



No. S233209
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

AND

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

PETITIONERS

REQUISITION - GENERAL

Filed by: Alvarez & Marsal Canada Inc., the Proposed Information Officer

Required: Please file the attached Pre-filing Report.

April 28, 2023

Dated

Colin Brousson

Signature of ☒ lawyer for filing party
DLA Piper (Canada) LLP (Colin D.
Brousson)

No. []
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF SLP HOLDINGS
LTD., STRUCTURLAM MASS TIMBER CORPORATION, STRUCTURLAM MASS TIMBER U.S.,
INC. AND NATURAL OUTCOMES, LLC

PETITIONERS

PRE-FILING REPORT OF THE PROPOSED INFORMATION OFFICER
ALVAREZ & MARSAL CANADA INC.

April 26, 2023

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1.0 INTRODUCTION

- 1.1 On April 21, 2023, SLP Holdings Ltd. (“**SLP**”), Structurlam Mass Timber Corporation (formerly SLP Operations Ltd., “**SMTC**”), Structurlam Mass Timber U.S., Inc. (“**SMTU**”) and Natural Outcomes, LLC (“**NOLLC**”) (together, the “**Petitioners**” or “**Structurlam**”) (together, the “**Petitioners**” or “**Structurlam**”) commenced proceedings by filing voluntary petitions for relief (the “**Chapter 11 Proceedings**”) pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**U.S. Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”).
- 1.2 On April 26, 2023, the U.S. Court granted several orders in the Chapter 11 Proceedings (the “**First Day Orders**”), which includes an order that authorized SLP to act as foreign representative (the “**Foreign Representative**”) in these CCAA Proceedings (subsequently defined) (the “**Foreign Representative Order**”).

CCAA Recognition Proceedings

- 1.3 On April 26, 2023, the Foreign Representative issued a notice of application with the Supreme Court of British Columbia (the “**Court**” or this “**Honourable Court**”), pursuant to Part IV of *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) (the “**CCAA Proceedings**”, and together with the Chapter 11 Proceedings, the “**Restructuring Proceedings**”) for:
- a) an initial recognition order (the “**Initial Recognition Order**”), which *inter alia*:
 - i. recognizes SLP as the foreign representative (the “**Foreign Representative**”) in respect of the Chapter 11 Proceedings;
 - ii. recognizes the Chapter 11 Proceedings commenced by SMTU and NOLLC in the US Bankruptcy Court as “foreign main proceedings” under Part IV of the CCAA;
 - iii. recognizes the Chapter 11 Proceedings commenced by SLP and SMTC in the US Bankruptcy Court as “foreign non-main proceedings” under Part IV of the CCAA;
 - iv. grants a stay of proceedings against Structurlam; and
 - v. instructs the Foreign Representative to place a notice of the Restructuring Proceedings once a week for two consecutive weeks in the Vancouver Sun.
 - b) a supplemental recognition order (the “**Supplemental Recognition Order**”), which *inter alia*:
 - i. recognizes and enforces certain First Day Orders;
 - ii. grants additional stays and protections in respect of the Petitioners;

- iii. appoints Alvarez & Marsal Canada Inc. (“**A&M**”) as the information officer in these CCAA Proceedings (the “**Information Officer**”); and
 - iv. grants certain priority charges over the Petitioners’ Canadian assets, specifically the Administration Charge and the DIP Charge (collectively, the “**CCAA Charges**”), as such terms are defined herein.
- 1.4 Copies of the First Day Orders along with other documents filed in the Chapter 11 Proceedings are posted by Kurtzman Carson Consultants LLC at: www.kccllc.net/Structurlam. Copies of the Initial Recognition Order and Supplemental Recognition Order along with other documents filed in these CCAA Proceedings will be posted on the Proposed Information Officer’s website at www.alvarezandmarsal.com/structurlam.
- 1.5 Capitalized terms not defined in this pre-filing report (the “**Pre-Filing Report**”) are as defined in the Initial Recognition Order and the Supplemental Recognition Order or the supporting affidavit of Shawn Turkington sworn April 26, 2023 (the “**Turkington Affidavit**”).

