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
(INTERIM DISTRIBUTION)

BEFORE	) THE HONOURABLE JUSTICE STEPHENS	)	October 29, 2025

ON THE APPLICATION of Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed monitor of San Industries Ltd. and those parties listed on **Schedule "A"** (collectively, the "**Petitioners**") coming on for hearing at Vancouver, British Columbia, on the 29th day of October, 2025; AND ON HEARING Peter L. Rubin and Claire Hildebrand, counsel for the Monitor, and such other counsel as listed in **Schedule "B"** hereto; AND UPON READING the material filed, including the Tenth Report of the Monitor dated October 22, 2025; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, the British Columbia *Supreme Court Civil Rules,* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS THAT:

Authorized Distributions

1. The Monitor is hereby authorized and directed to make the following interim distributions to:

   (a) Royal Bank of Canada ("**RBC**") in the total amount of $16,622,816 in respect of amounts owing to RBC;

(b) Business Development Bank of Canada ("**BDC**") in the total amount of $5,121,353 in respect of amounts owing to BDC; and

(c) IWA–Forest Industry Pension and LTD Plans Trustee (the "**IWA Trustee**") in the total amount of $247,368.13 in respect of amounts owing to the IWA Trustee.

2. The Monitor is hereby authorized, but not required, to make the following further interim distributions following the assignment of San Industries Ltd. ("**San Industries**") and Coulson Manufacturing 2017 Ltd. ("**Coulson**") into bankruptcy:

(a) to RBC, an amount not to exceed $910,171 in respect of amounts owing to RBC; and

(b) to BDC, an amount not to exceed $919,085 in respect of amounts owing to BDC.

3. The Monitor is hereby authorized, but not required, to make a distribution to the Canada Revenue Agency of an amount not to exceed $1,000,000 in respect of amounts owing to the CRA for deemed trust payroll source deductions in respect of San Industries and Coulson.

4. The distributions referred to in paragraphs 1-3 of this Order shall each be a "**Distribution**" or "**Distributions**" for the purposes of this Order.

5. Notwithstanding:

(a) the pendency of these proceedings;

(b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") and any order issued pursuant to any such petition; or

(c) any provisions of any federal or provincial legislation;

any Distributions contemplated by this Order shall be made be 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 or unsecured, shall be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Companies' Creditors Arrangement Act* ("**CCAA**"), the BIA or any other applicable federal or provincial legislation, as against the Monitor and any party receiving Distributions pursuant to this Order, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. In addition to the rights and protections afforded to the Monitor under the Second Amended and Restated Initial Order granted by this Court on December 19, 2024 (the "**SARIO**"), the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the any Distributions made under this Order, save and except for any claim or liability arising out of any gross negligence or willful misconduct on the part of the Monitor. Nothing in this Order shall

derogate from the protections afforded to the Monitor under the SARIO, or any other federal or provincial applicable law.

7. Notwithstanding any other provision of this Order and without in any way limiting the protections for the Monitor provided for under the SARIO, the CCAA, or any other federal or provincial applicable law, the Monitor shall have no obligation to make any Distribution unless the Monitor is in receipt of funds sufficient to make any such payment.

8. Any Distributions made by the Monitor under this Order shall not constitute a "distribution" for the purposes of section 159 of the *Income Tax Act*, as amended, or section 270 of the *Excise Tax Act*, or any other similar federal or provincial legislation (collectively, the "**Tax Statutes**"). The Monitor in making any such Distributions is not "distributing", nor shall be considered to "distribute" nor have "distributed", such funds for the purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of the making of any Distributions ordered or permitted under this Order.

General

9. The Monitor may apply to the Court as necessary to seek further orders and directions with respect to any Distributions made pursuant to this Order.

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

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

____
Signature of lawyer for the Monitor
Claire Hildebrand

BY THE COURT. Holmes ACJ for Stephens J.

____
Registrar

TORM CHECKED

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
Heather McMahon	Trustees of the IWA – Forest Industry Pension Plan and Trustees of the IWA – Forest Industry LTD Plan
Kendall E. Andersen	Business Development Bank of Canada
Glen Nesbitt	Royal Bank of Canada
Stephen Schneiderman	Cattermole Storage Ltd.