

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

NOV 25 2010

ENTERED



NO. S088739
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 THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF OKANAGAN HILLS DEVELOPMENT CORPORATION,
VINEYARD HOMES AT THE RISE LTD.,
THE GOLF CLUB AT THE RISE LTD. and Y-K PROJECTS LTD.**

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE) THE HONOURABLE)
)) 23 / Nov / 2010
) MADAM JUSTICE DICKSON)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia on November 23, 2010 and on hearing Christopher J. Ramsay, Counsel for the Petitioners, *and those counsel set out in Schedule A attached hereto,*



THIS COURT ORDERS that:

1. The time for service of the Notice of Application and supporting material in respect of this Application be and is hereby abridged such that the application is properly returnable on this day, and, further, that any requirement for service of the Notice of Application and supporting material upon any interested party, other than the parties herein mentioned, is hereby dispensed with.

2. All capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Amended Consolidated Plan of Arrangement dated October 29th, 2010 (the "Plan"), and filed herein.

Plan Approval

3. The Meeting Order pronounced September 17, 2010, the Consolidated Plan of Compromise and Arrangement, Monitor's Reports No. 13 and 14, dated July 20 and August 26, 2010 (respectively), and the General Creditor Proxy (substantially in the form attached as Schedule "C" to the Meeting Order), were duly sent or delivered to each Creditor, substantially in accordance with the Meeting Order, and such sending or delivery is hereby deemed sufficient for the purposes of the CCAA.

4. The Meeting Materials as defined in the Arres' Investor Voting Order pronounced September 14, 2010 were duly sent to each of the Arres Investors no later than Friday September 24, 2010.

5. Notice of this Application has been provided to each Person who has entered an Appearance in these proceedings pursuant to the Supreme Court Civil Rules and further to the Meeting Order, no further service on any Creditor or any other person shall be required.

6. The Creditor's Meeting was duly convened and held on October 29, 2010 pursuant to the CCAA and the Meeting Order.

7. The Plan has been voted on and approved by the requisite percentages of General Creditors created under the Plan, in conformity with the Meeting Order and the CCAA.

8. The Plan, together with the compromises, arrangements, transactions, releases, discharges, injunctions and results provided therein and effected thereby, is both fair and reasonable and is in the best interests of the creditors and other

stakeholders of the Petitioners and is hereby sanctioned and approved pursuant to the provisions of the CCAA.

Filing of Certificate of Completion

9. Upon satisfaction of the conditions set forth in the Plan, the Monitor shall issue and file with this Court a Certificate of Completion which states that all conditions precedent to the Plan have been satisfied or waived as the case may be, and the Plan Implementation Date shall be deemed to be the date of such certificate.

Plan Implementation

10. The Petitioners are hereby authorized and directed to take all steps and actions necessary or appropriate to enter into or implement the Plan in accordance with its terms, and enter into, implement and consummate the contracts, instruments, releases, and other agreements or documents to be created or delivered in connection with the Plan.

11. That upon filing a certified copy of this Order in the Kamloops Land Title Office together with a letter from the solicitors for the Petitioners directing the Registrar of the Kamloops Land Title Office to discharge all encumbrances, and subject to the terms of this Order, all charges, liens, encumbrances, caveats, registrations and mortgages including those specifically listed in **Schedule "A"** to this Order as registered against the Property of Y-K Projects Ltd (listed in **Schedule "B"** to this Order) be extinguished and cancelled, except for those Permitted Encumbrances as specifically listed in **Schedule "C"** to this Order.

12. Effective as of the Plan Implementation Date, the Plan, together with the compromises, arrangements, transactions, releases, discharges, injunctions and results provided therein, effected thereby and as provided in this Order, shall be binding and effective upon the Petitioners, Creditors, and all Persons affected thereby and, subject to the provisions of the Plan and the performance of the Petitioners thereunder, the Petitioners shall be released from any and all indebtedness, obligations and liabilities, as and to the extent provided in the Plan and herein.

13. Effective as of the Plan Implementation Date, all Claims of Creditors, except for Unaffected Claims, shall be fully and finally satisfied, settled, discharged and extinguished in accordance with the Plan.

