

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 and Claire Hildebrand, 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,

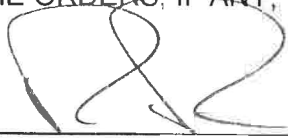
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute or be deemed to be a transfer at undervalue, 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

COUNSEL NAME	PARTY REPRESENTED
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
Mishaal Gill	Cedarline Industries Ltd.
Lauren Morris and Raj Binpal	The Fraserview Cedar Partnership
Thomas Senecal / <i>Zachary White</i>	1537037 B.C. Ltd.
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 USW Local 1-1937

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

No. S-248267
Vancouver Registry

IN THE SUPREME COURT
OF
BRITISH COLUMBIA

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 ORDER (LANGLEY)**

Peter L. Rubin
BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
1133 Melville Street
Suite 3500, The Stack
Vancouver, BC V6E 4E5
604.631.3300
Agent: Dye & Durham