

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

CLAIMS PROCESS ORDER

BEFORE THE HONOURABLE)
MADAM JUSTICE DICKSON)
MONDAY, THE 1st DAY OF
JUNE, 2009

THIS APPLICATION of the Petitioners coming on for hearing this day at Vancouver, British Columbia, and on hearing Christopher J. Ramsay, counsel to the Petitioners, and those counsel listed in Schedule "A" attached hereto and on reading the pleadings and other materials filed herein; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985 c. C-36 (the "CCAA"), and the equitable and inherent jurisdiction of this Honourable Court:

THIS COURT ORDERS AND DECLARES THAT:

1. The claims procedure provided for herein (the "**Claims Procedure**"), is hereby approved.

2. For the purposes of this Order the term "Claim" shall mean any right of any Person (as such term is defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA")) against the Petitioners, or any of them, in connection with any indebtedness, liability or obligation of any kind of the Petitioners owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, not matured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim of contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to December 15, 2008 and any indebtedness, liability or obligation of any kind arising out of the repudiation, restructuring or termination of any contract, lease, employment agreement or other agreement after December 15, 2008 and other steps taken in pursuance of a Plan under the CCAA. Notwithstanding the foregoing, "Claim" means any indebtedness, liability or obligation of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA, as set out in section 12(1) of the CCAA.

3. For the purposes of this order the term "Creditor" shall mean a Person entitled to make a Claim, provided however, that those Creditors whose secured claims are under the Administration Charge, the Director's Charge or the DIP Lender's Charge, all as created and defined in the Initial Order herein, shall not be obliged to file a Proof of Claim pursuant to the procedure set forth herein nor shall their claims be subject to Paragraph 16 of this Order.

4. The Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall administer the Claims Procedure provided for herein and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

5. The Monitor shall be and is hereby authorized and directed to send by ordinary mail, facsimile transmission, e-mail message or personal delivery by no later than June 5, 2009 to all known Creditors of the Petitioners and to other Persons from whom the Monitor has received notice of a potential claim prior to the Claims Bar Date (as defined herein), a copy of the Notice to Creditors attached as **Schedule "B"** to this Order (the "Notice") and a Proof of Claim substantially in the form attached as **Schedule "C"** to this Order ("**Proof of Claim**"), together with the detailed instructions on its completion.

6. The Monitor be and it is hereby authorized and directed to, as soon as possible and in any event before June 10, 2009, place a notice substantially in the form attached hereto as **Schedule "B"** to this Order in one weekday edition of the Vernon Morning Star inviting parties to file a Proof of Claim with the Monitor. The Monitor shall also post this Claims Process Order, the Notice and a Proof of Claim on the Monitor's web page at <http://www.abakhan.com/ohdc.html>.

7. Subject to the provisions of paragraph 3 herein, the Claims Bar Date shall be at **5:00 p.m. Vancouver, B.C. time on July 10, 2009** (the "**Claims Bar Date**") for all Creditors unless extended by further order of this Court or as agreed to by the Monitor.

8. The Monitor shall send a Proof of Claim to each Person requesting one and to any other Persons who otherwise notify the Monitor that they wish to make a claim.

9. All Proofs of Claim must be delivered by ordinary mail, registered mail, courier, facsimile, e-mail message or personal delivery and be received by the Monitor at Abakhan & Associates Inc., Suite 1120 - 625 Howe Street, Vancouver, B.C. V6C 2T6, Attention: Mr. George Abakhan/ Mr. Phil McCourt, email: gabakhan@abakhan.com/pmcourt@abakhan.com, on or before the Claims Bar Date.

10. The Monitor is hereby authorized and directed to use reasonable discretion as to the adequacy of the compliance as to the manner in which any Proof of Claim is delivered, completed and executed and may, where it is satisfied a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of such a form.

