dispensed with.

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

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"**

<b>COUNSEL NAME</b>	<b>PARTY REPRESENTED</b>
Andrew Froh	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
Heather McMahon	Trustees of the IWA - Forest Industry Pension Plan and Trustees of the IWA - Forest Industry LTD Plan

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