

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	Chapter 11
STRUCTURLAM MASS TIMBER U.S., INC., <i>et al.</i> , ¹)	Case No. 23-10497 (CTG)
)	
Debtors.)	(Joint Administration Requested)
)	

**DEBTORS’ MOTION SEEKING ENTRY OF
INTERIM AND FINAL ORDERS (I) AUTHORIZING THE
DEBTORS TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES
ENTERED INTO PREPETITION AND (B) RENEW, SUPPLEMENT, MODIFY, OR
PURCHASE INSURANCE COVERAGE AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state as follows in support of this motion:

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and “Final Order”): (a) authorizing the Debtors to (i) continue honoring their obligations under prepetition Insurance Policies (as defined below) and satisfy payment of prepetition obligations related thereto, including the payment of related brokerage fees, and (ii) renew, supplement, modify, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing within

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number or Canadian business number, as applicable, include: Structurlam Mass Timber U.S., Inc. (6287); Natural Outcomes, LLC (n/a); Structurlam Mass Timber Corporation (5050); and SLP Holdings Ltd. (3114). The location of the Debtors’ headquarters is: 2176 Government Street, Penticton, British Columbia, Canada V2A 8B5. The address of the registered agent for Structurlam Mass Timber U.S., Inc. is: 8 The Green, Suite A, Dover, Delaware 19901.



approximately 30 days of the commencement of these chapter 11 cases (the “Interim Period”) to consider approval of this Motion on a final basis.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

3. The Debtors confirm their consent, pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a), 363(b), and 364 of title 11 of the United States Code (the “Bankruptcy Code”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 9013-1(m).

Background

6. The Debtors are a leading manufacturer of mass timber solutions and ground protection solutions used in construction and industrial markets, with U.S. facilities in Conway, Arkansas and Canadian facilities in Penticton, Okanagan Falls, and Oliver, British Columbia. The Debtors have completed or assisted in supplying mass timber for numerous projects throughout North America including, among others: the University of British Columbia Brock Commons in

Vancouver, British Columbia in 2016 and 2017, at the time the tallest wood structure building in the world; the Microsoft Silicon Valley Campus in Mountain View, California in 2019, at the time the largest mass timber structure built in the United States; and the Google Mountain View California campus in 2020.

7. On April 21, 2023 (the “Petition Date”), the Debtors commenced with the Court voluntary cases (the “Chapter 11 Cases”) under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in the Chapter 11 Cases.

8. Contemporaneously with the filing of this Motion, the Debtors have filed with the Court a motion requesting joint administration of the Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

9. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the circumstances leading to the commencement of the Chapter 11 Cases, is set forth in greater detail in the *Declaration of Matthew Karmel, Interim Chief Executive Officer of the Debtors in Support of Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”)², filed contemporaneously herewith and incorporated herein by reference.³

² Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

³ The First Day Declaration and other relevant case information are available on the following website maintained by the Debtors’ proposed claims and noticing agent Kurtzman Carson Consultants LLC (“KCC”): <https://www.kccllc.net/Structurlam>.

The Insurance Policies

10. The Debtors maintain approximately twenty-two (22) insurance policies (collectively, the “Insurance Policies”) provided by multiple third-party insurance carriers (collectively, the “Insurance Carriers”) through a program (the “Insurance Program”) administered by Acera Insurance Services Ltd. (the “Insurance Broker”). In connection with the operation of their business and the management of their property, the Insurance Policies provide the Debtors with coverage for, among other things, property, equipment, general liability, excess liability, cyber liability, manufacturer’s errors and omissions, professional liability, and directors and officers liability. In addition, the Insurance Policies include umbrella and excess coverage for Insurance Policies. The Insurance Policies provide coverage that is typical in scope and amount for businesses within the Debtors’ industry. A detailed list of the Insurance Policies is attached hereto as **Exhibit C**,⁴ which is incorporated herein by reference.⁵

11. To procure and maintain the Insurance Policies, the Debtors pay premiums (the “Insurance Premiums”) that are fixed at the beginning of the period during which the Debtors are insured (the “Policy Period”). As of the date hereof, the approximate total amount in annual Insurance Premiums and payments associated with all of the Insurance Policies, included applicable taxes and fees, is \$2,355,757 (CAD) and \$1,635,445 (USD). The Insurance Premiums are due for each of the Insurance Policies on the date when coverage goes into effect for each

⁴ The descriptions of the Insurance Policies set forth in **Exhibit C** are only summaries. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this Motion. The Debtors request relief with respect to Insurance Policies payable to all Insurance Carriers, regardless of whether such Insurance Carrier is specifically identified on **Exhibit C**.

