

1.0 Scope of Project

The scope of this project is a Two-Phase Resort Development, a Convention/Banquet, and 5-Star Restaurant Development Opportunity in the Bracebridge Muskoka area in Ontario.

1.1 Location of Project

50 Brodie Cres., R.R. #2, Bracebridge, Ontario P1L 1W9

1.2 Description of Property

The property is sitting on 33 Acres of recreational land in the heart of Muskoka, a prime vacation spot in the province of Ontario to a major Highway Route (Highway #11) 90 minutes away from Toronto. There is 2000 feet of waterfront on the property with a sandy beach. Plus, a unique feature is that this property is very picturesque with 4 banks of waterfalls, which adds an exclusive view, and it is known as “Niagara of the North”.

Also, another unique feature is a major airport, located nearby, which can land any type of corporate aircraft and also commercial aircraft on its long runways.

2.0 Development Proposal

2.1 Fractional Ownership

Existing buildings will be refurbished and sold under our Fractional Ownership Strategy.

You may be familiar with fractional ownership. Up until recently, we have seen it being employed with yachts and jets. Now, this concept is moving into real estate. Currently the Four Seasons, Ritz-Carlton and properties all over are offering Fractional Ownership Programs. None though are giving realtors or brokers the 6% commission on the sales in exchange for leads.

As an example several resorts offer 1/12th ownership opportunities per property. What that means, is for a one-time price plus a maintenance fee, a person can acquire 4 weeks at a time at one of the properties.

This is marketed to the consumer:

1. who is accustomed to world-class accommodations,
2. does not live here year round,
3. but would like to have a vacation home,
4. Yet only pay for the time he/she uses.

It is also being marketed to Corporations as a Retreat and alternative to pricey hotel rooms.

2.2 Existing Buildings

2.3 Four Unit Motel

We will refurbish the Units and sell them as part of our Fractional Ownership Strategy.

The Cost to refurbish each unit will be approximately \$100,000 each Unit.

Sales Figures for Motel Unit

$$4 \text{ Units} \times \$30,000 \times 10 \text{ (Individual Owners per Motel)} = \$1,200,000$$

2.4 One Bedroom Cottages- 3 Units

We will refurbish the Units and sell them as part of our Fractional Ownership Strategy.

The cost to refurbish each unit will be approximately \$100,000 each Unit.

Sales Figures for 1 Bedroom Cottages

$$3 \text{ Units} \times \$40,000 \times 10 \text{ (Individual Owners per Motel)} = \$1,200,000$$

2.5 Two Bedroom Cottages - 3 Units

We will refurbish the Units and sell them as part of our Fractional Ownership Strategy.

The cost to refurbish each unit will be approximately \$120,000 each Unit.

Sales Figures for 2 Bedroom Cottages

$$3 \text{ Units} \times \$60,000 \times 10 \text{ (Individual Owners per Motel)} = \$1,800,000$$

2.6 Three Bedroom Cottages – 6 Units

We will refurbish the Units and sell them as part of our Fractional Ownership Strategy.

The cost to refurbish each unit will be approximately \$135,000 each Unit.

Sales Figures for 3 Bedroom Cottages

$$6 \text{ Units} \times \$80,000 \times 10 \text{ (Individual Owners per Motel)} = \$4,800,000$$

2.7 5 Bedroom Cottages – 2 Units

We will refurbish the Units and sell them as part of our Fractional Ownership Strategy.

The cost to refurbish each unit will be approximately \$160,000 each Unit.

Sales Figures for 3 Bedroom Cottages

$$2 \text{ Units} \times \$90,000 \times 10 \text{ (Individual Owners per Motel)} = \$1,800,000$$

2.8 Phase 1 (Two Storey Log Home Development)

In the first phase we will develop two storey Structures designed as Victorian Style Log Homes with triangular roof tops, glass windows overlooking the falls. The back of the houses will be facing the waterfront with a deck and sliding doors leading to the sandy beaches. Also another unique feature is to keep some of the

original forest trees circulating each structure making it look like the cottage is surrounded by trees. The cottages will be approximately 2,200 Square feet. We will build 25 of these structures along the waterfront. At the front of the cottages we will build a service road where cottage owners can drive into their cottages. We will sell these as Fractional Ownership as the market seems to be doing well in Muskoka with Fractional Sales.

