



FORCE FILED

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

NOTICE OF APPLICATION

Name of applicant: 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 "San Group").

To: The Service List

TAKE NOTICE that an application will be made by the Monitor at the courthouse at 800 Smithe Street, Vancouver, British Columbia on June 12, 2025, at 10 a.m. for the orders set out in Part 1 below.

The Monitor estimates that the application will take 2 hours.

This application is not within the jurisdiction of an associate judge. Justice Stephens is seized of this matter.

Part 1: ORDERS SOUGHT

1. The Monitor seeks the following orders:
 - (a) an **"Approval and Vesting Order (Coulson)"**, substantially in the form attached as **Schedule "B"** hereto, approving the Offer to Purchase and Asset Purchase Agreement dated May 11, 2025 (the **"Coulson Sale Agreement"**) between the Monitor, in its capacity as monitor of Coulson Manufacturing 2017 Ltd. (**"Coulson"**), as vendor, and 0752615 B.C. Ltd., Fraserview Cedar Products Ltd.,

Fraserview Re-Manufacturing Inc., and Gillwood Products Inc., (collectively, "**Fraserview**") as the purchasers (the "**Coulson Transaction**");

- (b) an "**Approval and Vesting Order (San Forest)**", substantially in the form attached as **Schedule "C"** hereto, approving the Offer to Purchase and Asset Purchase Agreement dated May 15, 2025 (the "**San Forest Sale Agreement**") between the Monitor, in its capacity as monitor of San Forest Products Ltd. ("**San Forest**"), as vendor, and 1537037 B.C. Ltd. ("**1537037**") as purchaser (the "**San Forest Transaction**");
- (c) an "**Approval and Vesting Order (Langley)**", substantially in the form attached as **Schedule "D"** hereto, approving the Offer to Purchase and Asset Purchase Agreement dated June 2, 2025 (the "**Langley Sale Agreement**", together with the Coulson Sale Agreement and San Forest Sale Agreement, the "**Sale Agreements**") between the Monitor, in its capacity as monitor of Axon Lumber Ltd. ("**Axon**") and San Industries Ltd. ("**San Industries**"), as vendor, and Cedarline Industries Ltd. ("**Cedarline**") as purchaser (the "**Langley Transaction**", together with the Coulson Transaction and the San Forest Transaction, the "**Transactions**"); and
- (d) a "**Sealing Order**" sealing the confidential supplemental report (the "**Confidential Supplement**") to the Seventh Report of the Monitor, dated June 4, 2025 (the "**Seventh Report**") on the court file

(collectively, the "**Orders**").

2. The Monitor may also seek such other orders as counsel for the Monitor may advise and this Court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

Introduction and Background

3. On November 29, 2024, this Court granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "**CCAA**") with respect to the San Group. Pursuant to the Initial Order, this Court granted, among other things, certain enhanced powers to the Monitor. On December 19, 2024, this Court granted a second amended and restated initial order (the "**SARIO**") which, among other things, granted the Monitor further enhanced powers.

4. On January 16, 2025, this Court approved a sales and investment solicitation process (the "**SISP**") with respect to certain of the San Group's business and assets.

5. As is further set out in detail in the Seventh Report, since the approval of the SISP, the Monitor has been working to implement the SISP and otherwise advance the San Group's restructuring under the CCAA. The Monitor's restructuring efforts and efforts in administering the SISP have resulted in the Transactions for the sale of certain of the San Group's business and assets.

6. In the Monitor's view, the Transactions are the result of fair and reasonable sales processes, and approval of the Transactions are in the best interests of the San Group's stakeholders.

7. Capitalized terms not defined in this Notice of Application shall have the meanings given to them in the SISP, the Sale Agreements, or the SARIO, as applicable.

The SISP

8. The implementation of Phase I of the SISP is described in greater in the Seventh Report, and included the following steps taken by the Monitor:

- (a) placing an advertisement in the Insolvency Insider newsletter that informed parties of the potential transaction opportunity with respect to the San Group's assets, which ran for four weeks commencing on January 27, 2025;
- (b) compiling a list of 75 Potential Bidders, including local, national and international lumber and sawmill operating companies, local First Nation economic development corporations, and private equity groups;
- (c) circulating a "Teaser" document summarizing the opportunity afforded by the SISP to Potential Bidders;
- (d) preparing a confidential information summary (the "**CIS**") that summarized the investment opportunity and provided financial and operational information with respect to the SISP;
- (e) preparing a form of confidentiality agreement (the "**CA**") and executing 29 CAs with Potential Bidders;
- (f) providing the 29 Qualified Bidders with access to the CIS and a virtual data room (the "**Data Room**") populated with documents to allow Potential Bidders to evaluate their interest in the San Group assets;
- (g) regularly updating the Data Room based on information requests from Potential Bidders and to ensure that those who were granted access to the Data Room were privy to the same information;
- (h) arranging telephone or videoconference calls with Qualified Bidders that required further information and to discuss the opportunity of acquiring the assets subject to the SISP; and
- (i) arranging for ten Qualified Bidders to complete tours at the San Group's operating locations, including Coulson, San Forest, and Axon and San Industries' respective Property.

9. The implementation of Phase II of the SISP, which is also described in greater in the Seventh Report, included the following steps taken by the Monitor:

- (a) reviewing the Qualified Non-Binding LOIs and discussing them with the Royal Bank of Canada (the “**Interim Lender**” or “**RBC**”) and the Business Development Bank of Canada (“**BDC**”), and selecting several parties to advance to Phase II of the SISP;
- (b) responding to multiple information requests and queries from Qualified Bidders and undertaking regular discussions with them with respect to various due diligence inquiries;
- (c) undertaking additional site tours at Coulson and San Forest’s respective Property;
- (d) adding various documents to the Data Room; and
- (e) engaging an environmental consultant to conduct an updated environmental site assessment at San Forest’s Property to assist the due diligence procedures of the Qualified Bidders.