⁵ In addition to the Insurance Policies listed in **Exhibit C** to this motion, the Debtors maintain an insurance policy with respect to workers’ compensation. The Debtors’ workers’ compensation program is described, and relief is requested with respect to such program, in the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Certain Employee Benefits Programs, and (II) Granting Related Relief*, filed contemporaneously herewith.

respective new Policy Period. As of the Petition Date, no prepetition Insurance Premiums were due and outstanding, however, a number of the Debtors' Insurance Policies expired the day after the Petition Date and are being renewed pursuant to a two month extension. The Debtors anticipate the cost on account of these Insurance Policies being extended will be approximately \$ 214,482 (CAD) and \$21,635 (USD).

12. The Debtors believe that they are authorized to pay these postpetition Insurance Premiums in the ordinary course, however, out of an abundance of caution, the Debtors seek authority, but not direction, to pay any Insurance Premiums and to continue and honor the Insurance Program on a postpetition basis in the ordinary course of business and consistent with past practices to ensure uninterrupted insurance coverage.

13. The Debtors entered into financing agreements with First Insurance Funding (the "Premium Financing Agreements"), to finance the premiums and taxes due under all of the Insurance Policies, except for the directors and officers liability policy and the first, second, and third directors and officers excess policies. The total annual premiums financed pursuant to the Premium Financing Agreements are approximately \$1,327,799 (CAD) and \$1,344,455 (USD) and the Premium Financing Agreements carry annual interest rates of 4.75 percent and 5.2 percent, respectively. The Canadian Premium Financing Agreement has no remaining payments, while the Debtors have three payments of approximately \$109,993 (USD) per month remaining under the U.S. Premium Financing Agreement. Under the terms of the Premium Financing Agreements, the Debtors granted First Insurance Funding ("FIF") security interests in (a) all returned or unearned premiums, (b) all additional cash contributions or collateral amounts assessed by the insurance companies in relation to the financed policies and financed by FIF, (c) any credits generated by the financed policies, (d) dividend payments, and (e) loss payments which reduce unearned

premiums. As of the Petition Date, the Debtors do not believe that there is an outstanding amount due and owing under the Premium Financing Agreements, however, the Debtors seek authority, but not direction, to make postpetition payments that will become due under the Premium Financing Agreements in the ordinary course and to renew, extend, or enter into new premium financing agreements, in the ordinary course of business, during the Chapter 11 Cases.

14. Maintaining the Debtors' Insurance Program, including the use of the Premium Financing Agreements, is essential to the preservation of the value of the Debtors' business, operations, and assets. Moreover, in many instances, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts governing the Debtors' commercial activities, including the requirements of the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors request authority to maintain their existing Insurance Program to the extent appropriate with respect to the Debtors' operations, to pay prepetition obligations related thereto (if any), to extend or reduce those Insurance Policies, to enter into new insurance policies, and to enter into new premium financing agreements, as applicable, in the ordinary course of business.

Brokerage Fees

15. The Insurance Policies are currently managed through the Insurance Broker. The coverage obtained with the assistance of the Insurance Broker has allowed the Company to operate its business in a reasonable and prudent manner and to realize savings in the procurement of such Insurance Policies.

16. The Debtors generally pay premiums under the Insurance Policies to the Insurance Broker who then remits such payments to the Insurance Carriers. The Insurance Broker receives

fees (the “Insurance Broker Fees,” and together with the Insurance Premiums and any other associated payments, the “Insurance Obligations”) in exchange for its services. The Debtors do not believe any Insurance Broker Fees are due and owing as of the Petition Date, however, out of an abundance of caution, request authority, but not direction, to pay the Insurance Broker Fees in the ordinary course.

17. Additionally, the Debtors believe that continuation of the services of the Insurance Broker are necessary to ensure that the Debtors’ ability to secure Insurance Policies on advantageous terms at competitive rates, facilitate the proper maintenance of the Insurance Policies postpetition, and ensure adequate protection of the Debtors’ property for any party in interest. Continued retention of the Insurance Broker is particularly important given that the Debtors are currently in the process of renewing nearly all of their Insurance Policies. Accordingly, the Debtors request authority, but not direction, to continue utilizing the Insurance Broker or retain any other Insurance Broker the Debtors deem appropriate and to continue paying the Insurance Broker Fees in the ordinary course of business.