11. The Monitor, in conjunction with the Petitioners, shall review each Proof of Claim received by the Claims Bar Date. If the Petitioners, after consultation with the Monitor, dispute the Claim for voting and/or for distribution purposes, the Petitioners may, in conjunction with the Monitor, attempt to consensually resolve the amount of the Claim with the Creditor. The Monitor may give notice in writing, by ordinary mail, facsimile transmission, e-mail message or personal delivery to any Claimant at the address, facsimile number or e-mail address shown on the Creditor's Proof of Claim, of the Petitioners' intention to revise or disallow the claim set out in such Proof of Claim for voting and/or for distribution purposes, and if revised or disallowed, the reasons therefore, by sending the Creditor a Notice of Revision or Disallowance of Claim, substantially in the form attached as **Schedule "D"** to this Order, which shall be

deemed to be delivered on the third business day after notice has been sent by the Monitor by one of the methods aforesaid. The Monitor shall, no later than 2 days prior to any vote at a Creditors Meeting, provide Notice of Revision or Disallowance of a Claim for voting purposes to the Creditor whose Claim is being disallowed, subject to any further order of the Court. Notice of Revision or Disallowance of a Claim for distribution purposes may be given by the Monitor at any time prior to the distribution of any funds to Creditors.

12. If the Monitor delivers a Notice of Revision or Disallowance, in accordance with paragraph 11 hereof, with respect to the value of the Creditor's Claim for distribution purposes only, then, subject to further Order of this Court, the Proof of Claim shall be deemed to be accepted as final and binding for voting purposes under any Plan of Arrangement or Compromise, without prejudice to any dispute regarding the value of the Creditor's Claim for distribution purposes, which dispute shall be determined pursuant to the procedure set forth herein.

13. If a Creditor receiving a Notice of Revision or Disallowance wishes to object to the Notice, the Creditor must, within 14 days of the date of delivery of the Notice of Revision or Disallowance, file at the Courthouse, 800 Smithe Street, Vancouver, British Columbia and serve on legal counsel for the Petitioners and on the Monitor, a Notice of Motion substantially in the form attached as **Schedule "E"** to this Order, seeking to set aside the Monitor's Notice of Revision or Disallowance and an affidavit containing all evidence intended to be relied upon by the creditor in support. The Notice of Motion shall be returnable to the Court in Vancouver on a date to be agreed to by the Petitioners.

14. If no Notice of Motion referred to in paragraph 13 herein is served upon the Petitioners' legal counsel within the 14 day period, unless such period is extended by the Petitioners, the Claim in question shall be deemed to have been revised or disallowed in accordance with the Notice of Revision or Disallowance and such shall be final and binding upon the Creditor for all purposes.

15. No proceeding shall be instituted by a Creditor to establish the validity, priority and/or amount of any disputed Claim, except as provided in this Order or as the Court may subsequently direct.

15A. Business Development Bank of Canada shall have leave to apply to amend this Order in relation to its claim.

AB

16. Any Creditor that does not file a Proof of Claim as provided for in paragraph 9 of this Order on or before the Claims Bar Date or such later date as the Monitor may agree in writing or this Court may otherwise order:

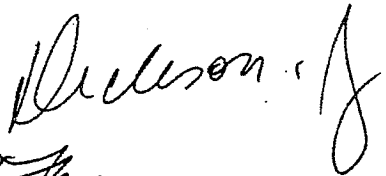

- (a) shall be and is hereby forever barred from making or enforcing any Claim against the Petitioners, or any of them, and the Claim shall be forever extinguished;
- (b) shall not be entitled to any further notice; and
- (c) shall not be entitled to participate as a Creditor in these proceedings or in any Plan of Arrangement or Compromise.

17. The Monitor may apply to this Court for advice and directions with respect to the implementation of this Order or with respect to any other matter relating to the Claims Procedure.

18. Any party affected by this Order may apply to this Court for an alteration or variation of this Order or direction as to the implementation of this Order upon two days' notice to the Monitor and the Petitioners.