10. Qualified Bidders were required to submit binding Qualified Bids to the Monitor by April 30, 2025.

The Proposed Coulson Transaction

11. The proposed Coulson Transaction is a sale of certain of Coulson’s assets to Fraserview that will see Coulson continue as a going concern. Key terms of the Coulson Transaction include the following:

Term	Details
Transaction Structure	Asset Purchase Agreement
Purchased Assets	Include: (a) the real property located at 100 Sezai Road, Port Alberni, British Columbia (the “ Coulson Real Property ”) and Chattels, including the Equipment as set forth on Schedule “F” of the Coulson Sale Agreement; and (b) a License of Occupation dated January 1, 2018 between the Port Alberni Port Authority as licensor and Coulson as licensee (the “ License of Occupation ”).
Excluded Assets	Include any accounts receivable, refunds and receivables in respect of Taxes and Transfer Taxes, and lumber inventory owned by or owing to Coulson.
Assumed Contracts and	All of the Liabilities arising under the Permitted Encumbrances as set forth on Schedule “E” of the Coulson Sale Agreement,

Liabilities	arrears of property taxes due with respect to the Coulson Real Property, and arrears of license fees under the License of Occupation.
Conditions Precedent	Include the granting of the Approval and Vesting Order (Coulson) approving the Coulson Sale Agreement and the Coulson Transaction.
Employees	<p>Fraserview will offer employment to all Unionized Employees on terms and conditions substantially the same as those upon which such Unionized Employees were employed by Coulson.</p> <p>Fraserview will not assume any monetary obligation under the Collective Agreement that are Pre-Closing Union and Unionized Employee Claims (which includes the Identified Union Claims as set forth on Schedule “G” of the Coulson Sale Agreement) or obligations outstanding under the Pension Plans as of the Closing Date.</p>
Closing Date	Five business days following the granting of the Approval and Vesting Order (Coulson).

The Proposed San Forest Transaction

12. The proposed San Forest Transaction is a sale of certain of San Forest’s assets to 1537037. Key terms of San Forest Transaction include the following:

Term	Details
Transaction Structure	Asset Purchase Agreement
Purchased Assets	<p>Include:</p> <p>(a) the real property located at 5105 Nuupts' Ikapis Way, Port Alberni, British Columbia and Stamp Ave, Port Alberni, British Columbia (the “San Forest Real Property”); and</p> <p>(b) the Equipment and Chattels as set forth on Schedule “A” of the San Forest Sale Agreement.</p>
Excluded Assets	Include any accounts receivable, refunds and receivables in respect of Taxes and Transfer Taxes, and lumber inventory owned by or owing to San Forest.
Conditions Precedent	Include the granting of the Approval and Vesting Order (San Forest) approving the San Forest Sale Agreement and the San Forest Transaction.
Closing Date	Five business days following the granting of the Approval and Vesting Order (San Forest).

The Langley Sale Process and the Proposed Langley Transaction

13. As discussed in greater detail in the Seventh Report, following Phase I of the SISP, the Monitor concluded that the LOIs submitted for Axon and San Industries' Property were unsatisfactory, particularly in light of the appraised values of the Property. Consequently, the Monitor, in consultation with RBC and BDC, concluded that it was appropriate to exclude Axon and San Industries' Property from Phase II of the SISP (including in particular the Langley Plant and the Langley Farm Property). The Monitor engaged a separate sales process to market these Properties (the "**Langley Sale Process**") with Cushman & Wakefield ULC ("**Cushman**"), which has resulted in the proposed Langley Transaction, which is a sale of the Langley Plant (with the Monitor continuing efforts to sell the Langley Farm Property).

14. The marketing activities undertaken as part of the Langley Sale Process included, among other things:

- (a) listing the properties for sale on Cushman's website;
- (b) preparing a marketing brochure for both the Langley Plant and the Langley Farm Property setting out the investment opportunity highlights and key attributes of the properties;
- (c) sending out marketing emails, including the marketing brochures, to its broad network of approximately 2,600 recipients, including industrial agents, real estate investors, forestry companies and other potential buyers;
- (d) targeted phone calls with approximately 60 investors and owner-operators of similar assets;
- (e) making various documents and information pertaining to the properties available in a data room, for 16 parties that executed a CA; and
- (f) conducting several tours of the properties with prospective buyers.

15. Key terms of the Langley Transaction include the following:

Term	Details
Transaction Structure	Asset Purchase Agreement
Purchased Assets	Include: (a) the Langley Plant, being the real property located at 25583 88 Avenue, Langley, British Columbia, V1M 3N8 and Chattels; and (b) the Equipment as set forth on Schedule "A" of the Langley Sale Agreement.
Excluded Assets	Include any accounts receivable, refunds and receivables in respect of Taxes and Transfer Taxes, and lumber inventory owned by or owing to Axon and San Industries.

Assumed Liabilities	All Liabilities arising under the Permitted Encumbrances as set forth on Schedule “E” of the Langley Sale Agreement and all property taxes and utilities related to the Langley Real Property from, and including, the Closing Date.
Conditions Precedent	Include the granting of the Approval and Vesting Order (Langley) approving the Langley Sale Agreement and the Langley Transaction.
Closing Date	Five business days following the granting of the Approval and Vesting Order (Langley).

Part 3: LEGAL BASIS

Governing Legal Principles with respect to a Sale Approval

16. Restructuring proceedings under the CCAA are intended to provide a means whereby the devastating social and economic effects of bankruptcy or creditor-initiated termination of ongoing business operations can be avoided. In furtherance of this purpose, Canadian courts have regularly approved sales of distressed businesses, recognizing that such sales are consistent with the remedial nature of the CCAA.

Ted Leroy Trucking [Century Services] Ltd. Re, 2010 SCC 60 at para. 59; Nortel Networks Corp. (Re) 2009, 55 C.B.R. (5th) 229 (Ont. S.C.J.) at paras. 47-48.

