



NO. S-088739
VANCOUVER REGISTRY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT,
R.S.A. 2000, c.B-9

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.

(all referred to hereafter as "OHDC")

AMENDED
MONITOR'S TENTH REPORT
February 26th, 2010

Note – The only change is an amended page 1 of Exhibit "A"

TABLE OF CONTENTS

1. Introduction.....	Pg. 3
2. Review of the OHDC and Golf Club Combined Estimated Cash Flow To April 23, 2010	Pg. 4
3. Encroachment by The Lands on the Golf Club and vis a versa	Pg. 5
4. Proceeds of Current Real Estate Sales	Pg. 5
5. Marketing of The Lands and The Rise.....	Pg. 5
6. Canada Revenue Agency	Pg. 6
7. Sale of Lot 20 – Showhome	Pg. 6
8. Control of the Petitioners.....	Pg. 6
9. Conclusion.....	Pg. 7
10. Restrictions.....	Pg. 7

EXHIBITS:

“A” The Golf Club at The Rise (Golf Variances) Actual Cash Flow compared to Budget for the period October 9, 2009 to April 23, 2010.

“B” Current Real Estate Sales as at February 26, 2010

1. INTRODUCTION

The Rise is a master planned community development with signature golf course property located within the boundaries of the City of Vernon, British Columbia. The properties are described in the Petition filed in the Supreme Court of British Columbia ("the Court") referred to below. For the purpose of this report we shall limit the description of the properties to:

1. "The Lands", being the properties slated for residential development by OHDC, and
2. The golf course referred to as "The Golf Club".

On December 15th, 2008 a Petition was filed in the Court for an order granting a stay of proceedings pursuant to the Companies Creditors Arrangement Act ("CCAA"). OHDC was the Petitioner. The Court granted the Order (the "Initial Order").

The First Monitor's Report was provided to the Court on December 23rd, 2008 ("the First Monitor's Report") for the purposes of providing information concerning the urgent need for Debtor in Possession Financing ("DIP").

On December 29th, 2008, an Order was made which provided that the Petitioners were authorized to borrow up to the sum of \$2,500,000 under a DIP credit facility.

The Second Monitor's Report was provided to the Court on January 29th, 2009, providing the Court information with respect to an application for an extension of the Stay of Proceedings provided for by the initial Order, and also providing information pertaining to the replacement of the DIP Financier.

The Third Monitor's report was provided to the Court on February 19th, 2009, recommending to the Court acceptance of the DIP Financing commitment.

The Fourth Monitor's Report was provided to the Court on June 17th, 2009, to update the Court on the financial status and other matters pertaining to OHDC and in support of an Application for further extension of the Stay of Proceedings for a period of 30 days.

In the Matter of the Companies' Creditors Arrangement Act re:
Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd.,
The Golf Club at The Rise Ltd. and Y-K Projects Ltd.

The Fifth Monitor's Report was provided to the Court on July 17th, 2009 to update the Court on the financial status of OHDC and The Golf Club and in support of an application for a further extension of the Stay of Proceedings to August 24th, 2009. The report also set out the progress of the land boundary encroachment issues to be resolved between The Golf Club and The Lands.

The Sixth Monitor's Report was provided to the Court on August 16th, 2009 to update the Court on the financial status of OHDC and The Golf Club and in support of an application for a further extension of the Stay of Proceedings to September 24th, 2009.

The Seventh Monitor's Report was provided to the court on September 23rd, 2009 to update the Court on the financial status of OHDC and The golf Club and in support of an application for a further extension of the Stay of Proceedings to November 2, 2009.

The Eighth Monitor's Report was provided to the Court on October 30, 2009 to update the Court on the financial status of OHDC and The Golf Club and to support:

- an application for additional DIP financing of \$170,000.
- approval of the Court in respect to the disposition of \$300,000 from lot sale proceeds
- a further extension of the Stay of Proceedings to December 31, 2009.
- an application to approve use of surplus funds arising after repayment of the DIP financing to maintain minimal operations at The Golf Club and The Lands until a total sale is complete.

The purpose of the Ninth Monitor's Report was to support an Application to extend the Stay of Proceedings to March 1st, 2010.

The purpose of the Tenth Monitor's Report is to support an Application to extend the Stay of Proceedings to April 30th, 2010.

