WOLRIGE MAHON LIMITED
TRUSTEES IN BANKRUPTCY, RECEIVERS, LIQUIDATORS

No. S-137436
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, INC. NO. S36826
&
TLC THE LAND CONSERVANCY (ENTERPRISES) LTD.

MONITOR'S NINTH REPORT TO THE COURT

JUNE 19, 2014

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i. EXECUTIVE SUMMARY

- There is a significant favourable variance ($400,000) in TLC's operating cash flow (receipts and disbursements) during the period ended May 31, 2014, primarily arising from the unexpected receipt of donations / bequests and proceeds from sale of a property (SORCO property) and the deferral of payment of fees owing to the Monitor, the Monitor's legal counsel and TLC's legal counsel (the "**Professionals**");

- TLC's updated cash flow projections to September 30, 2014 indicate the Petitioners will have sufficient cash to fund operations until September 30, 2014, and that a portion of the First Ranking Debtor in Possession ("**DIP**") Loan Increment ("**First DIP Increment**") can be repaid;

- TLC engaged in settlement discussions with University of British Columbia ("**UBC**"), in regards to entitlement to proceeds from a prospective sale of the property known as Binning House, consequently the Court of Appeal hearing set for June 9, 2014 was adjourned;

- The Professionals' continuing deferral of payment of their fees will necessitate an increase of the Administration Charge from $1 million to $1.5 million;

- The Monitor supports TLC's application to the Court for an extension of the Stay of Proceedings to September 30, 2014, to enable TLC to continue restructuring efforts, marketing of properties and formulation of a Plan of Arrangement.

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

MONITOR'S NINTH REPORT TO THE COURT

1. PREAMBLE

1.1. Introduction

1.1.1. Wolrige Mahon Limited is the Court appointed Monitor ("**WML**" or the "**Monitor**") in these CCAA proceedings.

1.1.2. On October 7, 2013, the Supreme Court of British Columbia (the "**Court**") made an Initial Order (the "**Initial Order**"), pursuant to the ***Companies' Creditors Arrangement Act*** (the "**CCAA**"), granting a stay of proceedings against TLC The Land Conservancy of British Columbia, Inc. No. S36826 and TLC The Land Conservancy (Enterprises) Ltd. (collectively referred to herein as "**TLC**" or the "**Petitioner**") until November 4, 2013 (the "**Stay Period**").

1.1.3. On November 4, 2013, the Court confirmed the terms of the Initial Order and extended the Stay Period to January 20, 2014 (the "**Comeback Order**") and on January 20, 2014 the Court further extended the Stay Period to April 25, 2014 (the "**January 2014 Extension Order**").

1.1.4. On March 4, 2014, the Court made an Order setting out the procedure for the determination of validity and values of claims by the Petitioner's creditors, together with a dispute resolution process (the "**Claims Process Order**").

1.1.5. On April 25, 2014 the Court further extended the Stay Period to June 25, 2014 (the "**April 2014 Extension Order**").

1.1.6. Copies of the Initial Order, the Comeback Order, the January 2014 Extension Order, the Claims Process Order, and the April 2014 Extension Order, together with other information on these CCAA proceedings, are posted on the Monitor's website at www.wmltrustees.com.

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

MONITOR'S NINTH REPORT TO THE COURT

1.2. Purpose of Report

1.2.1. The purpose of the Monitor's Ninth Report to the Court (this "**Report**") is to provide the Court with information, as well as the Monitor's assessment and recommendations concerning the following matters:

1.2.1.1. TLC's cash flow variances for the period ended May 31, 2014;

1.2.1.2. TLC's projected cash flow for the 4 month period June 1, 2014 to September 30, 2014;

1.2.1.3. TLC's progress in advancing TLC's proposed action plan with respect to disposition of real properties (the "**Property Action Plan**") as discussed in the Monitor's 6th Report to the Court, dated April 17, 2014 ("**the Monitor's 6th Report**");

1.2.1.4. An update regarding the Monitor's Claims Report dated May 26, 2014;

1.2.1.5. Amendment to the Administration Charge in order to provide the Monitor, the Monitor's legal counsel and TLC's legal counsel (collectively "**the Professionals**"), with adequate and sufficient assurance of recovery of their accruing fees and disbursements;