Sales Figures for Phase 1

25 Cottages X \$150,000 X 10 (Individual Owners per cottage) = \$37,500,000 Revenues from Phase 1

Estimated Construction Costs Per Unit

The estimated Costs per Unit will be estimated based on the average costs per Square feet in Ontario Construction. (<http://www.2ontario.com/facts/fact10.asp>)

\$200 Per Square Feet is the total Construction Costs.

\$200 X 2,200 X 25 = \$11,000,000 Total Interior/Exterior Construction Costs for Phase 1.

2.9 Phase 2 (5 Storey Cottage-Style Condos)

In the Second Phase we will build behind the developed two-storey structures across the Service Road, 3 Cottage-Style Condos and 2 Cottage-Style 5-Star Hotels overlooking the falls and waterfront. These Buildings will be modern Style Glass Buildings with a terrace for every unit. All Units will be two bedrooms in the Condo Buildings, Main Ensuite Washroom, open-kitchen concept (Loft Style), state-of-the-art Security System, etc, One Elevator per

building with the option of taking the stairs. Each unit will be approximately 1,500 square feet area. In the building we will have a Laundry Facility, 24-hour Security on the properties. We will have outdoor parking connecting with all 5 buildings. Also, we will have storage facilities in the basement for extra items to be stored. Each floor will be approximately 10,000 Square feet including the basement, which gives us a total of approximately 60,000 square feet. The 3 Cottage-Style Condos will be sold on a Fractional basis and the 2 Cottage-Style Hotels will be individually owned and the owner can use it 9 weeks out of the year for personal use and the rest of the time it will be used as a Hotel and 50% of the profits go to the owner and 50% of the profits go to our company which we split with the 5-Star Hotel chain. The Owner of the Suite will have the full Title and Deed for his or her Suite. We are looking to Partner up with a well-known 5-Star Hotel Chain such as Four Seasons or Fairmont Resorts to White Label the Hotels under their name. Also we will ask the Hotel Chain to manage or White Label the Banquet/Convention Centre and 5-Star Restaurant as well.

Sales Figures for Phase 2

Cottage-Style Condo

25 Units per Building X \$75,000 per Share X 10 (Individual Owners per Unit) = \$18,750,000 X 3 Buildings = \$56,250,000 of Total Revenue from Phase Two.

Cottage-Style 5-Star Hotel

The Style will remain the same as the Cottage-Style Condo except the Floor Plans will be different as well as the rooms.

Each floor is typically 10,000 Square feet in total but the space for the rooms will be approx 8,000 Square feet. The breakdowns are as follows for each floor.

- 1) 5 Studios at 500 Square Feet per floor price starting at \$279,000 per Unit
- 2) 4-1 Bedroom Suites 700 Square Feet per floor price starting at \$399,000 per Unit
- 3) 3-Premier 1 Bedroom 900 Square Feet per floor price starting at \$499,000 per Unit

Studios Revenue Calculation

$$5 \text{ (Studios per floor)} \times 5 \text{ (Story's)} \times 2 \text{ (Buildings)} \times \$279,000 = \$13,950,000$$

1 Bedroom Suites Revenue Calculation

$$4 \text{ (1 Bedrooms per floor)} \times 5 \text{ (Story's)} \times 2 \text{ (Buildings)} \times \$399,000 = \$15,960,000$$

Premier 1 Bedroom Suites Revenue Calculation

$$3 \text{ (Premier 1 Bedrooms per floor)} \times 5 \text{ (Story's)} \times 2 \text{ (Buildings)} \times \$499,000 = \$14,970,000$$

Total Revenue from Hotel Development

$$\$13,950,000 + \$15,960,000 + \$14,970,000 = \$44,880,000$$

Total Revenue (Hotel)

Estimated Construction Costs Per Unit

The estimated Costs per Unit will be estimated based on the average costs per Square feet in Ontario Construction. (<http://www.2ontario.com/facts/fact10.asp>)

\$200 Per Square Feet is the total Interior/Exterior Construction Costs.

