



Affidavit of Shawn Turkington #4
sworn October 19, 2023

No. 233209
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 AS AMENDED

AND

IN THE MATTER OF SLP HOLDINGS LTD, STRUCTURLAM MASS
TIMBER CORPORATION, STRUCTURLAM MASS TIMBER US, INC.,
NATURAL OUTCOMES, LLC

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

APPLICANT

AFFIDAVIT

I, Shawn Turkington, of the City of Vancouver, Canada, SWEAR THAT:

1. I am the Interim Chief Financial Officer ("**CFO**") of the applicant SLP Holdings Ltd. ("**SLP**" or the "**Applicant**") the Court-appointed Foreign Representative of the Debtors (as defined below). I am also the Interim CFO of Structurlam Mass Timber Corporation formerly SLP Operations Ltd. (together, "**SMTC**") and Structurlam Mass Timber US, Inc. ("**SMTU**") (and together with Natural Outcomes LLC ("**NOLLC**"), SLP, SMTC and SMTU, the "**Company**" or the "**Debtors**"). I have served as Interim CFO of SLP, SMTU, and SMTC since January 2023. As such, I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.
2. I swear this affidavit further to my affidavits sworn on April 26, 2023 (the "**April 26 Affidavit**"), May 11, 2023 (the "**May 11 Affidavit**"), June 19, 2023 (the "**June 19 Affidavit**") and together with the April 26 Affidavit, the May 11 Affidavit, the "**Affidavits**") in these proceedings.

3. I am authorized to swear this affidavit as a corporate representative of the Applicant.
4. This affidavit is sworn in support of an application for an order extending the Stay Period (as defined below) up to and including January 31, 2024 (the "**Stay Extension**"); and
5. All capitalized terms not otherwise defined in this affidavit are as defined in the May 11 Affidavit.

Background and Progress of these Proceedings

6. The background to these proceedings and overview of the Debtors is set out in greater detail in the Affidavits.
7. Until the closing of the asset sale transaction described below, the Debtors were a leading manufacturer of mass timber and ground protection solutions used in construction and industrial markets out of facilities based in Penticton, Okanagan Falls and Oliver, British Columbia and Conway, Arkansas.
8. In or about the end of 2022 and the beginning of 2023 the Debtors faced significant operational and liquidity challenges, and as a result of these challenges, in January 2023, the Debtors ultimately determined that there was insufficient liquidity to continue to operate the US Facility.
9. On April 21, 2023 the Debtors each commenced proceedings under Chapter 11 of Title 11 of the United States Code (the "**Chapter 11 Proceedings**") in the United States Bankruptcy Court for the District of Delaware (the "**US Bankruptcy Court**").
10. On April 26, 2023, pursuant to certain first day motions filed by the Debtors in the Chapter 11 Proceedings, the US Bankruptcy Court granted certain interim and/or final orders, including an order authorizing SLP to act as the foreign representative for the purpose of these Canadian recognition proceedings.
11. On April 27, 2023, the Honourable Justice Fitzpatrick of this court granted: (a) an Initial Recognition Order, among other things: (i) recognizing SLP as the "foreign representative", (ii) the Chapter 11 Proceedings of SLP and SMTC as "foreign non-main proceedings", (iii) and the Chapter 11 Proceedings of SMTU and NOLLC as "foreign main proceedings", each as defined in section 45 of the CCAA; and (b) the Supplemental

Recognition Order, among other things: (i) recognizing various orders of the US Bankruptcy Court, (ii) ordering a stay of proceedings in Canada in respect of the Debtors until June 1, 2023 (the "**Stay Period**"); and (iii) appointing Alvarez & Marsal Canada Inc. as information officer in respect of these Canadian recognition proceedings.

12. On May 16, 2023 the Honourable Justice Fitzpatrick granted a recognition of bidding procedures order recognizing an order granted on May 8, 2023 by the US Bankruptcy Court which order, among other things: (i) approved bidding procedures; (ii) approved stalking horse protections and the Debtors' entry into a stalking horse purchase agreement; (iii) scheduled the bid deadlines and the auction; (iv) scheduled hearings and objection deadlines with respect to the sale; (v) approved the form and manner of notice thereof; (vi) approved contract assumption and assignment procedures; and (vii) granted related relief. In addition the Stay Period was extended up to and including June 30, 2023.
13. On June 1, 2023 the Honourable Justice Fitzpatrick granted an order recognizing certain "second day orders" granted in the Chapter 11 Proceedings including, among other things an Order dated May 25, 2023, granted by the US Bankruptcy Court in the Foreign Proceedings establishing bar dates and related procedures for filing proofs of claim (including for administrative expense claims arising under section 503(b)(9) of the United States Bankruptcy Code (the "**Bankruptcy Code**")) and approving the form and manner of notice (the "**Claims Process Order**"); and
14. Further, on June 1, 2023 the Honourable Justice Fitzpatrick granted an approval and vesting order (the "**Sale Approval Order**") which, among other things:
 - (a) recognized the Final Sale Order granted by the US Bankruptcy Court on May 30, 2023 authorizing, among other things, the sale of the Debtors' assets free and clear of all liens, claim, interest and encumbrances; and
 - (b) approved the sale transaction contemplated by the Asset Purchase Agreement dated April 21, 2023 as amended (the "**Sale Agreement**") between the Debtors and Mercer International Inc. (the "**Purchaser**").
15. The transaction contemplated by the Sale Agreement closed on June 15, 2023.
16. The Debtors repaid all amounts due to the Bank of Montreal under both the pre-petition credit agreement and the interim (debtor in possession) financing.

