

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. ("Deloitte" or the "Monitor"), in its capacity as Court-appointed Monitor of San Industries Ltd. and those parties listed on Schedule "A" (collectively, the "Petitioners" or 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 October 5, 2026, at 9:00 a.m. for the orders set out in Part 1 below.

The Monitor estimates that the application will take 1 hour.

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) a **"Stay Extension Order"**, substantially in the form attached as **Schedule "B"** hereto, approving an extension of the stay of proceedings with respect to the Petitioners up to and including June 30, 2027 (the **"Stay Extension"**);
 - b) a **"Payment Order"**, substantially in the form attached as **Schedule "C"** hereto:

- (i) authorizing and directing Probyn Log Ltd. ("**Probyn**") to pay an amount not less than \$153,278 to the Monitor (the "**Probyn Net Payment**");
 - (ii) releasing and discharging Probyn from any claim of the Petitioners or the Monitor arising from Probyn having made the Probyn Net Payment in accordance with the Payment Order;
- c) a "**Disclosure Order**", substantially in the form attached as **Schedule "D"** hereto requiring production to the Monitor, for the period from November 1, 2024 to October 5, 2026:
 - (i) from HTS Forest Products Ltd. ("**HTS**") and Ravjit Sanghera of:
 - A. complete statements of account, transaction records, and images of all cheques and drafts (including endorsements), wire transfer records, and electronic transfer records, for all accounts maintained by HTS at any financial institution, in each case sufficient to identify the payee or recipient of every disbursement;
 - B. account opening documentation, signing authorities and records of persons authorized to operate each such account; and
 - C. HTS's books, records and accounts of sales, invoices, accounts receivable and accounts payable, together with any records identifying the purpose of, or consideration for, each disbursement from those accounts;
 - (ii) from Toronto-Dominion Bank ("**TD Bank**"), in respect of the bank account maintained in the name of HTS at TD Bank with the account number 5238465 (the "**HTS Account**") and any other account maintained by HTS at TD Bank:
 - A. complete statements of account and transaction records;
 - B. images of all cheques and drafts drawn on or deposited to the account, including endorsements, and records of all wire and electronic transfers into and out of the account, in each case identifying the payee or recipient and, where recorded, the payor;
 - C. account opening documentation, signing authorities and records of the persons authorized to operate the account,

(collectively, the "**HTS Documents**"); and
- d) such other orders as counsel for the Monitor may advise and this Court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

2. Capitalized terms not defined in this Notice of Application shall have the meaning given to them in the Twelfth Report of the Monitor, dated September 28, 2026 (the “**Twelfth Report**”).

Introduction and Background

3. On November 29, 2024 (the “**Filing Date**”), 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 Petitioners. Under the Initial Order, this Court granted, among other things, certain enhanced powers to the Monitor.

4. On December 9, 2024, this Court granted an amended and restated initial order and 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.

5. On January 16, 2025, this Court approved a sales and investment solicitation process (the “**SISP**”) with respect to certain of the Petitioners’ business and assets. Thereafter, the Court extended the stay of proceedings from time to time.

6. On April 14, 2025, the Monitor, on behalf of San Industries, 1224676 B.C. Ltd., 1175465 B.C. Ltd., 1260729 B.C. Ltd., Mountainside Logging Ltd., and San Cedar Direct Sales Ltd. (together, the “**San Group Claimants**”), commenced litigation against Arrowview Estates Development GP Ltd. (“**Arrowview GP**”), Arrowview Estates Development Limited Partnership (“**Arrowview LP**”, and together with Arrowview GP, “**Arrowview**”), Sukhjot Sanghera, Kamaljit Sanghera, and Iqbal Deol (collectively, the “**Arrowview Claim**”).

7. On September 2, 2025, the Monitor, on behalf of the San Group Claimants, entered into a Settlement Agreement, as further amended on November 18, 2025 (collectively, the “**Settlement Agreement**”) with Arrowview. Pursuant to the Settlement Agreement, Arrowview agreed that its obligations under the Settlement Agreement would be secured by, among other things, a second-ranking mortgage and assignment of rents charging the lands with PIDs 024-356-760, 003-264-840, and 024-356-743 (together, the “**Arrowview Lands**”).