\$200 per Square Feet X 60,000 total Square feet per Building X 5 Buildings = \$60,000,000

2.10 Convention/Banquet Centre, 5-Star Restaurant

As a part of our overall strategy to make this property more attractive is to have Banquet, Convention facilities including a 5-star Restaurant. This will be a 20,000 Square foot Victorian Log Style Building. The idea is to position this particular building in the area where the falls are best viewed. We will have that portion of the building with large Glass structures overseeing the falls. A portion of the view will be for the restaurant and the other portion for the Banquet/Convention facilities. Our first goal is to partner up with a Five-Star Restaurant/Banquet Chain that will be interested in leasing this building our franchising their name to us. This could be a Four Seasons, or Fairmont Resorts Brand as an example. We can hold Weddings, Corporate Parties, Annual Meetings, Christmas Parties, Special Events, Engagements, Celebrations, Political Parties, Birthdays, and the list goes on. Knowing the uniqueness of the property and the beautiful view I feel we have a big demand in the marketplace catering to the high valued target market. We can also target the Mid Income Markets as well, especially for weddings. The second portion is the 5-Star Restaurant. We can provide affordable

Fine Dining with great food, a Beautiful atmosphere with exceptional service. If we want to take this further we can turn this into a Club. Also in this facility we will have a Spa with a whirlpool for relaxation purposes. Also we will put an athletic club for working out. One of the rooms in this building will be a game room with Billiards, Video Games, and all types of games. We are open for ideas that can make this a profitable venue.

Sales Figures

We cannot provide this information in this proposal, as this is a Land Acquisition Proposition. Further research will enable us to get more facts, which will show the estimated projections of sales for the Banquet/Convention Centre/5-Star Restaurant.

Estimated Construction Costs for Banquet/Restaurant Facility

The estimated Costs per Unit will be estimated based on the average costs per Square feet in Ontario Construction. (<http://www.2ontario.com/facts/fact10.asp>)

\$200 Per Square Feet is the total Interior/Exterior Construction Costs

\$200 per Square Feet X 20,000 (Total Square Footage of Facility) = \$4,000,000 Total

2.11 Landscaping Fees

The average cost for Landscaping per Acre will be calculated at \$6,250 per Acre.

$\$6,250 \times 33 = \$206,250$ Total Landscaping Fees. Round it to
\$250,000

2.12 Marina Fees

We are looking at developing a Marina for Cottage owners to park their boats and also we will have Boat Rentals as well. We are estimating the Construction cost of the Marina to be approx. \$500,000.

2.13 Furniture

Phase 1

Each Cottage will have \$20,000 Worth of Furniture.

$\$20,000 \times 25 = \$500,000$

Phase 2

Each Unit will have \$10,000 Worth of Furniture.

$195 \text{ Units in Total Hotel/Condo} \times \$10,000 = \$1,950,000$

Convention Centre – Restaurant

We will have a Total of \$1,500,000 worth of Equipment and Furniture in the Convention Centre.

Total Furniture Costs

\$3,950,000

3.0 Management & Corporate Structure

3.1 Proposed Board of Directors

- 1.) Gus G. Lazopoulos – Chairman & CEO – Knight Property Group Ltd.
- 2.) Gordon R. Sharwood – Honorary Chairman – Spire Sharwood Financial Inc.
- 3.) Brian Coldin – Chief Marketing Officer & General Resort Manager – Knight Property Group Ltd. (Also a Major Preferred Shareholder of Knight Property Group)
- 4.) Hiroo Thadaney – President – Knight Property Group Ltd.
- 5.) Noor Poonawala – Vice President of Structures & Designs – Knight Property Group Ltd.
- 6.) Harry Stinson – Chairman & CEO – Stinson Properties Inc. (I would like to form a strategic alliance with Harry to work together as a joint venture on future projects and to possibly have him come on board as an Investor.)