1.2.1.6. TLC's request for an extension of the Stay Period to September 30, 2014.

1.3. Restrictions, Limitations & Qualifications of Report

1.3.1. In preparing this Report, WML has relied upon:

1.3.1.1. Discussions with, representations made by, and information provided by:

1.3.1.1.1. John Shields, TLC's Director of Operations (the "**DoO**") and TLC staff;

1.3.1.1.2. Members of TLC's Board of Directors ("**BoD Members**");

1.3.1.1.3. Professional consultants retained by TLC;

1.3.1.2. TLC's books and records, together with other documents and information provided by the DoO and TLC staff.

1.3.2. WML has not audited or otherwise verified the information contained herein as to its accuracy or completeness. Accordingly, WML does not express any form of assurance about the information contained herein.

1.3.3. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

1.3.4. Capitalized terms not defined in this Report are defined in the motion materials filed by TLC in connection with these CCAA proceedings.

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

MONITOR'S NINTH REPORT TO THE COURT

2. CASH FLOW PROJECTIONS

2.1. Variances Between Actual and Projected Cash Flow to May 31, 2014

2.1.1. Attached as **Appendix A** is a detailed analysis of actual results versus forecast for the period ended May 31, 2014. The table below provides a summary of the variances:

Description	Forecast $	Actual $	Variance Favourable (Unfavourable) $
Opening Cash	231,695	231,695	(0)
Funds in Trust (BHT)	775,000	725,000	(50,000)
Net Receipts / (Disbursements)	(435,787)	(35,703)	400,084
Professionals' Fee Payments	206,000	61,294	144,706
DIP Borrowing / (Repayment)	(563,775)	0	563,775
Closing Cash	147,133	920,992	823,859

2.1.2. As detailed in **Appendix A** there is a favourable variance of $400,084 in TLC's Net Cash Receipts / (Disbursements). This variance results from the following:

2.1.2.1. TLC receiving approximately $82,466 in membership and donation revenue that, given its non-contractual nature, was not forecast in the Cash Flow Projection;

2.1.2.2. TLC receiving $50,000 from the sale of the SORCO property that, given uncertainty as to timing, was not forecast in the cash flow projection.

2.1.2.3. Operating disbursements had a favourable variance due to a combination of factors including:

2.1.2.3.1. TLC's conservative budget estimates compared with efforts to control and minimize expenses;

2.1.2.3.2. Office operating expense includes a contingency estimate that has not been required;

2.1.2.3.3. Timing of actual expenses compared to budget;

2.1.2.3.4. Staffing reductions.

2.1.2.4. The Professionals agreeing to defer payment of their respective fees and disbursements, pending TLC's receipt of sufficient, surplus funds from the sale of property.

2.1.3. As shown in **Appendix A**, the large favourable variance of $563,775 in the DIP Loan is due to the fact that the projection assumed repayment of the First DIP Increment ($550,000), plus accrued interest and legal costs, from cash generated by the Keating Farm sale (which closed on March 21, 2014) and other cash receipts. TLC's legal counsel has approximately $730,000 of funds in its trust account (as

opposed to TLC's bank account) to payout the First DIP Increment. Based upon payout statements provided by the First DIP Increment lenders, as at May 31, 2014 the amount required by these parties to payout the First DIP Increment was approximately $740,100 as follows:

2.1.3.1. $550,000 for repayment of First DIP Increment principal which was originally advanced to TLC's legal counsel on or about October 18, 2013;

2.1.3.2. approximately $21,500 for accrued interest;

2.1.3.3. $168,600 for DIP Lenders' legal costs.