8. Arrowview breached the Settlement Agreement by failing to fulfill its payment obligations under the Settlement Agreement.

9. On November 3, 2025, this Court approved a transaction for the sale of the Langley Farm Property, the remaining real property of the San Group that was to be sold pursuant to the SISP, which the Monitor closed later that month.

10. On January 29, 2026, Five Peaks Capital Ltd., the first-ranking mortgagee of the Arrowview Lands, was granted an Order Nisi of Foreclosure by the Court providing for a six-month redemption period expiring July 29, 2026 (the “**Foreclosure Order**”).

11. On February 25, 2026, the Court granted: (a) an order approving and authorizing the second interim distribution to Royal Bank of Canada (“**RBC**”); (b) an order approving the assignment of the Petitioners’ right, title, and interest in certain insurance claims to RBC and Business Development Bank of Canada (“**BDC**”, and together with RBC, the “**Senior Lenders**”); and (c) an order extending the stay of proceedings up to and including September 30, 2026.

12. On April 29, 2026, the Monitor sought and obtained an order for conduct of sale (the “**Conduct of Sale Order**”) over the Arrowview Lands. The Conduct of Sale Order provided the Monitor with exclusive conduct of sale and authorized the Monitor to list the Arrowview Lands for sale starting on June 1, 2026. On June 1, 2026, the Monitor engaged Cushman & Wakefield ULC to market and sell the Arrowview Lands. Details with respect to the sale of the Arrowview Lands are set out in further detail in the Twelfth Report.

13. The Monitor is advancing and attending to certain remaining issues to move towards the conclusion of these CCAA proceedings.

Vernon Bay Project

14. In the course of its investigations, the Monitor has identified a series of payments totaling \$2,467,500 made to Probyn between November 21, 2024 and January 28, 2025, a log marketing and financing company, in connection with a logging project at Vernon Bay, Vancouver Island (the “**Vernon Bay Project**”).

15. Probyn’s involvement in the Vernon Bay Project arose from a Log Marketing and Financing Agreement dated March 15, 2024 (the “**Log Agreement**”) among Probyn; Richard Thomas, as holder of certain timber salvage licenses; and 1004744 B.C. Ltd. (“**1004744**”), a company whose directors are Robert Morrison and Joanne Morrison (together, the “**Morrison**s”). Neither 1004744 nor the Morrisons is a Petitioner in these CCAA proceedings.

16. Under the Log Agreement, Probyn was appointed exclusive marketing and sales agent for logs harvested from the Vernon Bay Project and provided operational financing by advancing funds to or on behalf of 1004744 (the “**Advances**”).

17. However, on the records available to the Monitor, none of the funds transferred by 1004744 to Probyn appear to have originated with 1004744. As set out in further detail in the Twelfth Report, banking records indicate that the payments to Probyn totaling \$2,067,500 (being the payments other than the January Payment (as defined below)) were: (a) deposited by HTS on account of 1004744 to Probyn; or (b) received by 1004744 from Mountainside Logging Ltd. (“**Mountainside**”) and 1290712 B.C. Ltd. (“**129**”), in each case shortly before being paid on to Probyn.

18. Mountainside is a Petitioner. 129 is not a Petitioner but its sole director is Jaskaran Singh Gill, the former Corporate Operating Officer of the San Group. In the weeks immediately preceding the Initial Order, 129 received transfers totaling approximately \$1,106,802 from or through Petitioners in these proceedings, of which approximately \$749,802 was received on November 28 and 29, 2024, being the day before and the day that the Initial Order was granted. HTS is not a Petitioner but was incorporated 22 days before the Initial Order. At the time of incorporation, HTS’s directors were Ravjit Sanghera and Aman Sanghera, the respective sons of Sukhjot Sanghera and Kamaljit Sanghera, the former directors of certain of the Petitioners and defendants in the Arrowview Claim.

19. No explanation has been provided of the commercial basis on which 1004744 received the funds from Mountainside and 129, or of any consideration provided by 1004744 in respect of those amounts.

