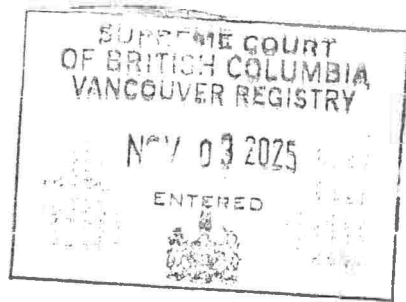




No. S-248267
Vancouver Registry

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 Farm))**

BEFORE) THE HONOURABLE JUSTICE STEPHENS) November 3, 2025
))
)

THE APPLICATION of Deloitte Restructuring Inc. in its capacity as Court-appointed Monitor (the "**Monitor**") of the assets, undertakings and properties of San Industries Ltd. and those parties listed on **Schedule "A"**, coming on for hearing at Vancouver, British Columbia, on the 3rd day of November, 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 Tenth Report of the Monitor dated October 22, 2025 (the "**Tenth Report**"), the Confidential Supplement to the Tenth Report dated October 27, 2025, and the Second Supplement to the Tenth Report dated November 3, 2025 (the "**Second Supplement to the Tenth Report**"), AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, the *British Columbia Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

Capitalized Terms

1. 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 Farm Sale**");

Agreement") dated October 3, 2025, between the Monitor, in its capacity as Court appointed Monitor of Axon Lumber Ltd. ("**Axon**"), and not in its personal or corporate capacity, and Martini Farms Ltd. (the "**Purchaser**") or the Second Amended and Restated Order of this Court made December 19, 2024 (the "**SARIO**"), as applicable.

2. All references to the Purchaser herein shall include all assignees of the Purchaser, if any.

Approval of Transaction

3. The Langley Farm Sale Agreement, a copy of which is attached as **Appendix "B"** to the Second Supplement to the Tenth Report, and the transaction contemplated thereby (the "**Transaction**") is hereby approved, and the Langley Farm Sale Agreement is commercially reasonable. The execution of the Langley Farm 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 Farm Sale Agreement (the "**Purchased Assets**").
4. 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 Axon's right, title and interest in and to the Purchased Assets described in the Langley Farm 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.
5. 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"**.
- 6. 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.
- 7. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.
- 8. 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 personal information in the Petitioners' records pertaining to the Purchased Assets. 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 Petitioners.
- 9. Subject to the terms of the Langley Farm 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 Farm Sale Agreement and listed on **Schedule "E"**.
- 10. The Monitor, with the consent of the Purchaser, 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.
- 11. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Petitioners 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 Petitioners,

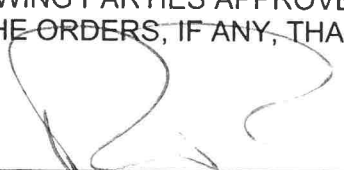
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioners

and shall not be void or voidable by creditors of the Petitioners, 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

12. The Monitor and the Purchaser 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.

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
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
Devin Lucas	Martini Farms Ltd.

Schedule C – Monitor’s Certificate

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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. (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 November 3, 2025 (the "**Approval and Vesting Order (Langley Farm)**"), the Court approved the sale of the Purchased Assets to Martini Farms 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 Farm 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 Farm Sale Agreement; and
- C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Approval and Vesting Order (Langley Farm).

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

Nil.

Charges, Liens and Interests

- Mortgage CA5296887 and Assignment of Rents CA5296888 registered on June 28, 2016 in favour of HSBC Bank of Canada;
- Mortgage CA7718872 and Assignment of Rents CA7718873 registered on August 29, 2019 in favour of HSBC Bank of Canada;
- Modification CA9736350 registered on February 23, 2022, being a modification of Mortgage CA5296887;
- Modification CA9736351 registered on February 23, 2022, being a modification of Assignment of Rents CA5296888;
- Modification CB1053860 registered on November 30, 2023, being a modification of CA5296887; and
- Crystallized Floating Charge CB1777779 registered December 18, 2024 in favour of Royal Bank of Canada.

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

GENERAL ENCUMBRANCES

- 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

- Hereto is annexed Easement G9171 over the East 20 feet of Lot 3 D.L. 325, Plan 38520, Part formerly Lot 4, District Lot 325, Group 2 New Westminster District Plan 38520, Except Parcel "A" Statutory Right of Way Plan 49957 and Plan EPP90546;
- This Certificate of Title may be affected by the *Agricultural Land Commission Act*, see Agricultural Land Reserve Plan No. 28 deposited July 30th, 1974; and
- Hereto is annexed Easement G23016 over the West 70 feet of Lots 13 and 16 Plan 1560, Part formerly Lot 4 District Lot 325 Group 2 New Westminster District Plan 38520, except Parcel "A" Statutory Right of Way Plan 49957 and Plan EPP90546.

Charges, Liens and Interests

- Statutory Right of Way 104907C registered on January 2, 1947 in favour of British Columbia Hydro and Power Authority;
- Statutory Right of Way N29306 registered on March 29, 1977 in favour of British Columbia Hydro and Power Authority; and
- Statutory Right of Way N86779 registered on August 23, 1977 in favour of British Columbia Hydro and Power Authority.

Schedule F – Purchaser Lands

#	Parcel Identifier	Legal Description	Municipal Address (if applicable)
1.	030-889-588	Lot 2, Districts Lot 320 and 325, Group 2, New Westminster District Plan EPP90547	25895 88 Avenue, Langley, British Columbia, V1M 3N5

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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 FARM)**

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