

Okanagan Hills Development Corporation

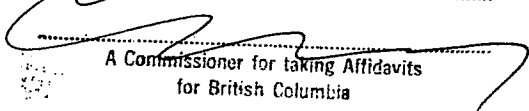
Interim Financial Statements

For The Fiscal Year 2007 and Current Fiscal 2008 Year , As of September 30, 2008
(Unaudited)

Copies:

Accounting ●
Leona Snider ●
Chris Hartman ●
Scott Graham ●

This is Exhibit "E" referred to in the affidavit of Deborah Hamann-Trou sworn before me at Vancouver this 17 day of December 2008


A Commissioner for taking Affidavits
for British Columbia

Okanagan Hills Development Corporation

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Balance Sheet

For The Fiscal Year 2007 and Current Fiscal 2008 Year , As of September 30, 2008

	2007	2008
	YTD	YTD
ASSETS		
Current Assets:		
Cash	(221,646)	57,024
Restricted Cash	3,729,094	641,969
Temporary Investments	652,735	400,072
Accounts Receivable: General	594,338	1,598,043
Due from/investment in related parties	2,711,910	4,987,638
<i>Building Inventory</i>	6,948,057	3,624,320
<i>Other Projects</i>	1,409,069	1,502,377
<i>Global Infrastructure</i>	13,557,549	14,279,727
<i>Phase Specific Infrastructure</i>	8,091,499	6,516,183
<i>Accruals and Pending</i>	10,468	(0)
<i>Interest</i>	6,067,750	4,451,900
Land and Development	36,084,393	30,374,507
Deposits and prepaid items	232,916	86,089
Total Current Assets	43,783,740	38,145,342
Fixed Assets:		
Financing Fees	2,785,754	3,408,741
Land Option Deposit	3,019,277	3,019,277
Capital Assets, net of accumulated amortization	200,821	164,526
Total: Capital Assets, net of accumulated amortization	6,005,852	6,592,544
Total Assets	49,789,592	44,737,886
LIABILITY AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Trade Payables	3,486,184	4,109,820
Accrued Liabilities	0	0
Deposits Received	2,625,260	727,500
Provision to Complete	1,238,630	1,238,630
Total current liabilities	7,350,073	6,075,950
Long term liabilities:		
Long Term Debt	49,262,158	50,323,025
Due to Related Parties	335,968	864,142
Total Liabilities	56,948,199	57,263,117
Shareholder's equity:		
Share Capital: Class A	1	1
Share Capital: Class B	880	880
Retained Earnings [deficit]	(7,159,488)	(7,159,488)
Profit (loss) for period	0	(5,366,624)
Total shareholder's equity	(7,158,607)	(12,525,231)
Total Liabilities and Equity	49,789,592	44,737,886

Okanagan Hills Development Corporation

Statement of Earnings
For The Year 2007 and 10 Periods Ending September 30, 2008

	Actual Current Month	Budget Month	Budget Var Month	Actual Current YTD	Budget Current YTD	Budget Var YTD	Total Year's Budget	Remaining Year Budget
Revenue:								
Developed Property Sales	165,000	4,686,475	(4,531,475)	13,787,075	26,913,646	(13,126,571)	22,317,879	8,530,804
Home Sales	0	0	0	1,692,067	3,516,004	(1,823,937)	5,616,471	3,924,404
Villa Sales	310,000	0	310,000	4,017,400	4,141,400	(124,000)	7,614,600	3,597,200
Extras and Changes Sales	0	0	0	47,929	0	47,929	0	(47,929)
TOTAL: Revenue	475,000	4,686,475	(4,221,475)	19,544,471	34,571,050	(15,026,579)	35,548,950	16,004,479
Developed Property Costs	218,139	3,745,551	(3,527,412)	10,069,437	22,446,203	(12,376,766)	15,870,355	5,800,918
Home Costs	426,469	0	426,469	2,103,664	3,428,104	(1,324,440)	5,509,659	3,405,995
Villa Costs	0	0	0	3,777,494	4,182,814	(405,320)	6,700,848	2,923,354
Extras and Changes Costs	0	0	0	12,154	0	12,154	0	(12,154)
TOTAL: Cost of Sales:	644,608	3,745,551	(3,100,943)	15,962,750	30,057,121	(14,094,371)	28,080,662	12,118,112
GROSS MARGIN	(169,608)	(659,076)	(489,465)	(4,418,279)	(5,486,071)	(1,067,792)	(7,668,683)	(1,664,197)
Miscellaneous Revenue								
Other Revenue [Rent and Interest]	11,663	0	11,663	246,319	0	246,319	0	(246,319)
Operating Expenses								
Administration Expenses	125,937	103,277	22,660	1,298,752	1,123,258	175,494	1,516,492	217,740
Marketing Program	141,346	81,431	59,915	1,388,225	1,420,165	(31,940)	1,011,943	(376,282)
Net Income before Interest and Brokerage	(425,227)	766,216	(1,191,443)	1,141,063	1,970,506	(829,443)	4,939,653	3,798,590
Interest and Brokerage Fees								
Amortization/Depreciation	4,265	4,265	0	42,650	42,718	(68)	107,158	64,508
Interest Expenses	588,037	517,642	70,395	5,615,036	5,510,381	104,655	4,536,918	(1,078,118)
Loan set-up and brokerage fees	85,000	85,000	0	850,000	850,000	0	900,000	50,000