20. Subject to the matters the Monitor has not yet been able to verify as described in the Twelfth Report, the Monitor believes that the Vernon Bay Project operated as follows:

- a) Probyn financed the harvesting operations by making Advances to or on behalf of 1004744;
- b) Probyn received funds on account of its outstanding Advances before authorizing the release of the logs for towing to a sawmill (the “**Coulson Mill**”) owned by Coulson Manufacturing 2017 Ltd. (“**Coulson**”), a Petitioner;
- c) the logs were processed at the Coulson Mill pursuant to a custom cut arrangement between Coulson and Da-Le Felling Ltd. (“**Da-Le**”) in return for a processing fee only;
- d) Probyn invoiced HTS approximately \$1.79 million, including taxes, for logs delivered to the Coulson Mill;
- e) HTS took delivery of the logs at the Coulson Mill and those invoices were not separately collected from HTS, the purchase price having been satisfied by funds remitted to Probyn by 1004744 in advance of each delivery; and
- f) the resulting lumber was sold by HTS, in several cases to parties the Monitor understands to be customers of San Industries, with HTS collecting the proceeds.

21. The effect of the foregoing arrangement for the Vernon Bay Project on the information available to the Monitor to date is that the funds of the Petitioners were used to pay for approximately \$1.79 million of logs delivered to HTS. The Monitor is continuing to investigate these matters and the extent of the Petitioners’ interest in the funds and property concerned.

The Need for the Payment Order

22. On July 30, 2026, the Monitor advised Probyn’s counsel of its findings with respect to a transfer by 1004744, requested that Probyn not distribute or otherwise deal with any funds held on account of 1004744 pending resolution of the matter, and requested an accounting of the funds received and held by Probyn.

23. On August 21, 2026, Probyn’s counsel confirmed that Probyn would comply with the Monitor’s request and would not distribute or otherwise deal with the balance held on account of 1004744 pending resolution of the matter. Probyn also disclosed that it:

- a) holds a balance of approximately \$265,309 (the “**Probyn Balance**”) on account of 1004744 under the Log Agreement;
- b) holds approximately \$112,031 (the “**Probyn Costs**”) for unpaid third-party invoices of subcontractors and service providers engaged on the Vernon Bay Project and Probyn’s own anticipated costs, including legal costs; and
- c) received total funds of \$2,467,500 in connection with the Vernon Bay Project, being \$400,000 more than the payments previously identified.

24. On September 16, 2026, Probyn's counsel advised that the additional \$400,000 was received from 1004744 by wire transfer on January 28, 2025 (the "**January Payment**"), and that it was applied on account of ongoing project costs and outstanding Advance obligations rather than in connection with any particular log delivery.

25. On August 31, 2026, the Monitor proposed to 1004744 to execute a direction authorizing Probyn to pay the Probyn Balance to the Monitor. In response on September 8, 2026, Joanne Morrison advised the Monitor that the Morrisons had no issue cooperating with the Monitor and were prepared to execute a direction. On September 28, 2026, the Morrisons provided an executed irrevocable direction to the Monitor (the "**Direction**") to that effect.

26. Counsel to Probyn advised the Monitor that Probyn requires an order of this Court before distributing the Probyn Balance. Accordingly, the Monitor now seeks the Payment Order to recover the Probyn Net Payment, which is comprised of the Probyn Balance net of the Probyn Costs.

The Need for the Disclosure Order

27. The Monitor's investigations in respect of the Vernon Bay Project, HTS, 129, Da-Le and related parties are continuing. However, neither HTS nor its directors have provided the Monitor with any financial records of HTS despite the Monitor's numerous requests.

28. On February 3, 2025 and February 24, 2025, the Monitor requested from Ravjit Sanghera, Kamaljit Sanghera, and Aman Sanghera information as to why HTS was created and how it was funded, together with its financial statements, bank statements and transaction records. Aman Sanghera responded to the Monitor on February 5, 2025, stating that: (a) no accounting work had been done; (b) no financial reports were available; and (c) HTS had arranged its own funding and had "nothing to do with SAN". No records were produced.