17. Section 36 of the CCAA expressly authorizes this Court to approve sales of a debtor's assets outside of the ordinary course of business. Section 36(3) of the CCAA sets out the non-exhaustive list of factors to be considered in respect of a sale of an insolvent debtor's assets:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

Nelson Education Ltd (Re), 2015 ONSC 5557 at para. 38.

18. In addition to the factors set out above, the court should consider all the circumstances to determine whether the proposed sale is fair and reasonable. To that end, courts have also considered the four factors set out by Chief Justice Morawetz in *Nortel* (also commonly referred to as the “*Soundair*” factors), which are:

- (a) whether sufficient effort has been to obtain the best price and that the debtor has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers have been obtained; and
- (d) whether there has been unfairness in the working out of the process.

North American Tungsten Corporation Ltd. (Re), 2016 BCSC 12 at paras. 29-30 [North American Tungsten], citing Nortel Networks Corp. (Re) (2009), 56 C.B.R. (5th) 224 (Ont. S.C.J.) at para. 35.

19. In terms of assessing the appropriateness of proposed sale under the CCAA, the business judgment of the monitor and the monitor’s recommendation has been held to be particularly important and to carry “great weight” with the court in any approval process. Indeed, courts will generally approve a sale where the monitor is of the view that the sale price and terms are commercially reasonable and satisfactory.

Aveos Fleet Performance Inc., 2012 QCCS 4074 at para. 50; Sanjel (Re), 2016 ABQB 257 at para. 57, citing AbitibiBowater Inc. (Re), 2010 QCCS 1742 at paras. 70-72; North American Tungsten at para. 30.

The Proposed Coulson Transaction and San Forest Transaction should be Approved

20. For the reasons set out below (and described in greater detail in the Seventh Report and the Confidential Supplement), the Monitor is of the view that the Coulson Transaction and the San Forest Transaction are each the highest or otherwise best Bid for the relevant San Group assets derived from the SISP and that the Coulson Transaction and San Forest Transaction meet the criteria set out in section 36 of the CCAA:

- (a) The SISP was reasonable: The court-approved SISP, which was developed with input from the San Group’s secured creditors, including the Interim Lender and BDC, was a robust process that was conducted in a reasonable, fair and transparent manner.
- (b) Monitor Approval: Pursuant to the provisions of the SARIO, which grant the Monitor enhanced powers, the Monitor developed and implemented the SISP,

and now seeks approval of the Coulson Transaction and the San Forest Transaction following the conclusion of the SISP.

- (c) Creditors have been Consulted: As mentioned above, the SISP was developed in consultation with the Interim Lender and BDC, the San Group's two senior secured creditors, who were also consulted throughout the SISP in accordance with its terms. The Interim Lender and BDC are supportive of the Coulson Transaction and the San Forest Transaction.
- (d) Benefit to Stakeholders: The Coulson Transaction and the San Forest Transaction are more beneficial to the San Group's stakeholders than a liquidation and provide material value to the San Group estate. With respect to the Coulson Transaction, various stakeholders of the San Group stand to benefit from Coulson's Purchased Assets being sold as a going concern, including the Unionized Employees, and Coulson's vendors, customers, other trading partners, and the Alberni Valley economy more generally. With respect to the San Forest Transaction, various stakeholders of the San Group also stand to benefit from San Forest's Purchased Assets being sold to an entity that intends to operate a prefabrication and production facility, including local people as potential future employees, vendors, customers, other trading partners, and the Alberni Valley economy more generally.
- (e) The Transactions are the Best Available in the Circumstances: The Monitor is of the view that the purchase price with respect to each of the Coulson Transaction and the San Forest Transaction is fair and reasonable in the circumstances, taking into account the market value of the assets being disposed of, other offers received, and feedback received on the condition and location of Coulson and San Forest's respective Purchased Assets.

The Proposed Langley Transaction should be Approved

21. For the reasons set out below (and described in greater detail in the Seventh Report and the Confidential Supplement), the Monitor is of the view that the Langley Transaction is the highest or otherwise best offer for the relevant San Group assets derived from the Langley Sale Process and that the Langley Transaction meets the criteria set out in section 36 of the CCAA:

- (a) The Langley Sale Process was reasonable: The Langley Sale Process, which was developed following input from the San Group's secured creditors, including the Interim Lender and BDC, was a robust process that was conducted in a reasonable, fair and transparent manner.
- (b) Monitor Approval: Pursuant to the provisions of the SARIO, which grant the Monitor enhanced powers, the Monitor approved the Langley Sale Process and now seeks approval of the Langley Transaction.
- (c) Creditors have been Consulted: The Langley Sale Process was implemented following consultation with the Interim Lender and BDC, the San Group's two senior secured creditors. The Interim Lender is supportive of the Langley Transaction.

- (d) Benefit to Stakeholders: The Langley Transaction is more beneficial to the San Group's stakeholders than a liquidation and provides material value to the San Group estate. With respect to the Langley Transaction, various stakeholders of the San Group stand to benefit from the Axon and San Industries' Purchased Assets being sold to an entity that intends to recommence operations, including local people as potential future employees, vendors, customers, other trading partners, and the Langley area economy more generally.
- (e) The Transaction is the Best Available in the Circumstances: The Monitor is of the view that the purchase price of the Langley Transaction is fair and reasonable in the circumstances, taking into account the market value of the assets being disposed of, other offers received, and feedback received on the condition and location of Axon and San Industries' Purchased Assets.

The Sealing Order Should be Granted

22. The Monitor also seeks an order sealing the Confidential Supplement on the Court file until further Court order or until the closing of all of the Coulson Mill Transaction, the SFP Transaction and the Langley Plant Transaction.

23. The test for when a sealing order should be granted is found in the Supreme Court of Canada's decision *Sherman Estates v. Donovan* (which re-stated the previous test set out in *Sierra Club*). An applicant must establish that:

- (a) court openness poses a serious risk to an important public interest;
- (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

Sherman Estates v. Donovan, 2021 SCC 25 at paras. 38 and 43.

24. This Court has previously sealed sale agreements in CCAA proceedings on the basis that disclosure of certain confidential information would be prejudicial to stakeholders.

