

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

MOTION RECORD OF TAZARMC INC.

August 30, 2022

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street, Suite 2200
Toronto, ON M5L 1G4
Fax: 1-844-670-6009

John D. Leslie (29956P)

Tel: 416.646.3801
Email: jleslie@dickinsonwright.com

Lisa S. Corne (27974M)

Tel: 416.646.4608
Email: lcorne@dickinsonwright.com

Lawyers for the Debtor

TO: **MILLER THOMSON LLP**
One London Place
255 Queens Avenue, Suite 2010
London, Ontario N6A 5R8

TONY VAN KLINK
Tel: 1 519.931.3509
Email: tvanklink@millerthomson.com

Lawyers for BDC Capital Inc.

AND **KRB LAWYERS**
TO: 300-240, Rue Saint-Jacques
Montréal, QC H2Y 1L9

FRANK LANDRY
Tel: 1 613.704.3350
Email: f.landry@krblaw.ca

Lawyers for National Bank of Canada

AND **WEIRFOULDS LLP**
TO: 66 Wellington Street West, Suite 4100
P.O. Box 35, TD Bank Tower
Toronto, ON M5K 1B7

PHILIP CHO
Tel: 1 416.619.6296
Email: pcho@weirfoulds.com

SANDRA ASTOLFO
Tel: 1 416.947.5045
Email: sastolfo@weirfoulds.com

Lawyers for Vulcraft Canada

AND **WESTON LAW CHAMBERS**
TO: 4040 Steeles Avenue West Unit #2
Vaughan, Ontario L4L 4Y5

JOHN LOFASO
Tel: 1 905.856.3700
Email: johnlofaso@westonlaw.ca

Lawyers for Venture Construction Services Ltd.

AND
TO: **PALLET VALO LLP**
77 City Centre Drive, West Tower, Suite 300
Mississauga ON L5B 1M5

MARIA RUBERTO
Tel: 1 289.805.3441
Email: mruberto@pallettvalo.com

Lawyers for Toromont Industries Ltd.

AND
TO: **KPMG LLP**
Bay Adelaide Centre
333 Bay Street #4600,
Toronto, ON M5H 2S5

PRITESH PATEL
Tel: 1 416.468.7923
Email: pritchpatel@kpmg.ca

PAUL VAN EYK
Tel: 1 519.747.8836
Email: pvaneyk@kpmg.ca

Trustee

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2.	Trustee Report on Proposal dated August 30, 2022
AA.	Appendix AA - NOI, together with the Certificate of Filing a Notice of Intention to Make a Proposal
BB.	Appendix BB - Company's Statement of Projected Cash Flow for the period of August 28, 2022 to November 5, 2022 and related reports pursuant to Section 50.4(2) of the BIA
CC.	Appendix CC - Original Proposal dated May 20, 2022
DD.	Appendix DD - Proposal Package
EE.	Appendix EE - Amended Proposal dated July 15, 2022
FF.	Appendix FF - Minutes of the Fourth Reconvened Meeting
GG.	Appendix GG - Notice to Creditors
3.	Draft Order Approving BIA Proposal

Tab 1

Court and Estate File No. _33-2823071

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

NOTICE OF MOTION

Tazarmc Inc. (the “**Debtor**”) will make a motion before Associate Justice Fortier of the Ontario Superior Court of Justice in Bankruptcy and Insolvency on Friday, September 9, 2022 at 10:00 a.m., or as soon after that time as the motion can be heard at the court house, 161 Elgin Street, Room 5300, Ottawa, Ontario K2P 2K1.

PROPOSED METHOD OF HEARING: The Motion is to be heard by Zoom video conference.

THE MOTION IS FOR AN ORDER:

- (a) If necessary, abridging the time for service of this Notice of Motion and Motion Record and dispensing with further service thereof;
- (b) Approving the Debtor’s Amended Proposal under the *Bankruptcy and Insolvency Act* (the “**BIA**”) filed with the Official Receiver on June 15, 2022 (the “**Proposal**”); and
- (c) Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (a) The Debtor is insolvent;
- (b) The Proposal, is reasonable and will provide a better result for creditors than a bankruptcy;

- (c) The required majority of creditors entitled to vote at the meeting called to consider and vote on the Proposal, accepted the Proposal;
- (d) The Debtor is acting in good faith in making the Proposal;
- (e) Under the Proposal:
 - (i) secured creditors will be repaid in accordance with the terms agreed between the Debtor and each of its secured creditors;
 - (ii) all arrears owing to the equipment lessors will be repaid within four months of the Effective Date; and
 - (iii) unsecured creditors will receive the lesser of 35 percent of their proven claims or \$1,015,000.00; and
- (f) Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Report of KPMG Inc. in its capacity as Trustee; and
- (b) Such further and other material as counsel may advise and this Honourable Court may permit.

August 30, 2022

DICKINSON WRIGHT LLP
 Barristers & Solicitors
 199 Bay Street, Suite 2200
 Toronto, ON M5L 1G4
 Fax: 1-844-670-6009

John D. Leslie (29956P)
 Tel: 416.646.3801
 Email: jleslie@dickinsonwright.com

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 Tel: 416.646.4608
 Email: lcorne@dickinsonwright.com

Lawyers for the Debtor

TO: **MILLER THOMSON LLP**
One London Place
255 Queens Avenue, Suite 2010
London, Ontario N6A 5R8

TONY VAN KLINK
Tel: 1 519.931.3509
Email: tvanklink@millerthomson.com

Lawyers for BDC Capital Inc.

AND **KRB LAWYERS**
TO: 300-240, Rue Saint-Jacques
Montréal, QC H2Y 1L9

FRANK LANDRY
Tel: 1 613.704.3350
Email: f.landry@krblaw.ca

Lawyers for National Bank of Canada

AND **WEIRFOULDS LLP**
TO: 66 Wellington Street West, Suite 4100
P.O. Box 35, TD Bank Tower
Toronto, ON M5K 1B7

PHILIP CHO
Tel: 1 416.619.6296
Email: pcho@weirfoulds.com

SANDRA ASTOLFO
Tel: 1 416.947.5045
Email: sastolfo@weirfoulds.com

Lawyers for Vulcraft Canada

AND **WESTON LAW CHAMBERS**
TO: 4040 Steeles Avenue West Unit #2
Vaughan, Ontario L4L 4Y5

JOHN LOFASO
Tel: 1 905.856.3700
Email: johnlofaso@westonlaw.ca

Lawyers for Venture Construction Services Ltd.

AND
TO: **PALLET VALO LLP**
77 City Centre Drive, West Tower, Suite 300
Mississauga ON L5B 1M5

MARIA RUBERTO
Tel: 1 289.805.3441
Email: mruberto@pallettvalo.com

Lawyers for Toromont Industries Ltd.

AND
TO: **KPMG LLP**
Bay Adelaide Centre
333 Bay Street #4600,
Toronto, ON M5H 2S5

PRITESH PATEL
Tel: 1 416.468.7923
Email: pritchpatel@kpmg.ca

PAUL VAN EYK
Tel: 1 519.747.8836
Email: pvaneyk@kpmg.ca

Trustee

IN THE MATTER OF THE PROPOSAL OF TAZARMC INC. OF THE CITY OF TRENTON, IN THE PROVINCE OF ONTARIO

Court and Estate File No. 33-2823071

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**PROCEEDING COMMENCED AT **TORONTO****NOTICE OF MOTION****DICKINSON WRIGHT LLP**

Barristers & Solicitors

199 Bay Street, Suite 2200

Toronto, ON M5L 1G4

Fax: 1-844-670-6009

John D. Leslie (29956P)

Tel: 416.646.3801

Email: jleslie@dickinsonwright.com**Lisa S. Corne (27974M)**

Tel: 416.646.4608

Email: lcorne@dickinsonwright.com

Lawyers for the Debtor

Tab 2

Court File No.: 33-2823071

TAZARMC INC.

REPORT OF KPMG INC. ON THE PROPOSAL

August 30, 2022

Court File No.: 33-2823071

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO**

REPORT OF THE TRUSTEE ON THE PROPOSAL
(Sections 58(d) and 59(1) of the *Bankruptcy and Insolvency Act* (Canada))

We, KPMG Inc. (“**KPMG**” or the “**Proposal Trustee**”), the Proposal Trustee acting in the proposal (the “**Proposal**”) of Tazarmc Inc. (“**Tazarmc**” or the “**Company**”), an insolvent company, hereby report to the Court as follows:

1. On April 20, 2022 (the “**Filing Date**”), Tazarmc filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”). KPMG was named as the trustee under the Company’s NOI. A copy of the NOI, together with the Certificate of Filing a Notice of Intention to Make a Proposal, is attached hereto as Appendix “AA”.
2. A copy of the Company’s Statement of Projected Cash Flow for the period of August 28, 2022 to November 5, 2022 and related reports pursuant to Section 50.4(2) of the BIA, are attached hereto as Appendix “BB”, and were filed with the Official Receiver on August 30, 2022.
3. As a result of the NOI filing, the Company had obtained the benefit of a stay of proceedings under section 69.1(1) of the BIA, and had until May 20, 2022 to file a proposal with the Proposal Trustee, subject to any extension(s) that may be granted by the Court.
4. On May 20, 2022, Tazarmc filed a proposal (the “**Original Proposal**”), a copy of which is attached as Appendix “CC”, with the Proposal Trustee which was filed and accepted by the Official Receiver on the same date.
5. That on the 31st day of May, 2022, the Proposal Trustee gave notice to the Company, and to every known creditor affected by the Original Proposal of the calling of a meeting of creditors to be held on the 9th day of June, 2022 to consider the Original Proposal (the “**Notice**”).
6. That within the Notice was included the Proposal Trustee’s Report to Creditors dated May 31, 2022 (the “**Trustee’s Report**”), condensed statement of assets and liabilities of the Company, a list of creditors affected by the Proposal and the amounts of their claim as per the Company’s records, a form of proof of claim, a proxy in blank and a voting letter (the “**Proposal Package**”). A copy of the Proposal Package is included in Appendix “DD”.
7. That prior to the meeting of creditors, the Trustee made an inquiry of the liabilities of the Company, the Company’s assets and their estimated realizable value, the Company’s conduct and causes of insolvency.
8. That the meeting of creditors was held on the 9th of June, 2022, and was presided over by Ms. Tara Woodfull, of the Office of the Superintendent of Bankruptcy (the “**Chair**”). That at that meeting of creditors, the Chair acknowledged the validity of the motion to adjourn the meeting pursuant to Section 52 of the BIA, which was unanimously carried by the creditors in attendance and adjourned to the 21st day of June, 2022.

9. That the first reconvened meeting of creditors (“**First Reconvened Meeting**”) was held on the 21st day of June, 2022, and was presided over by the Chair. That at the First Reconvened Meeting, the Company sought further to adjourn the meeting pursuant to Section 52 of the BIA which was unanimously carried by the creditors in attendance and adjourned to 29th day of June, 2022.
10. That the second reconvened meeting of creditors (“**Second Reconvened Meeting**”) was held on the 29th day of June, 2022, and was presided over by the Chair. That at the Second Reconvened Meeting, the Proposal Trustee informed the creditors in attendance of the material ongoing discussions with certain creditors and that in order to further facilitate these discussions Tazarmc would again seek an adjournment pursuant to Section 52 of the BIA. The motion was unanimously carried by the creditors in attendance and adjourned to the 12th day of July, 2022.
11. That the third reconvened meeting of creditors (“**Third Reconvened Meeting**”) was held on the 12th day of July, 2022, and was presided over by the Chair. That at the Third Reconvened Meeting, the Proposal Trustee further informed creditors in attendance of the ongoing discussions amongst the Company and certain creditors and ongoing operations of the Company including further strain on the Company’s cash flows if extended delay of the vote on the Original Proposal were to occur. The Company sought a short adjournment to complete ongoing creditor discussions and to file an amended proposal which would be beneficial to certain classes of creditors. The motion to adjourn the Third Reconvened Meeting was unanimously carried and adjourned to July 15th, 2022.
12. On 15th day of July, 2022, the Company filed an amended proposal (the “**Amended Proposal**” or the “**Proposal**”) with the Proposal Trustee, which was filed and accepted by the Official Receiver on the same date. The amendments to the Original Proposal included, among other things, (i) changes to the treatment of the Company’s secured creditors, namely National Bank of Canada (“**NBC**”) and BDC Capital Inc., and (ii) an increase to the amount available for distribution to the Company’s unsecured creditors. A copy of the Amended Proposal is attached as Appendix “EE”.
13. The secured claims of NBC are treated as unaffected in the Amended Proposal and will be treated in accordance with the terms agreed upon between the Company and NBC, which requires the outstanding secured indebtedness owed to NBC to be repaid in full by October 31, 2022.
14. That the fourth reconvened meeting of creditors (“**Fourth Reconvened Meeting**”) was held on the 15th day of July, 2022, and was presided over by the Chair. That at the Fourth Reconvened Meeting, the Amended Proposal was accepted by the required majority of creditors at the meeting of creditors, as set out in the table below:

Tazarmc Inc. Summary of Proposal Vote								
Class	Votes For				Votes Against			
	Number	Percentage in Number	Dollar Value	Percentage in Dollar Value	Number	Percentage in Number	Dollar Value	Percentage in Dollar Value
Class (A): National Bank of Canada	1	100%	295,177.30	100%	0	0%	0	0%
Class (B): BDC Capital Inc.	1	100%	510,549.96	100%	0	0%	0	0%
Class (C): Equipment Lessors	1	100%	49,656.71	100%	0	0%	0	0%
Class (D): Unsecured Creditors	9	90%	1,749,665.97	98%	1	10%	30,028.05	2%

15. That a copy of the minutes of the Fourth Reconvened Meeting is attached and marked as Appendix “FF”.
16. That at the Fourth Reconvened Meeting the following individuals were elected to be inspectors in the Company’s Proposal: Ms. Lyne Boucher, Mr. Joe Gigante, and Mr. Jack Labib.
17. The Proposal Trustee notes that payments and distributions to creditors under the Proposal is to be funded by the Company through cash flows generated from its continued operations from the Effective Date through to the end of the relevant repayment period.
18. That the Proposal Trustee is of the opinion that:

- a) The assets of the Company and their fair realizable values as at that date are as reflected on the Company's Statement of Affairs (see Section E of Appendix "DD"); and
- b) The liabilities, excluding potential contingent claims from certain of the Company's customers for damages resulting from the termination of pre-filing construction contracts, are reflected on the Statement of Affairs (see Section G of Appendix "DD")

19. That the Proposal Trustee is also of the opinion that:

- a) The causes of the insolvency of the Company primarily related to the following:
 - (i) Certain customers extending payment terms on receivables owed to the Company;
 - (ii) Impacts of COVID-19 and resulting supply chain disruptions which resulted in significant increases in the cost of steel and other raw materials, which the Company had to absorb as customers refused to renegotiate contract pricing to account for the escalations;
 - (iii) Back charges from certain customers for project delays caused by COVID-19 and supply chain disruptions; and
 - (iv) Bad debt expense of \$1.7 million incurred over the past two years due to disputes with certain customers on the collection of receivables owed to Tazarmc for completed work.
- b) The conduct of the debtor, both prior to and subsequent to the commencement of the proposal proceedings, is not subject to censure.
- c) There are no known facts mentioned in section 173 of the BIA that may be proven against the Company

20. That the Proposal Trustee is further of the opinion that the Company's Proposal is an advantageous one for the creditors for the following reasons:

- a) The Company has acted in good faith and with due diligence in taking appropriate steps to develop a viable proposal;
- b) It is expected that Tazarmc's creditors will derive a greater benefit from the Company's efforts to restructure and continue operations than would be realized from a forced liquidation of the Company's assets;
- c) The Company's voting creditors have voted in favour of the Amended Proposal; and
- d) Based on the analysis set out in the Trustee Report, the Proposal Trustee believes that the Amended Proposal provides for a distribution to the Company's creditors that likely exceeds the dividend that would be otherwise available in bankruptcy. Assuming the Company's assets and liabilities as at September 9th, 2022 would be substantially the same as the Company's assets and liabilities discussed in Sections E and G of Appendix "DD" of the Proposal Trustee's Report, the Proposal Trustee estimates, there would be a shortfall from the realizations that would be available for distribution to secured creditors and \$nil realizations available to unsecured creditors.

21. On the 22nd day of July, 2022, the Company's legal counsel, Dickinson Wright LLP, applied to the Court for an appointment for a hearing of the application of the Court's approval of the Company's Proposal.

22. On the 25th day of July, 2022, the Proposal Trustee sent a notice to creditors of the time and place of the hearing of the application to the Court to approve the Proposal. A copy of the above noted notice is attached hereto as Appendix "GG".

23. Based on the information set out in this report, and the Trustee's Report, the Proposal Trustee recommends to the Court that the Proposal be approved.
24. That the Proposal Trustee forwarded a copy of this report to the Official Receiver on this day.

Dated at Toronto, this 30th day of August, 2022.

KPMG Inc.

In its capacity as Proposal Trustee
of **TAZARMC Inc.** and not in
its personal or corporate capacity

Per:



Pritesh Patel, CIRP, LIT
Senior Vice President

Appendix AA

District of:
Division No. -
Court No.
Estate No.

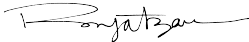
- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

Take notice that:

- 1. I, TAZARMC Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
- 2. KPMG Inc. of 333 Bay Street - Suite 4600, Toronto, ON, M5H 2S5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
- 3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
- 4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Trenton in the Province of Ontario, this 20th day of April 2022.