29. On September 16, 2026, the Monitor renewed its request to Ravjit Sanghera for HTS's bank statements and for information as to the disbursement of the proceeds in the HTS Account. No records were produced.

30. Based on the information presently available to the Monitor, HTS appears to have derived a substantial benefit from the Vernon Bay Project at the expense of the Petitioners' estates. The Monitor is of the view that the HTS Documents are necessary to determine the extent of that benefit and of the Petitioners' interest in it. Without the banking and financial records of HTS, the Monitor is unable to trace the funds deposited to and paid out of the HTS Account and to determine whether any portion of those funds is traceable to the Petitioners.

31. Additionally, the Monitor is unable to confirm the source of the January Payment without the bank records of HTS. As set out in further detail in the Twelfth Report, the Monitor considers that there are reasonable grounds to investigate whether the January Payment was funded, directly or indirectly, from the HTS Account and therefore from amounts collected from customers of the Petitioners after the granting of the Initial Order. If that is established, the funds in question would be property in which the Petitioners and the Senior Lenders have an interest.

32. Accordingly, the Monitor seeks the Disclosure Order compelling production of the HTS Documents from HTS, Ravjit Sanghera, and TD Bank, as applicable.

The Need for an Extension of the Stay of Proceedings

33. The current stay of proceedings expires on September 30, 2026. Given the timeline of these proceedings and the status of the Petitioners' restructuring efforts, the Stay Extension up to and including June 30, 2027 is both appropriate and necessary.

34. As is further set out in detail in the Twelfth Report, the Stay Extension will permit the Monitor to:

- a) pursue the sale of the Arrowview Lands;
- b) pursue other potential estate recoveries; and
- c) take other steps required to continue the Petitioners' restructuring.

Part 3: LEGAL BASIS

The Payment Order is Appropriate

35. Paragraph 29(j) of the SARIO directs and empowers the Monitor to receive and collect all monies and accounts owed or owing to the Petitioners.

SARIO at para. 29(j).

36. Paragraph 29(k) of the SARIO further directs and empowers the Monitor to, among other things, conduct the commencement of any process or effort to recover money belonging or owing to the Petitioners, and exercise all remedies of the Petitioners in collecting such money.

SARIO at para. 29(k).

37. Section 11 of the CCAA provides the CCAA court with broad discretion to "make any order that it considers appropriate in the circumstances", subject only to the restrictions set out in the CCAA. It is widely accepted that the CCAA, and in particular section 11, allows for flexible and creative solutions.

CCAA, s. 11; 1057863 B.C. Ltd. (Re), 2022 BCSC 876 [105] at paras. 47- 48, citing *Canada v. Canada North Group Inc.*, 2021 SCC 30 [*Canada North*]; *Montreal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53 at paras. 113-115.

38. The Monitor is of the view that the Payment Order is appropriate in the circumstances, for the following reasons:

- a) **Source of the funds:** The records available to the Monitor indicate that the funds transferred by 1004744 to Probyn appear to have originated with Mountainside, a Petitioner, and with 129, a non-Petitioner whose sole director held a senior finance role within the San Group and which received substantial transfers from Petitioners in the weeks immediately preceding the Initial Order. On the information presently available to the Monitor, the Probyn Balance represents the unexpended portion of those funds.

- b) **No competing claim has been asserted:** 1004744 has been given notice of the Monitor's position and an opportunity to respond, has not asserted any entitlement to the Probyn Balance, and has executed the Direction authorizing payment of the Probyn Balance to the Monitor. Probyn does not assert a continuing entitlement to the Probyn Balance beyond the Probyn Costs. No party has asserted a competing claim to the Probyn Balance.
- c) **Probyn's position is preserved:** The relief sought provides for payment net of the Probyn Costs, being approximately \$112,031 owed to third-party subcontractors and service providers engaged on the Vernon Bay Project and Probyn's own costs, including legal costs, which account for approximately \$20,000 of that amount.
- d) **Proportionality:** The Probyn Balance is modest relative to the cost of contested litigation. Probyn has cooperated fully with the Monitor's investigations and has agreed to hold the funds pending resolution. In the Monitor's view, a direction from this Court is the most efficient and cost-effective means of resolving the matter and avoids the expense of a separate action against a party that has not engaged.
- e) **Preservation of the Monitor's other claims:** The relief sought is limited to the Probyn Balance and does not determine any claim the Petitioners may have against 1004744, Robert Morrison, 129, Jaskaran Singh Gill, HTS, Da-Le, or any other party in respect of the Vernon Bay Project or otherwise.