I would like to add 1 more directors, which makes it an uneven number in voting situations. These potential directors are either Investors to Knight Property Group Ltd. or have many years experience in the Real Estate Development Industry, which will add value to the Credibility of Knight Property Group Ltd.

3.2 Proposed Management Team

- 1.) Gus G. Lazopoulos – Chairman & Chief Executive Officer
- 2.) Hiroo Thadaney – President & Chief Operating Officer
- 3.) George Vlastakis – Chief Financial Officer, Purchasing & Construction Manager

- 4.) Brian Coldin – Chief Marketing Officer & General Resort Manager
- 5.) Noor Poonawala – Vice President of Structures & Designs

3.3 Share Structure Proposal

Preferred Shares

In Exchange for the Land Knight Property Group Ltd. will issue Preferred Shares to the current resort owner of High Falls Resorts with a Par value of \$3,500,000. With the Share exchange from Brian Coldin, Knight Property Group Ltd. will then Acquire fully the High Falls Resort Property located at 50 Brodie Cres., R.R. #2, Bracebridge, Ontario P1L 1W9.

Common Shares

This is a proposition and can be amended at anytime before a final decision has been made.

- 1) Gus G. Lazopoulos – (Negotiable) of Common Shares in Knight Property Group Ltd
- 2) Hiroo Thadaney – (Negotiable) of Common Shares in Knight Property Group Ltd.
- 3) George Vlastakis – (Negotiable) of Common Shares in Knight Property Group Ltd.
- 4) Lin & Gordon Sharwood – (Negotiable) of Common Shares in Knight Property Group Ltd.
- 5) Noor Poonawala – (Negotiable) of Common Shares in Knight Property Group Ltd.

3.4 Management of Resort After Construction

Once we have completed Construction and sold off most of the units we will partner up with the Cranberry Resort to manage the Day-To-Day operations of the High Falls Resort.

4.0 Financing Strategy

4.1 Land Acquisition Financing Strategy

The current Market value of the property is approximately \$4.5 Million. The current owner of the property is willing to sell the Land to our company at \$3.5 Million with him holding a 25% interest in the developments. Our offer to Mr. Brian Coldin is to offer Preferred Shares with a Par value of \$4.5 Million in our Corporation “Knight Property Group Ltd.” in exchange for the ownership of the property located at 50 Brodie Cres., R.R. #2, Bracebridge, Ontario P1L 1W9. The title of the property will then be transferred over to Knight Property Group Ltd.

4.2 Return on Investment for Preferred Shareholder (Brian Coldin)

We will breakdown the ROI for Capital Invested in this Case it's the Land valued at \$4.5 Million Dollars:

Capital Invested: \$4,500,000 (Worth of Property)

Total estimated Capital Required to Completed entire project:
\$105,173,700

Percentage of Capital invested over total expense of Project: 4.3%

Total Estimated Profit after entire project is completed: \$44,256,300

Profit Sharing Percentage for Preferred Shareholder: 4.3% + 20.7% (Bonus) = 25% total profits to be distributed to the Preferred Shareholder (Brian Coldin) once the project is completed

Profit for Preferred Shareholder (Brian Coldin): \$11,064,075

ROI: Approx 246% Return on Investment

4.3 Working Capital and Pre-Construction Costs

Using the property as collateral we would establish a Line of Credit Facility in the range between \$1,200,000 to \$2,000,000. This line of credit will cover any pre-constructions costs including Building Permit Fees, Architecture fees, Consultant Fees, Structural Engineering Fees, Legal and Accounting Fees, and Marketing to start selling Phase 1 Prior to Construction. If setting up a Line of Credit is not an option we will then find a private Investor or Angel Capital to invest in the company in exchange for Shares, Common or Preferred.

4.4 Private Lot's Acquisition Proposal

There are currently 3 Private properties that are for sale on the High Falls Land, which we can integrate into the development plan.