19. Approval as to form of this Order by counsel for any party appearing on this application is hereby dispensed with.

BY THE COURT



REGISTRAR

APPROVED AS TO FORM:

CHRISTOPHER J. RAMSAY
Counsel for the Petitioners



ALAN BROWN
Counsel for Business Development Bank of Canada

SCHEDULE "A"

LIST OF COUNSEL APPEARING

COUNSEL	APPEARING FOR:
Christopher J. Ramsay	Petitioners
Alan Brown	Business Development Bank of Canada
	Monitor

SCHEDULE "B"

NOTICE TO CREDITORS

**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. (the "Petitioners")
B.C.S.C. Vancouver Registry No. S088739**

TAKE NOTICE that on December 15, 2008 the above noted companies filed for protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA Proceedings").

TAKE NOTICE that as part of the CCAA Proceedings, the Supreme Court of British Columbia has ordered that notice to creditors of their requirement to file a Proof of Claim, so as to be entitled to receive distribution on account of claims against the above-noted companies, may be served by way of this publication and notice.

Any creditor having a claim against the Petitioners should deliver to the Monitor a Proof of Claim form on or before 5:00 p.m., FRIDAY, JULY 10, 2009, the ("Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY FRIDAY, JULY 10, 2009 (the "CLAIMS BAR DATE") WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST THE PETITIONERS AND THE CLAIM SHALL BE FOREVER RELEASED AND EXTINGUISHED.

A Proof of Claim package may be obtained from the Monitor's webpage located at <http://www.abakhan.com/ohdc.html> or by contacting the Monitor at the following:

Abakhan & Associates Inc..
#1120 - 625 Howe Street
Vancouver, British Columbia V6C 2T6
Attn: George Abakhan/Phil McCourt
Tel: (604) 689 - 4255
Fax No. (604) 689 - 4277
gabakhan@abakhan.com/pmccourt@abakhan.com

SCHEDULE "C"

NO. S088739
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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and
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PETITIONERS

PROOF OF CLAIM

Please read carefully the instructions included in the Notice of Claim accompanying this Proof of Claim. Please print legibly.

Full Name of Creditor: _____
(the "Creditor")

Full Mailing Address of Creditor: _____
(All notices and correspondence
regarding your Claim will be
forwarded to this address)

Fax No. _____

Telephone No. _____

Email: _____

Attention: _____

CERTIFICATION AS TO CLAIM

I do hereby certify that *(please see notes below for further instructions)*:

1. I am a creditor, or representative of a creditor, of Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd., The Golf Club at The Rise. and Y-K Projects Ltd. *(circle one)*.
2. I have knowledge of all of the circumstances connected with the claim referred to in this form.
3. As of the Filing Date, being December 15, 2009, Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd., The Golf Club at The Rise. and Y-K Projects Ltd. *(circle one)* was, and still is, indebted to me in the amount of Cdn. \$[] including contract interest and charges (the "Claim").
4. A description of the basis on which the Claim arose is as follows:

5. I attach the following documents which support the Claim and any claim for contract interest or other charges.
 - (a)
 - (b)
 - (c)

DATED THIS _____ DAY OF _____, 2009.

Signature:

(Please Print Name)

Instructions for Completion of Proof of Claim:

- Please complete separate Proofs of Claim in the event that you have claims against both Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd., The Golf Club at The Rise. and Y-K Projects Ltd.
- Ensure that you complete the full name and delivery address, including fax number and e-mail address, of the creditor making the claim.
- The balance owing (item 3) must be calculated as of December 15, 2008, and cannot include any charges incurred thereafter.
- The Proof of Claim is incomplete unless you include a statement and description of the claim (item 4) and attach all supporting documents including statements of accounts and/or invoices in support (item 5). The supporting documents must show the date, number and value of all invoices or charges, and must conform to the amount of the Claim as set out in item 3.
- The Proof of Claim is incomplete unless it is signed and dated by you.
- The signed and completed Proof of Claim, together with all supporting documents, must be returned to the Monitor, at the following address on or before **FRIDAY, JULY 10, 2009:**

Abakhan & Associates Inc.,
#1120 – 625 Howe Street
Vancouver, British Columbia V6C 2T6
Attn: George Abakhan/Phil McCourt
Tel: (604) 689 - 4255
Fax No. (604) 689 - 4277
gabakhan@abakhan.com/pmccourt@abakhan.com