TAZARMC Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1745179 ONTARIO (B.K.)	11 STONE CREST BLVD BELLEVILLE ON K8R 0A3		7,921.66
2650931 ONTARIO LTD.	875 MILNER AVENUE, SUITE 114 SCAROROUGH ON M1B 5N6		34,817.42
ACTION TOWING & AUTOMOTIVE LIMITED	9 Douglas Rd TRENTON ON K8V 5R2		38,056.87
AIR LIQUIDE	1240 GARDINERS RD KINGSTON ON K7P 2T5	301563	11,807.80
ALL CANADA CRANE RENTAL	7215 TORBRAM RD MISSISSAUGA ON L4T 1G7	TAZ002	40,008.99
ALLIANCE CUSTOM FABRICATION	260 JAMIESON BONE RD BELLEVILLE ON K8N 5S8		12,999.99
ARRIVAL CUSTOMS BROKERS LTD	2445 CH DUNCAN MONT-ROYAL QC H4P 2A2		1,308.36
ATCO STRUCTURES & LOGISTICS	2727 CARP ROAD, SITE B CARP ON K0A 1L0		2,133.46
AXIOM LEASING INC.	4 ROBERT SPECK PARKWAY, 15th FLOOR MISSISSAUGA ON L4Z 1S1	TAZAR1	4,832.66
AZZ GALVANIZING SERVICES	49 COMMERCE CRESCENT ACTON ON L7J 2X2		30,028.03
BATTLEFIELD EQUIPMENT RENTALS	1 COAD RD TRENTON ON K8V 5W6	44429	80,187.62
BDC	5 PLACE VILLE MARIE, GROUND FLOOR MONTREAL QB H3B 5E7	194800-01	510,000.00
BIN THERE, DUMP THAT	165 CROSS AVE, SUITE 303 OAKVILLE ON L6J 0A9	4443	947.21
BMO	PO BOX 187, STN F TORONTO ON M4Y 2L5		20,000.00
BUTLER INSPECTION GROUP INC	2299 DREW ROAD, UNIT 5 MISSISSAUGA ON L5S 1A3		621.50

District of:
 Division No. -
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In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CANADA REVENUE AGENCY	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan - Sud QC G9P 5H9	78401 7725 RT0001	170,000.00
CANADA REVENUE AGENCY	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan-Sud QC G9P 5H9	78401 7725 RP0001	80,000.00
CANBEAR EQUIPMENT INC	326 HILTON DRIVE STONE CREEK ON L8E 2N3		37,081.20
CANSEL	2395 SKYMARK AVENUE MISSISSAUGA ON L4W 4Y6	1077713	6,298.73
CLEVELAND CITY FORGE	46950 STATE ROUTE 18 WEST WELLINGTON OH 44090 UNITED STATES		21,391.86
COGECO	1 PLACE VILLE-MARIE, SUITE 3301 MONTREAL QB H3B 3N2		2,814.15
CONCENTRA	2055 ALBERT ST, PO BOX 3030 REGINA SK S4P 3G8	53120	49,656.71
COULTER MACHINE & FIBRE	460 FOXBORO STIRLING ROAD FOXBORO ON K0K 2B0		3,390.00
DAFOE ROOFING	291 MAITLAND DRIVE BELLEVILLE ON K8N 4Z5		26,384.62
DASS METAL PRODUCTS	1575 DREW ROAD MISSISSAUGA ON L5S 1S5		1,243.00
DESIGN & SYSTEMS INC.	SUITE 251, 2378 HOLLY LANE OTTAWA ON K1V 7P1		40,395.22
DULUX PAINTS	225 N FRONT ST BELLEVILLE ON K8P 3C3		20,045.43
ENTERPRISE COMMERCIAL TRUCK	600 PRINCESS ST KINGSTON ON K7L 1C9	CTC3375	29,295.53
EXPRESS CRANE RENTAL INC	85 BROCK STREET BARRIE ON L4N 5E4		6,974.47

District of:
 Division No. -
 Court No.
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In the Matter of the Proposal of
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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
FGG INSPECTIONS PARTNERSHIP	140 PORTAGE CLOSE SHERWOOD PARK AB T8H 2W2		1,727.77
G PLUS ENGINEERING SERVICES INC	3 MILLSIDE CRES SW CALGARY AB T2Y 2P3		12,177.85
HI-LITE SYSTEMS	735B ARLINGTON PARK PL KINGSTON ON K7M 8M8		1,890.22
IAN MARTIN WORKFORCE SOLUTIONS	610 CHARTWELL RD, SUITE 101 OAKVILLE ON L6J 4A5		32,458.62
IDEAL ROOFING	1418 RUE MICHAEL ST OTTAWA ON K1B 3R2	TAZ700	78,435.01
INNOVATIVE IRONWORKERS	1093 COUNTY ROAD 15 PICTON ON K0K 2T0		50,803.52
JOBSITE INDUSTRIAL RENTAL SERVICES	385 MAINWAY BURLINGTON ON L7M 1A6	5932	23,534.44
KIMCO STEEL	1325 JOHN COUNTER BLVD KINGSTON ON K7L 4W1	8307	581,676.55
KRS CRANE RENTAL INC.	2620 WESTSHORE CRES. SERVERN ON L3V 0V8		7,210.47
LCL-BRIDGE PRODUCTS TECHNOLOGY INC.	1 PROVOST STREET, SUITE 315 LACHINE QB H8S 4H2		9,576.75
LEVAC SUPPLY Ltd.	25 RAILWAY ST KINGSTON ON K7K 2L7	TAZA01	10,322.76
MDZ BUILDERS LIMITED	250 ALLAN STREET CONISTON ON P0M 1M0		47,422.03
MESSER	1750 WOODARD DRIVE OTTAWA ON K2C 0P8		2,215.07
MILLEN TRUCKING LTD	1097 COUNTY ROAD 1 NAPANEE ON K7R 3L2		2,938.00
MITCHELL FIRE PROTECTION SYSTEMS	PO BOX 1704 BRIGHTON ON K0K 1H0		10,798.28

District of:
 Division No. -
 Court No.
 Estate No.

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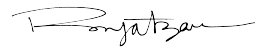
In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MULTICAM	701 MILLWAY AVE, UNIT 15 CONCORD ON L4K 3S7	TAZ000	4,195.85
NAPANEE CRANE RENTALS	50 WATER STREET WEST NAPANEE ON K7R 1V4		1,084.80
NATIONAL BANK	50 O'CONNER STREET OTTAWA ON K1P 6L2		300,000.00
NORTHBRIDGE	105 ADELAIDE ST W, SUITE 700 TORONTO ON M5H 1P9		4,648.15
PETERBOROUGH CRANE	1454 MOORE DR. CAVAN ON L0A1C0		1,446.40
PETRO-CANADA	2489 NORTH SHERIDAN WAY MISSISSAUGA ON L5K 1A8	7080904592	17,550.63
ROC CORP	250 ROYAL OAK ROAD CAMBRIDGE ON N3E 0A4	TAZXX01	12,148.03
SICOTTE GUILBAULT	45 O'CONNER ST, SUITE 1150 OTTAWA ON K1P 1A4		350.12
STANMORE EQUIPMENT	3 ANDERSON BLVD STOUFFVILLE ON L9P 0G5	TAZINC	104,043.87
SUN LIFE/CROSS GROVE	430 WESTMOUNT AVE S SUDBURY ON P3A 5Z8	192181	3,052.47
TRENTON GLASS & WINDOW LTD.	679 OLD HIGHWAY 2 TRENTON ON K8V 5P5		6,609.37
VARIOUS EMPLOYEES	VARIOUS		51,901.20
VULCRAFT CANADA	1362 OSPREY DR ANCASTER ON L9G 4V5		1,312,227.35
WILKINSON ACCOUNTANTS	71 DUNDAS STREET WEST TRENTON ON K8V 3P4		10,509.00
WSIB ON	180 KENT ST, SUITE 400 OTTAWA ON K1P 0B6	6591638	8,671.72
Total			4,002,268.79

District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario



TAZARMC Inc.
Insolvent Person

Appendix BB

Tazarmc Inc. (the "Company")
Projected Statement of Cash Flow
For the period ending November 5, 2022

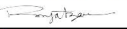
Week Ending (in \$CAD)	Notes	3-Sep	10-Sep	17-Sep	24-Sep	1-Oct	8-Oct	15-Oct	22-Oct	29-Oct	5-Nov	Total
Receipts												
Collections from ongoing projects	2	104,425	35,000	-	-	-	181,372	-	-	-	-	320,796
Collections from new projects	3	-	54,000	43,000	232,743	179,000	-	448,027	-	229,442	-	1,186,212
Collections from registered liens	4	58,000	-	64,000	-	-	-	-	-	-	-	122,000
Total Receipts		162,425	89,000	107,000	232,743	179,000	181,372	448,027	-	229,442	-	1,629,008
Disbursements												
Project related expenses	5	(2,000)	(20,000)	(23,200)	(23,200)	(67,500)	(55,000)	(122,500)	(67,500)	(20,000)	(37,500)	(438,400)
Payroll & Benefits	6	-	(107,800)	-	(102,500)	-	(107,800)	-	(102,500)	-	(102,500)	(523,100)
Utilities	7	-	-	-	(500)	-	-	-	-	(500)	-	(1,000)
Equipment lease	8	(5,700)	(330)	-	(20,000)	(5,700)	(330)	-	-	(20,000)	(5,700)	(57,760)
Rent	9	(18,100)	-	-	-	(18,100)	-	-	-	-	(18,100)	(54,300)
Insurance	10	(3,100)	-	-	(9,348)	(3,100)	-	-	-	(11,458)	(3,100)	(30,104)
SG&A	11	(2,291)	-	-	(9,191)	(2,291)	-	-	-	(9,191)	(2,291)	(25,255)
Interest and bank charges	12	-	-	(300)	-	-	-	-	(300)	-	-	(600)
Professional Fees	13	-	-	(40,000)	-	-	(5,000)	-	-	(5,000)	-	(50,000)
Repayments to National Bank	14	-	(30,000)	-	-	-	-	(30,000)	-	-	-	(60,000)
Distributions under the Proposal	15	-	-	-	-	-	-	(10,000)	-	(46,147)	-	(56,147)
Contingency	16	-	-	(5,000)	-	-	-	-	(5,000)	-	-	(10,000)
Total Disbursements		(31,191)	(158,130)	(68,500)	(164,737)	(96,691)	(168,130)	(162,500)	(175,300)	(112,295)	(169,191)	(1,306,665)
Net Cash Flow		131,234	(69,130)	38,500	68,006	82,309	13,242	285,527	(175,300)	117,147	(169,191)	322,343
Bank Balance												Ending
Opening	17	26,128	157,361	88,231	126,731	194,737	277,046	290,288	575,814	400,514	517,661	348,470
Net Cash Flow		131,234	(69,130)	38,500	68,006	82,309	13,242	285,527	(175,300)	117,147	(169,191)	-
Ending Bank Balance	17	157,361	88,231	126,731	194,737	277,046	290,288	575,814	400,514	517,661	348,470	348,470

Notes:

- 1 Receipts and disbursements exclude sales taxes, as applicable.
- 2 Collection of ongoing projects based on management's estimates and discussions with customers. The cash flow assumes customers do not delay payment and/or apply setoffs as a result of the proposal proceedings. Collections are subject to timing differences within the projection period, which may result in material forecast variances. Collections could be subject to trust claims under the Construction Act.
- 3 Collections from anticipated new contract awards are based on management's estimates and discussions with potential customers. Further, the cash flow assumes projects commence based on management's anticipated schedule and customers do not delay payment and/or apply setoffs as a result of the proposal proceedings. Collections are subject to timing differences within the projection period, which may result in material forecast variances. Collections could be subject to trust claims under the Construction Act.
- 4 Collections anticipated from liens registered on existing construction projects. The timing of anticipated cash flows assumes resolution with the contractor is agreed to before the preserved lien period expires. Collections are subject to timing differences within the projection period, which may result in material forecast variances. Collections could be subject to trust claims under the Construction Act.
- 5 Site costs incurred by the Company for work performed on existing and new projects including materials, freight, travel, on-site equipment, etc.
- 6 Wages and benefits for the Company's employees that are retained during the these proposal proceedings to assist with the completion of existing projects, net of any government subsidies. In general, forecast assumes source deductions and other payroll taxes are remitted during the same week as wages are paid.
- 7 Utilities costs for the Company's facility in Trenton, ON.
- 8 Existing leased equipment that will be retained and utilized for ongoing Company projects.
- 9 Monthly payments to the landlord for use of Company's existing leased premises in Trenton, ON.
- 10 Monthly premiums under the Company's general liability and property insurance policies.
- 11 Represents selling, general office, and administrative costs.
- 12 Bank charges and interest expenses.
- 13 Professional fees for the company's legal counsel and the proposal trustee.
- 14 Payments in accordance with terms of the forbearance agreement dated July 15th, 2022 between the Company and National Bank. Forecast assumes repayment terms under the forbearance agreement are extended beyond October 31, 2022.
- 15 Distributions in accordance with the terms of the Proposal, subject to the Court approving the Proposal at the hearing scheduled on September 9, 2022. The Forecast assumes the Effective Date occurs by September 30, 2022 with payments and distributions to commence in October 2022 and continue on a monthly basis thereafter, as applicable.
- 16 Contingency for unforecast, critical and other payments.
- 17 Represents the combined balances of the Company's existing bank accounts, excluding any amounts outstanding on the Company's line of credit. Forecast assumes the Company has continued access to funds as deposited and the banks do not place holds on receipts due to the Company's financial circumstances and/or these proposal proceedings.


This cash flow statement is prepared pursuant to the requirements of paragraphs 50(6)(b) and 50.4(2)(b) of the *Bankruptcy and Insolvency Act* and solely for that purpose.

Dated at Trenton, Ontario, this 30th day of August, 2022.


 Tazarmc Inc.

Roya Azarm
 Name of Signing Officer

KPMG Inc., Trustee

Per: 
 Pritesh Patel, Senior Vice President

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Amended Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

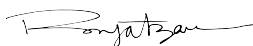
The management of TAZARMC Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 30th day of August 2022 consisting of the period August 28, 2022 to November 5, 2022.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Trenton in the Province of Ontario, this 30th day of August 2022.



TAZARMC Inc.
Debtor

Roya Azarm

Print name of signing officer

District of: Ontario
 Division No.: 11-Kingston
 Court No.: 33-2823071
 Estate No.: 33-2823071

- FORM 30 - Attachment
 Report on Cash-Flow Statement by the Person Making the Proposal
 (Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Amended Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

Purpose:

TAZARMC Inc. filed an Amended Proposal on July 15, 2022 (the "**Amended Proposal**"). The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of TAZARMC Inc. (the "Company"), for the period August 28, 2022 to November 5, 2022, relating to the filing of the Proposal.

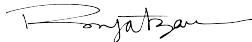
This Statement of Projected Cash Flow has been prepared by management on August 30, 2022, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period August 28, 2022 to November 5, 2022, considering the economic conditions that are considered the most probable by management. Please refer to the Company's Statement of Projected Cash Flow for details on the underlying forecast assumptions.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Trenton in the Province of Ontario, this 30th day of August, 2022.



TAZARMC Inc.
 Debtor

Roya Azarm
 Print name of signing officer

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

FORM 29
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Amended Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

The attached statement of projected cash flow of TAZARMC Inc., as of the 30th day of August 2022, consisting of the period from August 28, 2022 to November 5, 2022, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 30th day of August 2022.

KPMG Inc. – Licensed Insolvency Trustee
Per:



Pritesh Patel – Licensed Insolvency Trustee
333 Bay Street – Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-3364

District of: Ontario
 Division No.: 11-Kingston
 Court No.: 33-2823071
 Estate No.: 33-2823071

FORM 29 – ATTACHMENT
 Trustee's Report on Cash-Flow Statement
 (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

Purpose:

TAZARMC Inc. filed an Amended Proposal on July 15, 2022 (the "**Amended Proposal**"). The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of TAZARMC Inc. (the "Company"), for the period August 28, 2022 to November 5, 2022, relating to the filing of the Proposal.

This Statement of Projected Cash Flow has been prepared by management on August 30, 2022, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period August 28, 2022 to November 5, 2022 considering the economic conditions that are considered the most probable by management. Please refer to the Company's Statement of Projected Cash Flow for details on the underlying forecast assumptions.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Toronto in the Province of Ontario, this 30th day of August 2022.

KPMG Inc. – Licensed Insolvency Trustee
 Per:



Pritesh Patel – Licensed Insolvency Trustee
 333 Bay Street – Suite 4600
 Toronto ON M5H 2S5
 Phone: (416) 777-8500 Fax: (416) 777-3364

Appendix CC

Court and Estate File No. _33-2823071

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

PROPOSAL

Tazarmc Inc. (hereinafter referred to as the "**Debtor**") hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses of the Trustee and the Debtor incidental to the preparation, presentation, consideration and implementation of the Notice of Intention to Make a Proposal, the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Debtor;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property, and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal,

equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (g) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (h) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (i) "**Creditors' Meeting**" means the meeting of the Creditors called for the purpose of considering and voting on the Proposal;
- (j) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (k) "**Equipment Lessor**" means a party with a Secured Claim, secured by a valid security interest over specific leased equipment pursuant to a lease agreement with the Debtor;
- (l) "**Event of Default**" has the meaning given to it in Part X of this Proposal;
- (m) "**Filing Date**" means April 20, 2022, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (n) "**Inspector**" means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (o) "**KPMG**" means KPMG Inc.;
- (p) "**Ordinary Creditor**" means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with section 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are claims by Preferred Creditors; or
 - (iv) are Claims by a Secured Creditor and "**Ordinary Creditors**" has a corresponding meaning;
- (q) "**Post Filing Goods and Services**" means the goods and services purchased by the Debtor subsequent to the Filing Date;
- (r) "**Preferred Creditor**" means a Creditor with a Proven Claim that is required by the Act to be paid in priority to other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection **136(1)(d)** of the Act if the Debtor had become a bankrupt on the Filing Date, as **well** as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;
- (ii) Her Majesty in Right of Canada or a Province for all Source Deductions, and Preferred Creditors has a corresponding meaning;
- (s) "**Proposal**" means this Proposal and any amendments thereto;
- (t) "**Proposal Funds**" means the payments to be made by the Debtor to the Trustee pursuant to the provisions of Part III of this Proposal;
- (u) "**Proof of Claim**" means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (v) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (w) "**Secured Creditor**" means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and "Secured Creditors" has a corresponding meaning;
- (x) "**Source Deduction**" means any amount outstanding at the Filing Date of a kind that could be subject to a demand under
 - (A) subsection 244(1.2) of the *Income Tax Act* (Canada);
 - (B) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 244(2.2) of the *Income Tax Act* (Canada) and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the *Income Tax Act* (Canada), or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - I. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act* (Canada), or

- II. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- (y) **"Trustee"** means KPMG, or its duly appointed successor;
- (z) **"Unsecured Creditors"** means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (aa) **"Voting Letter"** shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal, and provided an Event of Default has not occurred and the Proposal is continuing, each Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or its property, including the Assets, based upon a Claim existing on or before the Filing Date.