14. As of the Plan Implementation Date, the following Persons (collectively, the "Released Parties"):

- (a) the Petitioners and their legal counsel in the CCAA Proceedings;
- (b) the Monitor and its legal counsel in the CCAA Proceedings;
- (c) all present and former directors, officers and employees of any of the Petitioners, in such capacities and not in any other capacity;
- (d) Arres, its directors, officers and employees, and its legal counsel in the CCAA Proceedings, (the "Arres Released Parties") but only to the extent of any steps taken by the Arres Released Parties during the CCAA Proceedings to formulate, structure, and implement this Plan; and
- (f) any Person claimed to be liable derivatively through any and all of the foregoing Persons;

shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert including, any claims in respect of potential statutory liabilities of the present and former directors, officers and employees of the Petitioners and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, compromise, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Petitioners, this Plan and the CCAA Proceedings to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Petitioners' obligations under the Plan or any related document) (the "Compromised Claims") provided that nothing herein:

- (i) shall release or discharge a Released Party from an Unaffected Claim or from a Claim which cannot be compromised under the CCAA;
- (ii) shall affect the rights of any Person to recover indemnity from any insurance coverage under which that Person is an insured; or

- (iii) shall release or discharge present or former directors of the Petitioners with respect to matters set out in section 5.1(2) of the CCAA;
- (iv) shall release or discharge the Arres Released Parties for any liability to any third party arising from any trust agreements (or statutory obligations relegated thereto) entered into between Arres and an individual investor, or based on any other cause of action arising outside the context of the formulation, structuring and implementation of the Plan, including but not limited to fraud, dishonesty or breach of fiduciary duty (which formulation, structuring and implementation shall not, for purposes of the release set out in subparagraph 7.1(d), include any voting on behalf of individual investor by Arres, as trustee, in respect of the Plan).

and provided further, however, that notwithstanding the foregoing releases under the Plan, any Claim asserted against the Released Parties shall remain subject to any right of set-off that otherwise would be available to the Released Parties in the absence of such releases.

15. Effective as of the Plan Implementation Date, all agreements to which the Petitioners are a party and which were not terminated or rejected by the Petitioners prior to the Creditors' Meeting, are in full force and effect notwithstanding the CCAA Proceedings, the Plan and its attendant compromises, and no party to such an agreement shall be entitled, either pursuant to statute or common law, to terminate, rescind or repudiate its obligations under such agreement or take the position in any proceedings that such agreement is not enforceable, by reason of or in connection with any matter, fact or circumstance arising prior to the Plan Implementation Date, including without limitation the commencement of the CCAA Proceedings, the implementation of the Plan or the compromises, arrangements, transactions, discharges, releases or injunctions effected pursuant to the Plan or this Order.

16. Any Creditor that has not filed a Proof of Claim as provided for in the Claims Process Order made by this Court on June 1, 2009 shall be and is hereby forever barred from making or enforcing any Claim against the Petitioners and the Claim shall be forever extinguished.

General

17. The Petitioners are authorized at any time and from time to time vary, amend, modify or supplement the Plan without the need for obtaining a further Order of the Court or providing notice to the General Creditors if the Monitor determines that such variation,

amendment, modification or supplement would not be materially prejudicial to the interests of the General Creditors under the Plan or this Final Order and is necessary in order to give effect to the substance of the Plan or this Final Order. In the event a material variation, amendment, modification or supplement is required by the Petitioners, such shall be permitted by further Court Order obtained on notice.

18. The Petitioners shall be discharged and released from the CCAA Proceedings upon the Stay Termination Date.

19. The Administration Charge created by paragraphs 36 and 37 of the Initial Order, as increased by paragraph 2 of the Order of Madam Justice Dickson pronounced on September 17, 2010, shall continue to secure any and all amounts now or in the future owing to the Petitioners' counsel, the Monitor and/or the Monitors' counsel. The Administration Charge shall have priority over all other interests as set out in paragraph 40 of the Initial Order and that any allocation issue respecting same may be dealt with by further Court Order.

20. Abakhan & Associates Inc. shall be discharged and released from its duties as Monitor in relation to the Petitioners upon the filing of the Final Certificate.

21. Notwithstanding any other Order made in the CCAA Proceedings, any requirement of taxation of the fees and disbursements of the Petitioners and/or the Monitor (and their respective counsel) is hereby dispensed with.

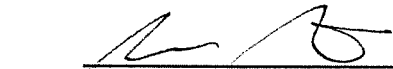
22. Pursuant to section 16 of the CCAA, this Order shall have full force and effect in all provinces and territories of Canada. This Court requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court or any judicial, regulatory or administration body of the United States and the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required.

23. The Petitioners, the Monitor, and any other interested parties are hereby granted leave to apply to this Court for any directions, orders or determinations necessary to achieve the implementation of the Plan, required to resolve any matter to further implement the Plan, this Order or the subject matter thereof and the rights and benefits thereunder, provided that no provision of this Order shall be construed to modify

or impair any right, title, interest, privilege or remedy expressly provided for or reserved under the Plan.