Walter Energy (Re), 2016 BCSC 1746 at paras. 5-10.

25. The Confidential Supplement contains confidential information with respect to the assets subject to the applications before the Court. Should any of the Transactions failed to close, publication of this confidential information would undermine the duty and efforts of the Monitor to maximize the realizations from the sale of the business and assets of the San Group, and would be detrimental to the commercial interests of the San Group and their various stakeholders.

26. Any deleterious effects are outweighed by the benefits of the Sealing Order. The Monitor therefore asks this Court to approve the proposed Sealing Order.


Part 4: MATERIAL TO BE RELIED ON

1. Seventh Report of the Monitor, dated June 4, 2025;
2. Confidential Supplement to the Seventh Report of the Monitor; and
3. such further and other materials as counsel may advise.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: June 4, 2025

For: 

Signature of lawyer for the Monitor
Peter L. Rubin

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

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"

No. S-248267
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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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
(Approval and Vesting (Coulson))**

BEFORE))	
)	THE HONOURABLE JUSTICE STEPHENS)	June 12, 2025
))	

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") of the assets, undertakings and properties of Coulson Manufacturing 2017 Ltd. (the "**Company**") coming on for hearing at Vancouver, British Columbia, on the 12th day of June, 2025; AND ON HEARING Peter L. Rubin, counsel for the Monitor, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Seventh Report of the Monitor dated June 4th, 2025 (the "**Seventh Report**") and the Confidential Supplement to the Seventh Report of the Monitor; 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 AND DECLARES THAT:

Service

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those listed on the Service List is hereby dispensed with.

Capitalized Terms

2. Capitalized terms not defined in this Order shall have the meaning given to them in the Offer to Purchase and Asset Purchase Agreement (the “**Coulson Sale Agreement**”) dated May 11, 2025 between the Monitor, in its capacity as Court appointed Monitor of the Company, and not in its personal or corporate capacity, and 0752615 B.C. Ltd., Fraserview Cedar Products Ltd., Fraserview Re-Manufacturing Inc., and Gillwood Products Inc., carrying on business as a partnership as The Fraserview Cedar Partnership (the “**Purchasers**”) or the Second Amended and Restated Order of this Court made December 19, 2024 (the “**SARIO**”), as applicable.
3. All references to the Purchasers herein shall include all assignees of the Purchasers, if any.

Approval of Transaction

4. The Coulson Sale Agreement, a copy of which is attached as **Appendix “D”** to the Seventh Report, and the transaction contemplated thereby (the “**Transaction**”) is hereby approved, and the Coulson Sale Agreement is commercially reasonable. The execution of the Coulson Sale Agreement by the Monitor is hereby authorized and approved, and the Monitor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchasers of the assets described in the Coulson Sale Agreement (the “**Purchased Assets**”).
5. Upon delivery by the Monitor to the Purchasers of a certificate substantially in the form attached as **Schedule “C”** hereto (the “**Monitor’s Certificate**”), all of the Company’s right, title and interest in and to the Purchased Assets described in the Coulson Sale Agreement shall vest absolutely in 1534987 B.C. Ltd. (“**New Co.**”), a newly incorporated company related to the Purchasers, in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, 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 (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SARIO; (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 registry system; (iii) those Claims listed on **Schedule “D”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “E”** hereto); and (iv) Taxes payable by the Company, Pre-Closing Union and Unionized Employee Claims, and Pension Plan Liabilities, and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
6. Upon presentation for registration in the Land Title Office for the Land Title District of Victoria of a certified copy of this Order, together with a letter from Blake, Cassels, & Graydon LLP, solicitors for the Monitor, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:

- (a) enter New Co. as the owner of the Real Property identified in **Schedule "F"** hereto (the "**Purchasers Lands**"), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Purchasers Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of New Co. and to the Purchasers Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of New Co. as aforesaid; and
 - (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Purchasers Lands all of the registered Encumbrances except for those Permitted Encumbrances listed in **Schedule "E"**.
- 7. For greater certainty, upon the delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all governmental authorities exercising jurisdiction with respect to the Purchasers, New Co., or the Purchased Assets are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances against or in respect of the Purchasers, New Co., and the Purchased Assets listed on **Schedule "D"**, and presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the governmental authorities to do so.
- 8. The execution of the Coulson Sale Agreement (or any other ancillary agreements or documents thereto), the Closing of the Transaction and any direct or indirect change of control of the Company resulting therefrom shall not, in and of themselves, constitute any default or any breach of any obligation, or give rise to any right, remedy or recourse under the Contracts.
- 9. The Monitor is authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the Coulson Sale Agreement, or any ancillary agreements or documents related thereto, and shall incur no liability in connection therewith, save and except as may be contemplated in such agreements or for liability arising from the gross negligence or willful misconduct of the Monitor.
- 10. The Purchasers and New Co. shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Purchasers, New Co., and the Purchased Assets of the Claims and Encumbrances pursuant to this Order listed on **Schedule "D"** including, without limitation, the filing of any discharges in the Land Title Office.
- 11. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's

Certificate all Claims shall attach to the Net Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

12. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
13. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Monitor is hereby authorized and permitted to disclose and transfer to the Purchasers all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees. The Purchasers shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.
14. Subject to the terms of the Coulson Sale Agreement, possession of the Purchased Assets shall be delivered to the Purchasers at the Closing Effective Time, subject to the Permitted Encumbrances as set out in the Coulson Sale Agreement and listed on **Schedule "E"**.
15. The Monitor, with the consent of the Purchasers and in accordance with the terms of the Order dated January 16, 2025, approving the sale and investment solicitation process, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
16. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Company now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Company,

the vesting of the Purchased Assets in New Co. and the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

General

17. The Monitor, the Purchasers and the Company have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order and Transaction, including but not limited to with respect to an assignment of the Contracts.
18. 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 Peter L. Rubin
Counsel to the Monitor

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”

Counsel List

[illegible]