Basis for Relief

I. Continuation of the Insurance Policies Is Necessary to Comply with the Bankruptcy Code, the U.S. Trustee Operating Guidelines, and Applicable Non-Bankruptcy Law.

18. The Insurance Policies provide a comprehensive range of protection for the Debtors’ business, properties, and assets. It is essential that the Debtors’ insurance coverage continue in full force and effect during the Chapter 11 Cases.

19. Section 1112(b)(4)(C) of the Bankruptcy Code lists “failure to maintain appropriate insurance that poses a risk to the estate or to the public” as “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C).

20. In addition, in many instances, the coverage provided under the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the operating guidelines issued by the U.S. Trustee (the "U.S. Trustee Operating Guidelines").

21. The Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Operating Guidelines, that they maintain and continue to make all payments required under their Insurance Policies, and have the authority to supplement, amend, extend, renew, or replace their Insurance Policies as needed, in their judgment, without further order of the Court.

II. Sections 105(a), 363(b), 363(c), and 1107(a) of the Bankruptcy Code Support Maintenance of the Insurance Coverage in the Ordinary Course.

22. Section 363(b)(1) of the Bankruptcy Code provides that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." Under section 363(b), courts in this jurisdiction require only that the debtor "show that a sound business purpose justifies" the proposed use of property. *See, e.g., In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also, In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring a "good business reason" for use under section 363(b) of the Bankruptcy Code). Moreover, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns- Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) ("Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.").

23. Thus, if a debtor's actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b) of the Bankruptcy Code. Indeed, when applying the "business judgment" standard, courts show great deference to a debtor's business decisions. *See In re Montgomery Ward Holding Corp.*, 242 B.R. at 656 ("Courts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence."); *In re First Wellington Canyon Assocs.*, No. 89-593, 1989 WL 106838, at *3 (N.D. Ill. Sept. 8, 1989) ("The debtor's business judgment . . . must be accorded deference unless shown that the bankrupt's decision was taken in bad faith or in gross abuse of the bankrupt's retained discretion.").

24. Section 105(a) of the Bankruptcy Code further provides that a court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of" the Bankruptcy Code pursuant to the "doctrine of necessity." The "doctrine of necessity" functions in a chapter 11 case as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of critical prepetition claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court may authorize payment of prepetition claims if essential to the debtor's continued operation); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 824-25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code "provides a statutory basis for payment of prepetition claims" under the doctrine of necessity); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994) (explaining that the doctrine of necessity is the standard in the Third Circuit for enabling a court to authorize the payment of prepetition claims prior to confirmation of a chapter 11 plan).

25. Paying obligations under the Insurance Policies, the Insurance Broker Fees, and the Premium Financing Agreements is warranted under section 363(b) and the doctrine of necessity. As described above, maintaining the Insurance Policies is necessary to minimize risk exposure and preserve the value of the Debtors' assets, thereby ensuring the adequate protection of the Debtors' property for any party in interest. Failing to maintain the Insurance Policies would have a material adverse effect on the ability of the Debtors to maximize the value of their estates. In the Debtors' business judgment, the terms of the Premium Financing Agreements represent the best possible terms for financing the premiums of the financed Insurance Policies, and the Debtors' estates will benefit by maintaining, and entering into, the low-cost financing.

26. Courts in this district have granted relief similar to the relief requested herein under sections 105(a) and 363(b) of the Bankruptcy Code. *See, e.g. In re Pear Therapeutics, Inc.*, No. 23-10429 (TMH) (Bankr. D. Del. Apr. 12, 2023), Docket No. 50 (authorizing debtors to pay prepetition premiums and enter into new insurance policies pursuant to sections 105(a) and 363(b) of the Bankruptcy Code); *In re Virgin Orbit Holdings, Inc.*, No. 23-10405 (KBO) (Bankr. D. Del. Apr. 5, 2023), Docket No. 68 (same); and *In re Boxed, Inc.*, No. 23-10397 (BLS) (Bankr. D. Del. Apr. 6, 2023), Docket No. 60 (same).⁶

III. To the Extent the Court Determines that the Premium Financing Agreements Are a Secured Extension of Credit, Relief Is Appropriate under Section 364 of the Bankruptcy Code.