2.2. Cash Flow from Sale of Sechelt Lands

2.2.1. Net proceeds from the sale of the Sechelt Lands, deposited in trust with TLC's legal counsel, were distributed in their entirety as follows:

Net Proceeds Paid into Trust	**$747,177**
Property Taxes and Utilities	($18,788)
Mortgage Payouts	($230,801)
Administrative Chargeholders' Payouts	($497,588)
Total Funds Paid from Trust	**($747,177)**

2.3. TLC's Cash Flow Projection to September 30, 2014

2.3.1. TLC's Cash Flow Projection has been prepared on a monthly basis and updated for the period ending September 30, 2014 (the "**Cash Flow Projection**"). The Cash Flow Projection, together with the Notes to the Cash Flow Projection (the "**Notes**"), are attached as **Appendix B**. The Notes describe the purposes for which the Cash Flow Projection was prepared, as well as describe the probable and hypothetical assumptions underpinning the Cash Flow Projection.

2.3.2. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the DoO and TLC's staff. Since hypothetical assumptions need not be supported, the procedures with respect to the hypothetical assumptions were limited to evaluating whether they are consistent with the purpose of the Cash Flow Projection. The Monitor also reviewed the support provided by the DoO for the probable assumptions and the preparation and presentation of the Cash Flow Projection.

2.3.3. Based on the Monitor's review, nothing has come to our attention that causes us to believe that, as at the date of this Report, in all material respects:

2.3.3.1. The hypothetical assumptions are not consistent with the purpose of the Cash Flow Projection;

2.3.3.2. The probable assumptions developed by the DoO are not suitably supported and consistent with the plans of TLC or do not provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions;

2.3.3.3. The Cash Flow Projection does not reflect the probable or hypothetical assumptions.

2.3.4. During the period ending September 30, 2014, TLC is projecting sufficient funds on hand to fund the payment of all current operational obligations, including interest on DIP Loans, but excluding payments to the Professionals (the Professionals' fee estimates are shown as both disbursements and add backs, as the amounts are being voluntarily deferred pending the disposition of charged properties).

2.3.5. Since the Cash Flow Projection is based on assumptions and estimates regarding future events, actual results will vary from the information presented and the variances may be material. Accordingly, we express no assurance as to whether the Cash Flow Projection will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

2.3.6. The Cash Flow Projection has been prepared solely for the purpose described in the Notes, using probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Projection may not be appropriate for other purposes.

2.3.7. WML ***has not*** performed an examination or review of the cash flow forecasts and financial projections, as outlined in the Canadian Institute of Chartered Professional Accountants' Handbook. Readers are cautioned that, because cash flow forecasts and financial projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the forecasts and projections, and these variances could be material.

3. ACTIVITIES REGARDING PROPERTIES

3.1. Property Action Plan

3.1.1. With respect to several of the properties discussed in the Property Action Plan, the Monitor is satisfied that TLC is making progress with implementation of recommendations of the Property Action Plan.

3.2. Primary Conservation Lands

3.2.1. **Appendix C – Schedule 1 of the Monitor's 6th Report** lists twenty-four (24) properties that are collectively referred to as **Primary Conservation Lands.** As previously reported, there are no immediate plans for the disposition of these properties and none are being actively marketed (i.e. listed for sale).

3.3. Other Conservation Lands

3.3.1. **Appendix C – Schedule 2 of the Monitor's 6th Report** lists seventeen (17) properties (two of which have been sold – SORCO and Sechelt Lands) that are collectively referred to as **Other Conservation Lands**. TLC's recent activities regarding these properties includes the following:

3.3.1.1. **Abkhazi Gardens – Vacant Parking Lot**

3.3.1.1.1. Active and ongoing discussions by the DoO and a BoD Member with City of Victoria municipal officials concerning the proposed sale of a vacant parking lot adjacent to Abkhazi

Gardens in Victoria ("**Lot #2**"), which has an outstanding purchase offer at the list price of $539,000;

3.3.1.1.2. The proximity of Lot #2 to Abkhazi Gardens requires that this proposed sale be subject to clarification by the office of the Attorney General for British Columbia (the "**AG**") as to its position on trust issues, and the sale is subject to Court approval. As well, the disposition of Lot #2 may be affected by negotiations concerning Abkhazi Gardens;

3.3.1.2. **Maltby Lake**

3.3.1.2.1. TLC has obtained appraisals for its 35% undivided interest in the property known as Maltby Lake (178 acres) and TLC is arranging for a meeting in the latter part of June 2014, between BoD Members the other interested parties (members of the Holmes' family), to discuss possible alternatives for TLC's divestiture of its 35% undivided interest.