2.0 PURPOSE

- 2.1 This Pre-Filing Report has been prepared by Alvarez & Marsal Canada Inc., in its capacity as the proposed Information Officer (the “**Proposed Information Officer**”) to provide information in respect of:
- a) the qualifications and consent of A&M to act as Information Officer;
 - b) the Petitioners’ centre of main interest pursuant to the CCAA;
 - c) a background and overview of Structurlam, including its cash management system;
 - d) the First Day Orders;
 - e) the Petitioners’ sales process conducted prior to the CCAA Proceedings (the “**Sales Process**”);
 - f) a summary of terms of the DIP Facility, defined herein;
 - g) the Proposed Information Officer’s preliminary comments in respect of the CCAA Charges sought to be granted as part of the Supplemental Recognition Order;
 - h) the proposed initial activities of the Proposed Information Officer; and
 - i) the Proposed Information Officer’s conclusions and recommendations.

3.0 TERMS OF REFERENCE

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of Structurlam (“**Management**”) and its Canadian and U.S. legal counsel. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy

or completeness of any of the information prepared by Management or otherwise provided by the Petitioners. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.
- 3.3 All monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars unless otherwise noted.

4.0 QUALIFICATION AND CONSENT OF A&M TO ACT AS INFORMATION OFFICER

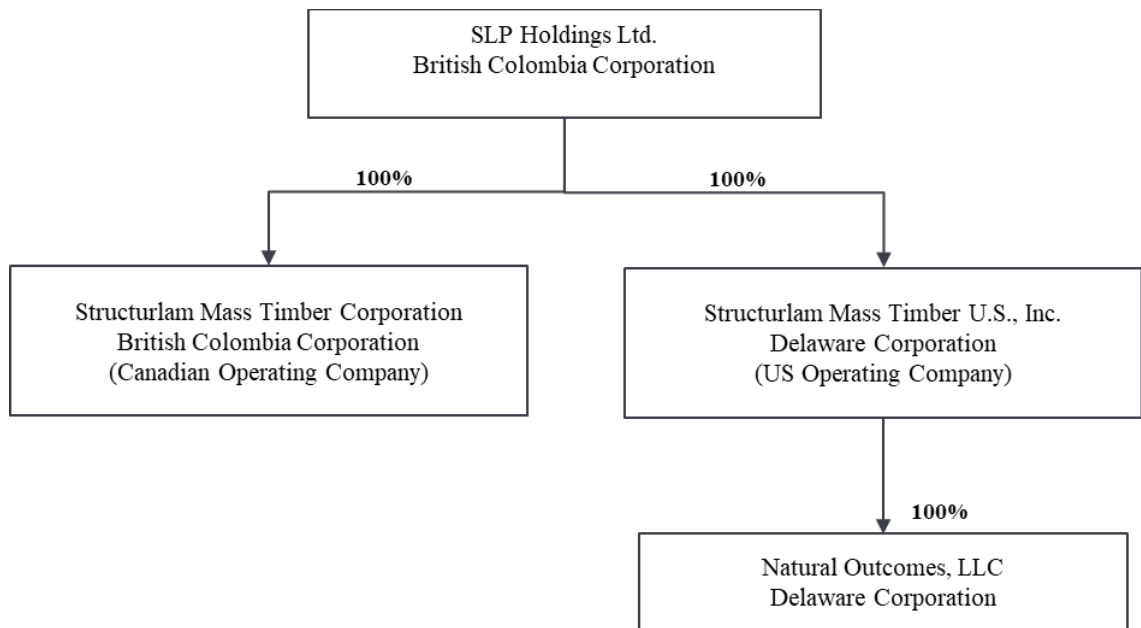
- 4.1 A&M is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada).
- 4.2 Alvarez & Marsal Canada ULC (“**A&M ULC**”), an affiliate of A&M, has been acting as financial advisor to Structurlam since December 2022 (the “**A&M Engagement**”), including assisting Structurlam with contingency planning matters in relation to a potential CCAA filing. As part of its mandate, and until the Restructuring Proceedings, A&M ULC, among other things, assisted in coordinating the Sales Process, provided periodic reporting to certain stakeholders and conducted a strategic review of the Petitioners’ capital structure, liquidity requirements and related obligations.
- 4.3 Since the A&M Engagement, the Proposed Information Office has gained a key understanding of the Petitioners’ business and key stakeholders, which will assist in fulfilling its duties as Information Officer.
- 4.4 A&M ULC is acting as financial advisor to Structurlam in the Chapter 11 Proceedings.
- 4.5 A&M has consented to act as Information Officer in these proceedings should this Honourable Court grant the Initial Recognition Order and the Supplemental Recognition Order on substantially the terms sought by the Petitioners. A copy of A&M’s consent to act as Information Officer is attached hereto as Appendix “A”.