Purpose of Proposal

- 1.6 The Purpose of this Proposal is to provide Creditors with greater recovery of their Claims than would result from a forced liquidation of the Assets in a bankruptcy or receivership.

Persons Affected

- 1.7 This Proposal will, as of the Effective Date, be binding on all Creditors of the Debtor.

PART II

Classification of Creditors

Classes of Creditors

- 2.1 For the purposes of voting on the Proposal, the Creditors of the Debtor shall be composed of the following four (4) classes: (a) National Bank of Canada (“**National Bank**”), the first- ranking Secured Creditor of the Debtor; (b) Business Development Bank of Canada (“**BDC**”), the second-ranking Secured Creditor of the Debtor; (c) Equipment Lessors; and (d) Unsecured Creditors.

PART III

Proposal

Source Deductions

- 3.1 Unless Her Majesty consents, the Debtor will pay all Source Deductions within six (6) months after the Effective Date.

Secured Creditors

3.2 National Bank

The indebtedness to National Bank of Canada under loan account numbers 060023542976 and 5258 8192 2383 6751 will be converted to a fixed term loan secured by the same security provided for under the existing credit agreements, and repaid over a period of 60 months, with interest at the same rate of interest as applicable under the existing credit agreements between the Debtor and National Bank, and subject to a right of prepayment.

BDC

The indebtedness to BDC will be reduced by fifty percent (50%), and will be converted to a fixed term loan secured by the same security provided for under the existing credit agreements, repayable over a period of 60 months, with interest at the same rate of interest as applicable under the existing credit agreements between the Debtor and BDC, subject to a right of prepayment.

Equipment Lessors

The Debtor will continue to make regular monthly payments in the amount provided for under the existing agreements between each Equipment Lessor and the Debtor, with any arrears owing as at the Filing Date to be paid within 4 months after the Effective Date.

Unsecured Creditors

- 3.3 The Debtor will pay to the Trustee an amount equal to the lesser of \$290,000.00, and 10% of the Proven Claims of Ordinary Unsecured Creditors, to be distributed by the Trustee to Ordinary Unsecured Creditors, no later than thirty-six (36) months after the Effective Date. The Trustee will distribute funds to Unsecured Creditors pursuant to the provisions of Part VI of this Proposal and the provisions of the Act.
- 3.4 Payments to Preferred Creditors and Ordinary Unsecured Creditors will be net of any applicable levy payable to the office of the Superintendent of Bankruptcy as required by the Act.

PART IV**Treatment of Creditors****Payment of Administrative Fees and Expenses**

- 4.1 The Administrative Fees and Expenses shall be paid in full prior to distribution to the Unsecured Creditors.

Distribution to Preferred Creditors

- 4.2 The Proven Claims of Preferred Creditors are to be paid by the Trustee in full in priority to all claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the Act.

Distribution to Ordinary Creditors

- 4.3 The Proven Claims of Ordinary Creditors shall be paid on a pro rata basis, after payment of the Administrative Fees and Expenses, and the Claims of Preferred Creditors.

Claims Against Directors

- 4.4 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Creditors and approval by the Court.

PART V
Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VI
Meeting of Creditors

Creditors' Meeting

- 6.1 On or before June 10, 2022, the Debtor shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors' Meeting.

Adjournment of Meetings

- 6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

- 6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor.

Approval by Creditors

- 6.6 In order for the Proposal to be binding on all of the Creditors, it must first be accepted by a majority in number of the Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.
- 6.7 In the event that the Proposal is not accepted by the requisite majority in number and two-thirds in value of each class of Creditors, or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt.

Appointment of Inspectors

- 6.8 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
 - (b) the power to waive any default in the performance of any provisions of the Proposal; and
 - (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post Filing Date Payments

Payment of Post Filing Goods and Services

- 7.1 All Post Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post Filing Goods and Services.

Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII**Conditions Precedent to Implementation of the Proposal**

- 8.1 As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
 - (b) the Approval Order has been issued and the Effective Date has passed;
 - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued ;and
 - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor.

PART IX**Miscellaneous****Effect of Payment of Proposal Fund**

- 9.1 All Creditors will accept the payments and security provided for in this Proposal in complete satisfaction of all of their Claims, and all other liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Debtor including the Assets.

Amendment to Proposal

- 9.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Court Approval

- 9.3 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court.

Binding Effect

- 9.4 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

PART X**Event of Default**

- 10.1 The failure of the Debtor to pay the amounts required pursuant to the Proposal will constitute an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

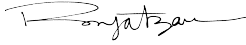
PART XI**Trustee**

- 11.1 KPMG, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable to Ordinary Unsecured Creditors under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 11.2 KPMG is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of KPMG shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 11.3 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 11.4 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

[SIGNATURE PAGE FOLLOWS]

Dated at TORONTO, ONTARIO this 20th day of May, 2022.

TAZARMC INC.

By: 

Name: Roya Azarm
Title: Director

I have authority to bind the corporation.

Appendix DD



KPMG Inc.
 Bay Adelaide Centre
 333 Bay Street Suite 4600
 Toronto ON M5H 2S5

Telephone (416) 777-8500
 Fax (416) 777-3364
 Internet www.kpmg.ca

May 31, 2022
District of: Ontario
Division No.:11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

To the creditors of TAZARMC INC.

Re: Proposal & Related Documents Concerning the Proposal of TAZARMC Inc.

Enclosed, please find the following documents:

1. Notice of Proposal to Creditors
2. Condensed Statement of the Debtor's Assets, Liabilities and List of Creditors
3. Proposal
4. Report of the Trustee on the Financial Situation of the Debtor and on the Proposal
5. Proof of Claim Form
6. Proxy
7. Voting Letter

We request that you complete the enclosed Proof of Claim, attaching a supporting Schedule "A" indicating the amount owed to you as of the date of the Notice of Intention to File a Proposal, being **April 20, 2022**. In addition to the Proof of Claim, we request that you complete the attached "Proxy" indicating who you will be appointing to act on your behalf at the Meeting of Creditors. Also, it is necessary that you complete the attached "Voting Letter" indicating whether you are voting for or against the Proposal.

Once you have completed the above documents, please forward them to KPMG Inc. to the attention Cameron Rodrigues. We should be in receipt of these documents prior to the start of the Meeting of Creditors scheduled to be held virtually on June 9th, 2022. Please refer to the attached Notice of Proposal to Creditors for details on the Meeting of Creditors.

We trust you will find the enclosed information in order, but should require any further information with respect to this matter, contact details are provided below:

Email: tazarmc@kpmg.ca
 Website: home.kpmg.ca/tazarmc

Dated at Toronto, Ontario, this 31st day of May, 2022.

KPMG Inc.
 In its capacity as Proposal Trustee
 of **TAZARMC INC.** and not in
 its personal or corporate capacity

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

Take notice that TAZARMC Inc. of the City of Trenton in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of creditors affected by the proposal.

A general meeting of the creditors (the "**Meeting**") will be held on the following date and time using the Microsoft Teams platform:

Date and Time: June 9, 2022 at 1:00pm (Eastern Time)

Microsoft Teams link: [Link can be provided by email upon request](#)

Or

Meeting call in: 647 794 1236;

Meeting ID: 900 618 935

Creditors who wish to participate in the Meeting should register at least 10 minutes prior to the Meeting start time.

The creditors or any class of creditors qualified to vote at the Meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors of the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the Meeting must be lodged with us prior to the commencement of the Meeting either by mail to KPMG Inc., 333 Bay Street, Suite 4600, Toronto, ON M5H 2S5 Attention: Cameron Rodrigues by facsimile (416) 777-8818 or by email to tazarmc@kpmg.ca.

Dated at the City of Toronto in the Province of Ontario, this 31st day of May 2022.

KPMG Inc.

In its capacity as Proposal Trustee
of **TAZARMC Inc.** and not in
its personal or corporate capacity

District of: Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

[X] Original [] Amended

-- Form 78 --
Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)
In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 20th day of May 2022. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

Table with 2 columns: LIABILITIES (as stated and estimated by the officer) and ASSETS (as stated and estimated by the officer). Rows include Unsecured creditors, Secured creditors, Preferred creditors, Contingent claims, Inventory, Trade fixtures, Accounts receivable, Cash, Livestock, Machinery, etc.

I, Roya Azarm, of the City of Trenton in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 20th day of May 2022 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of Trenton in the Province of Ontario, on this 20th day of May 2022.
in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely, made under
the Commissioners for Taking Affidavits Act, R.S.O. 1990, c. C. 17.

[Signature]

[Signature]

Roya Azarm

District of: Ontario
 Division No. 11 - Kingston
 Court No. 33-2823071
 Estate No. 33-2823071

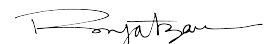
FORM 78 -- Continued

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario
 List "A"
 Unsecured Creditors
 TAZARMC Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	ACTION TOWING & AUTOMOTIVE LIMITED	9 Douglas Rd TRENTON ON K8V 5R2	38,056.87	0.00	38,056.87
2	AIR LIQUIDE 301563	PO Box 6789, Stn Centre-Ville Montreal QC H3C 4J5	11,807.80	0.00	11,807.80
3	ALL CANADA CRANE RENTAL TAZ002	7215 TORBRAM RD MISSISSAUGA ON L4T 1G7	40,008.99	0.00	40,008.99
4	ALLIANCE CUSTOM FABRICATION	260 JAMIESON BONE RD BELLEVILLE ON K8N 5S8	12,999.99	0.00	12,999.99
5	ARRIVAL CUSTOMS BROKERS LTD	2445 CH DUNCAN MONT-ROYAL QC H4P 2A2	1,308.36	0.00	1,308.36
6	ATCO STRUCTURES & LOGISTICS	2727 CARP ROAD, SITE B CARP ON K0A 1L0	2,133.46	0.00	2,133.46
7	AXIOM LEASING INC. TAZAR1	4 ROBERT SPECK PARKWAY, 15th FLOOR MISSISSAUGA ON L4Z 1S1	4,832.66	0.00	4,832.66
8	AZZ GALVANIZING SERVICES	49 COMMERCE CRESCENT ACTON ON L7J 2X2	30,028.03	0.00	30,028.03
9	BATTLEFIELD EQUIPMENT RENTALS 44429	1 COAD RD TRENTON ON K8V 5W6	80,187.62	0.00	80,187.62
10	BDC 194800-01	5 PLACE VILLE MARIE, GROUND FLOOR MONTREAL QB H3B 5E7	0.00	378,992.58	378,992.58
11	BIN THERE, DUMP THAT 4443	165 CROSS AVE, SUITE 303 OAKVILLE ON L6J 0A9	947.21	0.00	947.21
12	BMO	PO BOX 187, STN F TORONTO ON M4Y 2L5	20,000.00	0.00	20,000.00
13	BUTLER INSPECTION GROUP INC	2299 DREW ROAD, UNIT 5 MISSISSAUGA ON L5S 1A3	621.50	0.00	621.50
14	CANADA REVENUE AGENCY 78401 7725 RT0001	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan - Sud QC G9P 5H9	211,993.45	0.00	211,993.45
15	CANBEAR EQUIPMENT INC	326 HILTON DRIVE STONE CREEK ON L8E 2N3	37,081.20	0.00	37,081.20
16	CANSEL 1077713	2395 SKYMARK AVENUE MISSISSAUGA ON L4W 4Y6	6,298.73	0.00	6,298.73
17	CLEVELAND CITY FORGE	46950 STATE ROUTE 18 WEST WELLINGTON OH 44090 UNITED STATES	21,391.86	0.00	21,391.86
18	COGECO	1 PLACE VILLE-MARIE, SUITE 3301 MONTREAL QB H3B 3N2	2,814.15	0.00	2,814.15
19	CONCENTRA 53120	2055 ALBERT ST, PO BOX 3030 REGINA SK S4P 3G8	49,656.71	0.00	49,656.71
20	COULTER MACHINE & FIBRE	460 FOXBORO STIRLING ROAD FOXBORO ON K0K 2B0	3,390.00	0.00	3,390.00
21	DAFOE ROOFING	291 MAITLAND DRIVE BELLEVILLE ON K8N 4Z5	26,384.62	0.00	26,384.62

20-May-2022

Date



Roya Azarm

District of: Ontario
 Division No. 11 - Kingston
 Court No. 33-2823071
 Estate No. 33-2823071

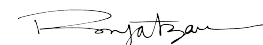
FORM 78 -- Continued

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario
 List "A"
 Unsecured Creditors
 TAZARMC Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	DASS METAL PRODUCTS	1575 DREW ROAD MISSISSAUGA ON L5S 1S5	1,243.00	0.00	1,243.00
23	DEMATHIEU BARD CONSTRUCTION	9000 MAJOR BENNETT DRIVE Peterborough ON K9J 6X6	1.00	0.00	1.00
24	DESIGN & SYSTEMS INC.	SUITE 251, 2378 HOLLY LANE OTTAWA ON K1V 7P1	40,395.22	0.00	40,395.22
25	DULUX PAINTS	225 N FRONT ST BELLEVILLE ON K8P 3C3	20,045.43	0.00	20,045.43
26	ENTERPRISE COMMERCIAL TRUCK CTC3375	600 PRINCESS ST KINGSTON ON K7L 1C9	29,295.53	0.00	29,295.53
27	EXPRESS CRANE RENTAL INC	85 BROCK STREET BARRIE ON L4N 5E4	6,974.47	0.00	6,974.47
28	FGG INSPECTIONS PARTNERSHIP	140 PORTAGE CLOSE SHERWOOD PARK AB T8H 2W2	1,727.77	0.00	1,727.77
29	FOGLER RUBINOFF LLP	116 ALBERT STREET, SUITE 701 OTTAWA ON K1P 5G3	19,961.72	0.00	19,961.72
30	G PLUS ENGINEERING SERVICES INC	3 MILLSIDE CRES SW CALGARY AB T2Y 2P3	12,177.85	0.00	12,177.85
31	IAN MARTIN WORKFORCE SOLUTIONS	610 CHARTWELL RD, SUITE 101 OAKVILLE ON L6J 4A5	32,458.62	0.00	32,458.62
32	IDEAL ROOFING TAZ700	1418 RUE MICHAEL ST OTTAWA ON K1B 3R2	78,435.01	0.00	78,435.01
33	INNOVATIVE IRONWORKERS	1093 COUNTY ROAD 15 PICTON ON K0K 2T0	50,803.52	0.00	50,803.52
34	JOBSITE INDUSTRIAL RENTAL SERVICES 5932	385 MAINWAY BURLINGTON ON L7M 1A6	23,534.44	0.00	23,534.44
35	KIMCO STEEL 8307	1325 JOHN COUNTER BLVD KINGSTON ON K7L 4W1	581,676.55	0.00	581,676.55
36	KRS CRANE RENTAL INC.	2620 WESTSHORE CRES. SERVERN ON L3V 0V8	7,210.47	0.00	7,210.47
37	LEVAC SUPPLY Ltd. TAZA01	25 RAILWAY ST KINGSTON ON K7K 2L7	10,322.76	0.00	10,322.76
38	MDZ BUILDERS LIMITED	250 ALLAN STREET CONISTON ON P0M 1M0	47,422.03	0.00	47,422.03
39	MESSER	1750 WOODARD DRIVE OTTAWA ON K2C 0P8	2,215.07	0.00	2,215.07
40	MILLEN TRUCKING LTD	1097 COUNTY ROAD 1 NAPANEE ON K7R 3L2	2,938.00	0.00	2,938.00
41	MINISTRY OF FINANCE Attn: EMPLOYER HEALTH TAX BRANCH	BANKRUPTCY AND INSOLVENCY UNIT 33 KING ST W, 6TH FLOOR Oshawa ON L1H 8H5	24,651.55	0.00	24,651.55
42	MITCHELL FIRE PROTECTION SYSTEMS	PO BOX 1704 BRIGHTON ON K0K 1H0	10,798.28	0.00	10,798.28
43	MULTICAM TAZ000	701 MILLWAY AVE, UNIT 15 CONCORD ON L4K 3S7	4,195.85	0.00	4,195.85

20-May-2022

Date



Roya Azarm

District of: Ontario
 Division No. 11 - Kingston
 Court No. 33-2823071
 Estate No. 33-2823071