3.3.1.3. **Wildwood**

3.3.1.3.1. Discussions by the DoO and a BoD Member with parties expressing interest in purchasing the real property referred to as Wildwood. Presently, TLC is seeking clarification of considerations as to value and use of the property (appraisals), as well as clarification by the AG as to its position on possible trust issues, before contemplating acceptance of any offers, which would then be subject to Court approval;

3.3.1.4. **Other Properties**

3.3.1.4.1. Preliminary discussions by the DoO and BoD Members with parties that have expressed an interest in the acquisition of certain of the Other Conservation Lands.

3.4. Heritage Properties

3.4.1. **Appendix C – Schedule 3 of the Monitor's 6th Report** lists seven (7) properties (TLC having sold one – Keating Farm) that are collectively referred to as **Heritage Properties.** TLC's recent activity regarding these properties includes the following:

3.4.1.1. **Abkhazi Gardens**

3.4.1.1.1. Active discussions by the DoO and a BoD Member with City of Victoria municipal officials on creative solutions to preserve the future of Abkhazi Gardens, as well as clarification by the AG as to its position on possible trust issues related to Abkhazi Gardens;

3.4.1.2. **Binning House**

3.4.1.2.1. Discussions by the DoO and a BoD Member with several parties concerning their purchase of Binning House;

3.4.1.2.2. Ongoing discussions by legal counsel for TLC and UBC that has resulted in an adjournment of the Court of Appeal hearing

set for June 9, 2014 whilst the parties continue negotiating a settlement and compromise of the litigation between them (related to entitlement to the proceeds from a sale of Binning House);

3.4.1.3. **Monk's Point**

3.4.1.3.1. Ongoing discussions and negotiation by the DoO and a BoD Member with a party that is considered to be an appropriate purchaser and transferee of Monk's Point;

3.4.1.4. **Joy Kogawa House**

3.4.1.4.1. Ongoing discussions negotiation by Tim Ankenman, TLC's legal counsel and a BoD Member with Historic Joy Kogawa House Society ("**KHS**") and other parties, regarding improvements to this property and a potential transfer of title to KHS.

3.4.2. The Monitor supports TLC's continued efforts to further the potential sale / transfer of all the above mentioned Heritage Properties.

4. ADMINISTRATIVE MATTERS

4.1. Claims Report

4.1.1. The Monitor's Claims Report of May 26, 2014 was filed in Court on May 27, 2014 and all parties notified as required. Further, Notices of Revision and / or Disallowance were issued on May 26, 2014, as per the Claims Process Order.

4.1.2. As per the Claims Process Order, the thirty (30) period in which a recipient of a Notice of Revision and / or Disallowance will expire on June 30, 2014. To-date the Monitor has not been notified of any disputes or appeals.

4.1.3. The Monitor has identified one unsecured claim, from Capital Regional District – Water Department, in the amount of $8,550.38 that should have been included as an accepted claim in the Claims Report, but was omitted. The Monitor will amend the Claims Report accordingly.

4.2. Administration Charge

4.2.1. TLC's Cash Flow Projection assumes that the fees and disbursements of the Professionals will continue to accrue, pending receipt of sufficient additional cash inflows, rather than being paid on a current basis. In order to provide the Professionals with adequate and sufficient assurance of recovery of their fees and disbursements, the Administration Charge needs to be amended.

4.2.2. Since commencement of these CCAA proceedings, payment of the Professionals' accounts has been deferred. The professionals' unpaid fees to-date (unpaid billings and work-in-progress) are approximately $1.045 million which is beyond the

$1,000,000 upper limit of the existing Administration Charge. With the Professionals' fees continuing to accrue, and in view of uncertainty of timing of the sale of additional properties, the quantum of the Administration Charge needs to be increased.

4.2.3. The Monitor supports an application for an increase in the Administration Charge from $1,000,000 to $1,500,000 which shall be secured by the assets previously granted as security by the Court.