5.0 CENTRE OF MAIN INTEREST

- 5.1 The Turkington Affidavit and the application materials in support of the Initial Recognition Order outline the Foreign Representative's factors to support the centre of main interest (the "**COMI**") for SLP and SMTC being Canada, while COMI for SMTU and NOLLC is the U.S.
- 5.2 Accordingly, the Petitioners have made an application to this Honourable Court in relation to the Chapter 11 Proceedings, whereby:
- a) the Chapter 11 Proceedings for SMTU and NOLLC will be recognized by the Canadian Court as "foreign main proceedings";
 - b) the Chapter 11 Proceedings for SLP and SMTC are to be recognized by the Canadian Court as "foreign non-main proceedings", since the COMI for these two companies is in Canada; and
 - c) there will be no "main" insolvency proceeding in Canada for SLP and SMTC.
- 5.3 The Proposed Information Officer is supportive of the proposed approach and is of the view that it is pragmatic and reasonable under the current circumstances. However, the Proposed Information Officer takes note of the potential need for a claims process for creditors of SLP and SMTC under the guidance of the Canadian Court as the Restructuring Proceedings progress. Further consideration of this matter and reporting to this Honourable Court will be made by the Information Officer (if appointed) as required.

6.0 STRUCTURLAM'S BUSINESS AND FINANCIAL AFFAIRS

- 6.1 The Petitioners, doing business as "Structurlam", are producers of mass timber products in British Columbia, Canada and Arkansas, US. Structurlam's products are primarily cross-laminated timber ("**CLT**"), glue-laminated timber (also known as "glulam") and industrial mats. Mass timber can be used various types of construction including residential, commercial and industrial buildings.
- 6.2 SLP and its Canadian subsidiary, SMTC, were incorporated in British Columbia December 2017, as a result of an acquisition by certain investors from the former Structurlam owners (the "**December 2017 Acquisition**"). SMTU and NOLLC were incorporated in the State of Delaware in August and October 2019, respectively. Structurlam's head office is located at 2176 Government Street, Penticton, BC.
- 6.3 The corporate structure of Structurlam is as follows:



- 6.4 As of this date of this Pre-filing Report, SMTC operates three leased manufacturing facilities in Penticton, BC, Okanagan Falls, BC and Oliver, BC. SMTU's operating facility is located in Conway, Arkansas (the "**Conway Facility**"). SMTU is the ultimate beneficial owner of the Conway Facility.
- 6.5 SMTC currently employs 178 employees, including 62 salaried employees and 116 hourly manufacturing employees, and three (3) contractors. Hourly workers at the Canadian manufacturing facilities are unionized, pursuant to the Collective Agreement (the "**Collective Agreement**") between SMTC and United Steelworkers (USW), Local 1-423 (the "**Union**"). The Collective Agreement will expire on December 31, 2023. SMTC and the Union have been engaged in discussions with respect to a new collective bargaining agreement.
- 6.6 SMTU currently employs 32 employees, including 18 salaried employees, 14 hourly employees, and two (2) contractors (Interim Chief Executive Officer and Vice President of Human Resources).
- 6.7 Prior to 2019, Structurlam consisted of SLP and SMTC. As previously noted, SMTU and NOLLC were incorporated in 2019 in order for Structurlam to expand into the US mass timber market. In December 2019, SMTU entered into a Walmart Realty Supplier Agreement — Goods Not For Resale (subsequently amended, the "**Walmart Agreement**") with Walmart Inc. ("**Walmart**"), whereby SMTU would exclusively supply CLT and glulam and provide certain services to support the development of Walmart's new home office campus in Bentonville, Arkansas.
- 6.8 As part of Structurlam's expansion and to deliver the contract with Walmart, Structurlam began construction of its production facility in Conway, Arkansas. Structurlam made arrangements with