Schedule C – Monitor’s Certificate

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

MONITOR’S CERTIFICATE

- A. By order made November 29, 2024, amended and restated December 9, 2024, and subsequently amended and restated December 19, 2024, this Court appointed Deloitte Restructuring Inc. as monitor (the "**Monitor**") of Coulson Manufacturing 2017 Ltd. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-46 (as amended, the "**CCAA**");
- B. Pursuant to an order of the Court dated June 12, 2025 (the "**Approval and Vesting Order (Coulson)**"), the Court approved the sale of the Purchased Assets to 0752615 B.C. Ltd., Fraserview Cedar Products Ltd., Fraserview Re-Manufacturing Inc., and Gillwood Products Inc., carrying on business as a partnership as The Fraserview Cedar Partnership (the "**Purchasers**"), providing for the vesting in 1534987 B.C. Ltd., a newly incorporated company related to the Purchasers, of all of the Company’s right, title and interest in and to the Purchased Assets (as defined in the Coulson Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchasers of a certificate confirming that all conditions to Closing have been satisfied and/or waived, including the payment of the Purchase Price in the manner contemplated in the Coulson Sale Agreement; and
- C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Approval and Vesting Order (Coulson).

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchasers that all conditions to Closing have been satisfied and/or waived; and
2. The Monitor confirms that all conditions to Closing have been satisfied and/or waived and the Purchase Price has been paid in full.

This Certificate was delivered by the Monitor at _____ on [--], 2025.

DELOITTE RESTRUCTURING INC., in its capacity as
Monitor of the Company, and not in its personal
capacity.

Per: _____
Name:

Schedule D – Encumbrances to Be Discharged from Real Property

1. The following charges, liens and interests with respect to PIDs 008-892-075, 008-892-148, 008-892-199, 008-892-083, 008-892-644, 008-558-493, 008-558-116, and 008-668-299:
 - a. Mortgage CA5974732 and Assignment of Rents CA5974733 registered on May 4, 2017, by HSBC Bank Canada;
 - b. Modifications CA9736338 and CA9736339 registered on February 23, 2022, modifying Mortgage CA5974732 and Assignment of Rents CA5974733;
 - c. Judgment WX2190774 registered on March 18, 2024, by His Majesty the King in Right of the Province of British Columbia;
 - d. Mortgage CB1381654 and Assignment of Rents CB1381655 registered on June 17, 2024, by Five Peaks Capital Ltd.;
 - e. Judgment CB1607620 registered on September 20, 2024, by the Crown in Right of the Province of British Columbia; and
 - f. Crystallized Floating Charge CB1777760 registered on December 18, 2024, by Royal Bank of Canada.

**Schedule E - Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property**

GENERAL ENCUMBRANCES

1. Subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown.

SPECIFIC ENCUMBRANCES

2. The following charges, liens and interests with respect to PIDs 008-892-075, 008-892-148, 008-892-199, 008-892-083, 008-892-644, 008-558-493, 008-558-116 and 008-668-299:

- a. Exceptions and Reservations M76300 registered by Esquimalt and Nanaimo Railway Company, as corrected by Correction ET62424A;
- b. Covenant ED18083 registered on February 15, 1990, by Regional District of Alberni-Clayoquot;
- c. Restrictive Covenant ED18085 registered on February 15, 1990; and
- d. Easement EE98939 registered on September 9, 1991.

3. The following charges, liens and interests with respect to PID 008-558-493 only:

- a. Right of Way 88777G registered on December 8, 1937, by Alberni Pacific Transport Company Limited, as transferred to Weyerhaeuser Company Limited by ET28015.

Schedule F – Purchasers Lands

#	Parcel Identifier	Legal Description	Municipal Address (if applicable)
1.	008-892-075	LOT 1, DISTRICT LOT 159, ALBERNI DISTRICT, PLAN 571	100 SEZAI RD BC
2.	008-892-148	LOT 2, DISTRICT LOT 159, ALBERNI DISTRICT, PLAN 571	100 SEZAI RD BC
3.	008-892-199	THE NORTH 1/2 OF LOT 3, DISTRICT LOT 159, ALBERNI DISTRICT, PLAN 571	100 SEZAI RD BC
4.	008-892-083	THE SOUTH 1/2 OF LOT 3, DISTRICT LOT 159, ALBERNI DISTRICT, PLAN 571	100 SEZAI RD BC
5.	008-892-644	LOT 4, DISTRICT LOT 159, ALBERNI DISTRICT, PLAN 571	100 SEZAI RD BC
6.	008-558-493	PARCEL A (DD 9801N) OF DISTRICT LOT 159, ALBERNI DISTRICT	100 SEZAI RD BC
7.	008-558-116	PARCEL B (DD 18585N) OF DISTRICT LOT 159, ALBERNI DISTRICT, EXCEPT PART IN PLAN 285 RW	100 SEZAI RD BC
8.	008-668-299	THAT PART OF PARCEL B (DD 18585N) OF DISTRICT LOT 159, ALBERNI DISTRICT, SHOWN OUTLINED IN RED ON PLAN 145R	100 SEZAI RD BC

SCHEDULE "C"

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
(Approval and Vesting (San Forest))**

BEFORE))	
)	THE HONOURABLE JUSTICE STEPHENS)	June 12, 2025
))	

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") of the assets, undertakings and properties of San Forest Products Ltd. (the "**Company**") coming on for hearing at Vancouver, British Columbia, on the 12th day of June, 2025; AND ON HEARING Peter L. Rubin, counsel for the Monitor, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Seventh Report of the Monitor dated June 4th, 2025 (the "**Seventh Report**") and the Confidential Supplement to the Seventh Report of the Monitor; 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 AND DECLARES THAT:

Service

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those listed on the Service List is hereby dispensed with.

Capitalized Terms

2. Capitalized terms not defined in this Order shall have the meaning given to them in the Offer to Purchase and Asset Purchase Agreement (the “**San Forest Sale Agreement**”) dated May 15, 2025, between the Monitor, in its capacity as Court appointed Monitor of the Company, and not in its personal or corporate capacity, and 1537037 B.C. Ltd. (the “**Purchaser**”) or the Second Amended and Restated Order of this Court made December 19, 2024 (the “**SARIO**”), as applicable.
3. All references to the Purchaser herein shall include all assignees of the Purchaser, if any.