4.3. Personnel

4.3.1. In addition to departure of the restructuring consultant and property consultants in May 2014, Scott Harris (TLC's property manager) and Joan Tarrant (added in February 2014 as a BoD Member and having an accounting and financial management background) have recently resigned.

4.3.2. To fill the void created by the departure of the above personnel, certain BoD Members have become actively involved in TLC's implementation the Property Action Plan.

4.3.3. The BoD Members are working in conjunction with the DoO, TLC's remaining staff, TLC's legal counsel, Tom Croft (a Victoria based realtor whom TLC have retained to assist with Abkhazi Gardens) and Tim Ankenman (a Vancouver based architect with experience in preservation of Heritage Properties). These parties are all focused on implementation of the Property Action Plan.

4.4. Plan of Arrangement

4.4.1. TLC's legal counsel confirm that TLC intends to file a Plan of Arrangement with its unsecured creditors, however before doing so TLC is implementing the Property Action Plan, to gain a better understanding as to the funds that will likely be available for distribution to its creditors.

4.4.2. Given the nature of TLC's charitable activities, generally speaking its creditors (many of whom are benefactors) appear to be content to allow TLC to carry on with its current actions, regarding disposition of properties included in the Property Action Plan, and are not raising concerns as to TLC's progress vis-a-vis the filing of a Plan of Arrangement.

5. MONITOR'S RECOMMENDATIONS & CONCLUSIONS

5.1. The Cash Flow Projection indicates that TLC will have sufficient cash available to fund operations to September 30, 2014. The Cash Flow Projection does not include payment of prior period fees and disbursements incurred by the professionals, which have been accrued and are secured by the Administration Charge.

5.2. The Monitor recommends that TLC be permitted to continue its efforts to sell the properties that are the focus of the Property Action Plan.

5.3. The Monitor recommends that the Administration Charge be increased from $1,000,000 to $1,500,000 to secure the Professionals' accruing fees, but that no adjustment need be made to the underpinning security.

5.4. Optimal recoveries by TLC, in a timely fashion, from the sale of the Heritage Properties and certain of the Other Conservation Lands in the Property Plan are crucial to:

5.4.1. Satisfying TLC's near term cash requirements to fund day-to-day operations and the costs of restructuring; as well as

5.4.2. Satisfying TLC's cash requirements to fund a restructuring plan and create an endowment fund to pay the costs of future conservancy operations.

5.5. The Monitor believes that the Petitioners have been acting, and are continuing to act, in good faith and with due diligence in the furtherance of TLC's restructuring activities;

5.6. The Monitor believes it is appropriate in the circumstances that the Petitioner be granted the benefit of an extension of the Stay Period until September 30, 2014, thereby affording the Petitioner additional time to:

5.6.1. Continue with the implementation of the Property Action Plan;

5.6.2. Continue with the reorganization of its financial and operational structure.

All of which is respectfully submitted on this, the 19th day of June, 2014.

WOLRIGE MAHON LIMITED
in its capacity as Court Appointed Monitor
for TLC The Land Conservancy of British Columbia &
TLC The Land Conservancy (Enterprises) Ltd.

Per:

Gord McMorran, CPA, CA, CIRP
President

APPENDIX A

VARIANCES BETWEEN PROJECTED AND ACTUAL CASH FLOW

TO MAY 31, 2014

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA
APPENDIX "A"
VARIANCES BETWEEN PROJECTED AND ACTUAL CASH FLOW
FOR THE PERIOD APRIL 1 TO MAY 31, 2014

