



Grant Thornton

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This is Exhibit " F " referred to in the af-
fidavit of Deborah Hamann-Trou
sworn before me at Vancouver
this 14 day of December 2008

A Commissioner for Taking Affidavits
for British Columbia

Financial Statements

(Unaudited - See Notice to Reader)

Okanagan Hills Development Corporation

November 30, 2007

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Notice to reader

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On the basis of information provided by management, we have compiled the balance sheet of Okanagan Hills Development Corporation as at November 30, 2007 and the statements of loss and deficit for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Kelowna, BC

Grant Thornton LLP

May 16, 2008

Chartered accountants

Partners

- Kevin Crookes, CA, CBV
- Paul F.S. Gallo, CA
- John Grant, CA, CFP
- John L. Grant, MBA, CA
- Bill McTavish, CGA, CA
- Anne C. Postlewaite, CA
- Dan Vass, CA
- J. Kim Ward, CA, CFP
- Bill Winters, CA, CFP

Okanagan Hills Development Corporation

Balance sheet

November 30 2007 2006
(Unaudited - see notice to reader)

Assets

Current

Restricted cash	\$ 3,729,094	\$ 4,357,719
Temporary investments	652,736	1,341,685
Receivables	596,264	319,370
Deposits and prepaids	232,916	632,619
Land and development costs	36,084,283	26,477,343
Land option deposits	3,019,277	3,019,277
Due from related parties (Note 2)	<u>2,687,526</u>	<u>1,010,678</u>
	<u>47,002,096</u>	<u>37,158,691</u>

Capital (Note 3)	200,800	400,447
Financing fees	<u>2,785,754</u>	<u>2,596,333</u>
	<u>\$ 49,988,650</u>	<u>\$ 40,155,471</u>

Liabilities

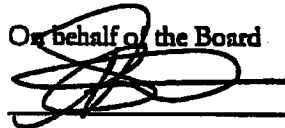
Current

Bank indebtedness	\$ 221,646	\$ 256,634
Payables and accruals	3,363,390	2,517,630
Provision to complete	1,238,630	1,037,198
Deferred revenue	2,625,260	1,267,969
Due to related parties (Note 2)	<u>436,282</u>	<u>877,213</u>
	<u>7,885,208</u>	<u>5,956,644</u>

Long term debt (Note 4)	<u>49,262,158</u>	<u>38,802,219</u>
	<u>57,147,366</u>	<u>44,758,863</u>

Deficiency		
Share capital (Note 5)	881	881
Deficit	<u>(7,159,597)</u>	<u>(4,604,273)</u>
	<u>(7,158,716)</u>	<u>(4,603,392)</u>
	<u>\$ 49,988,650</u>	<u>\$ 40,155,471</u>

On behalf of the Board



Director



Director

See accompanying notes to the financial statements

Okanagan Hills Development Corporation

Statements of loss and deficit

Year ended November 30 (Unaudited - see notice to reader)	2007	2006
Sales	\$ 16,610,486	\$ 7,807,987
Cost of sales	14,076,092	5,799,029
Gross profit	2,534,394	2,008,958
Other income	130,691	166,598
	2,665,085	2,175,556
Expenses		
Amortization	225,968	140,321
Automotive	14,904	30,445
Donations	-	7,600
Financing fees	1,081,328	760,600
Interest and bank charges	47,771	63,410
Interest on long term debt	1,246,984	1,057,349
Insurance	35,309	36,202
Management fees	320,480	458,538
Marketing	1,165,381	1,095,350
Office and sundry	63,223	76,263
Professional fees	401,573	437,858
Property taxes	113,594	101,441
Rent	92,508	42,911
Repairs and maintenance	13,381	7,469
Telephone	23,558	17,494
Training and recruiting	27,708	22,235
Travel	30,000	43,857
Utilities	10,264	8,320
Wages	769,015	478,168
	5,682,949	4,885,831
Overhead recoveries	(462,540)	(181,000)
	5,220,409	4,704,831
Net loss	\$ (2,555,324)	\$ (2,529,275)
Deficit, beginning of year	\$ (4,604,273)	\$ 2,074,998
Net loss	(2,555,324)	(2,529,275)
Deficit, end of year	\$ (7,159,597)	\$ (4,604,273)