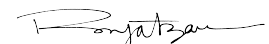
FORM 78 -- Continued

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario
 List "A"
 Unsecured Creditors
 TAZARMC Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
44	NAPANEE CRANE RENTALS	50 WATER STREET WEST NAPANEE ON K7R 1V4	1,084.80	0.00	1,084.80
45	NORTHBRIDGE	105 ADELAIDE ST W, SUITE 700 TORONTO ON M5H 1P9	4,648.15	0.00	4,648.15
46	PETERBOROUGH CRANE	1454 MOORE DR. CAVAN ON L0A1C0	1,446.40	0.00	1,446.40
47	PETRO-CANADA 7080904592	2489 NORTH SHERIDAN WAY MISSISSAUGA ON L5K 1A8	17,550.63	0.00	17,550.63
48	ROC CORP TAZXX01	250 ROYAL OAK ROAD CAMBRIDGE ON N3E 0A4	12,148.03	0.00	12,148.03
49	SICOTTE GUILBAULT	45 O'CONNOR ST, SUITE 1150 OTTAWA ON K1P 1A4	350.12	0.00	350.12
50	STANMORE EQUIPMENT TAZINC	3 ANDERSON BLVD STOUFFVILLE ON L9P 0G5	104,043.87	0.00	104,043.87
51	SUN LIFE/CROSS GROVE 192181	430 WESTMOUNT AVE S SUDBURY ON P3A 5Z8	3,052.47	0.00	3,052.47
52	TRENTON GLASS & WINDOW LTD.	679 OLD HIGHWAY 2 TRENTON ON K8V 5P5	6,609.37	0.00	6,609.37
53	VARIOUS EMPLOYEES	VARIOUS	1.00	0.00	1.00
54	VULCRAFT CANADA	1362 OSPREY DR ANCASTER ON L9G 4V5	1,312,227.35	0.00	1,312,227.35
55	WILKINSON ACCOUNTANTS	71 DUNDAS STREET WEST TRENTON ON K8V 3P4	10,509.00	0.00	10,509.00
56	WSIB ON 6591638	180 KENT ST, SUITE 400 OTTAWA ON K1P 0B6	8,671.72	0.00	8,671.72
Total:			3,092,770.26	378,992.58	3,471,762.84

20-May-2022

Date



Roya Azarm

District of: Ontario
 Division No. 11 - Kingston
 Court No. 33-2823071
 Estate No. 33-2823071

FORM 78 -- Continued

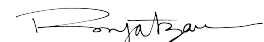
In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario
 List "B"
 Secured Creditors

TAZARMC Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	BDC 194800-01	5 PLACE VILLE MARIE, GROUND FLOOR MONTREAL QB H3B 5E7	510,000.00	Cash on Hand - Cash in bank - 1990 323 - Bank of Montreal Business Assets - Machinery - Machinery, plant and equipment including leased assets Business Assets - Stock In Trade - Inventory (steel and consumables and WIP) Debts Due - Business - Accounts Receivable Debts Due - Business - Holdback Receivable	11-Feb-2016 11-Feb-2016 11-Feb-2016 11-Feb-2016 11-Feb-2016	100,717.42 20,000.00 10,290.00 0.00 0.00		378,992.58
2	CANADA REVENUE AGENCY 78401 7725 RP0001	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan-Sud QC G9P 5H9	160,000.00	Debts Due - Business - Accounts Receivable Debts Due - Business - Holdback Receivable Business Assets - Stock In Trade - Inventory (steel and consumables and WIP) Cash on Hand - Cash in bank - 1990 323 - Bank of Montreal	11-Feb-2016 11-Feb-2016 11-Feb-2016 11-Feb-2016	150,290.00 9,710.00 0.00 0.00		
3	NATIONAL BANK	50 O'CONNOR STREET OTTAWA ON K1P 6L2	300,000.00	Debts Due - Business - Holdback Receivable Business Assets - Stock In Trade - Inventory (steel and consumables and WIP) Business Assets - Machinery - Machinery, plant and equipment including leased assets Cash on Hand - Cash in bank - 1990 323 - Bank of Montreal Debts Due - Business - Accounts Receivable	11-Feb-2016 11-Feb-2016 11-Feb-2016 11-Feb-2016 11-Feb-2016	160,290.00 139,710.00 0.00 0.00 0.00		

20-May-2022

Date



Roya Azarm

District of: Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

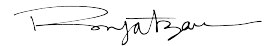
FORM 78 -- Continued

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

Total:	970,000.00		591,007.42	0.00	378,992.58
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20-May-2022

Date



Roya Azarm

District of: Ontario
 Division No. 11 - Kingston
 Court No. 33-2823071
 Estate No. 33-2823071

FORM 78 -- Continued

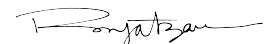
In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario
 List "C"
 Preferred Creditors for Wages, Rent, etc.

TAZARMC Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	2650931 ONTARIO LTD.	875 MILNER AVENUE, SUITE 114 SCAROROUGH ON M1B 5N6		-	34,817.42	0.00	34,817.42
Total:					34,817.42	0.00	34,817.42

20-May-2022

Date



Roya Azarm

Court and Estate File No. _33-2823071

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

PROPOSAL

Tazarmc Inc. (hereinafter referred to as the "**Debtor**") hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses of the Trustee and the Debtor incidental to the preparation, presentation, consideration and implementation of the Notice of Intention to Make a Proposal, the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Debtor;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property, and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal,

equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (g) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (h) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (i) "**Creditors' Meeting**" means the meeting of the Creditors called for the purpose of considering and voting on the Proposal;
- (j) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (k) "**Equipment Lessor**" means a party with a Secured Claim, secured by a valid security interest over specific leased equipment pursuant to a lease agreement with the Debtor;
- (l) "**Event of Default**" has the meaning given to it in Part X of this Proposal;
- (m) "**Filing Date**" means April 20, 2022, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (n) "**Inspector**" means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (o) "**KPMG**" means KPMG Inc.;
- (p) "**Ordinary Creditor**" means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with section 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are claims by Preferred Creditors; or
 - (iv) are Claims by a Secured Creditor and "**Ordinary Creditors**" has a corresponding meaning;
- (q) "**Post Filing Goods and Services**" means the goods and services purchased by the Debtor subsequent to the Filing Date;
- (r) "**Preferred Creditor**" means a Creditor with a Proven Claim that is required by the Act to be paid in priority to other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection **136(1)(d)** of the Act if the Debtor had become a bankrupt on the Filing Date, as **well** as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;
- (ii) Her Majesty in Right of Canada or a Province for all Source Deductions, and Preferred Creditors has a corresponding meaning;
- (s) "**Proposal**" means this Proposal and any amendments thereto;
- (t) "**Proposal Funds**" means the payments to be made by the Debtor to the Trustee pursuant to the provisions of Part III of this Proposal;
- (u) "**Proof of Claim**" means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (v) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (w) "**Secured Creditor**" means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and "Secured Creditors" has a corresponding meaning;
- (x) "**Source Deduction**" means any amount outstanding at the Filing Date of a kind that could be subject to a demand under
 - (A) subsection 244(1.2) of the *Income Tax Act* (Canada);
 - (B) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 244(2.2) of the *Income Tax Act* (Canada) and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the *Income Tax Act* (Canada), or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - I. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act* (Canada), or

- II. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- (y) **"Trustee"** means KPMG, or its duly appointed successor;
- (z) **"Unsecured Creditors"** means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (aa) **"Voting Letter"** shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal, and provided an Event of Default has not occurred and the Proposal is continuing, each Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or its property, including the Assets, based upon a Claim existing on or before the Filing Date.

Purpose of Proposal

- 1.6 The Purpose of this Proposal is to provide Creditors with greater recovery of their Claims than would result from a forced liquidation of the Assets in a bankruptcy or receivership.

Persons Affected

- 1.7 This Proposal will, as of the Effective Date, be binding on all Creditors of the Debtor.

PART II

Classification of Creditors

Classes of Creditors

- 2.1 For the purposes of voting on the Proposal, the Creditors of the Debtor shall be composed of the following four (4) classes: (a) National Bank of Canada (“**National Bank**”), the first- ranking Secured Creditor of the Debtor; (b) Business Development Bank of Canada (“**BDC**”), the second-ranking Secured Creditor of the Debtor; (c) Equipment Lessors; and (d) Unsecured Creditors.

PART III

Proposal

Source Deductions

- 3.1 Unless Her Majesty consents, the Debtor will pay all Source Deductions within six (6) months after the Effective Date.

Secured Creditors

3.2 National Bank

The indebtedness to National Bank of Canada under loan account numbers 060023542976 and 5258 8192 2383 6751 will be converted to a fixed term loan secured by the same security provided for under the existing credit agreements, and repaid over a period of 60 months, with interest at the same rate of interest as applicable under the existing credit agreements between the Debtor and National Bank, and subject to a right of prepayment.

BDC

The indebtedness to BDC will be reduced by fifty percent (50%), and will be converted to a fixed term loan secured by the same security provided for under the existing credit agreements, repayable over a period of 60 months, with interest at the same rate of interest as applicable under the existing credit agreements between the Debtor and BDC, subject to a right of prepayment.

Equipment Lessors

The Debtor will continue to make regular monthly payments in the amount provided for under the existing agreements between each Equipment Lessor and the Debtor, with any arrears owing as at the Filing Date to be paid within 4 months after the Effective Date.

Unsecured Creditors

- 3.3 The Debtor will pay to the Trustee an amount equal to the lesser of \$290,000.00, and 10% of the Proven Claims of Ordinary Unsecured Creditors, to be distributed by the Trustee to Ordinary Unsecured Creditors, no later than thirty-six (36) months after the Effective Date. The Trustee will distribute funds to Unsecured Creditors pursuant to the provisions of Part VI of this Proposal and the provisions of the Act.
- 3.4 Payments to Preferred Creditors and Ordinary Unsecured Creditors will be net of any applicable levy payable to the office of the Superintendent of Bankruptcy as required by the Act.

PART IV**Treatment of Creditors****Payment of Administrative Fees and Expenses**

- 4.1 The Administrative Fees and Expenses shall be paid in full prior to distribution to the Unsecured Creditors.

Distribution to Preferred Creditors

- 4.2 The Proven Claims of Preferred Creditors are to be paid by the Trustee in full in priority to all claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the Act.

Distribution to Ordinary Creditors

- 4.3 The Proven Claims of Ordinary Creditors shall be paid on a pro rata basis, after payment of the Administrative Fees and Expenses, and the Claims of Preferred Creditors.

Claims Against Directors

- 4.4 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Creditors and approval by the Court.

PART V
Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VI
Meeting of Creditors

Creditors' Meeting

- 6.1 On or before June 10, 2022, the Debtor shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors' Meeting.

Adjournment of Meetings

- 6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

- 6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor.

Approval by Creditors

- 6.6 In order for the Proposal to be binding on all of the Creditors, it must first be accepted by a majority in number of the Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.
- 6.7 In the event that the Proposal is not accepted by the requisite majority in number and two-thirds in value of each class of Creditors, or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt.

Appointment of Inspectors

- 6.8 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
 - (b) the power to waive any default in the performance of any provisions of the Proposal; and
 - (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post Filing Date Payments

Payment of Post Filing Goods and Services

- 7.1 All Post Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post Filing Goods and Services.

Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII

Conditions Precedent to Implementation of the Proposal

- 8.1 As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
 - (b) the Approval Order has been issued and the Effective Date has passed;
 - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued ;and
 - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor.

PART IX

Miscellaneous

Effect of Payment of Proposal Fund

- 9.1 All Creditors will accept the payments and security provided for in this Proposal in complete satisfaction of all of their Claims, and all other liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Debtor including the Assets.

Amendment to Proposal

- 9.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Court Approval

- 9.3 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court.

Binding Effect

- 9.4 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

PART X**Event of Default**

- 10.1 The failure of the Debtor to pay the amounts required pursuant to the Proposal will constitute an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

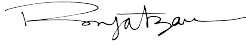
PART XI**Trustee**

- 11.1 KPMG, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable to Ordinary Unsecured Creditors under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 11.2 KPMG is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of KPMG shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 11.3 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 11.4 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

[SIGNATURE PAGE FOLLOWS]

Dated at TORONTO, ONTARIO this 20th day of May, 2022.

TAZARMC INC.

By: 
Name: Roya Azarm
Title: Director

I have authority to bind the corporation.

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO**

**REPORT OF THE PROPOSAL TRUSTEE ON
THE FINANCIAL SITUATION OF THE DEBTOR AND THE PROPOSAL**
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act* (Canada))

INTRODUCTION

1. On April 20, 2022 (the "**Filing Date**"), Tazarmc Inc. ("**Tazarmc**" or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"). KPMG Inc. ("**KPMG**") was named as the trustee under the Company's NOI (the "**Proposal Trustee**").
2. As a result of the NOI filing, the Company had obtained the benefit of a stay of proceedings under section 69.1(1) of the BIA, and had until May 20, 2022 to file a proposal with the Proposal Trustee, subject to any extension(s) that may be granted by the Court.
3. On May 20, 2022, Tazarmc filed a proposal (the "**Proposal**") with the Proposal Trustee, which was filed and accepted by the Official Receiver on the same date.
4. A copy of referenced materials and other information pertaining to these proceedings are posted on the Proposal Trustee's website at home.kpmg/ca/tazarmc.

PURPOSE OF REPORT

9. The purpose of this report (the "**Report**") is to:
 - a) Provide stakeholders with information regarding the Company's background, financial position and the causes of its financial difficulties;
 - b) Provide a summary of the Proposal;
 - c) Assist those creditors entitled to vote on the Proposal (the "**Voting Creditors**") in evaluating the Proposal, including providing an estimate of the comparative recoveries under the Proposal or in the event of a bankruptcy of the Company;
 - d) Provide the Trustee's recommendation in respect of the Proposal to the Voting Creditors; and
 - e) Notify Creditors of the meeting of creditors to be held on June 9, 2022 at 1:00PM via Microsoft Teams (the "**Creditors' Meeting**").

TERMS OF REFERENCE

10. In preparing this Report, the Proposal Trustee has been provided with, and has relied upon, unaudited and other financial information and certain records prepared by the Company and/or their representatives, and discussions with Company's management and/or representatives (together, the "**Information**"). In accordance with industry practice, except as otherwise described in this Report, the Proposal Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
11. Some information referred to in this Report may consist of forecasts and projections, which were prepared based on Management's estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and consequently no assurance can be provided regarding the forecasted or projected results. The reader is cautioned that the actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant.
12. The description of the Proposal in this Report is a summary only and is provided to assist the Company's creditors in considering their position with respect to the Proposal. In the event there is any inconsistency between the Report and the Proposal, the terms of the Proposal shall govern. Creditors are advised that this Report should be read in conjunction with the Proposal as certain information has not been included herein to avoid unnecessary duplication.
13. Any capitalized terms that are not otherwise defined herein shall have the meaning ascribed thereto in the Proposal.
14. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

SECTION A - BACKGROUND

15. Tazarmc is a privately held company, which fabricates and installs structural steel and miscellaneous metals for commercial and industrial construction projects.
16. The Company was incorporated in 2016 and moved its operations from Alberta to Ontario in 2018. The Company currently operates from a leased 20,000 square foot facility located in Trenton, Ontario (the "**Leased Premises**"). The Company had approximately 30 active employees, including both salaried and hourly workers, as of Filing Date. None of the Company's employees are unionized.
17. Over the past year, the Company advised the Proposal Trustee that it experienced liquidity challenges due a number of factors including but not limited to:
 - a) Customers extending payment terms on receivables owed to the Company;
 - b) Impacts of Covid-19 and resulting supply chain disruptions which resulted in significant increases in the cost of steel and other materials, which the Company had to absorb as customers refused to renegotiate contract pricing to account for the escalations;
 - c) Back charges from certain customers for project delays caused by Covid-19 and supply chain disruptions; and

- d) Bad debt expense of \$1.7 million incurred over the past two years due to disputes with certain customers on the collection of receivables owed to Tazarmc for completed work.
18. To address its cash flow challenges, the Company informed the Proposal Trustee that it undertook steps to reduce its cash burn including reducing its workforce by approximately 30%, discontinuing unprofitable projects, reducing overhead costs, and requesting customers procure materials directly as part of new contract awards.
19. Notwithstanding these efforts, the Company's current debt load had proven too much of a burden for the Company. As a result, on April 20, 2022, the Company filed the NOI.

SECTION B - SUMMARY OF PROPOSAL

20. A summary of the Proposal is provided below. The terms of the Proposal would be effective if:
- a) the creditors in each of the following four classes (the "**Voting Classes**"), including: (i) National Bank of Canada ("**National Bank**"), the first-ranking secured creditor of the Company; (ii) Business Development Bank of Canada ("**BDC**"), the second-ranking secured creditor of the Company; (iii) equipment lessors, being a party with a secured claim, secured by a valid security interest over specific leased equipment pursuant to a lease agreement with the Company (collectively, the "**Equipment Lessors**"); and (iv) ordinary unsecured creditors (the "**Unsecured Creditors**"), vote for acceptance of the Proposal by a majority in number and two thirds in value of the Voting Creditors comprising such classes that are present, personally or by proxy, at the Creditors' Meeting and voting on the resolution; and
 - b) the Proposal is approved by order of the Court (the "**Approval Order**"), in accordance with the provisions of the BIA.
21. If approved by the Voting Classes and the Court, the proposal would be effective on the date (the "**Effective Date**") upon which the Approval Order becomes final and non-appealable.
22. The treatment of the Voting Classes is described in greater detail below:
- a) National Bank - The indebtedness owed to the National Bank will be converted to a fixed term loan secured by the same security provided under the existing credit agreements, and will be repaid over a period of sixty (60) months, with interest at the same rate of interest as applicable under the existing credit agreement between the Company and National Bank, subject to prepayment;
 - b) BDC - The indebtedness owed to BDC will be reduced to fifty percent (50%), and will be converted to a fixed term loan secured by the same security provided for under the existing credit agreements, repayable over a period of sixty (60) months, with interest at the same rate of interest as applicable under the existing credit agreement between the Company and BDC, subject to prepayment;
 - c) Equipment Lessors - The Company will continue to make scheduled monthly payments in the amount provided for under existing agreements between each Equipment Lessor and the Company, with any arrears owing as at the Filing Date to be paid within four (4) months after the Effective Date; and
 - d) Unsecured Creditors - the Company will provide the Proposal Trustee an amount equal to the lesser of \$290,000, and 10% of the Proven Claims of Unsecured Creditors, to be distributed no later than thirty-six (36) months after the Effective Date.
23. Certain other key terms of the Proposal include:

- a) Priority claims for amounts due to Her Majesty in Right of Canada or a Province for all Source Deductions shall be paid in full within six (6) months of the Effective Date, unless Her Majesty consents;
 - b) The Proven Claims of creditors entitled to a priority under section 136(1) of the BIA ("**Preferred Creditors**") are to be paid in full in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA;
 - c) The fees and expenses of the Proposal Trustee are to be paid in full prior to distribution to the Unsecured Creditors;
 - d) Payments to Preferred Creditors and Unsecured Creditors will be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA (the "**Levy**"); and
 - e) Any Claims against the Company by any Creditor that are also Claims against the directors and officers of the Company that relate to obligations of the Company where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, on Court approval of the Proposal, compromised and released and forever discharged as against the directors of the Company, to the extent permitted by the BIA.
24. All goods supplied and services rendered to the Company after the Filing Date (the "**Post-Filing Goods and Services**") are to be paid in full in the normal course by the Company on terms agreed to between the Company and the relevant suppliers. As noted in Section K below, the Company has been unable to meet several post-filing obligations in respect of insurance, equipment rentals, lease payments, and rent payments due to certain cash flow challenges experienced by the Company since the Filing Date. The Proposal Trustee understands that the aggregate amount of the arrears in respect of the Post-Filing Goods and Services amounts to approximately \$85,000 (excluding applicable sales taxes) as the date of this Report. As noted in the Proposal, the Proposal Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post Filing Goods and Services.
25. The Proposal Trustee notes that payments and distributions to Voting Creditors under the Proposal is to be funded by the Company through cash flows generated from its continued operations from the Effective Date through to the end of the relevant repayment period.