2. REVIEW OF THE OHDC AND GOLF CLUB COMBINED ESTIMATED CASH FLOW TO APRIL 23rd 2010

Attached as Exhibit "A" is a schedule that shows the combined projected cash flow for the period October 9th, 2009 to April 23rd, 2010.

In the Matter of the Companies' Creditors Arrangement Act re:
Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd.,
The Golf Club at The Rise Ltd. and Y-K Projects Ltd.

- In the period to February 26, 2010 the cash flow shortage was financed by advances of \$143,000 received from the ARRES Group.
- The budget for the period February 13, 2010 to April 23, 2010 will require additional funds of \$363,000 with cash requirements of \$178,000 (of which \$50,000 pertains to the development of the Belego subdivision) for OHDC and \$185,000 for The Golf Club.
- It is anticipated that The Golf Club will open the weekend of April 3, 2010 (Easter).
- In discussions with the BDC, the Monitor is advised that BDC is not willing to fund any of the ongoing operations of The Golf Club.

3. **ENCROACHMENT BY THE LANDS ON THE GOLF CLUB AND VIS A VERSA**

- The BDC reports that no further progress has been made towards any settlement of the encroachments by the development lands on the golf course.

4. **PROCEEDS OF CURRENT REAL ESTATE SALES (EXHIBIT "X")**

- To date there have been sixteen (16) sales resulting in net proceeds of \$4,980,000. There was \$2,670,000 of these funds used to repay the DIP financing. The balance remaining of the net proceeds have been forwarded to the ARRES Group.

5. **MARKETING OF THE LANDS AND THE RISE ("the Property Sale")**

- The Third Party Agreements to purchase The Lands previously reported in the Eighth and Ninth Monitor's Report, did not proceed. There are no current negotiations.

6. CANADA REVENUE AGENCY

- Canada Revenue Agency ("CRA") advises that the companies' Okanagan Homes Development Corporation, Vineyard Homes at the Rise Ltd., The Golf Club at the Rise Ltd. and Y-K Projects Ltd., and Bella Vista Homes Ltd. are delinquent in the filing of their corporate tax returns for various year ends covering 2007 and 2008. These returns are projected to be finalized within the next sixty days. No account has been projected in the cash flow covering the estimated cost for preparing same.

7. SALE OF LOT 20 – SHOWHOME

- In December 2008 through March 2009, a sale of the above property was contemplated. The purchaser had placed a deposit of \$150,000; which sale was subsequently abandoned by the purchaser. In February 2010, a settlement was reached whereby the potential purchaser received \$26,000 in settlement – the balance of the funds will be made available to the CCAA estate. This amount has not been recorded as a receipt in the cash flows as of yet.

8. CONTROL OF THE PETITIONERS

- Y-K Projects Ltd. and OHDC and the ARRES Group are in the process of finalizing an agreement by which ARRES will be given control of the sale of the Lands through irrevocable power of attorney. The parties have agreed that on an ongoing basis ARRES will take control of the development of the Lands including any sale and marketing process.
- There has been no further DIP financing, however, the ARRES Group has advanced funds of \$143,000 to February 26, 2010 in order to cover ongoing operating expenses.
- The DIP that was originally organized was repaid on or about November 9, 2009.
- There has been no further authorized DIP financing.

9. CONCLUSION

- The Monitor is of the opinion that the Petitioners have acted and are continuing to act in good faith and with due diligence, and that the Monitor supports an extension of the Stay to April 30th, 2010.

This concludes the Tenth Monitor's Report.

7. RESTRICTIONS

In the course of conducting our duties including the writing of this report, we have relied entirely on information supplied by management. We did not conduct procedures necessary to enable us to express an opinion on the financial information contained in this report in accordance with Generally Accepted Auditing Standards. Nor have we conducted a formal valuation of the operating subsidiaries of the Company. Projected financial information and the assumptions on which it is based are solely the responsibility of the company. Since the assumptions relate to the future they may be affected by unforeseen events, we can express no opinion as to how closely the forecasts will correspond to actual results.

Further, since the projections and calculations are based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur and the variances may be material. Accordingly, we express no assurance as to whether the projections or calculated estimated realizations will be achieved.