Property One:	\$300,000
Property Two:	\$180,000
Property Three:	<u>\$390,000</u>
Total:	\$870,000

We can issue another set of Preferred Shares with a Par Value of \$1,000,000, which we can use to acquire the three private lots. The Investor will inject \$870,000 to acquire these lots in exchange for preferred shares.

4.5 Phase 1 Construction Financing

In order to obtain construction Financing we will have to Pre-Sell Approximately 75 Shares (75 actual Customers to participate in the Fractional Ownership Program) which is a total of 7½ Cottages. We will have to sell at Least 30% of Phase one before we begin Construction which will give us Sales of \$150,000 X 75 = \$11,250,000. The Cost of Construction for this Phase is \$11,000,000. We can take the Receivables from the Pre-Sales and obtain a Construction Loan from a Chartered Bank Specializing in Development Loans. If a Chartered Bank in Canada is not an option we will seek financing in a Foreign Country such as China where Investors or Financers has a great Interest to invest or Finance Construction Projects.

4.6 Phase 2 Construction Financing

Once Phase one Construction is completed and the Phase is completely sold out we will begin to market Phase 2. We will use the same Financing principle as above to finance Phase 2.

Cottage Style Condo

The Total Cost to construct the Three out of Five Low-Rise Buildings, which will be used as Cottage-Style Condos, will cost approximately \$36,000,000. Before we begin Construction we will have to sell out 64% of the Beach-Style Condo Phase, which is a total of 480 Shares (480 actual customers to participate in the Fractional Ownership Program), which is a total of 48 Units out of the 75 Units available.

Cottage Style 5-Star Hotels

The Total Cost to construct the Two out of Five Low-Rise Buildings, which will be used as Cottage Style 5-Star Hotel will Cost Approximately \$24,000,000. Before we can begin Construction we will have to sell out 54% of the Rooms in the Hotel, which in dollar value accounts for approximately \$24,235,200, which is more than enough to begin construction.

4.7 Banquet/Convention Centre & 5-Star Restaurant Financing

As we finish building Phase 2 and we will use the profits made from both Phases and provide in-house financing to construct the 20,000 Square Foot Victorian Style Log building, which will be used as a Banquet/Convention Centre and a 5-Star Restaurant. The cost of Construction will be approximately \$4,000,000.

5.0 Land Information

5.1 Zoning of Property

The subject property is approximately 30 acres with 3.5 acres zoned Tourist Commercial Special-6 (CT-6) and the remainder of the property is zoned Tourist Commercial (CT). Tourist Commercial (CT) zone permits the following uses:

Drive-In Restaurant	Eating Establishment	Hotel
Marina	Hotel	Motel, Housekeeping
Motor Vehicle Gas Bar	Motor Vehicle Service Station	Outside Display and Sales, as an accessory use
Retail Commercial Establishment, as an accessory Use	Seasonal Camp	Tourist Park or Camp
Tourist Establishment	Tourist Home	One Single Family dwelling, only to be used by the owner or employee

5.2 Appraisal of the Property

The appraised value of the property located at 50 Brodie Cres., R.R. #2, Bracebridge, Ontario P1L 1W9, as of November 4, 2004 has been appraised for \$2,650,000. The Appraisal for this property was done by K.S. Orthner Appraisals located at 133 Highway 60, Huntsville, Ontario P1H 1C2, Phone, (705) 788-0680 Fax, (705) 788-0681. E-mail: orthner@vianet.on.ca

5.3 Environmental Site Assessment Report

If requested there is a Phase 1 Environmental Site Assessment Report available for anyone who wants to further investigate. The report was conducted on December 1999 by Geo-Logic Inc., Geotechnical Engineers and Hydrogeologists located at 347 Pido Road Unit 29, P.O. Box 694, Peterborough, Ontario K9J 6Z8.