SECTION C – FINANCIAL POSITION AND CAUSES OF DIFFICULTIES

26. The Company's unaudited and internal operating results for fiscal 2021 and 2022 as well as year-to-date fiscal 2023 for the three-month period ending March 31, 2022 ("**YTD**") are summarized in the table below:

TAZARMC Inc.			
Historical Operating Results Summary			
<i>In Thousands (\$000s)</i>			
	<i>Year ended January 2, 2021</i>	<i>Year ended January 2, 2022</i>	<i>3 month period ended March 31, 2022</i>
Total Revenue	\$ 3,829	\$ 6,792	\$ 1,852
Cost of Sales	3,148	6,328	2,421
Gross Margin	\$ 681	\$ 464	\$ (569)
Total Costs and Expenses	480	814	183
Net Income (Loss) From Operations	\$ 201	\$ (349)	\$ (752)

27. The Company's summary balance sheet as at March 31, 2022 is presented below:

TAZARMC Inc.			
Balance Sheet			
<i>As at March 31, 2022</i>			
<i>In Thousands (\$000s)</i>			
ASSETS		LIABILITIES AND SHAREHOLDER'S EQUITY	
Current Assets		Current Liabilities	
Cash	\$ 192	Bank Indebtedness	\$ 250
Accounts and Holdback Receivable	1,414	Accounts Payable and Accrued Liabilit	2,644
Inventory		Advances from Customers	198
Steel and Consumables	\$ 250	Government Remittance Payable	358
Work-In-Progress	\$ 851	Current Portion of Long Term Debt and Leases	326
Total Inventory	\$ 1,101	Total Current Liabilities	\$ 3,776
Prepaid Expenses	341	Long Term Liabilities	1,245
Total Current Assets	\$ 3,047	Deferred Income Tax Liability	59
		Total Liabilities	\$ 5,080
		Equity	
Non-Current Assets		Common Stock	0
Fixed Assets, net	\$ 1,517	Retained Earnings (Deficit)	(496)
Deferred Financing Fees	20	Total Equity	\$ (496)
Total Assets	\$ 4,584	Total Liabilities & Stockholders' Equity	\$ 4,584

28. The Company has advised the Proposal Trustee that March 31, 2022 is the date of the most recent financial information, and it has not had an opportunity to update its financial statements beyond this date. The Company further advised the Proposal Trustee that its financial position has likely eroded since March 31, 2022.

29. The Company has informed the Proposal Trustee that its financial difficulties have resulted from several factors as outlined in Section A of this Report, including the adverse impact of Covid-19 and supply chain disruptions on its business, certain customers extending payment terms of amounts owed to the Company, and significant bad debt expenses incurred over the last two fiscal years.

SECTION D – INTERIM RECEIVER

30. Not applicable.

SECTION E – IDENTIFICATION AND EVALUATION OF ASSETS

31. According to the Company's statement of affairs as at May 20, 2022 (the "**Statement of Affairs**"), the Company's realizable assets consisted of the following:

TAZARMC Inc.	
Assets (in thousands)	
Cash	\$ 101
Accounts receivable	\$ 321
Inventory	\$ 150
Machinery, plant and equipment	\$ 20
Total Assets	\$ 592

32. The Company's realizable assets are discussed in greater detail below:

- a) Cash – represents the Company's cash position as at May 20, 2022;
- b) Accounts Receivable – the accounts receivable balance reflected in the Statement of Affairs represents the Company's estimate of collectable AR and includes receivables owing for progress billings and holdback AR owed on projects that have previously achieved sustainable completion. In a liquidation scenario, the Proposal Trustee is of the view that in addition to normal credit risk, customers may claim offsets for warranty claims, lack of completion of scope of work, back charges for delays, etc. against amounts owed to the Company. As such, the Proposal Trustee estimates that in a liquidation scenario, the gross realizable value of the accounts receivable could range between approximately \$80,000 and \$240,000.
- c) Inventory – the inventory value reflected in the Statement of Affairs represents the Company's estimated liquidation value of the Company's inventory. As at March 31, 2022, the book value of the Company's inventory was approximately \$1.1 million, comprised of \$850,000 of work-in-process ("**WIP**"), and \$250,000 of steel and consumables. The Proposal Trustee understands that the value of WIP inventory includes capitalized labour and engineering costs. While the Company was unable to provide an assessment of the current value of WIP inventory, management of the Company advised the Proposal Trustee it was materially lower than the book balance on March 31, 2022 due to the overall reduction in active projects. In the Proposal Trustee's view, there would be a limited market for the Company's WIP inventory in any event as substantially all of it would have been engineered for specific projects that would likely not be continued in a liquidation scenario. As a result, most of the inventory would need to be sold at significant discounts and/or as scrap in a liquidation scenario and as such, the Proposal Trustee estimates that the realizable value of the Company's inventory ranges between approximately \$118,000 and \$178,000.
- d) Machinery, Plant & Equipment – according to the Company's books and records, the book value of the Company's capital assets was approximately \$1.5 million as at March 31, 2022. However, the Company has advised the Proposal Trustee that most of the book value is related to equipment which was leased in fiscal 2022 of which the Company estimates there to be little to no equity value. As such, the capital asset value reflected in the Statement of Affairs represents the Company's estimated realizable value of its remaining equipment which primarily consists of welding machines, small equipment and tools. The Proposal Trustee has not obtained an independent appraisal of the Company's capital assets but

estimates that in a liquidation scenario, the realizable value of the Company's capital assets could range between \$20,000 and \$40,000, net of any commissions and expenses that would be charged by an auctioneer.

SECTION F – CONDUCT OF THE DEBTOR

33. The Proposal Trustee monitored the cash flows of the Company during the NOI period and other than the payment of pre-filing wages and expenses owing to employees/contractors, the Proposal Trustee is not aware of any material payments made by the Company relating to amounts owed to creditors prior to the Filing Date.
34. Since the Filing Date, the Company has experienced difficulties in collecting on receivables and accessing cash in its bank accounts to fund operating expenses. As detailed in Sections K and L in this Report, certain of the Company's customers have withheld/delayed payment as a result of the NOI filing due to concerns related to, among other things, trust claims and warranties provided by Tazarmc. Further, the Company's bank has put a ten (10) day hold on all cheques deposited into the Company's account and most recently, the Proposal Trustee understands the Company's corporate credit cards have been frozen, which has put a strain on the Company's cash flows.
35. On May 30, 2022, the Proposal Trustee was made aware that in order to facilitate the release of its receivables, the Company directed one of its customers to make payment of approximately \$67,800 to an affiliate of Tazarmc (the "**Affiliate**"). The directors of Tazarmc advised the Proposal Trustee that the funds deposited into the Affiliate's account has or will be used to pay post-filing obligations of Tazarmc. Further, the directors of the Company have begun using their personal credit cards (the "**Personal Credit Cards**") to fund certain of the Company's ongoing expenses until the aforementioned issue with the corporate cards can be resolved. The directors of Tazarmc have agreed to provide the Proposal Trustee with an accounting of all transactions reimbursed through the Personal Credit Cards and copies of bank statements and transactions for the Affiliate during the period in question. The Proposal Trustee is currently reviewing the information received and will provide an update on this matter at the Creditors' Meeting.
36. The Proposal Trustee has not performed a review of the Company's books and records, with respect to potential fraudulent preferences, settlements or transfers at undervalue, as defined in the BIA. It is the intention of the Proposal Trustee to discuss the scope of any review with the Inspectors appointed pursuant to the Proposal.

SECTION G – CREDITOR CLAIMS

37. According to the Company's Statement of Affairs, Tazarmc's creditors are summarized in the table below:

TAZARMC Inc.		
Category of Creditors	Number of Creditors	Value (in thousands)
Priority Claims (Deemed Trust)	1	\$ 160
Secured	2	\$ 810
Preferred Creditors	1	\$ 35
Unsecured Creditors	55	\$ 3,093
Total Creditor Claims	59	\$ 4,098

Priority Claims

38. According to the Statement of Affairs, the Proposal Trustee understands that the Company had approximately \$160,000 outstanding in Source Deductions owing to the Crown as at the Filing Date. Pursuant to the Proposal, all amounts due to Her Majesty in Right of Canada or a Province for all Source Deductions shall be paid in full within six (6) months of the Effective Date, unless Her Majesty consents.

Secured Creditors

39. The Company's senior secured creditors and the outstanding amounts of their respective claims (excluding any accrued interest and expenses) are as follows:

TAZARMC Inc.		
Breakdown of Secured Creditors	Number of Creditors	Value (in thousands)
National Bank	1	\$ 300
BDC	1	\$ 510
Total Secured Claims	2	\$ 810

40. As noted in Section B above, National Bank and BDC are each in a separate class and are entitled to vote under the Proposal.

41. As at the date of this Report, the Proposal Trustee has not been provided with copies of the respective security documents executed by the Company in favour of National Bank and BDC.

42. The Proposal Trustee notes that based on its review of a *Personal Property Security Act* (Ontario) enquiry report dated May 27, 2022 (the "**PPSA Enquiry Report**"), each of the National Bank and BDC have registered a general security interest as against the assets of Tazarmc. In addition to National Bank and BDC, the Proposal Trustee notes that BDC Capital Inc. and The EBF Group Ltd. ("**EBF**") each registered general security interests as against the assets of the Company. The Company has advised the Proposal Trustee that these registrations relate to potential financing transactions that were never completed by the Company and should be removed in due course.

43. The Proposal Trustee will provide notice of the Creditors' Meeting to both BDC Capital Inc. and EBF.

Preferred Creditors

44. According to the Statement of Affairs, the Company identified one (1) creditor that could be entitled to claim a priority under section 136(1) of the BIA, being the landlord to the Leased Premises, 2650931 Ontario Limited (the "**Landlord**"). As at the Filing Date, the Company's books and records indicate the Landlord was owed approximately \$34,817 in respect of rent arrears.

45. The Company has advised the Proposal Trustee that all amounts owed to Tazarmc's employees, in respect of outstanding wages and vacation pay, which may have existed as of the Filing Date, have been paid by the Company in ordinary course. The Proposal Trustee notes this does not include any amounts that may be owed to the Company's former employees for termination and/or severance pay, as applicable.

46. As noted in Section B above, the Proven Claims of Preferred Creditors are to be paid in full in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA. As such, Preferred Creditors are not part of the Voting Classes in respect of their Preferred Claims.

Unsecured Creditors

47. According to the Company's Statement of Affairs, Tazarmc had 55 Unsecured Creditors that are owed approximately \$3.1 million in total, excluding any potential amounts owed to the Company's former employees for termination and/or severance pay, as applicable.
48. The Proposal Trustee notes included in this balance is approximately \$61,000 owed to three (3) Equipment Lessors: (i) Axiom Leasing Inc, (ii) Cansel Survey Equipment Inc., and (ii) Concentra Bank, in respect of lease arrears owing as at the Filing Date based on the Statement of Affairs. As noted in Section B above, the Equipment Lessors are in a separate class and are entitled to vote under the Proposal in respect of their pre-filing claims.
49. Based on its review of the PPSA Enquiry Report, the Proposal Trustee notes that CLE Capital Inc. ("**CLE**") had also registered security interests as against the Company on specific equipment as collateral. The Company advised that these were historical registrations and all amounts owed to CLE in respect of these equipment leases were paid in full prior to the Filing Date. The Proposal Trustee will provide notice of the Creditors' Meeting to CLE.
50. The Company's remaining 52 Unsecured Creditors are in a single class and entitled to vote under the Proposal.

SECTION H – PREVIOUS BUSINESS DEALINGS WITH THE DEBTOR

51. The undersigned Proposal Trustee confirms that neither he nor the firm with which he is related has provided previous services to the Company in any capacity other than consulting with the Company in respect of its consideration of various restructuring options and preparation for the filing of the NOI.
52. The Proposal Trustee further confirms that he does not have any knowledge of any conflict-of-interest situation arising from the acceptance of this appointment as Proposal Trustee.

SECTION I – INFORMAL MEETINGS WITH MAJOR CREDITORS

53. The Proposal Trustee has had multiple discussions with the BDC since the Filing Date and the filing of the Proposal. BDC was provided with a copy of the Proposal on May 25, 2022. BDC advised the Proposal Trustee that it will, among other things, review this Report and other materials prior to formulating any position/decision in respect of the Proposal.
54. The Proposal Trustee has had numerous discussions and correspondence with counsel for Vulcraft Canada, Inc ("**Vulcraft**"), the Company's largest Unsecured Creditor since the Filing Date. The Proposal Trustee understands that Vulcraft intends to, among other things, review this Report and other materials prior to formulating any position/decision in respect of the Proposal.

SECTION J – REMUNERATION OF THE TRUSTEE

55. Payment of the fees and disbursements of the Proposal Trustee, including legal fees, are to be paid in priority to any distribution to the Unsecured Creditors. Such fees shall be based on the time expended and charged by the Proposal Trustee and its legal counsel at its standard hourly rates.

SECTION K – OTHER

56. In accordance with the NOI filing, on April 22, 2022 management of Tazarmc prepared and filed with the Proposal Trustee a statement of projected cash flow for the period from April 17, 2022 to May 28, 2022 (the “**Original Cash Flow**”) which was filed with the Official Receiver on the same day.
57. The Original Cash Flow was based on several hypothetical and probable assumptions used by the Company in its preparation including, but not limited to, that the Company’s customers would not delay payment and/or apply setoffs as a result of the NOI filing. However since the Filing Date, the Company has advised the Proposal Trustee that certain customers either cancelled existing projects and/or delayed release of payment on progress billings, which significantly impaired the Company’s cash position.
58. On May 13, 2022, the Proposal Trustee filed a report with the Official Receiver pursuant to 50.4(7)(b) of the BIA (the “**Material Adverse Change Report**”) as a result of the Proposal Trustee ascertaining that a material adverse change in the Original Cash Flow and Company’s financial circumstances had occurred as a result of:
- a) Material differences between projected cash collections versus actual cash collections related to ongoing projects of approximately \$486,000; and
 - b) Significant impairment in the Company’s ability to meet obligations in respect of Post-Filing Goods and Services.
59. A significant portion of the projected cash receipts under the Original Cash Flow was to be used by the Company to fund payments for the Post-Filing Goods and Services as well as a proposal to its creditors. As at the date of the Material Adverse Change Report, the Proposal Trustee was of the view that without these cash receipts and the support of its key customers, there was significant impairment to the Company’s ability to file a viable proposal.
60. Since the filing of the Material Adverse Change Report, the Company advised the Proposal Trustee that it has had positive discussions with various customers on verbal commitments to release payment on progress billings for ongoing projects as well as potential new contract awards. These anticipated cash receipts are reflected in the Company’s revised cash flow forecast as discussed in the next section.

SECTION L – CASH FLOW STATEMENT

61. Subject to the report on the cash flow filed by the Proposal Trustee and in accordance with the BIA, the Proposal Trustee reviewed the revised cash flow statement and assumptions prepared by management of the Company for the period from May 15th, 2022 to July 30th, 2022 (“**Revised Cash Flow Forecast**”), which was filed with the Official Receiver on May 20, 2022. In reviewing the Revised Cash Flow Forecast, nothing has come to the Proposal Trustee’s attention which would lead the Proposal Trustee to believe the hypothetical and probable assumptions used by the Company in the preparation of the Revised Cash Flow Statement are inconsistent with the purpose of the Revised Cash Flow Forecast.
62. The Revised Cash Flow was based on a number of the hypothetical and probable assumptions used by the Company in its preparation including, but not limited to, that Company’s customers do not continue to delay payment and/or apply setoffs as a result of the NOI filing and that the Company’s anticipated new contract awards materialize as projected by management of the Company. Further, the Revised Cash Flow Forecast assumes payment by the Company of the accrued amounts for Post-Filing Goods and Services as detailed in Section B of the Report. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix “A”**.

63. The Proposal Trustee has reviewed the actual cash flows of the Company as against the Revised Cash Flow Forecast and notes actual cash receipts are below forecast for the first two weeks ended May 28, 2022. As a result, the actual cash balance is approximately \$100,000 below forecast as at May 28, 2022 due in large part to a cash receipt that has been withheld to date by one of the Company's customers. The Company and its counsel continue to look into this matter and will keep the Proposal Trustee apprised on status. The Company advised the Proposal Trustee that it remains comfortable that the Revised Cash Flow Forecast is achievable over the forecast period.