39. The Monitor has consulted the Senior Lenders in respect of the relief sought and understands that they are supportive.

The Disclosure Order is Appropriate

40. Paragraph 29(k) of the SARIO directs and empowers the Monitor to conduct, supervise and direct the continuation or commencement of any process or effort to recover money, property, or other assets belonging or owing to the Petitioners, and exercise all remedies of the Petitioners in collecting such money, property, or other assets.

SARIO at para. 29(k).

41. A monitor's express duties under section 23 of the CCAA include, among other things, making any investigation the monitor considers necessary to determine with reasonable accuracy the state of the company's business and financial affairs.

CCAA, s. 23(1)(c).

42. Section 11 of the CCAA provides the CCAA court with broad discretion to "make any order that it considers appropriate in the circumstances". It is widely accepted that the CCAA, and in particular section 11, allows for flexible and creative solutions to achieve its main objective of restructuring a financially distressed company.

CCAA, s. 11; *Montreal (City) v. Deloitte Restructuring Inc.*, 2021 SCC 53 at paras. 113-115.

43. As is set out in the Twelfth Report, the Monitor considers the financial records of HTS to be central to its remaining investigations.

44. The Monitor is of the view that the Disclosure Order is appropriate for the following reasons:

- a) the Monitor has enhanced investigative powers under the SARIO and a statutory mandate to investigate the business and financial affairs of the Petitioners;
- b) the information has been sought by the Monitor from HTS and its directors on a consensual basis since February 2025 and has not been obtained;
- c) the relief is limited to the production of records, determines no substantive right, and is without prejudice to any position HTS may take; and
- d) Ravjit Sanghera, a former director of HTS, has indicated that he holds the complete account history, which suggests the records are available and that their production would not be onerous.

The Stay Extension is Appropriate

45. A stay of proceedings is the “central tool” by which this Court maintains the status quo for a debtor company, allowing it the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organized sales process while continuing its ongoing operations.

Canada North at para. 19; 105 at paras. 31, 35.

46. The baseline considerations and requirements for a stay extension are that a stay is “appropriate” and that the debtor company subject to the CCAA is acting in good faith and with due diligence.

CCAA, ss. 11.02(2)-(3).

47. As discussed above, the proposed Stay Extension is needed to provide the necessary time, flexibility, and “breathing room” for the Monitor to continue to advance the Petitioners’ CCAA proceedings.

48. In the Monitor’s view, the Stay Extension is reasonable and appropriate given that:

- a) the Petitioners have sufficient liquidity to fund ongoing obligations through the proposed Stay Extension;
- b) the Senior Lenders have been consulted regarding the Stay Extension and have indicated their support; and
- c) the Monitor does not believe any of the Petitioners’ creditors will be materially prejudiced by the Stay Extension.

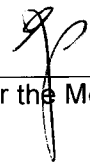
Part 4: MATERIAL TO BE RELIED ON

1. Second amended and restated initial order, dated December 19, 2024;
2. Twelfth Report of the Monitor, dated September 28, 2026; 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: September 28, 2026

Per Encina Roh 

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*,
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
(STAY EXTENSION)**

BEFORE	)	THE HONOURABLE JUSTICE STEPHENS	)	October 5, 2026
	)		)	
	)		)	

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 5th day of October, 2026; AND ON HEARING Peter L. Rubin and Encina Roh, counsel for the Monitor, and such other counsel as listed in **Schedule "B"** hereto; AND UPON READING the material filed, including the Twelfth Report of the Monitor dated September 28, 2026; 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:

Capitalized Terms

1. Capitalized terms not defined in this Order shall have the meanings given to them in the Second Amended and Restated Initial Order of this Court, dated December 19, 2024.