Approval of Transaction

4. The San Forest Sale Agreement, a copy of which is attached as **Appendix “E”** to the Seventh Report, and the transaction contemplated thereby (the “**Transaction**”) is hereby approved, and the San Forest Sale Agreement is commercially reasonable. The execution of the San Forest Sale Agreement by the Monitor is hereby authorized and approved, and the Monitor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the San Forest Sale Agreement (the “**Purchased Assets**”).
5. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule “C”** hereto (the “**Monitor’s Certificate**”), all of the Company’s right, title and interest in and to the Purchased Assets described in the San Forest Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, 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 (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SARIO; (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 registry system; and (iii) those Claims listed on **Schedule “D”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “E”** hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
6. Upon presentation for registration in the Land Title Office for the Land Title District of Victoria of a certified copy of this Order, together with a letter from Blake, Cassels, & Graydon LLP, solicitors for the Monitor, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Real Property identified in **Schedule “F”** hereto (the “**Purchaser Lands**”), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits,

privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Purchaser Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser and to the Purchaser Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Purchaser Lands all of the registered Encumbrances except for those Permitted Encumbrances listed in **Schedule "E"**.
- 7. For greater certainty, upon the delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all governmental authorities exercising jurisdiction with respect to the Purchaser or the Purchased Assets are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances against or in respect of the Purchaser and the Purchased Assets listed on **Schedule "D"**, and presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the governmental authorities to do so.
- 8. The Monitor is authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the San Forest Sale Agreement, or any ancillary agreements or documents related thereto, and shall incur no liability in connection therewith, save and except as may be contemplated in such agreements or for liability arising from the gross negligence or willful misconduct of the Monitor.
- 9. The Purchaser shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Purchaser and the Purchased Assets of the Claims and Encumbrances pursuant to this Order listed on **Schedule "D"** including, without limitation, the filing of any discharges in the Land Title Office.
- 10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims shall attach to the Net Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
- 11. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
- 12. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Monitor is hereby authorized and permitted to disclose and

transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

13. Subject to the terms of the San Forest Sale Agreement, possession of the Purchased Assets shall be delivered to the Purchaser at the Closing Effective Time, subject to the Permitted Encumbrances as set out in the San Forest Sale Agreement and listed on **Schedule "E"**.
14. The Monitor, with the consent of the Purchaser and in accordance with the terms of the Order dated January 16, 2025, approving the sale and investment solicitation process, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
15. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Company now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Company,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

General

16. The Monitor, the Purchaser and the Company have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order and Transaction.
17. 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 Peter L. Rubin
Counsel to the Monitor

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”

Counsel List

[illegible]

Schedule C – Monitor’s Certificate

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

MONITOR’S CERTIFICATE

- A. By order made November 29, 2024, amended and restated December 9, 2024, and subsequently amended and restated December 19, 2024, this Court appointed Deloitte Restructuring Inc. as monitor (the "**Monitor**") of San Forest Products Ltd. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-46 (as amended, the "**CCAA**");
- B. Pursuant to an order of the Court dated June 12, 2025 (the "**Approval and Vesting Order (San Forest)**"), the Court approved the sale of the Purchased Assets to 1537037 B.C. Ltd. (the "**Purchaser**"), providing for the vesting in the Purchaser of all of the Company’s right, title and interest in and to the Purchased Assets (as defined in the San Forest Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming that all conditions to Closing have been satisfied and/or waived, including the payment of the Purchase Price in the manner contemplated in the San Forest Sale Agreement; and
- C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Approval and Vesting Order (San Forest).

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser that all conditions to Closing have been satisfied and/or waived; and

2. The Monitor confirms that all conditions to Closing have been satisfied and/or waived and the Purchase Price has been paid in full.

This Certificate was delivered by the Monitor at _____ on [--], 2025.

DELOITTE RESTRUCTURING INC., in its capacity as
Monitor of the Company, and not in its personal
capacity.

Per: _____
Name:

Schedule D – Encumbrances to Be Discharged from Real Property

1. The following charges, liens and interests with respect to PIDs 031-823-670 and 030-612-659:
 - a. Mortgage CA7196293 and Assignment of Rents CA7196294 registered on November 19, 2018, by Business Development Bank of Canada;
 - b. Priority Agreement CA8719095 registered on January 20, 2021, granting Statutory Right of Way CA8719093 priority over Mortgage CA7196293 and Assignment of Rents CA7196294; and
 - c. Priority Agreement CA8719096 registered on January 20, 2021, granting Statutory Right of Way CA8719094 priority over Mortgage CA7196293 and Assignment of Rents CA7196294.

**Schedule E - Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property**

GENERAL ENCUMBRANCES

1. Subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities to Real Property.

SPECIFIC ENCUMBRANCES

2. The following legal notations with respect to PIDs 031-823-670 and 030-612-659:

- a. Hereto is annexed Easement L66190 over part of Lot 1, Plan 37716 as shown on Plan 38682, Easement L66190 applies only to that part which was formerly parcel W (DD 17522N), Part of D.L. 1 shown in green on Plan 511R and part of the bed of the public harbour;
- b. Hereto inter alia is annexed Easement L66190 over part of Lot 1, Plan 37716 as shown on Plan 38682, Easement L66190 applies only to that part which was formerly part of Lot 1 (DD J99892) Alberni District shown outlined in red on Plan 511R; and
- c. Hereto is annexed Restrictive Covenant EC117142 over part of Lot A, Plan 49411 included in Plan 49412, Restrictive Covenant EC117142 applies only to that part which was formerly part of D.L. 1 in DD 18162, Restrictive Covenant EC117142 applies only to that part which was formerly district lot 1, Alberni District shown outlined in red on DD 18162.