	Forecast	Actual	Variance Fav / (Unfav)	Variance Notes
Period #				
Period Ended				
Receipts - Operating				
Sale of Property		50,000	50,000	6
Memberships / Donations	-	82,466	82,466	1
Rental Income	4,000	10,123	6,123	2
Total Receipts - Operating	4,000	142,590	138,590	
Disbursements - Operating				
Office Operating	66,070	22,523	43,547	3
Property Operating	34,630	20,372	14,258	3
Employee Costs	130,332	74,104	56,228	3
Total Disbursements - Operating	231,032	116,999	114,033	
Net Operating Cash In (Out)Flow	(227,032)	25,591	252,623	
Disbursements - Non Operating				
Interest on pre-filing secured debt	-	-		
Restructuring Professional Fees	206,000	61,294	144,706	4
DIP Loan Service	2,755	-	2,755	5
Total Disbursements - Non-Operating	208,755	61,294	147,461	
Net Receipts (Disbursements)	(435,787)	(35,703)	400,084	
Cash Balance				
Cash - beginning	231,695	231,695	-	
Funds in trust (BHT)	775,000	725,000	(50,000)	6
Net Receipts (Disbusrements)	(435,787)	(35,703)	400,084	**as above**
Add back fee accruals	140,000	-	(140,000)	4
DIP Borrowing (Repayment)	(563,775)	-	563,775	7
Cash - ending	147,133	920,992	823,859	

Variance Notes

1) Favourable variance due to the fact that the cash flow projection assumed no receipt of memberships or donations.

2) Favourable variance is immaterial to warrant further investigation.

3) Favourable variance due to a combination of factors including: TLC's conservative budget estimates compared with efforts to control and minimize expenses. Office Operating expense includes a contingency estimate that has not been required. Timing of actual expenses compared to budget as well as staffing reductions.

4) Variance due to the Monitor, the Monitor's legal counsel and counsel to TLC agreeing to accrue their fees and disbursements pending receipt of sufficient available funds. Payment most likely to be derived from proceeds from the sale of Property.

5) Favourable variance due to DIP lenders agreeing to accrue interest pending receipt of proceeds from the sale of property.

6) Variance results from sale of the SORCO property. Funds were paid into trust at BHT and were then released to TLC.

7) Variance results from the fact that the DIP facility has not yet been repaid.

APPENDIX B

TLC'S CASH FLOW PROJECTION TO SEPTEMBER 30, 2014

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

APPENDIX B

REPORT ON THE CASH FLOW PROJECTION
FOR THE PERIOD JUNE 1, TO SEPTEMBER 30, 2014

1. TLC prepared the attached statement of projected cash flows (the **"Cash Flow Projection"**) on a monthly basis, for the period ended September 30, 2014. The Cash Flow Projection, together with the Notes to the Cash Flow Projection (the **"Notes"**) are attached as **Appendix A**.

2. The Cash Flow Projection was prepared by TLC pursuant to proceedings under the CCAA, using probable and hypothetical assumptions set out in the Notes.

3. The hypothetical assumptions contained in the Notes are reasonable and consistent with the purpose of the projection as described in the Notes, and the probable assumptions are suitably supported and consistent with the plans of TLC and provide a reasonable basis for the Cash Flow Projection.

4. Since the Cash Flow Projection is based on assumptions and estimates regarding future events, actual results will vary from the information presented herein, and the variances may be material.

5. The Cash Flow Projection has been prepared solely for the purpose described above, using the probable and hypothetical assumptions set out in the Notes. Accordingly, readers are cautioned that the Cash Flow Projection may not be appropriate for other purposes.

Dated June 19, 2014

John Shields, Director of Operations
TLC The Land Conservancy of British Columbia

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA
APPENDIX "B"
CASH FLOW PROJECTION
FOR THE PERIOD JUNE 1 TO SEPTEMBER 30, 2014

Period #	1	2	3	4
Period Ended	30-Jun	31-Jul	31-Aug	30-Sep
Receipts - Operating				
Memberships / Donations	30,000	30,000	30,000	30,000
Rental Income	2,000	2,000	2,000	2,000
Total Receipts - Operating	32,000	32,000	32,000	32,000
Disbursements - Operating				
Office Operating	26,460	44,165	38,940	46,140
Property Operating	14,040	134,090	8,440	9,840
Employee Costs	65,166	59,536	68,475	56,926
Total Disbursements - Operating	105,666	237,791	115,855	112,906
Net Operating Cash In (Out)Flow	(73,666)	(205,791)	(83,855)	(80,906)
Disbursements - Non Operating				
Restructuring Professional Fees	73,000	63,000	68,000	73,000
DIP Loan Service	-	-	-	-
Total Disbursements - Non-Operating	73,000	63,000	68,000	73,000
Net Receipts (Disbursements)	(146,666)	(268,791)	(151,855)	(153,906)
Cash Balance				
Cash - beginning	195,992	411,249	197,458	105,603
Funds in trust (BHT)	725,000	-	-	-
Net Receipts (Disbursements)	(146,666)	(268,791)	(151,855)	(153,906)
Add back fee accruals	65,000	55,000	60,000	65,000
DIP Borrowing (Repayment)	(428,077)	-	-	-
Cash - ending	411,249	197,458	105,603	16,697