27. Under section 364(c) of the Bankruptcy Code, the Debtor may obtain unsecured credit in the ordinary course of business or obtain secured credit (a) with priority over administrative expenses, (b) secured by a lien on unencumbered estate assets, or (c) secured by a

⁶ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request of the Debtors' proposed counsel.

junior lien on previously encumbered assets. 11 U.S.C. § 364(c). To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate “by a good faith effort that credit was not available” to the debtor on an unsecured or administrative expense basis. *Bray v. Shenandoah Fed. Savs. & Loan Ass’n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986). To the extent the Premium Financing Agreements are deemed an extension of credit, section 364 of the Bankruptcy Code provides the Debtors ample authority to renew such arrangement as necessary.

28. Continuing the Premium Financing Agreements is necessary to finance the premiums due under the Insurance Policies. Failure to maintain the Premium Financing Agreements may jeopardize the Debtors’ ability to operate their business. Therefore, the Debtors seek authority, but not direction, to renew the Premium Financing Agreements and make postpetition payments in connection therewith, or extend or enter into new premium financing agreements, in the ordinary course of business, to the extent necessary during the Chapter 11 Cases.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

29. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations, the proposed debtor-in-possession financing, and anticipated access to cash collateral. Under the Debtors’ existing cash management system, the Debtors have made arrangements to readily identify checks or wire transfer requests relating to the relief requested in this Motion. Accordingly, the Debtors believe that checks or wire transfer requests that are not related to authorized payments will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions, when requested by the Debtors,

to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

The Requirements of Bankruptcy Rule 6003 Are Satisfied

30. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” For the reasons discussed above, authorizing the Debtors to maintain their Insurance Policies is integral to the Debtors’ ability to transition their operations into these Chapter 11 Cases smoothly. Failure to receive such authorization and other relief during the first 21 days of these Chapter 11 Cases would severely disrupt the Debtors’ operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary for the Debtors to maintain the going-concern value of their business for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

Reservation of Rights

31. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Interim Order and Final Order is intended or should be construed as: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ or any other party in interest’s rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors’ or any other party in interest’s rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any

other party in interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this motion are valid and the Debtors and all other parties in interest expressly reserve their rights to contest the extent, validity, or perfection, or to seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

32. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

33. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the United States Attorney's Office for the District of Delaware; (c) the state attorneys general for all states in which the Debtors conduct business; (d) the Internal Revenue Service; (e) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (f) counsel to the Prepetition Lender and the DIP Lender; (g) the Insurance Carriers; (h) the Insurance Broker; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. Additionally, notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request entry of the Interim and Final Orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, (a) granting the relief requested herein, and (b) granting such other relief as is just and proper.

Dated: April 24, 2023
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

/s/ William E. Chipman, Jr.

William E. Chipman, Jr. (No. 3818)

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*Proposed Conflicts Counsel to Debtors and Debtors
in Possession*

EXHIBIT A

Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>STRUCTURLAM MASS TIMBER U.S., INC., <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 23-10497 (CTG)</p> <p>(Jointly Administered)</p> <p>Re: Docket No. _</p>
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**INTERIM ORDER (I) AUTHORIZING THE DEBTORS
TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES
ENTERED INTO PREPETITION AND (B) RENEW, SUPPLEMENT, MODIFY,
OR PURCHASE INSURANCE COVERAGE AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under the insurance policies entered into prepetition and (ii) renew, supplement, modify, or purchase insurance coverage in the ordinary course; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number or Canadian business number, as applicable, include: Structurlam Mass Timber U.S., Inc. (6287); Natural Outcomes, LLC (n/a); Structurlam Mass Timber Corporation (5050); and SLP Holdings Ltd. (3114). The location of the Debtors’ headquarters is: 2176 Government Street, Penticton, British Columbia, Canada V2A 8B5. The address of the registered agent for Structurlam Mass Timber U.S., Inc. is: 8 The Green, Suite A, Dover, Delaware 19901.

² Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Motion.

opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard any statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing (the “Final Hearing”) on the Motion shall be held on _____, 2023, at ___:___ .m. (prevailing Eastern Time). Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2023 (the “Objection Deadline”), and shall be served on: (a) the Debtors, 2176 Government Street, Penticton, British Columbia, Canada V2A 8B5, Attn: Matthew Karmel (mkarmel@structurlam.com); (b) proposed counsel to the Debtors, Chipman Brown Cicero & Cole, LLP, Hercules Plaza, 1313 North Market Street, Suite 5400, Wilmington, Delaware 19801, Attn: William E. Chipman, Jr. (chipman@chipmanbrown.com); Robert A. Weber (weber@chipmanbrown.com); Mark L. Desgrosseilliers (desgross@chipmanbrown.com); and Mark Olivere (olivere@chipmanbrown.com); (c) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Benjamin A. Hackman (Benjamin.a.hackman@usdoj.gov); (d) counsel to the Prepetition Lender and DIP Lender, (i) Blake, Cassels & Graydon LLP, 855 - 2nd Street S.W., Suite 3500, Bankers Hall East Tower, Calgary, Alberta, T2P 4J8, Attn: Kelly Bourassa (kelly.bourassa@blakes.com), Christopher Keliher (christopher.keliher@blakes.com), Erik Fleming (erik.fleming@blakes.com), and Austin