Stay Extension

2. The Stay Period with respect to the Petitioners is hereby extended up to and including June 30, 2027.

General

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

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

Signature of lawyer for the Monitor
Peter L. Rubin

BY THE COURT.

Registrar

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule "B"

Counsel List

COUNSEL NAME	PARTY REPRESENTED

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
(PAYMENT)**

BEFORE	)	THE HONOURABLE JUSTICE STEPHENS	)	October 5, 2026
	)		)	
	)		)	

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 5th day of October, 2026; AND ON HEARING Peter L. Rubin and Encina Roh, counsel for the Monitor, and such other counsel as listed in **Schedule "B"** hereto; AND UPON READING the material filed, including the Twelfth Report of the Monitor dated September 28, 2026; 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:

Payment

1. Probyn Log Ltd. ("**Probyn**") is authorized and directed to pay to the Monitor an amount not less than \$153,278 (the "**Probyn Payment**"), to be paid within 7 days of Probyn being provided with a copy of this Order or such other time as may be agreed upon in writing with the Monitor.

2. Upon making the Probyn Payment in accordance with this Order, Probyn is released and discharged from all claims of the Petitioners or the Monitor arising solely from Probyn having made the Probyn Payment in accordance with this Order.

General

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

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

Signature of lawyer for the Monitor
Peter L. Rubin

BY THE COURT.

Registrar

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule "B"

Counsel List

COUNSEL NAME	PARTY REPRESENTED

Schedule "D"

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
(DISCLOSURE)**

BEFORE) THE HONOURABLE JUSTICE STEPHENS) October 5, 2026
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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 5th day of October, 2026; AND ON HEARING Peter L. Rubin and Encina Roh, counsel for the Monitor, and such other counsel as listed in **Schedule "B"** hereto; AND UPON READING the material filed, including the Twelfth Report of the Monitor dated September 28, 2026; 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:

Disclosure

1. HTS Forest Products Ltd. ("**HTS**") and Ravjit Sanghera ("**Mr. Sanghera**") shall provide to the Monitor, for the period from November 1, 2024 to October 5, 2026:

- (a) complete statements of account, transaction records, and images of all cheques and drafts (including endorsements), wire transfer records, and electronic transfer records, for all accounts maintained by HTS at any financial institution, in each case sufficient to identify the payee or recipient of every disbursement;

- (b) account opening documentation, signing authorities and records of persons authorized to operate each such account; and
- (c) HTS's books, records and accounts of sales, invoices, accounts receivable and accounts payable, together with any records identifying the purpose of, or consideration for, each disbursement from those accounts,

(collectively, the "**HTS Records**").

2. HTS and Mr. Sanghera shall provide the HTS Records to the Monitor within 14 days of being provided with a copy of this Order or such other time as may be agreed upon in writing with the Monitor.

3. Toronto-Dominion Bank ("**TD Bank**") shall provide to the Monitor, in respect of the bank account maintained in the name of HTS at TD Bank with the account number 5238465 and any other account maintained by HTS at TD Bank, for the period from November 1, 2024 to October 5, 2026, the following records in its possession or control:

- (a) complete statements of account and transaction records;
- (b) images of all cheques and drafts drawn on or deposited to the account, including endorsements, and records of all wire and electronic transfers into and out of the account, in each case identifying the payee or recipient and, where recorded, the payor; and
- (c) account opening documentation, signing authorities and records of the persons authorized to operate the account,

(collectively, the "**TD Bank Documents**", and together with the HTS Records, the "**HTS Documents**").

4. TD Bank shall provide the TD Bank Documents to the Monitor within 14 days of being provided with a copy of this Order or such other time as may be agreed upon in writing with the Monitor.

5. Nothing in paragraphs 1 to 4 of this Order shall require the delivery of the HTS Documents, or the granting of access to the HTS Documents, which may not be disclosed or provided to the Monitor due to solicitor client or any other legal privilege.

General

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

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

Signature of lawyer for the Monitor
Peter L. Rubin

BY THE COURT.

Registrar

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule "B"

Counsel List

COUNSEL NAME	PARTY REPRESENTED