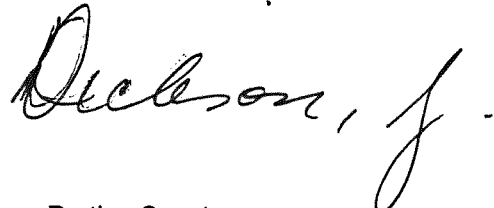
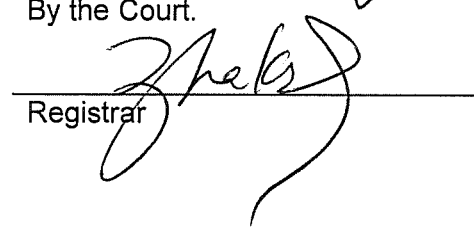
24. Approval of this Order as to form by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of
Lawyer for Petitioner
Christopher J. Ramsay




By the Court.


Registrar

Schedule "A"

(List of Counsel)

Counsel	Appearing for:
Christopher J. Ramsay + Jordan Schultz	Petitioners
P. Reardon and J. Cockbill	Arres Capital Inc.
M. Vorbrugge	Monitor
P. Hildebrandt	City of Vernon

SCHEDULE "A"

Mortgages

- S136, B2B, Olympia \$15.0 million mortgage KX021116 and assignment of rents KX021117
 - S136, B2B, Olympia \$5.0 million mortgage KW086920 and assignment of rents KW086921
 - S136 \$525,000 mortgage CA419774 and assignment of rents CA419775
 - S136, Olympia \$8,200,000 LA143704 mortgage and assignment of rents, LA143705
 - S136 \$5,300,000 mortgage CA675632 and assignment of rents CA675633
 - CME \$4,900,000 mortgage CA669544
 - S136/Olympia \$10,000,000 mortgage LA034193
 - S136 \$557,500.00 mortgage and assignment of rents CA144624 CA144625
- S136, Olympia \$5,000,000 mortgage and assignment of rents CA412334 CA412335

SCHEDULE "B"

PID	LEGAL DESCRIPTION	CIVIC ADDRESS
026-548-933	Lot 1 District Lot 62 Osoyoos Division Yale District Plan KAP79842	2640 Lakeshore Road, Vernon, BC
026-548-941	Lot 2 District Lot 62 Osoyoos Division Yale District Plan KAP79842	2640 Lakeshore Road, Vernon, BC
027-508-293	Lot 1 Section 31 Township 9 Osoyoos Division Yale District Plan KAP86584	Bella Vista Road, Vernon, BC
026-469-014	Lot 1 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78317, Except Plans KAP78952, KAP81473 and KAP78953	Bella Vista Road, Vernon, BC
026-469-022	Lot 2 Section 6 Township 8 and Section 31 Township 9 Osoyoos Division Yale District Plan KAP78317, Except Plan KAP85528	7163 Bella Vista Road, Vernon, BC
026-469-561	Lot 5 Section 6 Township 8 and Section 31 Township 9 Osoyoos Division Yale District Plan KAP78317, Except Plans KAP78953, KAP81473 and KAP87703	Bella Vista Road, Vernon, BC
026-470-527	Lot 6 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78317, Except Plan KAP87703	8600 Rising View Way, Vernon, BC
026-470-535	Lot 7 Section 6 Township 8 Osoyoos Division Yale District Plan KAP78317	Bella Vista Road, Vernon, BC
026-470-543	Lot 8 Section 6 Township 8 Osoyoos Division Yale District Plan KAP78317	Bella Vista Road, Vernon, BC
027-330-087	Lot A Section 31 Township 9 Osoyoos Division Yale District Plan KAP85528	Bella Vista Road, Vernon, BC
026-773-660	Lot 2 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78953	364 Cordon Lane, Vernon, BC
026-773-678	Lot 3 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78953	360 Cordon Lane, Vernon, BC
026-773-881	Lot 24 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78953	524 Balsam Court, Vernon, BC
026-774-119	Lot 47 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78953	495 Silversage Place, Vernon, BC
026-774-178	Lot 53 Section 31 Township 9 Osoyoos Division Yale District Plan KAP78953	511 Silversage Place, Vernon, BC
026-988-585	Strata Lot 1 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	144 Silversage Terrace, Vernon, BC
026-988-631	Strata Lot 6 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	124 Silversage Terrace, Vernon, BC
026-988-640	Strata Lot 7 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	120 Silversage Terrace, Vernon, BC
026-988-666	Strata Lot 9 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	112 Silversage Terrace, Vernon, BC
026-988-682	Strata Lot 11 Section 31 Township 9 Osoyoos Division	104 Silversage Terrace, Vernon, BC