the City of Conway, Arkansas whereby the City of Conway would hold bare title to the lands and buildings for the Conway Facility while the deed to the lands and all beneficial interest in the assets would be held by SMTU. As part of the arrangement, NOLLC (subsidiary of SMTU) purchased a development bond from the City of Conway (the “**Bond**”). SMTU currently maintains a lease agreement for the lands, buildings and equipment for the Conway Facility with the City of Conway (the “**U.S. Lease**”) as well as a trust indenture agreement (the “**Trust Agreement**”). Under the terms of the Trust Agreement, SMTU is the trustee and the City of Conway is required to assign all payments under the terms of the U.S. Lease to NOLLC.

- 6.9 The construction of the Conway Facility was completed in 2021, and SMTU began production and delivery for Walmart’s home campus project in mid-2022.
- 6.10 In November 2022, SMTU identified a manufacturing error in the glulam production process which led to certain of the produced materials to require re-manufacturing. SMTU reported the issue to Walmart upon identifying the error and entered into extensive negotiations and discussions with Walmart in attempts to rectify the issue. Despite extensive discussions between the parties, SMTU and Walmart were unable to reach a resolution. Walmart issued a Notice of Default on the Walmart Agreement on December 21, 2022, and on January 11, 2023, terminated the Walmart Agreement.
- 6.11 As a result of the termination, on January 18, 2023, SMTU temporarily suspended operations and reduced staff, from over 175 to 32 as of the date of this Pre-filing Report, at the Conway Facility.
- 6.12 Structurlam’s liquidity was significantly impacted by the termination of the Walmart Agreement. Management kept Structurlam’s senior secured lender, Bank of Montreal (“**BMO**”), apprised of the developments and the eventual termination of the Walmart Agreement, and upon the termination of the Walmart Agreement, engaged with BMO in discussions to explore opportunities for additional liquidity for Structurlam.
- 6.13 On February 7, 2023, the Petitioners executed an amendment to the BMO Credit Facilities (the “**BMO Amendment**”) which, among other things, allowed the Petitioners to access certain funds in the BMO debt reserve account. The amendment was conditional on Structurlam hiring an investment banker, acceptable to BMO, to conduct a marketing process. BMO advised that any additional funding would be dependent on the progress made through the marketing process.
- 6.14 Accordingly, the Petitioners, in consultation with A&M ULC and BMO, contacted five national and international investment bankers and obtained marketing proposals from three parties. Upon consultation with BMO, on or about February 10, 2023, the Petitioners retained Stifel, Nicolaus & Company, Incorporated and Miller Buckfire & Co., LLC (collectively, the “**Sales Advisor**”), to

solicit offers for the sale or recapitalization of the Petitioners outside of a court process (the Sales Process).

- 6.15 Further to the BMO Amendment, Structurlam and BMO executed further amendments to the BMO Credit Facilities, which, among other things, provided Structurlam with the additional liquidity of up to \$3.9 million, which was fully drawn as of the date of this Pre-Filing Report.

Structurlam's Financial Position

- 6.16 Structurlam's assets as at January 31, 2023 are summarized below:

Structurlam Summary of Assets As at January 31, 2023 (\$million CAD)	
Assets	Unaudited
Cash and cash equivalents	\$ 3.0
Accounts receivable	12.3
Inventory	22.6
Prepaid expenses	3.9
Property, plant and equipment	95.1
Goodwill and other assets	5.1
Total Assets	\$ 142.0

- 6.17 As at January 31, 2023, Structurlam had \$142 million in assets, which is comprised of the following:

- a) cash and cash equivalents include funds held by Structurlam in its Canadian dollar and United States dollar accounts;
- b) accounts receivable consist of amounts due to Structurlam for projects that have been billed to existing customers and for new project deposits;
- c) inventory includes raw materials on hand, work-in-progress and undelivered finished goods;
- d) property, plant and equipment includes manufacturing equipment, leasehold improvements, furniture and fixtures, computer equipment and software; and
- e) goodwill and other assets include goodwill recorded from the December 2017 Acquisition and certain intangible assets, including distributor and industrial customer relationships and branding.