SECTION M – STATEMENT OF ESTIMATED REALIZATION

64. As noted in Section B above, if the Proposal is accepted by the requisite majority of the Creditors in the Voting Classes, below is a summary of the recovery to each of the Voting Classes:
- a) National Bank – entire indebtedness would be converted to a fixed term loan and repaid within 60 months after the Effective Date;
 - b) BDC – 50% recovery on its indebtedness, which would be converted to a fixed term loan and repaid over a period of 60 months after the Effective Date;
 - c) Equipment Lessors – continue existing financing arrangements with the Company with any arrears repaid within 4 months after the Effective Date; and
 - d) Unsecured Creditors – pro rata share of the lesser of \$290,000 and 10% of the Proven Claims of Unsecured Creditors, which based on the amounts set forth in Section G above would result in a gross dividend yield of approximately 9.5% (excluding any deductions for the fees of the Proposal Trustee and the Levy). Distributions to Unsecured Creditors would be made by no later than 36 months after the Effective Date.
65. If the Proposal is not accepted by the requisite majority of the Creditors in the Voting Classes, Tazarmc would become bankrupt on the date of the Creditors' Meeting and the assets of the Company would vest with the trustee in bankruptcy, subject to the rights of Her Majesty in Right of Canada and the Company's secured creditors. Additionally, National Bank and/or BDC could appoint a receiver to realize on the Company's assets.
66. The Proposal Trustee is of the view that in the event of a bankruptcy of Company, it is unlikely the recoveries from the Company's assets would be sufficient to repay the outstanding advances of National Bank and BDC, after payment of the Priority Claims and therefore the realizations available for Equipment Lessors and Unsecured Creditors would be \$Nil. Set out below is the Proposal Trustee's statement of estimated realizations of the Company's assets in a bankruptcy scenario:

TAZARMC Inc. Statement of Estimated Realizations Summary (in \$000s)					
	Book Value (Mar 31 ,2022)	Statement of Affairs (May 20, 2022)	Estimated Realization		Notes
			Low	High	
Assets currently available for realization					
Cash	192	101	81	101	1
Accounts receivable	1,414	320	80	240	3
Inventory	1,101	150	118	178	4
Machinery, plant and equipment	1,517	20	20	40	5
Prepays & Deposits	341	-	-	-	6
Total	\$ 4,564	\$ 591	\$ 298	\$ 559	
Less: Priority Claims					
Source Deductions			(160)	(160)	7
Unpaid Wages			(60)	(60)	8
Total Priority Claims			\$ (220)	\$ (220)	
Total Estimated Realization			\$ 78	\$ 339	9
Secured Claims					
National Bank			300	300	
BDC			510	510	
Total Secured Claims			\$ 810	\$ 810	9
Surplus/ (Shortfall) to Secured Creditors			\$ (732)	\$ (471)	
Estimated Funds Available for Distribution			\$Nil	\$Nil	

Notes

- In preparing this analysis, the Proposal Trustee assumes that the financial position of the Company as detailed in the Statement of Affairs is not materially different than the financial position as at the date of bankruptcy.
- Assumes there is no material change in the cash balance from May 20, 2022. Estimated recoveries take into account the potential that the Company's bank may attempt to recover amounts owing under the corporate credit card by offsetting against available cash balances.
- In a bankruptcy, estimated recoveries from accounts receivable may be negatively impacted by customer claims for offsets for warranty claims, lack of completion, back charges, damages, etc.
- Actual value of WIP inventory is unknown but analysis assumes WIP inventory is materially lower than what was available at March 31. As a result, there may be limited recoveries from the WIP inventory and the remaining steel and consumables inventory could require significant discounts to sell.
- The majority of the Company's Machinery and Equipment consists of leased equipment, which was leased by the Company in the past 12 months and could have little to no equity value. The remaining capital assets consists of welding machines and smaller miscellaneous tool and equipment.
- Consists of deposits with suppliers and/or retainer paid to professionals, all of which have either been depleted or are assumed to be applied by creditors against the debts owed by the Company.
- Pre-filing outstanding Source Deductions.
- The Company pays its employees on a bi-weekly basis, in arrears. At the date of bankruptcy, there could be accrued post-filing wages and vacation pay owing to employees that would be subject to a priority of up to \$2,000 per employee pursuant to section 81.3 of the BIA.
- Excludes any professional fees and disbursements for a receiver/trustee in bankruptcy to administer the estate and realize on the assets.
- Excludes an accrued interest and costs.

SECTION N – RECOMMENDATIONS

67. If Tazarmc becomes bankrupt, the estimated realization of the Company’s assets under the bankruptcy scenario would not be sufficient to cover the balance of priority claims and secured claims as outlined in this Report, resulting in a \$Nil recovery to the Equipment Lessors and the Unsecured Creditors on their outstanding claims.
68. Based on the estimated realizations of the Company’s assets as set out in the Statement of Affairs and Information set out herein, the acceptance of the Proposal provides the opportunity for all the Voting Creditors to potentially receive a higher recovery of their indebtedness owed than would otherwise be received in a liquidation scenario.
69. In the circumstances, the Proposal Trustee recommends that the Voting Creditors accept the Proposal in order to provide the Voting Creditors with the opportunity to maximize their recovery from Tazarmc’s indebtedness to them.

SECTION O – MEETING OF CREDITORS

70. The meeting to consider the Proposal will be held on June 9th, 2022 at 1:00PM via the Microsoft Teams platform. Creditors may attend the meeting to consider the Proposal either in person or by proxy.
71. In completing the Proof of Claim form enclosed with the Notice to Creditor, Voting Creditors should only include all amounts outstanding as of April 20th, 2022.
72. It is expressly noted and should be clearly understood that KPMG, acting solely in its capacity as Proposal Trustee, assumes no responsibility for any claims against Tazarmc before, on, or after the Filing Date.
73. Please note that for your vote to count in connection with the Proposal, it is necessary that you complete and submit the required documents prior to the Creditors’ Meeting.
74. Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters to the Proposal Trustee be received prior to the start of the Creditors’ Meeting. Should you have any questions in connection with the Proposal or this Report, please contact via email at Tazarmc@kpmg.ca or cameronrodrigues@kpmg.ca.

Dated at Toronto, Ontario, this 31st day of May, 2022

KPMG Inc.

In its capacity as Proposal Trustee
of **TAZARMC Inc.** and not in
its personal or corporate capacity

Per:



Pritesh Patel, CIRP, LIT
Senior Vice President

Appendix "A"

Tazarmc Inc. (the "Company")
Projected Statement of Cash Flow
For the period ending July 30, 2022


Week Ending (in \$CAD)	Notes	21-May	28-May	4-Jun	11-Jun	18-Jun	25-Jun	2-Jul	9-Jul	16-Jul	23-Jul	30-Jul	Total
	1												
Receipts													
Collections from ongoing projects	2	-	60,000	240,000	107,400	70,316	150,000	191,877	-	53,669	-	81,200	954,462
Collections from new projects	3	87,611	145,133	-	-	7,158	-	106,227	211,000	91,000	21,000	106,227	775,355
Collections from pre-filing accounts receivables	4	-	-	-	-	-	-	-	11,600	-	-	-	11,600
Total Receipts		87,611	205,133	240,000	107,400	77,474	150,000	298,104	222,600	144,669	21,000	187,427	1,741,417
Disbursements													
Project related expenses	5	(4,848)	(69,848)	(23,015)	(9,041)	(10,291)	(12,641)	(67,362)	(62,946)	(66,596)	(62,946)	(85,262)	(474,796)
Payroll & Benefits	6	(54,736)	(20,212)	(119,019)	-	(124,315)	-	(119,011)	-	(124,307)	-	(119,003)	(680,603)
Utilities	7	-	(500)	-	-	-	-	(500)	-	-	-	(500)	(1,500)
Equipment lease	8	-	-	(50,273)	(5,700)	(330)	-	(20,000)	(5,700)	(330)	-	(20,000)	(102,333)
Rent	9	-	(18,100)	-	(18,100)	-	-	-	(18,100)	-	-	-	(54,300)
Insurance	10	-	(900)	-	(3,100)	-	-	(900)	(3,100)	-	-	(900)	(8,900)
SG&A	11	(791)	(1,691)	(7,500)	(2,291)	-	-	(9,191)	(2,291)	-	-	(9,191)	(32,946)
Interest and bank charges	12	-	(300)	-	-	-	-	(300)	-	-	-	(300)	(900)
Professional Fees	13	-	-	(50,000)	-	-	-	(70,000)	-	-	-	(2,000)	(122,000)
Contingency	14	-	-	(5,000)	-	-	-	(5,000)	-	-	-	(5,000)	(15,000)
Total Disbursements		(60,376)	(111,551)	(254,807)	(38,232)	(134,936)	(12,641)	(292,264)	(92,137)	(191,233)	(62,946)	(242,156)	(1,493,278)
Net Cash Flow		27,235	93,582	(14,807)	69,168	(57,462)	137,359	5,840	130,463	(46,564)	(41,946)	(54,729)	248,139
Bank Balance													
Opening	15	46,663	73,897	167,479	152,672	221,840	164,378	301,737	307,577	438,040	391,477	349,531	294,802
Net Cash Flow		27,235	93,582	(14,807)	69,168	(57,462)	137,359	5,840	130,463	(46,564)	(41,946)	(54,729)	-
Ending Bank Balance	15	73,897	167,479	152,672	221,840	164,378	301,737	307,577	438,040	391,477	349,531	294,802	294,802

Notes:

- Receipts and disbursements exclude sales taxes, as applicable.
- Collection of ongoing projects based on management's estimates and discussions with customers. The cash flow assumes customers do not delay payment and/or apply setoffs as a result of the proposal proceedings. Collections are subject to timing differences within the projection period, which may result in forecast variances.
- Collections from anticipated new contract awards are based on management's estimates and discussions with potential customers. Further, the cash flow assumes projects commence based on management's anticipated schedule and customers do not delay payment and/or apply setoffs as a result of the proposal proceedings. Collections are subject to timing differences within the projection period, which may result in forecast variances.
- Collection of pre-filing accounts receivable and holdback receivables on completed projects. Forecast assumes customers do not delay payment and/or apply setoffs as a result of the proposal proceedings. Collections are subject to timing differences within the projection period, which may result in forecast variances.
- Site costs incurred by the Company for work performed on ongoing and new projects including materials, freight, travel, on-site equipment, etc.
- Wages and benefits for the Company's employees that are retained during the these proposal proceedings to assist with the completion of existing projects. In general, forecast assumes source deductions and other payroll taxes are remitted during the same week as wages are paid.
- Utilities costs for the Company's facility in Trenton, ON.
- Existing leased equipment that will be retained and utilized for ongoing Company projects. Forecast assumes any post-filing arrears are paid during the week ending June 4, 2022.
- Monthly payments to the landlord for use of Company's existing leased premises in Trenton, ON.
- Monthly premiums under the Company's general liability and property insurance policies.
- Represents selling, general office, and administrative costs.
- Bank charges and interest expenses.
- Professional fees for the company's legal counsel and the proposal trustee.
- Contingency for unforecast, critical and other payments.
- Represents the combined balances of the Company's existing bank accounts, excluding any amounts outstanding on the Company's line of credit. Forecast assumes the Company has continued access to funds as deposited and the banks do not place holds on receipts due to the Company's financial circumstances and/or these proposal proceedings.

This cash flow statement is prepared pursuant to the requirements of paragraphs 50(6)(b) and 50.4(2)(b) of the *Bankruptcy and Insolvency Act* and solely for that purpose.


Dated at Trenton, Ontario, this 20th day of May, 2022.


 Tazarmc Inc.

Roya Azam
 Name of Signing Officer

This cash flow statement of Tazarmc Inc. is prepared in accordance with paragraph 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the attached Notes to the Statement of Projected Cash-Flow and the Trustee's Report of the Cash-Flow Statement dated the 20th day of May, 2022.

KPMC Inc., Trustee

Per: 
 Pritesh Patel, Senior Vice President

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

FORM 29
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

The attached statement of projected cash flow of TAZARMC Inc., as of the 20th day of May 2022, consisting of the period from May 15, 2022 to July 30, 2022, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,


- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 20th day of May 2022.

KPMG Inc. – Licensed Insolvency Trustee
Per:



Pritesh Patel – Licensed Insolvency Trustee
333 Bay Street – Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-3364

District of: Ontario
Division No.: 11-Kingston
Court No.: 33-2823071
Estate No.: 33-2823071

FORM 29 – ATTACHMENT
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

Purpose:

TAZARMC Inc. filed a Proposal on May 20, 2022 ("the **Proposal**"). The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of TAZARMC Inc. (the "Company"), for the period May 15, 2022 to July 30, 2022, relating to the filing of the Proposal.

This Statement of Projected Cash Flow has been prepared by management on May 20, 2022, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period May 15, 2022 to July 30, 2022 considering the economic conditions that are considered the most probable by management. Please refer to the Company's Statement of Projected Cash Flow for details on the underlying forecast assumptions.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Toronto in the Province of Ontario, this 20th day of May 2022.

KPMG Inc. – Licensed Insolvency Trustee
Per:



Pritesh Patel – Licensed Insolvency Trustee
333 Bay Street – Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-3364

District of: Ontario
 Division No.: 11-Kingston
 Court No.: 33-2823071
 Estate No.: 33-2823071

- FORM 30 -
 Report on Cash-Flow Statement by the Person Making the Proposal
 (Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

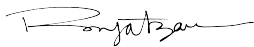
The management of TAZARMC Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 20th day of May 2022 consisting of the period May 15, 2022 to July 30, 2022.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Trenton in the Province of Ontario, this 20th day of May 2022.



 TAZARMC Inc.
 Debtor

Roya Azarm
 Print name of signing officer

District of: Ontario
 Division No.: 11-Kingston
 Court No.: 33-2823071
 Estate No.: 33-2823071

- FORM 30 - Attachment
 Report on Cash-Flow Statement by the Person Making the Proposal
 (Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
 TAZARMC Inc.
 of the City of Trenton, in the Province of Ontario

Purpose:

TAZARMC Inc. filed a Proposal on May 20, 2022 ("the **Proposal**"). The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of TAZARMC Inc. (the "Company"), for the period May 15, 2022 to July 30, 2022, relating to the filing of the Proposal.

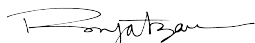
This Statement of Projected Cash Flow has been prepared by management on May 20, 2022, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period May 15, 2022 to July 30, 2022, considering the economic conditions that are considered the most probable by management. Please refer to the Company's Statement of Projected Cash Flow for details on the underlying forecast assumptions.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Trenton in the Province of Ontario, this 20th day of May, 2022.



 TAZARMC Inc.
 Debtor

Roya Azarm

 Print name of signing officer



GUIDE TO COMPLETING THE PROOF OF CLAIM FORM AND PROXY FORM

- The proof of claim must be signed by the individual completing the form.
- The signature of the claimant must be witnessed.
- A complete address must be provided including the postal code where all notices and correspondence are to be forwarded.
- The amount on the statement of account must agree with the amount claimed on the proof of claim.

PARAGRAPH 1 OF THE PROOF OF CLAIM

- The creditor must state the full and complete legal name of the Company or the claimant.
- If the individual completing the proof of claim is not the creditor himself, he must state his position or title.

PARAGRAPH 3 OF THE PROOF OF CLAIM

- A detailed statement of account must be attached to the proof of claim and must include the date, the invoice number and the dollar amount of all invoices or charges, together with the dates, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward. In addition, a creditor must indicate his/her address, phone number, fax number and e-mail address.

PARAGRAPH 4 OF THE PROOF OF CLAIM

- An unsecured creditor (subparagraph (A)) must check and state whether or not a priority rank is claimed under Section 136 of the Bankruptcy and Insolvency Act.
- A claim of landlord (subparagraph (B)) for disclaimer of lease must be completed with full particulars and calculations.
- A secured creditor must complete subparagraph (C) and attach a copy of the security documents.
- A farmer, fisherman or aquaculturist must complete subparagraph (D).
- A wage earner must complete subparagraph (E), if applicable.
- Section F must be completed with regards to a pension plan.
- A claim against director(s) (subparagraph (G)), in a proposal which compromises a creditor's claim, must contain full particulars and calculations.
- A customer of a bankrupt securities firm must complete subparagraph (H).

PARAGRAPH 5 OF THE PROOF OF CLAIM

- The claimant must indicate whether he/she is or is not related to the debtor, as defined in the Bankruptcy and Insolvency Act, by striking out that which is not applicable.

PARAGRAPH 6 OF THE PROOF OF CLAIM

- The claimant must attach a detailed list of all payments received and/or credits granted, as follows:
 - a) within the three months preceding the initial bankruptcy event, in the case where the claimant and the debtor are not related;
 - b) within the twelve months preceding the initial bankruptcy event, in the case where the claimant and the debtor are related.

PROXY

- a) A creditor may vote either in person or by proxy;
- b) A debtor may not be appointed as proxy to vote at any meeting of the creditors;
- c) The Trustee may be appointed as a proxy for any creditor;
- d) In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

KPMG Inc.
333 Bay Street - Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-8818

District of: Ontario
Division No. 11 -Kingston
Court No. 33-2823071
Estate No. 33-2823071

- FORM 31 -
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of TAZARMC Inc. of the City of Trenton in the Province of Ontario and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

- 1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).
- 2. That I have knowledge of all the circumstances connected with the claim referred to below.
- 3. That the debtor was, at the date of NOI filing, namely the 20th day of April 2022, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF ALEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

FORM 31 --- Concluded

- E. CLAIM BY WAGE EARNER OF \$ _____
 - That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,
 - That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
 - That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,
 - That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

Dated at _____, this _____ day of _____.