- The Petitioners are entitled to disallow your Proof of Claim in whole or in part. If your Proof of Claim is disallowed in whole or in part, the Petitioners will send you a Notice of Revision or Disallowance along with particulars as to how you may dispute the Notice of Revision or Disallowance. If you do not receive a Notice of Revision or Disallowance, then the Petitioners have accepted your Proof of Claim.
- **PLEASE CONTACT THE MONITOR AT THE ADDRESS AND E-MAIL SET OUT ABOVE IF YOU HAVE ANY QUESTIONS ABOUT COMPLETING YOUR PROOF OF CLAIM. A FAILURE TO PROPERLY COMPLETE OR RETURN YOUR PROOF CLAIM BY FRIDAY, JULY 10, 2009 WILL RESULT IN YOUR CLAIM BEING EXTINGUISHED WITHOUT ANY FURTHER ENTITLEMENT TO RECOVER YOUR CLAIM FROM THE PETITIONERS.**

SCHEDULE "D"

NO. S088739
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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VINEYARD HOMES AT THE RISE LTD., ~~THE~~ GOLF CLUB AT THE RISE LTD.
and
Y-K PROJECTS LTD.**

PETITIONERS

NOTICE OF REVISION OR DISALLOWANCE

Name of Creditor: _____

Pursuant to the Claims Process Order, the Petitioners give you notice that your Proof of Claim has been reviewed and one or both of the Petitioners has revised or disallowed your Proof of Claim for the following reasons:

If you wish to object to the Notice of Revision or Disallowance, you must, within 14 days of the date of delivery of the Notice of Revision or Disallowance, file and serve a Notice of Motion to the address below to be heard by the Court on a date to be agreed to by counsel for the Petitioners:

Fraser Milner Casgrain LLP
1500 — 1040 West Georgia Street
Vancouver, B.C. V6E 4H8
Attention: Christopher J. Ramsay
Fax No. (604) 683-5214
chris.ramsay@fmc-law.com

AND

Abakhan & Associates Inc..
#1120 – 625 Howe Street
Vancouver, British Columbia V6C 2T6
Attn: George Abakhan/Phil McCourt
Tel: (604) 689 - 4255
Fax No. (604) 689 - 4277
gabakhan@abakhan.com/pmccourt@abakhan.com

Subject to further dispute by you in accordance with the provisions of the Proof of Claim, your claim will be allowed at \$[] for purposes of: voting and/or distribution (*circle one or both*).

DATED at Vancouver, British Columbia, Canada this [] day of [], 2009.

SCHEDULE "E"

NO. S088739
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and
Y-K PROJECTS LTD.**

PETITIONERS

NOTICE OF MOTION

[Appealing Notice of Revision or Disallowance]

TO: The Petitioners
c/o Fraser Milner Casgrain LLP
Barristers and Solicitors
15th Floor, The Grosvenor Building
1040 West Georgia Street
Vancouver, British Columbia V6E 4H8
Attention: Christopher J. Ramsay
Fax No. (604) 683-5214
chris.ramsay@fmc-law.com

AND:

Abakhan & Associates Inc.
#1120 – 625 Howe Street
Vancouver, British Columbia V6C 2T6
Attn: George Abakhan/Phil McCourt
Tel: (604) 689 - 4255

Fax No. (604) 689 - 4277
gabakhan@abakhan.com/pmccourt@abakhan.com

TAKE NOTICE that an application will be made by _____ to the presiding judge or master at the courthouse at 800 Smithe Street, Vancouver, B.C. at a date and time to be agreed to by the Petitioners and the Applicant for an order:

1.

The Applicant will rely on _____.

At the hearing of the application, the Applicant will rely on the following affidavit(s) and other documents:

**PURSUANT TO THE INITIAL ORDER OF THE HONOURABLE
MADAM JUSTICE DICKSON MADE DECEMBER 15, 2008, PROVISIONS OF RULE
51A ARE HEREBY DISPENSED WITH.**

Dated: _____

Applicant's Solicitor