- 6.18 Liabilities of the Petitioners as at January 31, 2023 are summarized below:

Structurlam Summary of Liabilities As at January 31, 2023 (\$'million CAD)	
Liabilities	Unaudited
Accounts payable and accrued liabilities	\$ 16.1
Unearned revenue	29.2
Payroll liabilities	2.5
BMO loan	63.0
Total Liabilities	\$ 110.7

- 6.19 As at January 31, 2023, Structurlam's recorded liabilities totaled \$110.7 million, which is comprised of the following:
- a) accounts payable and accrued liabilities of \$16.1 million.;
 - b) unearned revenue consists of deposits received from customers for projects that have not been completed;
 - c) payroll liabilities include accrued wages and government remittances as of January 31, 2023 and accrued vacation; and
 - d) BMO loans totaling \$63 million.
- 6.20 In December 2017, SMTC and SMTU, as borrower and SLP, as guarantor, completed a letter agreement with BMO, as lender, whereby BMO provided various first-ranking, secured facilities to SMTC and SMTU, including a Canadian operating committed revolving facility, a Canadian non-revolving term credit facility, a Canadian/U.S. revolving letter of credit facility and a U.S. committed reducing, and non-revolving credit facility (collectively, the "**BMO Credit Facilities**"). As a result of the abovementioned amendments to the BMO Credit Facilities that were executed after January 31, 2023, as of April 21, 2023, the outstanding amount of the BMO Credit Facilities totaled approximately USD \$50.0 million (or CAD \$67.7 million).
- 6.21 In addition to the reported liabilities, as of the date of this Pre-Filing Report, certain contingent, unliquidated and disputed claims against Structurlam totaling approximately \$49.5 million (including a contingent claim from Walmart of USD \$34 million) have been identified by the Petitioners.
- 6.22 As of January 31, 2023, Structurlam's recorded equity totaled \$31.3 million.

Cash Management System

- 6.23 Structurlam utilizes a centralized cash management system (the “**Cash Management System**”) to support its day-to-day operations and to provide funding to SMTC and SMTU. The Cash Management System is administered by the Petitioners’ accounting/finance department located in Structurlam’s head office in Penticton, British Columbia.
- 6.24 Structurlam maintains a total of seven (7) bank accounts, of which four (4) are dormant. SMTC maintains a Canadian dollar and a United States dollar bank account to fund operations, and an intermediary exchange account, which is primarily used to transfer funds between the operating accounts of SMTC and SMTU. SMTU maintains a United States dollar bank account to fund operations. Structurlam’s bank accounts are all held with BMO and BMO Harris.
- 6.25 Further information in respect of Petitioners’ business operations, financial background, events leading up to the Chapter 11 Proceeding, the Cash Management System, and the Restructuring Proceedings is contained in the Turkington Affidavit and the declaration of Matthew Karmel, Interim Chief Executive Officer of Structurlam, sworn April 24, 2023 (the “**Karmel Declaration**”).

7.0 CHAPTER 11 PROCEEDINGS

- 7.1 The Foreign Representative is seeking to have the following First Day Orders recognized by this Honourable Court:
- a) Foreign Representative Order;
 - b) Joint Administration Order;
 - c) Interim DIP Financing Order;
 - d) Interim Cash Management Order;
 - e) Interim Wage and Benefits Order;
 - f) Interim Taxes Order;
 - g) Interim Utilities Order;
 - h) Interim Insurance Order;
 - i) Interim Critical Vendors Order; and
 - j) Claims Agent Retention Order.
- 7.2 Information in respect of the First Day Orders is available in the Karmel Declaration and the Turkington Affidavit. The Proposed Information Officer and its proposed counsel reviewed the First Day Orders, and notes that the First Day Orders are similar to orders that would be issued pursuant to a CCAA proceeding and appear necessary for the Petitioners to execute on their restructuring plans.