In the Matter of the Companies' Creditors Arrangement Act re:
Okanagan Hills Development Corporation, Vineyard Homes at The Rise Ltd.,
The Golf Club at The Rise Ltd. and Y-K Projects Ltd.

Should there be any questions or comments in connection with this report or in connection with any aspect of these proceedings and the Monitor's role therein, please contact either Mr. George Abakhan or Mr. Philip McCourt at (604) 689-4255 or by facsimile at (604) 689-4277.

Yours truly,

ABAKHAN & ASSOCIATES INC.

In its capacity as Monitor of Okanagan Hills Development Corporation,
Vineyard Homes at the Rise Ltd., The Golf Club at the Rise Ltd. and
Y-K Projections Ltd., and not in its personal capacity.

Per:



George Abakhan, CA-CIRP
President

GA/dm

AMENDED
"EXHIBIT" A

Okanagan Hills Development Corp. / The Golf Club At The Rise Ltd.
Estimated Cash Flow - Bi-Weekly
September 26, 2009 to December 31, 2009

OHDC AND GOLF COMBINED SUMMARY

	Actual 09-Oct-09	Actual 23-Oct-09	Actual 06-Nov-09	Actual 20-Nov-09	Actual 04-Dec-09	Actual 18-Dec-09	Actual 01-Jan-10	Actual Jan 15 10	Actual Jan 29 10	Actual Feb 12 10	Actual Feb 26 10	Actual			Forecast Apr 9 10	Forecast Apr 23 10	Period Oct 9 to Apr 23 10
												Actual 09-Oct-09	Actual 23-Oct-09	Actual 06-Nov-09			
Opening book balance	177,918	136,768	136,137	87,966	52,496	(44,180)	(82,272)	(33,143)	(127,958)	(243,190)	(262,726)	177,918	54,325	(114,763)	(229,122)	(336,058)	177,918
Receipts OHDC	272	875	-	151,338	10,278	586	95,490	-	849	17,851	-	278,139	-	-	-	-	278,139
Receipts GOLF	128,145	55,381	7,950	11,503	855	376	3,899	6,677	819	5,413	567	221,585	-	-	39,682	70,464	331,731
Total Receipts	128,417	56,256	7,950	163,441	11,133	962	99,389	6,677	1,668	23,264	567	499,724	-	-	39,682	70,464	609,870
Expenditures OHDC	135,489	13,168	20,846	144,427	92,421	27,246	39,095	90,164	103,717	20,914	12,631	700,118	51,160	70,350	47,700	43,200	912,528
Expenditures GOLF	34,078	43,719	35,275	54,484	15,388	11,808	11,165	11,328	13,183	21,886	8,521	260,835	117,928	44,009	98,917	54,875	576,365
Total Expenditures	169,567	56,887	56,121	198,911	107,809	39,054	50,260	101,492	116,900	42,800	21,152	960,953	169,088	114,359	146,617	97,875	1,488,893
NET CASH FLOW	(41,150)	(631)	(48,171)	(35,470)	(96,676)	(38,092)	49,129	(94,815)	(115,232)	(19,536)	(20,585)	(461,229)	(169,088)	(114,359)	(106,935)	(27,411)	(879,023)
Closing book balance before funding transfers	136,768	136,137	87,966	52,496	(44,180)	(82,272)	(33,143)	(127,958)	(243,190)	(262,726)	(283,311)	(283,311)	(114,763)	(229,122)	(336,058)	(363,469)	(701,105)
Transfers from DIP Financing	-	-	-	53,916	13,465	16,976	-	27,987	82,292	-	-	194,636	-	-	-	-	194,636
Advances by the ARRES Group	-	-	-	-	-	-	-	65,000	65,000	26,000	52,000	143,000	-	-	-	-	143,000
Closing book balance after funding transfers	136,768	136,137	87,966	106,412	23,201	2,085	51,214	(15,614)	16,446	22,910	54,325	54,325	(114,763)	(229,122)	(336,058)	(363,469)	(363,469)
Made up as follows:																	
Cash OHDC	20,124	7,831	6,985	68,412	(266)	(9,950)	46,445	(18,549)	(9,576)	899	34,630	-	-	-	-	-	(177,780)
Cash GOLF	116,644	128,306	80,981	38,000	23,467	12,035	4,769	2,935	26,022	22,011	19,695	-	-	-	-	-	(185,689)
	136,768	136,137	87,966	106,412	23,201	2,085	51,214	(15,614)	16,446	22,910	54,325	54,325	(114,763)	(229,122)	(336,058)	(363,469)	(363,469)

