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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")

AND

The "Petitioners"

MONITOR'S SIXTEENTH REPORT

November 18th, 2010

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1. INTRODUCTION

The purpose of this, the Monitor's Sixteenth Report, is to provide the Court and other Stakeholders with a report on the Meeting of Creditors held on October 29th, 2010.

2. COURT ORDERS SEPTEMBER 17TH, 2010

By Order (the "Meeting Order") dated September 17th, 2010 the Supreme Court of British Columbia authorized the Petitioners to file the Plan of Arrangement which had been referred to in the Monitor's thirteenth and fourteenth reports. The Meeting Order also set out the process under which the meeting of creditors to consider the Plan of Arrangement was to be held on October 29th, 2010 and the notice requirements of the meeting to the General Unsecured Creditors.

By further Order (the "Arres Investor Voting Order") dated September 17th, 2010 the Supreme Court of British Columbia addressed the matter of the "unrest" between Arres and the Arres investor group as referred to in the Monitor's fourteenth report.

In summary, the Court ordered that each of the Arres individual investors would be given their own vote on the Plan of Arrangement rather than Arres voting on their behalf. Arres was authorized to vote for individual Arres investors but only if those investors gave Arres their proxy in that regard.

Included in the Arres Investor Voting Order were directions to be followed by the Monitor to advise the individual Arres investors of the October 29th, 2010 creditors' meeting to consider the Plan of Arrangement.

3. THE MEETING OF CREDITORS

The meeting of creditors to consider the Plan of Arrangement was held at the Best Western Vernon Lodge in Vernon British Columbia at 2:00 pm on Friday October 29th, 2010.

In the morning of October 29th, 2010 the Plan of Arrangement with some amendments (the "Oct 29th Plan") was presented to the Monitor by representatives of Arres and the Access Mortgage Group ("Access").

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Arres and its representatives and Access and its representatives had proxies and votes which appeared to give them control of the results of the vote in specific classes. Arres and Access had not agreed on the terms of the Plan of Arrangement and, based on the Monitor's calculations, it appeared that the Plan of Arrangement was at risk of being defeated owing to Access and its representatives indicating that they would vote against. When the Oct 29th Plan was presented to the Monitor, the Monitor was advised that if the Oct 29th Plan was the Plan of Arrangement to be voted on at the creditors' meeting Access and its representatives would not vote against.

The Monitor and its counsel and counsel for the petitioner reviewed the Oct 29th Plan prior to the meeting of creditors. The review showed that the amendments were not material changes to the original Plan of Arrangement and were, in large part, corrections of drafting errors.

The Meeting Order pronounced September 17th, 2010, the Consolidated Plan of Compromise and Arrangement, Monitor's Reports No. 13 and 14, dated July 20th and August 26th, 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.

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

The Oct 29th Plan was presented to the creditors at the creditors' meeting. Mr. Kelly Cairns, legal counsel to Arres read the amendments to the meeting.

A further revision, changing the definition of "Equipment Lessors" to include "the registered security interests of equipment financiers" was read to the meeting by the Chairman.

The Oct 29th Plan was the Plan of Arrangement voted on at the meeting.

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The results of the vote reported at the meeting were as follows:

Class	1 DIP Replacement Lenders Mortgage	2 1 st Mortgage	3 2 nd Mortgage	4 3 rd Mortgage	5 Unsecured Creditor Claims
FOR Number	100%	91.1%	86.5%	94.3%	85.2%
AGAINST Number	0	8.9%	13.5%	5.7%	14.8%
FOR Dollars	100%	90.5%	76.7%	98.9%	95.9%
AGAINST Dollars	0	9.5%	23.3%	1.1%	4.1%

The Plan of Arrangement was reported as having been accepted by the required majority in all five classes of creditors.

Subsequent to the meeting the votes were subject to further review by the Monitor. That further review resulted in some corrections being made to the voting schedules which showed results which were different than those reported at the meeting;

The results of the corrected voting schedules were follows:

Class	1 DIP Replacement Lenders Mortgage	2 1 st Mortgage	3 2 nd Mortgage	4 3 rd Mortgage	5 Unsecured General Creditors
FOR Number	100%	97.8%	98.1%	100%	85.2%
AGAINST Number	0	2.2%	1.9%	0	14.8%
FOR Dollars	100%	96.4%	92.3%	100%	95.9%
AGAINST Dollars	0	3.6%	7.7%	0	4.1%

The Plan of Arrangement was confirmed to have been accepted by the required majority in all five classes of creditors.

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It is the Monitor's opinion that the Petitioners have complied with all statutory requirements under these CCAA proceedings, and have adhered to all previous Court orders made in these proceedings. Further, the Petitioners have not done anything that is not authorized by the CCAA. In the Monitor's opinion, the Plan of Arrangement which was accepted by the creditors on October 29, 2010 is fair and reasonable based on a realization of \$0.05 per dollar dividend for the General Creditors, versus a zero return in a liquidation. Further, the Arres Investors have a greater chance of realizing a return on their principal and interest investment through a workout under the proposed plan. In a forced liquidation, the Arres investors would very likely suffer a loss on their investment.

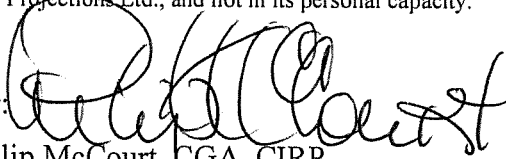
This concludes the Monitor's Sixteenth Report. Should there be any questions or comments in connection with this report or in connection with any aspect of these proceedings and the Monitor's role therein, please contact either Mr. George Abakhan or Mr. Philip McCourt at (604) 689-4255 or by facsimile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


Philip McCourt, CGA, CIRP
Senior Vice-President