7.3 The First Day Orders are consistent with the Proposed Information Officer's understanding of the CCAA and the Petitioners' cross-border restructuring needs. We note the following in respect of the First Day Orders:

- a) the Foreign Representative Order authorizes SLP to act as the Foreign Representative to seek ancillary relief in Canada pursuant to the CCAA;
- b) the Joint Administration Order grants relief that allows for First Day Orders to apply to Structurlam, which provides significant administrative convenience without materially prejudicing any interested party in these Restructuring Proceedings;
- c) the Cash Management Order authorizes the Petitioners to continue to utilize its cash management system in the normal course, including the ability to make payments to suppliers, employees and other stakeholders, as incurred during these Restructuring Proceedings; and
- d) the Interim DIP order is discussed further in section 9 of this report.

8.0 PRE-FILING SALES PROCESS

8.1 The Sales Process commenced on February 14, 2023. Based on the Sales Advisor's understanding of the business and the financial capability and interest of the potential bidders, the Sales Advisor, in consultation with A&M and BMO, developed a list of 51 potential parties who it believed would have an interest in Structurlam and the financial wherewithal to execute a transaction with Structurlam.

8.2 During the Sales Process, the Sales Advisor was in contact with a total of 74 strategic parties and 16 financing parties. 37 of the strategic parties and five (5) financing parties signed Non-Disclosure Agreements ("NDAs") and accessed the dataroom that was set up for the Sales Process. As of the offer deadline (March 8, 2023), five non-binding Letters of Intent ("LOIs") were received from interested parties.

8.3 A summary of the Sales Process is tabled below:

Structurlam Sales Process					
	Contacted	NDA signed	Accessed Dataroom	LOI submitted	APA submitted
No. of parties	90	42	42	5	2

8.4 Upon consultation with various stakeholders, including the Board of Directors and BMO, four parties were invited to participate in Phase II of the Sales Process, where additional due diligence, management meetings and site visits were conducted.

- 8.5 On March 24, 2023, the deadline for binding Asset Purchase Agreements (“**APA**”) from interested parties, Structurlam received unexecuted bids from two parties, and ultimately, received a binding offer and APA from one party, Mercer International Inc. (“**Mercer**”).
- 8.6 As a result of the Sales Process, Structurlam, in consultation with BMO and A&M ULC, selected Mercer as the successful bidder for Structurlam’s assets. On April 21, 2023, Structurlam (SLP, SMTC, SMTU, and NOLLC) executed the APA with Mercer (the “**Stalking Horse APA**”). A copy of the Stalking Horse APA (without schedules) is attached to the Turkington Affidavit.
- 8.7 The Proposed Information Officer is aware that the Petitioners have filed a motion with the U.S. Court to approve the Stalking Horse APA and the corresponding bidding procedures (the “**Bidding Procedures Motion**”), and the matter is scheduled to be heard on May 8, 2023. The Information Officer (if appointed) will provide this Honourable Court with additional background and information relating to the Bidding Procedures Motion in its subsequent report.

9.0 DIP FINANCING

- 9.1 In order to provide the required near-term liquidity needed to fund the operations of Structurlam during the pendency of the Restructuring Proceedings, on April 21, 2023, Structurlam signed an agreement with BMO (the “**DIP Facility**”) to make available \$7.5 million to fund the Restructuring Proceedings and subsequently obtained the DIP Financing Order. Select material terms have been set out in the Turkington Affidavit and are not repeated herein; however, the Proposed Information Officer has highlighted the following for consideration by this Honourable Court:

DIP Facility - Highlighted terms	
Interim Lender	Bank of Montreal
Maximum amount under the DIP Facility	\$7.5 million, where \$4.0 million to be made available under the Interim DIP Order and a further \$3.5 million to be made available under the Final DIP Order
Applicable Pricing Margin	(a) 14.0% per annum; (b) Standby fees of 2.8% per annum; and (c) Upon the occurrence and during the continuance of any Default or Event of Default, the Applicable Pricing Margin specified in (a) will increase by 3.0% per annum.
Fees	<ul style="list-style-type: none"> - Work fee of 3.0% of the maximum authorized principal amount; and - Exit fee of 1.0% of the maximum authorized principal amount.
Maturity date	The earlier of: <ul style="list-style-type: none"> a) June 30, 2023; b) the effective date of a Plan; c) closing of the sale of all or substantially all of the assets of the Petitioners pursuant to Section 363 of the U.S. Bankruptcy Code or otherwise (“APA Closing”); d) the date of delivery of an Acceleration Notice or the occurrence of an Acceleration Event.
DIP Charge	The Petitioners must seek to obtain a Lender Charge in the Chapter 11 Proceedings and the CCAA Proceedings in favour of BMO.