Beck (Austin.Beck@blakes.com), (ii) Chapman and Cutler LLP, 320 South Canal Street, Chicago, Illinois 60606 (Attn: Stephen R. Tetro II and James P. Sullivan), email: stetro@chapman.com and jsulliva@chapman.com, and (iii) Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, Delaware 19801 (Attn: Matthew P. Ward), email: matthew-ward@wbd-us.com; and (e) counsel to any statutory committee appointed in the Chapter 11 Cases. If no objections or responses are filed and served by the Objection Deadline, the Court may enter the Final Order without further notice or hearing.

3. The Debtors are authorized, but not directed, on an interim basis to:
 - a) continue the Insurance Policies and to pay any prepetition or postpetition obligations under the Insurance Policies, the Insurance Broker Fees, and any other amounts related to the Insurance Policies, including any amounts owed to the Insurance Broker;
 - b) renew, amend, supplement, extend, reduce, or purchase insurance policies to the extent that the Debtors determine that such action is in the best interest of their estates;
 - c) honor the terms of the Premium Financing Agreements and pay installment payments thereunder; and
 - d) enter into, amend, supplement, or extend the Premium Financing Agreements as necessary, in the ordinary course of business consistent with past practices to the extent the Debtors determine that such action is in the best interests of their estates.

4. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the

Bankruptcy Code; (f) a waiver or limitation of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party in interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Interim Order are valid and the Debtors and all other parties in interest expressly reserve their rights to contest the extent, validity, or perfection or to seek avoidance of all such liens. Any payment made pursuant to this Interim Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim. The relief granted by this Interim Order is not intended to and does not grant the Debtors any authority to use cash collateral of Bank of Montreal or to use proceeds of any postpetition financing provided by Bank of Montreal in any way inconsistent with the provisions of any interim or final order of this Court approving the Debtors' use of cash collateral or authorizing the Debtors to obtain debtor-in-possession financing (a "DIP Order"). For the avoidance of doubt, in case of a conflict between the provisions of this Interim Order and a DIP Order, the provisions of such DIP Order shall control.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order without any duty of further inquiry.

6. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any Insurance Policies and the Premium Financing Agreements.

7. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

8. Notice of the Motion was provided in accordance with Local Rule 9013-1(m)(iii) and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

11. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

EXHIBIT B

Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
STRUCTURLAM MASS TIMBER U.S., INC., <i>et al.</i> , ¹)	Case No. 23-10497 (CTG)
)	
Debtors.)	(Jointly Administered)
)	

**FINAL ORDER (I) AUTHORIZING THE DEBTORS
TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES
ENTERED INTO PREPETITION AND (B) RENEW, SUPPLEMENT, MODIFY,
OR PURCHASE INSURANCE COVERAGE AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under the insurance policies entered into prepetition and (ii) renew, supplement, modify, or purchase insurance coverage in the ordinary course; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number or Canadian business number, as applicable, include: Structurlam Mass Timber U.S., Inc. (6287); Natural Outcomes, LLC (n/a); Structurlam Mass Timber Corporation (5050); and SLP Holdings Ltd. (3114). The location of the Debtors’ headquarters is: 2176 Government Street, Penticton, British Columbia, Canada V2A 8B5. The address of the registered agent for Structurlam Mass Timber U.S., Inc. is: 8 The Green, Suite A, Dover, Delaware 19901.

² Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Motion.

creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard any statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, on a final basis to:
 - a) continue the Insurance Policies and to pay any prepetition or postpetition obligations under the Insurance Policies, the Insurance Broker Fees, and any other amounts related to the Insurance Policies, including any amounts owed to the Insurance Broker;
 - b) renew, amend, supplement, extend, reduce, or purchase insurance policies to the extent that the Debtors determine that such action is in the best interest of their estates;
 - c) honor the terms of the Premium Financing Agreements and pay any installment payments; and
 - d) enter into, amend, supplement, or extend the Premium Financing Agreements as necessary, in the ordinary course of business consistent with past practices to the extent the Debtors determine that such action is in the best interests of their estates.
3. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or

authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors or any other party in interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Final Order are valid and the Debtors and all other parties in interest expressly reserve their rights to contest the extent, validity, or perfection or to seek avoidance of all such liens. Any payment made pursuant to this Final Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim. The relief granted by this Final Order is not intended to and does not grant the Debtors any authority to use cash collateral of Bank of Montreal or to use proceeds of any postpetition financing provided by Bank of Montreal in any way inconsistent with the provisions of any interim or final order of this Court approving the Debtors' use of cash collateral or authorizing the Debtors to obtain debtor-in-possession financing (a "DIP Order"). For the avoidance of doubt, in case of a conflict between the provisions of this Final Order and a DIP Order, the provisions of such DIP Order shall control.

4. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

5. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any Insurance Policies and the Premium Financing Agreements.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

EXHIBIT C**Insurance Policies**

	No.	Provider	Policy Type	Policy No.	Coverage Start	Approx. Coverage End	Approx. Annualized Gross Premium Including Taxes
<i>CDD Limits and Premiums</i>	1	RSA Insurance Group / Zurich Insurance Group	Canadian Property/Equipment	-	4/22/2023	6/22/2023	\$521,935
	2	RSA Insurance Group	Boiler & Machinery	EBI053259887	4/22/2023	6/22/2023	\$9,792
	3	QBE Insurance Group Limited	General Liability	CGA1365578	4/22/2023	6/22/2023	\$373,215
	4	Tokio Marine Kiln	1st Excess Liability CDN	B0572NA21EAXW	4/22/2023	6/22/2023	\$200,000
	5	QBE Insurance Group Limited	2nd Excess Liability	CAEX13494	4/22/2023	6/22/2023	\$232,263
	6	Continental Casualty	3rd Excess Liability	MPR665399966	4/22/2023	6/22/2023	\$129,000
	7	The Travelers Companies, Inc.	Directors & Officers Liability	75514927	4/22/2023	10/22/2023	\$32,350
	8	Trisura Specialty Insurance Company	D&O 1 st Excess	VDO1008312	4/22/2023	10/22/2023	\$26,720
	9	Intact Financial Corporation	D&O 2 nd Excess	5D5591495	4/22/2023	10/22/2023	\$20,385
	10	Liberty International Underwriters	D&O 3 rd Excess	DOVAAB82MC002	4/22/2023	10/22/2023	\$20,385
	11	Beazley Group	Professional Liability	-	4/22/2023	6/22/2023	\$62,500
	12	Miller Insurance Holdings Limited	Manufacturers E&O	B0621PSTRU0088	4/22/2023	6/22/2023	\$123,500
	13	Miller Insurance Holdings Limited	1 st XS E&O	B0621PSTRU009022	4/22/2023	6/22/2023	\$72,000
	14	Miller Insurance Holdings Limited	2 nd XS E&O	B0621PSTRU009122	4/22/2023	6/22/2023	\$103,350
	15	Coalition Insurance	Cyber Liability	C-4MHK-175254	4/22/2023	6/22/2023	\$40,228

	No.	Provider	Policy Type	Policy No.	Coverage Start	Approx. Coverage End	Approx. Annualized Gross Premium Including Taxes
	16	TBD	Directors & Officers Liability Tail	TBD	4/22/2023	4/22/2029	\$135,003
	17	TBD	D&O Tail 1 st Excess	TBD	4/22/2023	4/22/2029	\$101,251
	18	TBD	D&O Tail 2 nd Excess	TBD	4/22/2023	4/22/2029	\$75,940
	19	TBD	D&O Tail 3 rd Excess	TBD	4/22/2023	4/22/2029	\$75,940
USD Limits and Premiums	20	QBE Insurance Group Limited	US General Liability	-	4/22/2023	6/22/2023	\$131,610
	21	StarStone National Insurance Company	1 st Excess Liability	-	4/22/2023	6/22/2023	\$159,380
	22	The Hanover Insurance Group, Inc. led with various other Insurance Carriers	US Property	73PRX22AF82 PN316440Q 795019695 PXP0000090-00 PAC-PR00000002-C0 76429687 UTS2570783.22 026710725-01 FQY-H753480-01 BXS0004018 0100161285-1 7EA7XPI001587-01 RENND21000600109 PN319340q PN316411q PN316410q ENSI000244 22SLCFM11570401	8/27/2022	08/27/2023	\$1,344,455