See accompanying notes to the financial statements

Okanagan Hills Development Corporation

Notes to the financial statements

November 30, 2007

(Unaudited - see notice to reader)

1. Accounting policy

Amortization

Rates of amortization applied on a declining balance basis, except for leasehold improvements which is calculated using the straight-line method, to write off the cost of capital assets over their estimated lives are as follows:

Equipment	20%
Computer hardware	45%
Computer software	100%
Leasehold improvements	4 and 5 years
Video	30%

2. Due from/to related parties

The following balances with companies controlled by certain officers and/or directors were outstanding:

	<u>2007</u>	<u>2006</u>
Due from related parties		
Due from 0752500 BC Ltd.	\$ 100	\$ 100
Due from 0752506 BC Ltd.	100	100
Due from Arres Capital Inc.	88	88
Due from Bella Vista Landscaping Company Ltd.	406,506	231,548
Due from BMR Development Inc.	195	195
Due from Bella Vista Services Ltd.	10	-
Due from Leona Snider	850	-
Due from OK Hills Vineyard Ltd.	-	682
Due from Radford Investments Ltd.	59	59
Due from The Golf Club at the Rise Ltd.	895,625	739,927
Due from The Rise Cellars Inc.	-	37,979
Due from Vineyard Homes at the Rise Ltd.	<u>1,383,993</u>	<u>-</u>
	<u>\$ 2,687,526</u>	<u>\$ 1,010,678</u>
Due to related parties		
Due to The Rise Cellars Inc.	\$ 1,992	\$ -
Due to Vineyard Homes at the Rise Ltd.	-	214,956
Due to Y-K Projects Ltd.	<u>434,290</u>	<u>662,257</u>
	<u>\$ 436,282</u>	<u>\$ 877,213</u>

There are no fixed terms of repayment for these loans.

Okanagan Hills Development Corporation

Notes to the financial statements

November 30, 2007

(Unaudited - see notice to reader)

3. Capital assets			2007	2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 173,179	\$ 62,760	\$ 110,419	\$ 119,104
Computer hardware/software	111,702	87,918	23,784	43,472
Leasehold improvements	268,895	237,951	30,944	186,938
Video	85,602	49,949	35,653	50,933
	<u>\$ 639,378</u>	<u>\$ 438,578</u>	<u>\$ 200,800</u>	<u>\$ 400,447</u>

4. Long term debt	2007	2006
Arres Capital Inc.	\$ 4,792,400	\$ 4,207,967
Arres Capital Inc.	2,400,000	2,500,000
Arres Capital Inc.	1,758,000	1,796,000
Arres Capital Inc.	2,928,280	5,459,000
Arres Capital Inc.	4,483,809	3,673,009
Arres Capital Inc.	557,500	557,500
Arres Capital Inc.	20,302,276	16,691,037
Arres Capital Inc.	9,057,210	2,997,273
Arres Capital Inc.	525,000	-
Arres Capital Inc.	975,000	-
Arres Capital Inc.	613,569	-
HSBC Bank Canada	869,114	870,000
City of Vernon	-	50,433
	<u>\$ 49,262,158</u>	<u>\$ 38,802,219</u>

Okanagan Hills Development Corporation

Notes to the financial statements

November 30, 2007

(Unaudited - see notice to reader)

5. Share capital	<u>2007</u>	<u>2006</u>
Authorized		
Unlimited Class A to Class C common shares without par value		
Issued		
1,000 Class A shares	\$ 1	\$ 1
880,000 Class B shares	<u>880</u>	<u>880</u>
	<u>\$ 881</u>	<u>\$ 881</u>

6. Income taxes

The Company has losses carried forward for tax purposes of \$7,017,147 expiring in the following years:

2015	\$ 2,062,160
2026	2,511,809
2027	<u>2,443,178</u>
	<u>\$ 7,017,147</u>