9.2 The Proposed Information Officer has been involved in the discussions and negotiations surrounding the terms of the DIP Facility and is of the view that the DIP Facility represents market terms and is necessary to provide the requisite financial support during the Restructuring Proceedings.

9.3 Lastly, the Proposed Information Officer is satisfied that the mechanics of the DIP Facility described above do not appear to materially prejudice other secured lenders or other financial stakeholders.

10.0 PROPOSED COURT-ORDERED CHARGES

10.1 The proposed Supplemental Recognition Order provides for two Court-ordered charges summarized below.

Administration Charge

- 10.2 The proposed Supplemental Recognition Order provides for a charge on the assets, property and undertakings of the Petitioners in Canada in an amount not to exceed \$150,000 in favour of the Proposed Information Officer, legal counsel to the Proposed Information Officer and legal counsel to the Foreign Representative (the “**Administration Charge**”). The Administration Charge is to be granted in priority to all other Court-ordered charges.
- 10.3 It is the view of the Proposed Information Officer that the quantum of the proposed Administration Charge is reasonable and appropriate in the circumstances, having regard to the scale and complexity of Structurlam and the CCAA Proceedings, the services to be provided by the beneficiaries of the Administration Charge and the size of the charges approved in similar CCAA proceedings.

DIP Charge

- 10.4 As set out Turkington Affidavit, the Petitioners anticipate that draws under the DIP Facility of \$7.5 million will be required during the Restructuring Proceedings.
- 10.5 As a condition to executing the DIP Facility, the proposed Supplemental Recognition Order provides for the creation of a court-ordered security interest, lien and charge over all of the assets and undertakings of the Petitioners in Canada to secure advances made under the DIP Facility (the “**DIP Charge**”). The DIP Charge would rank subordinate to the Administration Charge.
- 10.6 The Proposed Information Officer is of the view that the DIP Charge represents a necessary and timely financing solution which affords the Petitioners the opportunity to stabilize the financial affairs of Structurlam and to work towards seeking approval of a transaction.

11.0 PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER

- 11.1 Should this Honourable Court grant the Initial Recognition Order and the Supplemental Recognition Order, the Proposed Information Officer expects that its initial activities will include:
- a) publishing once a week for two consecutive weeks in the Vancouver Sun, notice of the Chapter 11 Proceedings and the CCAA Proceedings;
 - b) providing assistance to the Foreign Representative in the performance of its duties;
 - c) reporting to this Honourable Court at least once every two (2) months to provide an update in respect of the Restructuring Proceedings; and
 - d) engaging external counsel to assist the Information Officer in these CCAA Proceedings.

12.0 RECOMMENDATIONS

- 12.1 The Proposed Information Officer, based on the foregoing, recommends that this Honourable Court grant the Initial Recognition Order and the Supplemental Recognition Order.

All of which is respectfully submitted to this Honourable Court this 26th day of April, 2023.

**Alvarez & Marsal Canada Inc.,
in its capacity as Proposed Information Officer of
Structurlam and not in its personal or corporate capacity**



Per: Anthony Tillman
Senior Vice President



Per: Pinky Law
Vice President

Appendix A – Consent to act as Information Officer

No. _____

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 U.S., 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**

CONSENT TO ACT AS INFORMATION OFFICER

Alvarez & Marsal Canada Inc., a Licensed Insolvency Trustee, hereby consents to act as court-appointed Information Officer in the within proceedings, if so appointed by this Honourable Court.

DATED this 24th day of April, 2023.

ALVAREZ & MARSAL CANADA NC.

Per: 

Anthony Tillman
Managing Director

No. S233209
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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LTD., STRUCTURLAM MASS TIMBER
CORPORATION, STRUCTURLAM
MASS TIMBER U.S., INC. NATURAL
OUTCOMES, LLC.

PETITIONERS

REQUISITION - GENERAL

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CDB/day