Okanagan Hills Development Corp.
 Estimated Cash Flow - BI-Weekly
 September 26, 2009 to April 23, 2010

OHDC DETAILS

	Actual 09-Oct-09	Actual 23-Oct-09	Actual 06-Nov-09	Actual 20-Nov-09	Actual 04-Dec-09	Actual 18-Dec-09	Actual 01-Jan-10	Actual 15-Jan-10	Actual 29-Jan-10	Actual Feb 12 10	Actual Feb 26 10	Actual Oct 9 to Feb 26 10	Forecast Mar 12 10	Forecast Mar 26 10	Forecast Apr 9 10	Forecast Apr 23 10	Period Oct 9 to Apr 23 10
Opening book balance	90,341	20,124	7,831	6,985	68,412	(266)	(9,850)	46,445	(18,549)	(9,576)	899	90,341	34,630	(16,530)	(86,860)	(134,580)	90,341
Receipts																	
Non Refundable Deposits				70,800	10,000		95,490			17,851		10,000					10,000
GST Collected/Retunds				536	278	586		849				166,290					166,290
Other	272	875		80,602						26,000	52,000	21,247					21,247
Refund of Interest from DIP Financier								65,000				80,602					80,602
ADVANCES FROM ARRES				53,916	13,465	16,976		27,987	82,292			143,000					143,000
(ADVANCES FROM ARRES)																	
DIP FINANCING - NET TRANSFERS				205,854	23,743	17,562	95,490	27,987	148,141	43,851	52,000	615,775					615,775
(DIP FINANCING)																	
Total receipts	272	875		205,854	23,743	17,562	95,490	27,987	148,141	43,851	52,000	615,775					615,775
Essential Payments																	
OHDC Payroll - Gross	11,719	13,857	11,526	10,777	8,895	9,488	9,088	11,236	9,728	9,951	9,515	115,780	11,000	11,000	11,000	11,000	159,700
GWL Benefits	2,729		1,277		1,277	393		1,860	259	1,092	103	8,887	1,650	1,300	1,300	1,300	14,437
WCB Payments		1,178		394	603	84						1,968					1,968
GST Remittances	61,225		30,000	35,455	3,082	3,082	2,065	10,643	89,146			98,774					98,774
Monitor	21,073		53,713	34,290				49,790	378			145,323	10,000	12,000	7,000	5,000	167,323
Legal	96,746	15,035	12,803	94,490	80,520	13,047	20,781	81,529	99,511	11,043	9,618	535,123	24,300	24,300	19,300	17,300	180,391
Total Essential Payments	26,406	15,035	12,803	94,490	80,520	13,047	20,781	81,529	99,511	11,043	9,618	535,123	24,300	24,300	19,300	17,300	630,673
Operating Costs																	
Bank Charges	26	87	87	159	146	146	558	25	162	167	119	1,369	100	100	50	100	1,569
Computer & System Support	1,101		260	130	1,011		991	251		350	130	3,188	260	200	200	200	3,898
Insurance & New Home Warr				1,011						237		1,361	20,000	1,000	300	300	21,361
Office Supplies	234		394	279			326	266				1,735	1,000	100			3,636
Postage & Courier	77							119				196					396
Property Taxes			359	329			7,339	1,189		1,189	427	7,568	1,500	1,500	1,500	1,500	14,726
Sirala Fees BVSU/Watermark				1,192	415	431	48	848	1,256	90	6	4,928	1,000	300	300	300	10,568
Telephone	359		359	880	613		19	88	396			2,416	300				6,928
Utilities - DC	324			1,486		(72)		541	(48)	(119)	630	1,788					3,016
Utilities - Showhomes				8								(1,316)			650		(666)
Vehicle Fuel & Repairs	1,128		1,345	1,628	1,268	1,268	2,071	2,222	1,537	717	630	9,845	2,000	2,000	2,000	2,000	13,045
Travel, Meals & Other Admin	12,846		16,964	3,053	399	1,355	2,071	1,744	1,484	165	1,484	32,280	16,700	16,700	16,700	16,700	82,300
Professional & Consulting Fees	10,311		3,053									18,122	3,000	3,000	3,000	3,000	30,122
Marketing	26,406	(1,067)	.706	28,714	4,564	12,744	11,352	3,303	3,303	2,796	2,796	96,207	3,660	45,800	20,800	25,100	193,567
Total Operating Costs	637	637	637	637	637	637	262	375	262	375	375	3,185	650	650	650	650	4,485
Existing Lease & Finance Costs																	
Leases - Office Equipment	6,700		6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700	33,500	6,700	6,700	6,700	6,700	46,900
Vehicle Lease	7,337		7,337	7,337	7,337	7,337	7,337	7,337	7,337	7,337	7,337	36,685	7,350	7,350	7,350	7,350	51,365
Loan payments to HSBC																	
Total Existing Lease & Finance Costs	14,037		14,037	14,037	14,037	14,037	14,037	14,037	14,037	14,037	14,037	70,185	14,050	14,050	14,050	14,050	98,265
Discretionary Payments																	
Compliance Deposits & Hydro Seed	5,000		8,000			2,055		967	641	217	217	13,000	500	250	250	800	13,000
Janitorial & Security												8,390					10,190
Home Deficiencies & SH 20 Lien												8,713					6,713
Contingencies													5,000				5,000
Total Discretionary Payments	5,000		8,000			2,055		967	641	217	217	30,103	5,500	250	250	800	36,903
TOTAL CASH PAYMENTS	135,489	13,168	20,846	144,427	92,421	27,246	39,095	90,164	103,717	20,914	12,651	700,118	51,160	70,350	47,700	43,200	912,528
NET CASH FLOW	(135,217)	(12,293)	(20,846)	61,427	(68,678)	(9,604)	56,395	(62,177)	44,424	22,937	39,369	(84,343)	(51,160)	(70,350)	(47,700)	(43,200)	(296,753)
TRANSFERS (TO) From GOLF	65,000		20,000					(2,817)	(35,451)	(12,462)	(5,636)	28,632					28,632
RESTRICTED FUNDS TRANSFER																	
Closing book balance	20,124	7,831	6,985	68,412	(266)	(9,960)	46,445	(18,549)	(9,576)	899	34,630	90,341	(16,530)	(86,860)	(134,580)	(177,780)	177,780