17. On June 21, 2023 the Honourable Justice Fitzpatrick granted an order extending the stay of proceedings up to and including October 31, 2023 (the "June 21, 2023 Stay Order").
18. Further, on June 21, 2023 the Honourable Justice Fitzpatrick granted an order declaring that pursuant to subsections 5(1)(b)(iv) and 5(5) of the Wage Earner Protection Program Act (Canada), S.C. 2005, c. 47, s. 1 ("WEPPA") , Structurlam Mass Timber Corporation ("SMTC") and its employees, upon termination, meet the criteria prescribed by Section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 and each of SMTC's employees are eligible, or will be eligible upon termination, to receive payments under and in accordance with WEPPA following the termination of their employment.

Debtors' activities since last appearance

19. Since June 21, 2023 the Debtors have, among other things:
 - (a) diligently worked with their advisors towards the development and filing of a combined disclosure statement and plan in the Chapter 11 Proceedings (the "Plan");
 - (b) kept stakeholders, including the Official Committee of Unsecured Creditors, apprised of the development of the plan and consulted with them as and when appropriate;
 - (c) addressed various post-closing matters with the Purchaser;
 - (d) pursued collection of outstanding accounts receivable;
 - (e) conducted reviews of creditor claims in the claims process with a view to determining which should be disputed;
 - (f) made payments under the Key Employee Retention Program and Key Employee Incentive Program in accordance with their terms;
 - (g) responded to creditor inquiries;
 - (h) made payments when due for post filing obligations to advisors and other service providers; and

- (i) completed the monthly accounting and operating reports as required under Chapter 11.
- 20. On October 17, 2023 the Debtors' Plan was filed in the US Bankruptcy Court. Broadly, the Plan provides for the Debtors' estates being transferred to a liquidating trustee for the purpose of adjudicating claims and distributing assets of the estates to creditors. The Plan is supported by the Official Committee of Unsecured Creditors.
 - 21. Along with the Plan, on October 17, 2023 the Debtors also filed in the US Bankruptcy Court a motion for an order to, among other things, approve the procedures for obtaining creditor approval of the Plan (a "**Solicitation Order**"). The hearing of that motion is set for November 14, 2023 at 3:30 P.M. Eastern Time.
 - 22. Provided the Debtors' creditors approve the Plan, the Debtors intend to apply for an order from the US Bankruptcy Court confirming the Plan (the "**Plan Approval Order**") at a time now set for December 19, 2023 at 11:00 A.M. Eastern Time.
 - 23. The Debtors anticipate seeking this Honourable Court's recognition and approval of both the Solicitation Order and the Plan Approval Order after each is issued by the US Bankruptcy Court.

Extension of Stay Period

- 24. Since the granting of the Initial Order, the Debtors have been acting diligently and in good faith in these proceedings by:
 - (a) continuing to maintain the Debtors' property and assets;
 - (b) continuing to collect outstanding receivables owed to SMTC;
 - (c) diligently working with the Purchaser, the Sale Advisor, the Information Officer and the Bank of Montreal towards the closing of the transaction contemplated by the Sale Agreement which was completed on June 15, 2023;
 - (d) communicating with the Debtors' stakeholders, including the Bank of Montreal;
 - (e) worked with their advisors and stakeholders towards the development of the Plan.

25. The Stay Period currently expires on October 31, 2023. The proposed Stay Extension is intended to:
- (a) provide the Company with sufficient time to obtain creditor and court approval of the Plan;
 - (b) implement the Plan;
 - (c) increase administrative efficiencies in these proceedings by avoiding the potential need for additional stay extension hearings.
26. The Debtors have acted and continue to act in good faith and with due diligence in respect of all matters relating to these proceedings, and no creditor will be prejudiced by the proposed Stay Extension.

SWORN BEFORE ME at Vancouver, BC, on)
October 19, 2023.)

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A Commissioner for taking Affidavits within British Columbia.



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File No. V56936/JR