Tel. (705) 749-3317 Fax. (705) 749-9248, E-mail:
geologic@kawartha.com

6.0 Competition

6.1 Red Leaves Lake Rosseau, Muskoka (Hotel Project Comparison only)

The Red Leaves Resort is an existing project, which I will compare with our two Hotel Complexes, which we will develop. They do not do any form of Fractional Deals but they sell each unit to an Individual Investor where they hold ownership of the unit 100%. Rather than Fractional Ownership. The Investor has the option of using the resort up to 9 Weeks out of the entire year. The Rest of the Time the Unit is used as a Hotel and the Resort and Investor Split the Total Profits 50% for the resort and 50% for the Owner after all expenses has been met. JW Marriot Hotel is the 5-Star Brand that is behind the Hotel project. The building has a total of 4 Story's Victorian Style with a Conference Facility and Spa. Here is a Price Breakdown of their Rooms for Sale:

- 1.) Studio – Approx. 464 Square Feet Start at \$299,000
- 2.) 1 Bedroom – Approx. 714 Square Feet Start at \$454,900
- 3.) Premier 1 Bedroom – Approx. 900 Square Feet Start \$529,900

For more information on this Competitor please visit the website
www.redleavesmuskoka.com

6.2 The Muskokan Resort Club on Lake Joseph (Fractional Ownership Comparison)

The Muskokan Resort Club is a perfect example for our Fractional Ownership Program. They are developing 35 Cottages on the waterfront using a 10 Share per Cottage ownership program similar to ours. These cottages are 1,700 Square feet each and go for \$120,000 per Share. This resort also has a Tennis Club, Theatre, Kitchen, Billiards and a Boat House to park your boats. For more information on them go to their website at www.muskokanclub.com

6.3 Competitive Advantage

High Falls is situated at the Ramp of Highway #11 and #118, which takes you directly into the Greater Toronto area in approx 90 Minutes. Also High Falls has a 2000 Feet Beach with 4 Water Falls, which gives it a more beautiful view and will attract more tourists from the south. These features give us a far better competitive advantage than the other competitors because of the waterfalls and also the 33-acre property has a Blanket Commercial Zoning. Our Prices also fall within our Competitors Range.

7.0 Bracebridge Demographics

7.1 Town of Bracebridge Community Profile

The Bracebridge area is growing at an accelerating rate. The Town of Bracebridge's 1996 population was 13,223 according to Statistics Canada, with an additional seasonal population of approximately 10,000. Between 1971 and 1991, the population of Bracebridge increased 85.3%, the largest growth rate of any of the municipalities located in Muskoka. Bracebridge has historically been a community with urban and rural areas that cater to people who wish to live in a small community or in a rural environment close to basic urban services. It offers its citizens a large manufacturing and retail base and diversified social, recreational and cultural resources.

Source: Ontario Explorer, 2001

7.2 STATISTICS:

<i>Population:</i>	13,751 Permanent (2001 Census) 9,320 Seasonal (1997 Ministry of Revenue)
<i>Population Density:</i>	23 per square Kilometre
<i>Income:</i>	Average Census Family Income: \$59,911 (Highest in the District of Muskoka)
<i>Latitude:</i>	45 Degrees
<i>Longitude:</i>	79 Degrees
<i>Elevation:</i>	750 to 900 feet above sea level
<i>Geographic Size:</i>	Land in Square Kilometres – 632.9
<i>Access:</i>	Major– Provincial Highway #11

Secondary- District Highways #118 and #117
Muskoka Airport
CN Railway

Topography: Located on the Canadian Shield, the physical terrain is varied with rock outcrops and soil pockets of varying depths, soil types, topography, degrees of soil drainage and watertable elevations. Topography of rolling hills, rivers and waterfalls, forest cover, pockets of agricultural soils and associated habitats are all part of Bracebridge's character. Major Rivers North and South Branch of the Muskoka River & Lakes: Lake Muskoka
Numerous small lakes and streams.

Agricultural Lands: Agricultural land is limited and generally Class 4 and 5, limited by stoniness and topography.