Witness

Creditor

Phone Number: _____
Fax Number : _____
E-mail Address : _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

District of: Ontario
Division No. 11 -Kingston
Court No. Estate 33-2823071
No. 33-2823071

- FORM 36-
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
(NAME OF CREDITOR) (NAME OF TOWN OR CITY)
appoint _____, of _____, to be my
(NAME OF INDIVIDUAL) (NAME OF TOWN OR CITY)
proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to
appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

KPMG Inc. - Licensed Insolvency Trustee
333 Bay Street - Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-8818

District of: Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____ (name of town or city), a creditor
in the above matter for the sum of \$ _____, hereby request the trustee acting with respect
to the proposal of TAZARMC Inc., to record my vote _____ (for or against) the acceptance of the
proposal as made on the 20th day of May 2022.

Dated at _____, this _____ day of _____.

_____ Witness

Individual Creditor

_____ Witness

Name of Corporate Creditor

Return To:

Per _____
Name and Title of Signing Officer

KPMG Inc. - Licensed Insolvency Trustee
333 Bay Street - Suite 4600
Toronto ON M5H 2S5
Fax: (416) 777-3364

Appendix EE

Court and Estate File No. _33-2823071

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

AMENDED PROPOSAL

Tazarmc Inc. (hereinafter referred to as the "**Debtor**") hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses of the Trustee and the Debtor incidental to the preparation, presentation, consideration and implementation of the Notice of Intention to Make a Proposal, the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Debtor;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property, and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to

the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (g) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (h) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (i) "**Creditors' Meeting**" means the meeting of the Creditors called for the purpose of considering and voting on the Proposal;
- (j) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (k) "**Equipment Lessor**" means a party with a Secured Claim, secured by a valid security interest over specific leased equipment pursuant to a lease agreement with the Debtor;
- (l) "**Event of Default**" has the meaning given to it in Part X of this Proposal;
- (m) "**Filing Date**" means April 20, 2022, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (n) "**Inspector**" means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (o) "**KPMG**" means KPMG Inc.;
- (p) "**Ordinary Creditor**" means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with section 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are claims by Preferred Creditors; or
 - (iv) are Claims by a Secured Creditor and "**Ordinary Creditors**" has a corresponding meaning;
- (q) "**Post Filing Goods and Services**" means the goods and services purchased by the Debtor subsequent to the Filing Date;
- (r) "**Preferred Creditor**" means a Creditor with a Proven Claim that is required by the Act to be paid in priority to other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection **136(1)(d)** of the Act if the Debtor had become a bankrupt on the Filing Date, as **well** as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;
- (ii) Her Majesty in Right of Canada or a Province for all Source Deductions, and Preferred Creditors has a corresponding meaning;
- (s) "**Proposal**" means this Proposal and any amendments thereto;
- (t) "**Proposal Funds**" means the payments to be made by the Debtor to the Trustee pursuant to the provisions of Part III of this Proposal;
- (u) "**Proof of Claim**" means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (v) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (w) "**Secured Creditor**" means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and "Secured Creditors" has a corresponding meaning;
- (x) "**Source Deduction**" means any amount outstanding at the Filing Date of a kind that could be subject to a demand under
 - (A) subsection 244(1.2) of the *Income Tax Act* (Canada);
 - (B) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 244(2.2) of the *Income Tax Act* (Canada) and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the *Income Tax Act* (Canada), or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum

- I. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act* (Canada), or
 - II. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- (y) "**Trustee**" means KPMG, or its duly appointed successor;
 - (z) "**Unsecured Creditors**" means, collectively, the Preferred Creditors and the Ordinary Creditors; and
 - (aa) "**Voting Letter**" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal, and provided an Event of Default has not occurred and the Proposal is continuing, each Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or its property, including the Assets, based upon a Claim existing on or before the Filing Date.

Purpose of Proposal

- 1.6 The Purpose of this Proposal is to provide Creditors with greater recovery of their Claims than would result from a forced liquidation of the Assets in a bankruptcy or receivership.

Persons Affected

- 1.7 This Proposal will, as of the Effective Date, be binding on all Creditors of the Debtor.

PART II

Classification of Creditors

Classes of Creditors

- 2.1 For the purposes of voting on the Proposal, the Creditors of the Debtor shall be composed of the following four (4) classes: (a) National Bank of Canada (“**National Bank**”), the first-ranking Secured Creditor of the Debtor; (b) BDC Capital Inc. (“**BDC**”), the second-ranking Secured Creditor of the Debtor; (c) Equipment Lessors; and (d) Unsecured Creditors.

PART III

Proposal

Source Deductions

- 3.1 Unless Her Majesty consents, the Debtor will pay all Source Deductions within six (6) months after the Effective Date.

Secured Creditors

3.2 National Bank

The indebtedness to National Bank of Canada under loan account numbers 060023542976 and 5258 8192 2383 6751 will remain secured by the same security under the existing credit agreements between the Debtor and National Bank, with interest accruing on the outstanding balance at the same rate of interest as applicable under the existing credit agreements between the Debtor and National Bank, and will be repaid in accordance with the terms agreed upon between National Bank of Canada and the Debtor.

BDC

The indebtedness to BDC will be converted to a term loan secured by the same security provided for under the existing credit agreement between the Debtor and BDC and repaid in accordance with the terms agreed upon between the Debtor and BDC.

Equipment Lessors

The Debtor will continue to make regular monthly payments in the amount provided for under the existing agreements between each Equipment Lessor and the Debtor, with any arrears owing as at the Filing Date to be paid within 4 months after the Effective Date.

Unsecured Creditors

- 3.3 The Debtor will pay to the Trustee an amount equal to the lesser of \$1,015,000 and 35 % of the Proven Claims of Ordinary Unsecured Creditors(the “**Maximum Amount**”), to be distributed by the Trustee to Ordinary Unsecured Creditors, no later than thirty-six (36) months after the Effective Date. The Debtor will provide its annual financial statements for the three years following the Effective Date to the Trustee, and pay to the Trustee, for the benefit of the Unsecured Creditors, at least 50% of any cash in excess of \$500,000 on hand at year end, up to the Maximum Amount. The Trustee will distribute funds to Unsecured Creditors pursuant to the provisions of Part VI of this Proposal and the provisions of the Act.
- 3.4 Payments to Preferred Creditors and Ordinary Unsecured Creditors will be net of any applicable levy payable to the office of the Superintendent of Bankruptcy as required by the Act.

PART IV

Treatment of Creditors

Payment of Administrative Fees and Expenses

- 4.1 The Administrative Fees and Expenses shall be paid in full prior to distribution to the Unsecured Creditors.

Distribution to Preferred Creditors

- 4.2 The Proven Claims of Preferred Creditors are to be paid by the Trustee in full in priority to all claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the Act.

Distribution to Ordinary Creditors

- 4.3 The Proven Claims of Ordinary Creditors shall be paid on a pro rata basis, after payment of the Administrative Fees and Expenses, and the Claims of Preferred Creditors.

Claims Against Directors

- 4.4 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, upon acceptance of this Proposal by the Creditors and approval by the Court and upon completion of the Proposal and issuance by the Trustee of a certificate under section 65.3 of the BIA, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor.

PART V Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VI Meeting of Creditors

Creditors' Meeting

- 6.1 On or before July 15, 2022, the Debtor shall hold the reconvened Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other

persons may be admitted on invitation of the chair of the Creditors' Meeting.

Adjournment of Meetings

6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor.

Approval by Creditors

6.6 In order for the Proposal to be binding on all of the Creditors, it must first be accepted by a majority in number of the Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

6.7 In the event that the Proposal is not accepted by the requisite majority in number and two-thirds in value of each class of Creditors, or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt.

Appointment of Inspectors

6.8 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
- (b) the power to waive any default in the performance of any provisions of the Proposal; and
- (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII

Post Filing Date Payments

Payment of Post Filing Goods and Services

- 7.1 All Post Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post Filing Goods and Services.

Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII

Conditions Precedent to Implementation of the Proposal

- 8.1 As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
 - (b) the Approval Order has been issued and the Effective Date has passed;
 - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued ;and
 - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor.

PART IX

Miscellaneous

Effect of Payment of Proposal Fund

- 9.1 All Creditors will accept the payments and security provided for in this Proposal in complete satisfaction of all of their Claims, and all other liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Debtor including the Assets.

Amendment to Proposal

- 9.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Good Faith

- 9.3 During the period from the Effective Date until the performance and satisfaction by the Debtor of its obligations to Creditors under the Proposal, the Debtor will not pay any management bonuses or shareholder dividends, and will keep and preserve all records relating to its business.

Court Approval

- 9.3 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court.

Binding Effect

- 9.4 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.
- 9.5 Throughout the period of the performance of the Proposal, the Debtor shall preserve and keep all records relating to the Debtor's business and projects, including all banking records.

PART X**Event of Default**

- 10.1 The failure of the Debtor to pay the amounts required pursuant to the Proposal will constitute an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

PART XI**Trustee**

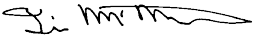
- 11.1 KPMG, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable to Ordinary Unsecured Creditors under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.

- 11.2 KPMG is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of KPMG shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 11.3 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 11.4 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

[SIGNATURE PAGE FOLLOWS]

Dated at TORONTO, ONTARIO this 15th day of July, 2022.

TAZARMC INC.

By: 

Name: Tim McMurter

Title: Director

I have authority to bind the corporation.

Appendix FF



District of Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

**IN THE MATTER OF THE DIVISION I PROPOSAL OF
TAZARMC Inc
MINUTES OF THE
FIRST MEETING OF CREDITORS**

DATE July 15, 2022

LOCATION Conference meeting via MS Teams
Or Via Telephone: 1-647-794-1236, Conference ID: 287 555 578

ATTENDANCE

Chairperson: Tara Woodfull, Official Receiver
Office of the Superintendent of Bankruptcy (OSB)

Secretary: Kelly McIntosh
Office of the Superintendent of Bankruptcy (OSB)

Licensed Insolvency Trustee (LIT): Pritesh Patel
KPMG INC.

Moderator: Cameron Rodrigues
KPMG INC.

Debtor: Tim McMurter - Director of Tazarmc Inc.
Roya Azarm - Director of Tazarmc Inc.

Legal Counsel: Lisa Corne – Dickinson Wright
John Leslie - Dickinson Wright

Creditor(s): See attached Attendance List – Appendix A

CALL TO ORDER

The Chairperson called the meeting to order at 3:16 PM and introduced herself as well as the Secretary (an Official Receiver representing the Office of the Superintendent of Bankruptcy), the Licensed Insolvency Trustee (LIT), the Director of the Debtor Corporation, and the Legal Counsel for the Debtor Corporation. The Chairperson announced her authority to chair the meeting pursuant to section 51(3) of the *Bankruptcy and Insolvency Act* (BIA) and stated that any decision made by the Chairperson during the meeting may be appealed by the creditors to the court.

QUORUM

The Chairperson stated that prior to the meeting, she examined the trustee's proof of mailing for the Notice of the First Meeting of Creditors and confirmed that the Proof of Claim submitted by BDC Capital Inc., National Bank, Vulcraft, as well as several others, are valid. The Chairperson confirmed that a quorum was established and declared the meeting to be properly called and duly constituted.

PURPOSE OF THE MEETING

The Chairperson stated that in accordance with section 54 (1) of the Bankruptcy and Insolvency Act, the purpose of today's meeting was:

- To consider the proposal put forward by TAZARMC Inc. and resolve to accept or reject the proposal, or any amendment thereof; and,
- To appoint up to five Inspectors to the estate

REPORT OF THE OFFICIAL RECEIVER

The Chairperson advised that an examination of the debtor under section 161.(1) of the Bankruptcy and Insolvency Act has not taken place, however, an examination may be scheduled at any time during the proceeding if requested.

TRUSTEE'S REPORT TO THE CREDITORS

The Chairperson asked Pritesh Patel, the Licensed Insolvency Trustee (LIT), to speak to the Preliminary Report to the Creditors.

The LIT noted that the trustee's report had been previously circulated with the original proposal, proof of claim and voting letter package. The LIT provided an overview of the report and summary of the amended proposal.

From the report, the LIT spoke to the background of the company and that the company currently operates on leased premises in Trenton, Ontario. The company has 30 employees, none who are unionized. The company's liquidity challenges arose from, among other things, customers extending on payment terms, COVID-19 causing supply chain disruptions and increases to cost of steel and other materials, customers refusing to renegotiate contracts to account for material escalations, and bad debt expense due to disputes with certain customers. The company has since taken steps to reduce its workforce, discontinue unprofitable projects and reduce costs.

In terms of the conduct of the debtor, the LIT is not aware of any material payments to creditors on amounts owed prior to the filing date. The Notice of Intention filing has caused difficulties in collection on receivables, starting new projects and cash flow. As noted in the trustee's report, the LIT provided an update on a deposit in the amount of \$67,800 made to the account of an affiliate of the debtor. The Directors have also had to use personal credit cards to support the debtor's operations. The Directors have provided the LIT with copies of the bank statements for the affiliate's bank account to demonstrate any amounts deposited were used to pay post filing obligations of the debtor. As of the date of this meeting, the LIT is not aware of any amounts remaining in the affiliate's account that belong to the debtor however the LIT noted it had not conducted a review of the company's books and records with respect to preferences, settlements or transfers at undervalue.

The LIT discussed that the original proposal from May 20th, 2022 had been amended both this morning and this afternoon, and discussed the four voting classes.

The amendments to the original proposal include that National Bank's security agreement would remain the same, the name of BDC would be corrected to BDC Capital Inc., and an update to the section of the proposal detailing the discharge of claims against directors. The amount available to unsecured creditors was also amended to the lesser of \$1,015,000 and 35% of the proven claims of ordinary unsecured creditors. Further, the company has agreed to provide financial statements going forward for each fiscal year and pay to the trustee, for the benefit of the unsecured creditors, at least 50% of any cash in excess of \$500,000 on hand at fiscal year end, up to the maximum amount of the unsecured creditor fund.

The LIT discussed other key terms in the proposal such as the treatment of priority claims, preferred creditors, trustee fees and expenses, and the Superintendent levy. The LIT confirmed that he or KPMG Inc. had no previous business dealings with the company other than in connection with understanding various restructuring options, and that the LIT does not have any knowledge of any conflict of interest. The LIT stated that there has been numerous discussions with major creditors with respect to the Proposal and is of the understanding that substantially all material concerns have been addressed in the amendments to the Proposal. The LIT confirmed that as outlined in the trustee's report, the estimated realization in a bankruptcy or liquidation of the company's assets would likely not be sufficient to cover the priority and secured claims, which could mean zero recovery for the classes of equipment lessors and unsecured creditors. The LIT was of the view that the amended proposal provided the best opportunity for all creditors to maximize their potential recovery from the company's assets.

QUESTION AND DISCUSSION PERIOD

The LIT asked the creditors if there were any questions related to the trustee's report?

Jack Labib from Vulcraft asked about customers who had paid on time and what had happened to that money?

John Leslie of Dickinson Wright noted that the issue the creditor was bringing forward regarding paying customers had already been addressed and worked out with the client, and that this meeting was not the right time to review the history of the discussion.

There was further discussion regarding the length of the adjournment of the meeting, and if secured and unsecured creditors could vote at different times. There was also discussion between creditors about the changes to section 4.4 of the Proposal regarding claims against directors.

John Leslie of Dickinson Wright addressed that the change to section 4.4 was made in order to comply with the BIA legislation.

The Chairperson confirmed that there were not any further questions and made the decision for the adjournment of the meeting to be until 4:30 PM, at which time all creditors would vote on the proposal. Prior to the adjournment, the Chairperson reminded creditors that any decision made by the Chairperson could be appealed to the court.

The meeting was adjourned for a brief recess at 4:04 PM.

VOTE ON PROPOSAL

The meeting was called back to order at 4:41 PM.

Cameron Rodrigues of KPMG Inc provided a summary of the voting letters previously received and the Chairperson moved to vote on the amended proposal.

The final voting summary, including all votes via voting letter and in person at the meeting, is as follows:

Class A	Vote
National Bank, \$295,177.30 (secured)	Yes - Francois Landry
Class B	
BDC Capital Inc, \$510,549.96 (secured)	Yes - Margaret Bernat
Class C	
Concentra, \$49,656.71 (Equipment Lessor)	Yes - Brody Jacques
Class D	
AZZ Galvcast/ Galvanizing, \$30,028.05 (unsecured)	No - Voting Letter
Vulcraft, \$1,473,942.56 (unsecured)	Yes - Jack Labib
Trans Pro, \$5,706.50 (unsecured)	Yes - Voting Letter
Ideal Roofing, \$78,435.01 (unsecured)	Yes - Voting Letter
Toromont, \$85,335.41 (unsecured)	Yes - Joe Gigante
Alliance Custom Fabrication, \$20,532.10 (unsecured)	Yes - Voting Letter
ATCO Structures, \$8,624.18 (unsecured)	Yes - Mikel Tubio
All Canada Crane Rental, \$40,009.01 (unsecured)	Yes - Voting Letter
Canbear Equipment, \$37,081.20 (unsecured)	Yes - Voting Letter
National Bank, \$60,000 (unsecured)	Yes - Francois Landry

Voting Totals were:

Yes: 98% (\$1,749,665.97)

No: 2% (\$30,028.05)

The Chairperson deemed the proposal as accepted.

The LIT advised that Debtor's Counsel would proceed to apply for court approval and creditors would be duly notified of the court date as per the BIA. The trustee's website would also be updated with the progress.

APPOINTMENT OF INSPECTORS

The Chairperson called for nominations of inspectors.

There were three inspectors nominated.

Lyne Boucher from National Bank was nominated

Joe Gigante from Toromont was nominated.

Jack Labib from Vulcraft was nominated.

The chairperson asked for a motion to confirm the appointment of the three inspectors nominated.

Francois Landry proxy for National Bank made a motion to appoint the inspectors.