3. The following charges, liens and interests with respect to PIDs 031-823-670 and 030-612-659:

- a. Undersurface Rights J96793 registered by Alberni Land Company Limited (an undivided $\frac{3}{4}$ interest) and Her Majesty the Queen in the Right of Canada (an undivided $\frac{1}{4}$ interest), as corrected by CR24945;
- b. Undersurface Rights 126851G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
- c. Undersurface Rights 193421G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Co.;
- d. Undersurface Rights 261930G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
- e. Undersurface Rights 81411G registered on June 20, 1934, by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;

- f. Undersurface and Other Exceptions & Reservations EF77558 registered on June 12, 1992, by Her Majesty the Queen in Right of the Province of British Columbia;
 - g. Exceptions and Reservations 114893G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
 - h. Exceptions and Reservations 116222G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
 - i. Exceptions and Reservations 118244G registered by Alberni Land Company Limited;
 - j. Exceptions and Reservations 123808G registered by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
 - k. Exceptions and Reservations 86055G registered by Alberni Land Company Limited, Esquimalt and Nanaimo Railway Company;
 - l. Exceptions and Reservations 100979G registered on October 16, 1941, by Alberni Land Company Limited and Esquimalt and Nanaimo Railway Company;
 - m. Covenant K85881 registered on September 3, 1981, by the City of Port Alberni;
 - n. Covenant CA7157288 registered on October 30, 2018, by the City of Port Alberni;
 - o. Covenant CA7157293 registered on October 30, 2018, by the City of Port Alberni;
 - p. Statutory Right of Way K108331 registered on November 23, 1981, by Esquimalt and Nanaimo Railway Company;
 - q. Statutory Right of Way M109692 registered on November 16, 1983, by the City of Port Alberni;
 - r. Statutory Right of Way FB151578 registered on March 5, 2008, by Terasen Gas (Vancouver Island) Inc., as transferred by CA4077122 to FortisBC Energy (Vancouver Island) Inc.;
 - s. Statutory Right of Way CA8719093 registered on January 20, 2021, by British Columbia Hydro and Power Authority;
 - t. Statutory Right of Way CA8719094 registered on January 20, 2021, by Telus Communications Inc.;
 - u. Easement CA7157287 registered on October 30, 2018; and
 - v. Easement CA7157292 registered on October 30, 2018.
4. The following legal notations with respect to PID 031-823-670 only:

- a. Hereto is annexed Easement CA7157286 over Lot A Plan VIP69746 except Parts in Plan EPP43620 and EPP84367, as to part formerly Lot 1 Plan EPP84367;
 - b. Hereto is annexed Easement CA7157287 over Lots 2 and 3 Plan EPP84367, as to part formerly Lot 1 Plan EPP84367;
 - c. Hereto is annexed Easement CA7157292 over Lots 2 and 3 Plan EPP84367; and
 - d. Hereto is annexed Easement CA7196292 over Lot A Plan VIP69746 except Plan EPP43620 and EPP84367.
5. The following charges, liens and interests with respect to PID 031-823-670 only:
- a. Statutory Right of Way N91377 registered on December 11, 1984, by the City of Port Alberni; and
 - b. Easement EM42904 registered on May 7, 1998.

Schedule F – Purchaser Lands

#	Parcel Identifier	Legal Description	Municipal Address (if applicable)
1.	031-823-670	PARCEL A (BEING CONSOLIDATION OF THE LOTS 1 AND 2, SEE CB280610) DISTRICT LOT 1 ALBERNI DISTRICT AND PART OF THE BED OF THE PUBLIC HARBOUR OF ALBERNI PLAN EPP84367	5105 NUUPTS' IKAPIS WAY PORT ALBERNI BC
2.	030-612-659	LOT 3 DISTRICT LOT 1 ALBERNI DISTRICT AND PART OF THE BED OF THE PUBLIC HARBOUR OF ALBERNI PLAN EPP84367	STAMP AVE PORT ALBERNI BC V9Y 5J7

SCHEDULE "D"

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
(Approval and Vesting (Langley))**

BEFORE))	
)	THE HONOURABLE JUSTICE STEPHENS)	June 12, 2025
))	

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") of the assets, undertakings and properties of Axon Lumber Ltd. and San Industries Ltd. (together, the "**Company**") coming on for hearing at Vancouver, British Columbia, on the 12th day of June, 2025; AND ON HEARING Peter L. Rubin, counsel for the Monitor, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Seventh Report of the Monitor dated June 4th, 2025 (the "**Seventh Report**") and the Confidential Supplement to the Seventh Report of the Monitor; 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 AND DECLARES THAT:

Service

1. The time for service of the Notice of Application and supporting materials is hereby abridged such that the Notice of Application is properly returnable today and service thereof upon any interested party other than those listed on the Service List is hereby dispensed with.

Capitalized Terms

2. Capitalized terms not defined in this Order shall have the meaning given to them in the Offer to Purchase and Asset Purchase Agreement (the “**Langley Sale Agreement**”) dated June 2, 2025, between the Monitor, in its capacity as Court appointed Monitor of the Company, and not in its personal or corporate capacity, and Cedarline Industries Ltd. (the “**Purchaser**”) or the Second Amended and Restated Order of this Court made December 19, 2024 (the “**SARIO**”), as applicable.
3. All references to the Purchaser herein shall include all assignees of the Purchaser, if any.