Temperatures: Average 19 degrees Celsius in July
Average -10 degrees Celsius in January

Average Rainfall: Mean average rainfall is 710mm

Average Snowfall: Winter average annual snowfall is 255 cm

Frost Free: Average 113 days frost free days per year

7.3 Population – Bracebridge & the District of Muskoka

Municipality	Permanent Population 1996	Permanent Population 2001	Population % Change	Permanent Dwellings 2001	Seasonal Dwellings 2001	Land Area Km ²
Bracebridge	13,223	13,751	4.00%	4,770	2,062	623.09
Georgian Bay	2,230	1,991	-10.70%	932	4,427	607.2
Gravenhurst	10,030	10,899	8.70%	3,586	3,114	524.06
Huntsville	15,918	17,338	8.90%	5,982	1,791	700.9
Lake of Bays	2,850	2,900	1.80%	1,309	3,252	699.33
Muskoka Lakes	6,061	6,042	-0.30%	2,733	6,981	830.79
District	50,312	53,106	5.60%	19,312	21,627	3,994.37

Source: Statistics Canada, Census 1996, 2001, District of Muskoka Assessment Information 2001

7.4 Permanent Populations & Projections – Bracebridge & The District of Muskoka

	1996 (a)	2001 (a)	2006 (Projected)	2011 (Projected)	2021(b) (Projected)
Bracebridge	13223	13751	14380	15070	15321
Georgian Bay (c)	2230	2176	2176	2177	2177
Gravenhurst	10030	10899	11248	11662	11811
Huntsville	15918	17338	18268	19398	19813
Lake of Bays	2850	2900	2946	3000	3020
Muskoka Lakes	6061	6042	6275	6529	6620
Muskoka	50312	53106	55293	57836	58762

Source: District of Muskoka, Population Projections (Marshal, Macklin & Manahan, 2004)

7.5 Permanent & Seasonal Populations – Bracebridge and the District of Muskoka

	Permanent Population 2001	Seasonal Population 2001	Total
Bracebridge	13,751	10,104	23,855
Georgian bay	1,991	21,692	23,683
Gravenhurst	10,899	15,259	26,158
Huntsville	17,338	8,776	26,114
Lake of Bays	2,900	15,935	18,835
Muskoka Lakes	6,042	34,207	40,249
District	53,106	105,972	159,078

Source: Statistics Canada, Census 2001, District of Muskoka Assessment Information 2001

7.6 Population By Age – Bracebridge

	1991	% Share 1991	1996	% Share 1996	2001	% Share 2001
Age 14 and Under:	2,575	20.92	2,655	20.08	2,470	17.98
Age 15-24:	1,515	12.31	1,590	12.02	1,745	12.70
Age 25-44:	3,735	30.35	3,715	28.09	3,575	26.02
Age 45-64:	2,570	20.88	3,110	23.52	3,665	26.67
Age 65-74:	1,110	9.02	1,190	9	1,255	9.13
Age 75 and Over:	805	6.54	950	7.18	1,030	7.50
Total	12,310	100	13,210	100	13,740	100.00

Source 1996, 2001 Census

7.7 Population Characteristics – Bracebridge

	Bracebridge		
	Total	Male	Female
Median age of the population	41.1	40.1	42.2
% of the population ages 15 and over	82.0	80.8	83.2

Source: Statistics Canada, Census of Population 2001

7.8 Family Characteristics

Selected Family Characteristics		2001
Total number of families		4,050
Number of married-couple families		3,075
Average number of persons in married-couple families		3.0
Number of common-law couple families		465
Average number of persons in common-law-couple families		2.9
Number of lone-parent families		510
Average number of persons in lone-parent families		2.6
Number of female lone-parent families		400
Average number of persons in female lone-parent families (12)		2.6
Number of male lone-parent families		105
Average number of persons in male lone-parent families		2.5
Selected Household Characteristics		
Households containing a couple (married or common-law) with children		1,640
Households containing a couple (married or common-law) without children		1,825
One-person households		1,155
Other household types		670
Selected Occupied Private Dwelling Characteristics		
Total number of dwellings		5,290
Number of owned dwellings		4,175
Number of rented dwellings		1,115
Number of dwellings constructed before 1991		4,410
Number of dwellings constructed between 1991 and 2001		875

