



Affidavit of Shawn Turkington #3
sworn June 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**") and together with the April 26 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 October 31, 2023 (the "**Stay Extension**"); and
5. All capitalized terms not otherwise defined in this affidavit are as defined in the April 26 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 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 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 and 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**")

The Claim Process Order

15. Pursuant to the Claims Process Order, the general bar date is July 10, 2023 at 5:00 p.m. (prevailing Eastern Time) (the "**General Bar Date**").

16. The deadline for governmental units (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim against the Debtors is October 18, 2023 at 5:00 p.m. (prevailing Eastern Time) (the "**Government Bar Date**").

Status of Closing of the Sale Agreement

17. The transaction contemplated by the Sale Agreement closed on June 15, 2023.

Next Steps

18. The Debtors are now in the process of arranging for the repayment of all amounts due to the Bank of Montreal under both the pre-petition credit agreement and the interim (debtor in possession) financing. The Debtors intend to repay the Bank of Montreal in accordance with and subject to paragraph 10 of the Sale Approval Order on or before June 20, 2023.
19. The Debtors will now commence diligently working with their advisors and stakeholders towards the development of a combined disclosure statement and plan in the Chapter 11 Proceedings (the "**Plan**"). The Plan is anticipated to provide for the Debtor's estates being transferred to a liquidating trustee for the purpose of adjudicating claims and distributing assets of the estates to creditors.
20. The Debtors anticipate the Plan to be prepared by late July 2023 after which the Debtors anticipate they will seek an order in the Chapter 11 Proceedings setting a process for obtaining creditor approval of the Plan (a "**Solicitation Order**") in mid to late August 2023.
21. Provided the Debtors' creditors approve the Plan, the Debtor's then anticipate seeking an order finally approving the Plan in the Chapter 11 Proceedings (a "**Plan Approval Order**") in late September 2023. The Plan would then be expected to be implemented by way of transfer of the estate to a liquidating trustee in or about the middle of October 2023.
22. 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

23. 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; and
 - (d) communicating with the Debtors' stakeholders, including the Bank of Montreal.
24. On or about June 1, 2023, SMTC was served with a Notice of Civil Claim by New West Mill Installations Ltd. ("**New West**"). New West also filed a lien (the "**Lien**") against lands formerly leased by SMTC located at 1675 Maple Street, Okanagan Falls, BC. On or about June 7, 2023 the Lien was discharged as against the said lands. New West has been advised of the stay of proceedings and the General Bar Date.
25. The Stay Period currently expires on June 30, 2023; 10 days prior to the General Bar Date. Given the timelines approved by this Honourable Court in the Claims Process Order, and the impending expiry of the Stay Period, the proposed Stay Extension will:
- (a) provide the Company with sufficient time to continue working towards the creation, solicitation and implementation of the Plan; and
 - (b) 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)
June 19, 2023.)


A Commissioner for taking Affidavits within
British Columbia.


SHAWN TURKINGTON

MANUEL DOMINGUEZ
GOWLING WLG (CANADA) LLP
 BARRISTER & SOLICITOR
 550 BURNARD STREET - SUITE 2300
 BENTALL 5, VANCOUVER, B.C. V6C 2B5
 TELEPHONE: (604) 891-2772

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

GOWLING (WLG) CANADA LLP
Suite 2300
550 Burrard Street
Vancouver, BC V6C 2B5
Tel. 604.683-6498 Fax 604.683.3558

Attention : Jonathan B. Ross

File No. V56936/JR