PID	LEGAL DESCRIPTION	CIVIC ADDRESS
	Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	
026-990-326	Strata Lot 13 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	300 Silversage Bluff Lane, Vernon, BC
027-271-838	Strata Lot 17 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	200 Silversage Ridge Lane, Vernon, BC
027-271-846	Strata Lot 18 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	204 Silversage Ridge Lane, Vernon, BC
027-271-854	Strata Lot 19 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	208 Silversage Ridge Lane, Vernon, BC
027-271-862	Strata Lot 20 Section 31 Township 9 Osoyoos Division Yale District Strata Plan KAS3178 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V	212 Silversage Ridge Lane, Vernon, BC
027-777-197	Lot A Section 31 Township 9 Osoyoos Division Yale District Plan KAP88166	Okanagan Hills Blvd, Vernon, BC
027-684-041	Lot A Section 31 Township 9 Osoyoos Division Yale District Plan KAP87703	8500 Rising View Way, Vernon, BC
026-327-007	Lot 2 Section 31 Township 9 and Section 6 Township 8 Osoyoos Division Yale District Plan KAP78315	Bella Vista Road, Vernon, B.C.
027-947-050	Lot 1, Plan KAP89223	
027-947-076	Lot 2, Plan KAP89223	
027-947-092	Lot 4, Plan KAP89223	
027-947-084	Lot 3 Section 31 Township 9 Osoyoos Division Yale District Plan KAP89223	

SCHEDULE "C"
Permitted Encumbrances

- UNDERSURFACE RIGHTS #97528E
- COVENANT #KW93506
- COVENANT #KX144535
- COVENANT #KX144537
- COVENANT #KX144570
- COVENANT #KX144572
- STATUTORY RIGHT OF WAY #KX144564
- STATUTORY RIGHT OF WAY #KX144578
- STATUTORY RIGHT OF WAY #KX144580
- STATUTORY BUILDING SCHEME #KX144646
- COVENANT #KX144647
- RENT CHARGE #KX144663
- RESTRICTIVE COVENANT #KX144664
- EASEMENT #KX144666
- STATUTORY RIGHT OF WAY #KX144668
- STATUTORY RIGHT OF WAY #KX144576
- STATUTORY RIGHT OF WAY #LA111735
- STATUTORY RIGHT OF WAY #LA111739
- COVENANT #LA111783
- EASEMENT #LA111793
- EASEMENT #LA111830
- STATUTORY BUILDING SCHEME #LA111849
- RENT CHARGE #LA111850
- STATUTORY RIGHT OF WAY #KX144574
- STATUTORY BUILDING SCHEME #LB18264
- RENT CHARGE #LB18265
- EASEMENT #LB18266
- RESTRICTIVE COVENANT #LB18268
- RESTRICTIVE COVENANT #LB18270
- STATUTORY RIGHT OF WAY #LB18276
- STATUTORY RIGHT OF WAY #LB18277
- STATUTORY RIGHT OF WAY #LB18282
- STATUTORY RIGHT OF WAY #LB18285
- STATUTORY RIGHT OF WAY #LB18289
- EASEMENT #KX81867
- STATUTORY RIGHT OF WAY #KX144582
- STATUTORY RIGHT OF WAY #LB215204
- COVENANT #LB267614
- COVENANT #LB267615
- STATUTORY RIGHT OF WAY #KX144552

- STATUTORY RIGHT OF WAY #KX144562
- STATUTORY RIGHT OF WAY #KX144566
- STATUTORY RIGHT OF WAY #KX144568
- STATUTORY RIGHT OF WAY #KX144581
- EASEMENT #LB145659
- EASEMENT #LB151361
- STATUTORY RIGHT OF WAY #LA111744
- STATUTORY RIGHT OF WAY #LA111745
- STATUTORY RIGHT OF WAY #LA111749
- STATUTORY RIGHT OF WAY #LA111750
- STATUTORY RIGHT OF WAY #LA111755
- STATUTORY RIGHT OF WAY #LA111756
- STATUTORY RIGHT OF WAY #LA111773
- COVENANT #LB248410
- COVENANT #LB316652
- EASEMENT #LB316657
- REGISTRATION NO. CA303575 REGISTERED AGAINST PID 026-327-007, LOT 2, SECTION 31, TOWNSHIP 9 AND SECTION 6 TOWNSHIP 8 ODYD, PLAN KAP8315
- REGISTRATION NO. KX163206 REGISTERED AGAINST PID #026-548-933, LOT 1, PLAN KAP79842-OH AND PID #026-548-941 LOT 2, PLAN KAP79842-OH
- ASSIGNMENT OF RENTS #KX163207