PLEASE SEE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THIS CASH FLOW PROJECTION

John Shields

John Shields, Director of Operations

June 19, 2014

Date

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA
NOTES TO THE CASH FLOW PROJECTION
FOR THE PERIOD JUNE 1, TO SEPTEMBER 30, 2014

APPENDIX "B"

GENERAL All receipts and disbursements in this Cash Flow Projection are denominated in Canadian dollars.

PURPOSE The Cash Flow Projection was prepared by TLC Management pursuant to proceedings under the CCAA, using probable and hypothetical assumptions set out below.

PROBABLE ASSUMPTIONS

Cash Balance - beginning

This is the opening cash balance as at June 1, 2014

Receipts - Operating

Memberships / Donations

This estimate is based on actual donations received during the first 8 months of these CCAA proceedings.

Rental income

TLC receives rental income from several tenants occupying land and/or buildings owned by TLC. It is assumed that this revenue stream will continue in the ordinary course.

Disbursements - Operating

Office Operating

Estimate based on historical costs incurred. Represents payment of telephone and internet, postage and courier, disposal and recycling, Travel, IT services, Bank Charges and lease payments on office equipment. Also includes a contingency related to unanticipated costs.

Property Operating

Estimate based on historical costs incurred to operate and maintain TLC's properties. Costs include repairs and maintenance, property taxes, utilities and insurance.

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA
NOTES TO THE CASH FLOW PROJECTION
FOR THE PERIOD JUNE 1, TO SEPTEMBER 30, 2014

APPENDIX "B"

Employee Costs

Calculated based on current staffing levels and wage rates. Payroll is paid bi-weekly. Includes payment of all benefits and deductions at source. Does not include severance payments, or deductions at source related thereto, for employees terminated pre-filing which are subject to a determination by the Employment Standards Branch.

Disbursements - Non Operating

Interest on pre-filing secured debt

Payment of principal and interest on account of amounts owing by the petitioners to any of their creditors as of the date of the Initial Order, except as authorized in the Initial Order, have been removed.

Restructuring Professional Fees

Represents payments (fees and disbursements) to various professionals engaged by TLC to provide services related to its CCAA filing. This includes Property Consultants, Appraisers, independent legal counsel for each of TLC, the Monitor, the Directors and Officers, and the DIP lenders. Payment of pre-filing costs, incurrred and accrued by the Monitor, legal counsel to the Monitor as well as TLC's legal counsel, are to be paid out of non-DIP funds. It is also assumed that the Monitor, Monitor's counsel and TLC's legal counsel continue to accrue their fees and disbursements pending receipt of additional funds.

DIP Loan Service

It is anticipated that a prtion of the DIP loan will be repaid in June 2014 from funds held in Trust by BHT. DIP lenders have been permitting interest to accrue on their loans.

Cash Balance

Funds in trust (BHT)

Debtor's counsel (BHT) holds approximately $725,000 in trust. These funds were derived from the following sources: balance of undrawn DIP funds and net proceeds from the sale of Keating Farm.

HYPOTHETICAL ASSUMPTIONS

Property Sales

While TLC's planned course of action in these CCAA proceedings includes the sale of properties, the timing and quantum of sales and the receipt of proceeds is unpredictable at this time and have therefore, to be conservative, been excluded.

VANCOUVER REGISTRY: No. S-137436

DATED JUNE 19, 2014

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY & INSOLVENCY

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

AND

IN THE MATTER OF

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, INC. NO. S36826
&
TLC THE LAND CONSERVANCY (ENTERPRISES) LTD.

MONITOR'S NINTH REPORT TO THE COURT

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