OKANAGAN HILLS DEVELOPMENT CORPORATION
 LOT SALES
 As at February 26, 2010

EXHIBIT " B "

Date	Purchaser	Lot #	Project	Purchase Price	Deposit	Compliance Deposit	Completion Date	ACTUAL Closing Costs	Actual Net Proceeds
May 14 09	Linda Anne & Nav Rattan	14	Watermark	280,000	26,000	10,000		16,639	263,361
May 28 09	Baldalip Thind	54	Sagecroft	142,500	10,000	10,000	Sep 24/09	5,989	136,511
July 7 09	Trico Homes BC Ltd.	47 48 49 50 51 52	Clearview	800,000	80,000	60,000	Oct 2 09	31,002	768,998
Aug 28/09	Carter, Alan & Pam	MH14	Clearview	649,000	64,000		Nov 12/09	25,114	623886
Aug 28/09	Ho / Nguyen	MH16	Clearview	599,000	60,000		Nov 5/09	23,304	575696
Sept 5/09	DLH Holdings	10	Watermark	389,000	40,000	10,000	Nov 5/09	14,841	374159
Sept 5/09	Alcayage, Leo & Antonietta	52	Sagecroft	168,000	16,800	10,000	Oct 22/09	6,887	161113
Sept 5/09	CDM Painting	51	Sagecroft	250,000	25,000	10,000	Oct 30/09	9,706	240,294
Oct 27 09	Yvonne Roberts	20	Clearview MH	999,999	99,999	-	Dec 15 09	37,275	962,724
Oct 30 09	Motherwell	25	Sage Lookout	359,900	35,900	-	Dec 14 09	13,643	346,257
Nov 24 09	Moreau	13	Clearview MH	549,900	54,900		Dec 19 09	22,080	527,820
				<u>5,187,299</u>				<u>206,480</u>	<u>4,980,819</u>