Jack Labib proxy for Toromont seconded the motion.

There were no objections and the Chairperson confirmed the appointment of the three inspectors to the estate.

The LIT advised he would be in touch with the inspectors regarding the date for the first meeting of inspectors.

FINAL QUESTIONS/INSTRUCTIONS FOR THE LIT

There were no further questions or instructions for the LIT as this point in the meeting.

ADJOURNMENT

The meeting was adjourned at 4:54 PM.



Date: July 25, 2022

Tara Woodfull
Chairperson / Official Receiver
Office of the Superintendent of Bankruptcy



ATTENDANCE SHEET | FEUILLE DE PRÉSENCE

Re / Sujet: Reconvened First Meeting of Creditors for the Proposal of TAZARMC Inc. Virtual Meeting Via MS Teams	File No. / N° de dossier: 33-2823071	Date: July 15, 2022 at 3:00 PM
-----------------------------------------------------------------------------------------------------------------------	-----------------------------------------	--------------------------------------

NO.	NAME (PRINT) NOM (IMPRIMER)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMARQUES
1	Tara Woodfull	Office of the Superintendent of Bankruptcy (OSB)			Chairperson
2	Kelly McIntosh	OSB			Secretary
3	Pritesh Patel	KPMG INC			LIT
4	Cameron Rodrigues	KPMG INC			Moderator
5	Tim McMurter	Tazarmc Inc			Corporation Director
6	Roya Azarm	Tazarmc Inc			Corporation Director
7	Lisa Corne	Dickinson Wright			Legal Counsel for Debtor
8	John Leslie	Dickinson Wright			Legal Counsel for Debtor
9	Francois Landry	National Bank		295,177.30 Secured	
10	Jack Labib	Vulcraft		1,473,942.56 Unsecured	



NO.	NAME (PRINT) NOM (IMPRIMER)	REPRESENTING REPRÉSENTANT	SIGNATURE	AMOUNT OF CLAIM MONTANT RÉCLAMÉ	REMARKS REMARQUES
11	Joe Gigante	Toromont (Battlefield and Jobsite)		85,335.41 Unsecured	
12	Christopher Leblanc	Construction Demathieu Bard			Observing Only (Non Voting)
13	Philip Cho	Vulcraft			Legal Counsel for Vulcraft/Observe
14	Amanda Fisher	Blueshore Leasing			Observing Only (NonVoting)
15	Margaret Bernat	BDC Capital Inc		510,549.96 Secured	
16	Tony Van Klink	BDC Capital Inc			Legal Counsel for BDC Capital Inc
17	Mike Tubio	ATCO Structures		8,624.18 Unsecured	
18	Brody Jacques	Concentra		49,656.71 Unsecured	

Appendix GG

District of: Ontario
Division No. 11 - Kingston
Court No. 33-2823071
Estate No. 33-2823071

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the Matter of the Proposal of
TAZARMC Inc.
of the City of Trenton, in the Province of Ontario

In Ontario Superior Court of Justice in Bankruptcy - Ottawa.

In the matter of the proposal of TAZARMC Inc., a debtor.

Take notice that an application will be made to the court, at 5th Flr Room 5300, 161 Elgin St., Ottawa, Ontario, on the 9th day of September 2022, at 10:00 AM, to approve the proposal of TAZARMC Inc., accepted by the creditors at a meeting held on the 15th day of July 2022.

Dated at the City of Toronto in the Province of Ontario, this 25th day of July 2022.

KPMG Inc. - Licensed Insolvency Trustee



338 Bay Street - Suite 4600
Toronto ON M5H 2S5
Phone: (416) 777-8500 Fax: (416) 777-3364

Tab 3

ONTARIO
SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

THE HONOURABLE)	FRIDAY, THE 9 TH DAY
)	
ASSOCIATE JUSTICE FORTIER)	OF SEPTEMBER, 2022

IN THE MATTER OF THE PROPOSAL OF
TAZARMC INC.
OF THE CITY OF TRENTON
IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Tazarmc Inc. (the “**Debtor**”), for an Order approving the amended proposal of the Debtor under the *Bankruptcy and Insolvency Act* (the “**BIA**”) lodged with the Trustee and filed with the Official Receiver on June 15, 2022 (the “**Proposal**”), was heard this day by Zoom video conference at the court house, 161 Elgin Street, Ottawa, Ontario K2P 2K1.

ON READING the Notice of Motion, the Proposal of the Debtor, and on hearing the submissions of counsel, no one else on the service list taking a position with respect to same, although served, as appears from the affidavit of Jennifer Samuels sworn on August 30, 2022,

-2-

1. **THIS COURT ORDERS** and declares that the Amended Proposal of the Debtor lodged with the Proposal Trustee and filed with the Official Receiver on July 15, 2022, a copy of which is attached as schedule "A" hereto, be and is hereby approved pursuant to the *BIA*.

Schedule A

Court and Estate File No. _33-2823071

ONTARIO SUPERIOR COURT OF JUSTICE IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF TAZARMC INC. OF THE CITY OF TRENTON IN THE PROVINCE OF ONTARIO

AMENDED PROPOSAL

Tazarmc Inc. (hereinafter referred to as the "**Debtor**") hereby submits the following Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3.

PART I

Interpretation

Definitions

- 1.1 In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as it may be amended from time to time;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses of the Trustee and the Debtor incidental to the preparation, presentation, consideration and implementation of the Notice of Intention to Make a Proposal, the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Debtor;
 - (c) "**Approval Order**" means an Order of the Court approving this Proposal pursuant to the provisions of the Act;
 - (d) "**Assets**" means the assets, property, and undertakings of the Debtor;
 - (e) "**Business Day**" means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (f) "**Claim**" means any right of any person against the Debtor in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Debtor to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to

the Filing Date, where such claims are proved and allowed, and "Claims" has a corresponding meaning;

- (g) "**Court**" means the Ontario Superior Court of Justice (In Bankruptcy and Insolvency);
- (h) "**Creditor**" means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and "Creditors" has a corresponding meaning;
- (i) "**Creditors' Meeting**" means the meeting of the Creditors called for the purpose of considering and voting on the Proposal;
- (j) "**Effective Date**" means the date upon which the Approval Order becomes final and non-appealable;
- (k) "**Equipment Lessor**" means a party with a Secured Claim, secured by a valid security interest over specific leased equipment pursuant to a lease agreement with the Debtor;
- (l) "**Event of Default**" has the meaning given to it in Part X of this Proposal;
- (m) "**Filing Date**" means April 20,2022, being the date upon which the Debtor filed its Notice of Intention to Make a Proposal under the Act;
- (n) "**Inspector**" means an inspector appointed pursuant to the Proposal in accordance with the provisions of the Act;
- (o) "**KPMG**" means KPMG Inc.;
- (p) "**Ordinary Creditor**" means a Creditor with a Proven Claim, except for those Claims that:
 - (i) the Trustee determines not to be a provable claim in accordance with section 135(1.1) of the Act;
 - (ii) have been finally and conclusively disallowed in accordance with the Act;
 - (iii) are claims by Preferred Creditors; or
 - (iv) are Claims by a Secured Creditor and "**Ordinary Creditors**" has a corresponding meaning;
- (q) "**Post Filing Goods and Services**" means the goods and services purchased by the Debtor subsequent to the Filing Date;
- (r) "**Preferred Creditor**" means a Creditor with a Proven Claim that is required by the Act to be paid in priority to other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under subsection **136(1)(d)** of the Act if the Debtor had become a bankrupt on the Filing Date, as **well** as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of the Proposal;
- (ii) Her Majesty in Right of Canada or a Province for all Source Deductions, and Preferred Creditors has a corresponding meaning;
- (s) "**Proposal**" means this Proposal and any amendments thereto;
- (t) "**Proposal Funds**" means the payments to be made by the Debtor to the Trustee pursuant to the provisions of Part III of this Proposal;
- (u) "**Proof of Claim**" means the proof of claim required by the Act to be provided to each known Creditor prior to the Creditors' Meeting;
- (v) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (w) "**Secured Creditor**" means any person holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Debtor or any part thereof as security for a Claim, and "Secured Creditors" has a corresponding meaning;
- (x) "**Source Deduction**" means any amount outstanding at the Filing Date of a kind that could be subject to a demand under
 - (A) subsection 244(1.2) of the *Income Tax Act* (Canada);
 - (B) any provision of the Canada Pension Plan or of the *Employment Insurance Act* that refers to subsection 244(2.2) of the *Income Tax Act* (Canada) and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (C) any provision of provincial legislation that has a similar purpose to subsection 244(1.2) of the *Income Tax Act* (Canada), or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum

- I. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act* (Canada), or
 - II. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- (y) "**Trustee**" means KPMG, or its duly appointed successor;
 - (z) "**Unsecured Creditors**" means, collectively, the Preferred Creditors and the Ordinary Creditors; and
 - (aa) "**Voting Letter**" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Creditors' Meeting.

Headings

- 1.2 The division of this Proposal into Parts and Sections and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

- 1.3 In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

- 1.4 If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day unless precluded by statute.

Stay of Proceedings

- 1.5 During the Proposal, and provided an Event of Default has not occurred and the Proposal is continuing, each Creditor will be stayed from commencing or continuing any proceeding or remedy against the Debtor or its property, including the Assets, based upon a Claim existing on or before the Filing Date.

Purpose of Proposal

- 1.6 The Purpose of this Proposal is to provide Creditors with greater recovery of their Claims than would result from a forced liquidation of the Assets in a bankruptcy or receivership.

Persons Affected

- 1.7 This Proposal will, as of the Effective Date, be binding on all Creditors of the Debtor.

PART II

Classification of Creditors

Classes of Creditors

- 2.1 For the purposes of voting on the Proposal, the Creditors of the Debtor shall be composed of the following four (4) classes: (a) National Bank of Canada (“**National Bank**”), the first-ranking Secured Creditor of the Debtor; (b) BDC Capital Inc. (“**BDC**”), the second-ranking Secured Creditor of the Debtor; (c) Equipment Lessors; and (d) Unsecured Creditors.

PART III

Proposal

Source Deductions

- 3.1 Unless Her Majesty consents, the Debtor will pay all Source Deductions within six (6) months after the Effective Date.

Secured Creditors

3.2 National Bank

The indebtedness to National Bank of Canada under loan account numbers 060023542976 and 5258 8192 2383 6751 will remain secured by the same security under the existing credit agreements between the Debtor and National Bank, with interest accruing on the outstanding balance at the same rate of interest as applicable under the existing credit agreements between the Debtor and National Bank, and will be repaid in accordance with the terms agreed upon between National Bank of Canada and the Debtor.

BDC

The indebtedness to BDC will be converted to a term loan secured by the same security provided for under the existing credit agreement between the Debtor and BDC and repaid in accordance with the terms agreed upon between the Debtor and BDC.

Equipment Lessors

The Debtor will continue to make regular monthly payments in the amount provided for under the existing agreements between each Equipment Lessor and the Debtor, with any arrears owing as at the Filing Date to be paid within 4 months after the Effective Date.

Unsecured Creditors

- 3.3 The Debtor will pay to the Trustee an amount equal to the lesser of \$1,015,000 and 35 % of the Proven Claims of Ordinary Unsecured Creditors(the “**Maximum Amount**”), to be distributed by the Trustee to Ordinary Unsecured Creditors, no later than thirty-six (36) months after the Effective Date. The Debtor will provide its annual financial statements for the three years following the Effective Date to the Trustee, and pay to the Trustee, for the benefit of the Unsecured Creditors, at least 50% of any cash in excess of \$500,000 on hand at year end, up to the Maximum Amount. The Trustee will distribute funds to Unsecured Creditors pursuant to the provisions of Part VI of this Proposal and the provisions of the Act.
- 3.4 Payments to Preferred Creditors and Ordinary Unsecured Creditors will be net of any applicable levy payable to the office of the Superintendent of Bankruptcy as required by the Act.

PART IV

Treatment of Creditors

Payment of Administrative Fees and Expenses

- 4.1 The Administrative Fees and Expenses shall be paid in full prior to distribution to the Unsecured Creditors.

Distribution to Preferred Creditors

- 4.2 The Proven Claims of Preferred Creditors are to be paid by the Trustee in full in priority to all claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the Act.

Distribution to Ordinary Creditors

- 4.3 The Proven Claims of Ordinary Creditors shall be paid on a pro rata basis, after payment of the Administrative Fees and Expenses, and the Claims of Preferred Creditors.

Claims Against Directors

- 4.4 Any Claims against the Debtor by any Creditor that are also Claims against the directors and officers of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, upon acceptance of this Proposal by the Creditors and approval by the Court and upon completion of the Proposal and issuance by the Trustee of a certificate under section 65.3 of the BIA, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor.

PART V Procedure for Validation and Valuation of Claims

Allowance or Disallowance of Claims by the Trustee

- 5.1 Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the Act.

Valuation of Claims

- 5.2 The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VI Meeting of Creditors

Creditors' Meeting

- 6.1 On or before July 15, 2022, the Debtor shall hold the reconvened Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

Notice of Creditors' Meeting

- 6.2 The Trustee shall provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meetings.

Conduct of Meetings

- 6.3 The Official Receiver, or any nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting, their respective legal counsel, if any, and the officers, directors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other

persons may be admitted on invitation of the chair of the Creditors' Meeting.

Adjournment of Meetings

6.4 The Creditors' Meetings may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

6.5 To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor.

Approval by Creditors

6.6 In order for the Proposal to be binding on all of the Creditors, it must first be accepted by a majority in number of the Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of Creditors in each class who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

6.7 In the event that the Proposal is not accepted by the requisite majority in number and two-thirds in value of each class of Creditors, or the Court refuses to issue the Approval Order, the Debtor shall become a bankrupt.

Appointment of Inspectors

6.8 At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims;
- (b) the power to waive any default in the performance of any provisions of the Proposal; and
- (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

The authority and term of office of the Inspectors will terminate upon the Performance of the Proposal.

PART VII
Post Filing Date Payments

Payment of Post Filing Goods and Services

- 7.1 All Post Filing Goods and Services shall be paid in full in the ordinary course of the Debtor's business and on terms agreed to between the Debtor and its respective creditors. The Debtor agrees that the Trustee shall not in any case be responsible for ensuring that payment is duly made to any person supplying Post Filing Goods and Services.

Crown Claims

- 7.2 During the period between the Filing Date and the Effective Date, the Debtor shall pay and keep current Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) or otherwise as provided for in subsection 60(1.1) of the Act or any substantially similar provision of Ontario legislation.

PART VIII
Conditions Precedent to Implementation of the Proposal

- 8.1 As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) all approvals and consents to the Proposal that may be required have been obtained;
 - (b) the Approval Order has been issued and the Effective Date has passed;
 - (c) no order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued ;and
 - (d) all agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor.

PART IX
Miscellaneous

Effect of Payment of Proposal Fund

- 9.1 All Creditors will accept the payments and security provided for in this Proposal in complete satisfaction of all of their Claims, and all other liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Debtor including the Assets.

Amendment to Proposal

- 9.2 This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Unsecured Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the filing date of the Proposal.

Good Faith

- 9.3 During the period from the Effective Date until the performance and satisfaction by the Debtor of its obligations to Creditors under the Proposal, the Debtor will not pay any management bonuses or shareholder dividends, and will keep and preserve all records relating to its business.

Court Approval

- 9.3 After the Creditors' acceptance of the Proposal, the Debtor will proceed to seek approval by the Court.

Binding Effect

- 9.4 The provisions of this Proposal will be binding on the Creditors, the Debtor, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.
- 9.5 Throughout the period of the performance of the Proposal, the Debtor shall preserve and keep all records relating to the Debtor's business and projects, including all banking records.

PART X**Event of Default**

- 10.1 The failure of the Debtor to pay the amounts required pursuant to the Proposal will constitute an Event of Default for purposes of section 63 of the Act and otherwise under this Proposal.

PART XI**Trustee**

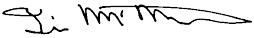
- 11.1 KPMG, of the City of Toronto, in the Province of Ontario, shall be the Trustee under this Proposal and all monies payable to Ordinary Unsecured Creditors under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.

- 11.2 KPMG is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of KPMG shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Debtor.
- 11.3 Any payments made by the Trustee to the Unsecured Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 11.4 Upon payment by the Trustee of the amounts contemplated in Part IV of this Proposal, the Trustee shall have discharged its duties as Trustee, and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

[SIGNATURE PAGE FOLLOWS]

Dated at TORONTO, ONTARIO this 15th day of July, 2022.

TAZARMC INC.

By: 

Name: Tim McMurter

Title: Director

I have authority to bind the corporation.

IN THE MATTER OF THE PROPOSAL OF TAZARMC INC. OF THE CITY OF TRENTON, IN THE PROVINCE OF ONTARIO

Court and Estate File No. 33-2823071

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**PROCEEDING COMMENCED AT **TORONTO****ORDER****DICKINSON WRIGHT LLP**

Barristers & Solicitors
199 Bay Street, Suite 2200
Toronto, ON M5L 1G4
Fax: 1-844-670-6009

John D. Leslie (29956P)

Tel: 416.646.3801
Email: jleslie@dickinsonwright.com

Lisa S. Corne (27974M)

Tel: 416.646.4608
Email: lcorne@dickinsonwright.com

Lawyers for the Debtor

IN THE MATTER OF THE PROPOSAL OF TAZARMC INC. OF THE CITY OF TRENTON, IN THE PROVINCE OF ONTARIO

Court and Estate File No. 33-2823071

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MOTION RECORD

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street, Suite 2200
Toronto, ON M5L 1G4
Fax: 1-844-670-6009

John D. Leslie (29956P)

Tel: 416.646.3801
Email: jleslie@dickinsonwright.com

Lisa S. Corne (27974M)

Tel: 416.646.4608
Email: lcorne@dickinsonwright.com

Lawyers for the Debtor