Approval of Transaction

4. The Langley Sale Agreement, a copy of which is attached as **Appendix “F”** to the Seventh Report, and the transaction contemplated thereby (the “**Transaction**”) is hereby approved, and the Langley Sale Agreement is commercially reasonable. The execution of the Langley Sale Agreement by the Monitor is hereby authorized and approved, and the Monitor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Langley Sale Agreement (the “**Purchased Assets**”).
5. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule “C”** hereto (the “**Monitor’s Certificate**”), all of the Company’s right, title and interest in and to the Purchased Assets described in the Langley Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, 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 (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the SARIO; (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 registry system; and (iii) those Claims listed on **Schedule “D”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “E”** hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
6. Upon presentation for registration in the Land Title Office for the Land Title District of New Westminster of a certified copy of this Order, together with a letter from Blake, Cassels, & Graydon LLP, solicitors for the Monitor, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - (a) enter the Purchaser as the owner of the Real Property identified in **Schedule “F”** hereto (the “**Purchaser Lands**”), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits,

privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Purchaser Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser and to the Purchaser Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Purchaser Lands all of the registered Encumbrances except for those Permitted Encumbrances listed in **Schedule "E"**.
- 7. For greater certainty, upon the delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order together with any applicable registration fees, all governmental authorities exercising jurisdiction with respect to the Purchaser or the Purchased Assets are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and conveyances as may be required to give effect to the terms of this Order and the completion of the Transaction and to discharge and release all Claims and Encumbrances against or in respect of the Purchaser and the Purchased Assets listed on **Schedule "D"**, and presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the governmental authorities to do so.
- 8. The Monitor is authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the Langley Sale Agreement, or any ancillary agreements or documents related thereto, and shall incur no liability in connection therewith, save and except as may be contemplated in such agreements or for liability arising from the gross negligence or willful misconduct of the Monitor.
- 9. The Purchaser shall be authorized to take all steps as may be necessary to effect the discharge and release as against the Purchaser and the Purchased Assets of the Claims and Encumbrances pursuant to this Order listed on **Schedule "D"** including, without limitation, the filing of any discharges in the Land Title Office.
- 10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims shall attach to the Net Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
- 11. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
- 12. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Monitor is hereby authorized and permitted to disclose and

transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Company's past and current employees, including personal information of those employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

13. Subject to the terms of the Langley Sale Agreement, possession of the Purchased Assets shall be delivered to the Purchaser at the Closing Effective Time, subject to the Permitted Encumbrances as set out in the Langley Sale Agreement and listed on **Schedule "E"**.
14. The Monitor, with the consent of the Purchaser and in accordance with the terms of the Order dated January 16, 2025, approving the sale and investment solicitation process, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
15. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Company now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Company,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

General

16. The Monitor, the Purchaser and the Company have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order and Transaction.
17. 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 Peter L. Rubin
Counsel to the Monitor

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”

Counsel List

[illegible]

Schedule C – Monitor’s Certificate

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

MONITOR’S CERTIFICATE

- A. By order made November 29, 2024, amended and restated December 9, 2024, and subsequently amended and restated December 19, 2024, this Court appointed Deloitte Restructuring Inc. as monitor (the "**Monitor**") of Axon Lumber Ltd. and San Industries Ltd. (together, the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-46 (as amended, the "**CCAA**");
- B. Pursuant to an order of the Court dated June 12, 2025 (the "**Approval and Vesting Order (Langley)**"), the Court approved the sale of the Purchased Assets to Cedarline Industries Ltd. (the "**Purchaser**"), providing for the vesting in the Purchaser of all of the Company’s right, title and interest in and to the Purchased Assets (as defined in the Langley Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming that all conditions to Closing have been satisfied and/or waived, including the payment of the Purchase Price in the manner contemplated in the Langley Sale Agreement; and
- C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Approval and Vesting Order (Langley).

THE MONITOR HEREBY CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser that all conditions to Closing have been satisfied and/or waived; and

2. The Monitor confirms that all conditions to Closing have been satisfied and/or waived and the Purchase Price has been paid in full.

This Certificate was delivered by the Monitor at _____ on [--], 2025.

DELOITTE RESTRUCTURING INC., in its capacity as
Monitor of the Company, and not in its personal
capacity.

Per: _____
Name:

Schedule D – Encumbrances to Be Discharged from Real Property

Legal Notations

1. The following legal notation with respect to PID 005-068-894:
 - a. *Personal Property Security Act* notice, see CA9446915, expires 2026/10/26.

Charges, Liens and Interests

2. The following charges, liens and interests with respect to PID 005-068-894:
 - a. Mortgage CA3092376 and Assignment of Rents CA3092377 registered on April 25, 2013 in favour of HSBC Bank Canada;
 - b. Modification CA4389660 registered on May 11, 2015, being a modification of Mortgage CA3092376;
 - c. Modification CA5974734 registered on May 4, 2017, being a modification of Mortgage CA3092376;
 - d. Modification CA9736347 registered on February 23, 2022, being a modification of Mortgage CA3092376;
 - e. Modification CA9736348 registered on February 23, 2022, being a modification of Assignment of Rents CA3092377;
 - f. Modification CB1053886 registered on November 30, 2023, being a modification of Mortgage CA3092376; and
 - g. Crystallized Floating Charge CB1777779 registered on December 18, 2024 in favour of Royal Bank of Canada.

**Schedule E - Permitted Encumbrances, Easements and Restrictive Covenants
related to Real Property**

GENERAL ENCUMBRANCES

1. Subsisting conditions, provisos, restrictions, easements, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights of way in favour of utilities and public authorities.

SPECIFIC ENCUMBRANCES

Legal Notations

2. The following legal notation with respect to PID 005-068-894:
 - a. This Certificate of Title may be affected by the *Agricultural Land Commission Act*, see Agricultural Land Reserve Plan No. 28 deposited July 30th, 1974.

Charges, Liens and Interests

3. The following charges, liens and interests with respect to PID 005-068-894:
 - a. Statutory Right of Way 295811C registered on January 3, 1961 in favour of British Columbia Hydro and Power Authority; and
 - b. Statutory Right of Way P20534 registered on March 7, 1978 in favour of British Columbia Hydro and Power Authority.

Schedule F – Purchaser Lands

#	Parcel Identifier	Legal Description	Municipal Address (if applicable)
1.	005-068-894	PARCEL "G" (REFERENCE PLAN 985) DISTRICT LOT 325 GROUP 2 EXCEPT: PART .385 ACRES OUTLINED RED ON PLAN 49957, NEW WESTMINSTER DISTRICT	25583 88 Avenue, Langley, British Columbia, V1M 3N8