

# **EXHIBIT "K"**

This is Exhibit K referred to in the  
 affidavit of Mathieu Lafleur-Ayotte  
 sworn before me, this 27<sup>th</sup>  
 day of June 2014  
[Signature]  
 A COMMISSIONER FOR TAKING AFFIDAVITS

R.Y. GIRARD

## Devonshire Trust Cash Flow Forecast (\$C)

Devonshire Trust  
Cash flow statement from July 8, 2014 to August 25, 2014

	1st Report							
Number of weeks:	1	2	3	4	5	6	7	
Beginning period:	8-Jul-14	15-Jul-14	22-Jul-14	29-Jul-14	5-Aug-14	12-Aug-14	19-Aug-14	TOTAL
Ending period:	14-Jul-14	21-Jul-14	28-Jul-14	4-Aug-14	11-Aug-14	18-Aug-14	25-Aug-14	7-Week Period
								Forecast
<b>Cash inflows</b>								
Interest	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
<b>Total cash inflows</b>	-	-	-	-	-	-	-	-
<b>Cash outflows</b>								
Administrative costs	66,123	53,831	53,831	66,123	66,123	12,293	12,293	330,617
Professional fees	100,000	75,000	75,000	100,000	75,000	70,000	75,000	570,000
Other expenditures	-	-	-	-	-	-	-	-
<b>Total cash outflows</b>	166,123	128,831	128,831	166,123	141,123	82,293	87,293	900,617
<b>Opening balance</b>	2,390,364	2,224,241	2,095,410	1,966,579	1,800,456	1,659,333	1,577,040	2,390,364
Variation in cash balance	(166,123)	(128,831)	(128,831)	(166,123)	(141,123)	(82,293)	(87,293)	(900,617)
<b>Ending cash balance</b>	2,224,241	2,095,410	1,966,579	1,800,456	1,659,333	1,577,040	1,489,747	1,489,747
Short-term investment	150,732,000	150,732,000	150,732,000	150,732,000	150,732,000	150,732,000	150,732,000	150,732,000
<b>Ending cash and short-term investment balance</b>	152,956,241	152,827,410	152,698,579	152,532,456	152,391,333	152,309,040	152,221,747	152,221,747

### Notes:

- 1) The opening cash balance reflects the trust's cash and near-cash balances totaling \$2,390,364 as at June 1, 2014. The cash balance at July 8, 2014 will change due to cash variations occurring between June 1 and the July 8, 2014.
- 2) The short-term investment cash balance reflects the trust's short-term investment totaling \$150,732,000 as at June 1, 2014. These investments are held at BMO Harris Private Banking and are composed of several Guaranteed Investment Certificate ("GIC") for which interest is payable upon maturity. These GICs accrue interest between 1.4% and 1.97% annually.
- 3) Please note that \$66,203,854 of the total ending cash balance is being withheld in four different reserves accounts composed of a Cost Reserve Account holding \$1,510,000, a Tax Reserve Account holding \$59,693,854 and, an Indemnity Reserve Account holding \$5,000,000. The remaining cash balance after all reserves will be available for the Initial Distribution.

- 4) Administrative costs are composed of various costs related to the daily administration of Devonshire. The first 5 weeks assume a larger volume of costs related to initial filing work.
- 5) Professional fees are mainly composed of professional services rendered by the Monitor and its legal counsel and the Debtor's legal advisor. Forecasted amounts in week 1 and 4 assume a larger volume of services rendered related to the initial filing and the meeting of Noteholders.

## NOTES TO THE CASH FLOW FORECAST

### NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of this CCAA proceeding. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### NOTE B – DEFINITIONS

#### CASH FLOW FORECAST

A statement indicating, on a monthly basis, the projected cash flow of Devonshire, based on probable and hypothetical assumptions that reflect Devonshire's planned course of action for the period covered.

#### HYPOTHETICAL ASSUMPTIONS

Assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in Devonshire's judgment, but are consistent with the purpose of the cash flow forecast.

#### PROBABLE ASSUMPTIONS

Assumptions that:

- (i) Reflect the most probable set of economic conditions and planned courses of action, Suitably Supported, that are consistent with the plans of Devonshire; and
- (ii) Provide a reasonable basis for the cash flow forecast.

#### SUITABLY SUPPORTED

Assumptions that are based on either one or more of the following factors:

- (i) The past performance of Devonshire;
- (ii) The performance of other industry/market participants engaged in similar activities as Devonshire;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced

by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on the Plan of Compromise and Arrangement and on the estimated cash position of the trust cash and near-cash balances as of June 1, 2014	X	
<b><u>Forecast cash receipts</u></b>			
Interest receipts	None of the Conduit's short term investments are maturing during the period presented. Interest is payable at maturity.	X	
Other receipts	Other unexpected receipts	X	
<b><u>Forecast cash disbursements</u></b>			
Administrative costs	Represents costs for current administration, trustee fees and fees of 9205-3701 Québec Inc.	X	
Professional fees	Represents fees of Deloitte, Osler, Fasken, PwC, RCGT, Lavery and others	X	
Other expenditures	Other unexpected expenditures	X	
<b><u>Ending cash balance</u></b>	Based on forecasted cash transactions	X	