Source: Statistics Canada, Census 2001

7.9 Summary of Vacant Residential Lots

	Waterfront				Rural				Community				Total
	Reg.	In Circ	Draft App	Total	Reg.	In Circ	Draft App	Total	Reg.	In Circ	Draft App	Total	
Bracebridge	930	0	10	940	1423	38	7	1468	477	0	629	1106	3514
District	4885	30	306	5281	7888	655	243	8786	2133	813	2214	5160	19167

Source: District of Muskoka, Demographics and Growth Report, 1998

7.10 Housing Projections

	1997-2001	2002-2006	2007-2011	2012-2016	Total
Bracebridge	766	1236	926	1603	4531
Urban Area	709	1149	861	1491	
Rural/Waterfront/Community	57	87	65	112	
District	2116	3331	2431	4157	11900

Source: Marshall, Macklin, Monaghan, 1996-2016 Population Projections, December 1997

7.11 RECREATION

The natural amenities of the scenic lands in Bracebridge lend themselves to golf courses, cross-country ski facilities, mountain bike trails, snowmobile trails, river routes, nature trails and pathways. The Town continues to work towards a network of pedestrian and bicycle paths, neighborhood parks, schoolyards, downtown and water front parks and regional significant open space corridors.

Trails located to Town provide high recreational and scenic value and appreciation of nature to residents and visitors.

Hiking, Cross Country Skiing and Mountain Bike Trails:

South Monck Trail: The 7.5 kilometre South Monck trail acts as a snowmobile trail during the winter months and a hiking and challenging mountain biking trail for the remainder of the year.

Wilson's Falls Trail: The Wilson's Falls Trail is a shorter trail than South Monck. It follows the North Branch of the Muskoka River through the wooded portion of its eastern bank to Wilson's fall. The Strawberry Bay Point Trail was recently opened offering a spectacular view of Lake Muskoka.

Bracebridge Resources Management Centre

The town also maintains 8.5 km of Cross Country Skiing and walking trails at the Resource Management centre located on Highway # 11, 2 km north of Highway # 117.

Snowmobile Trails: Aside from the Monck trail, there is a larger network of snowmobile trails around Bracebridge. There are 2,200 kilometres of groomed snowmobile trails operated and maintained by local snowmobile clubs within the Muskoka Snowmobile Region associated with the Ontario Federation of Snowmobile Clubs. Local Clubs: Happy Wanderers and Muskoka Sno-Bombers.

Canoe Routes: A canoe route located along the South Branch of the Muskoka River incorporates 11 portages over approximately 42 kilometres of watercourse as it makes its way from Baysville to Bracebridge. The North Branch of the Muskoka River has stronger current, but can be canoed over its approximately 47 kilometres of watercourse as it moves downstream from Huntsville to Bracebridge via Mary Lake. Portages and access points are located along the way for both branches of the Muskoka River.

Water Oriented: There is greater recreational use of the Muskoka River downstream of the Bracebridge Falls. The River can be navigated by power boats from Lake Muskoka up the Muskoka River to Bracebridge Bay below the fall. The local rowing club also makes use of this stretch of river. Bracebridge Bay is a focal point for recreation, with walking trails and swimming opportunities.

In all there are over 1,600 lakes of all sizes in Muskoka that offer varying degrees of recreational opportunities.

Santa's Village and Sportsland: The spirit of Christmas returns to Bracebridge in June each year with the opening of Santa's Village and Sportsland. All summer long visitors are delighted by the excellent facilities at this popular theme park making it one of Muskoka's favorite attractions for more than 40 years.

There's something for everyone, from batting cages and go-carts, riders, reindeer, sightseeing, boats, Whispering Pines Camping and trailer Park, and of course, Santa himself. Santa's Village: Phone: 1-705-645-2512

Bracebridge Culture and Recreation Department:

A wide variety of community leisure activities, programs and services are offered through the Bracebridge Culture and recreation Department. Programs for adults, children and pre-schoolers are

available. Courses and programs include Country Line Dancing, Tai Chi, Aquatics, Skating, Cross Country Skiing, Summer camp programs and hockey camps.

Other facilities managed by the department available for rent and use by the public include:

Centennial Centre: Auditorium (408 person capacity), Aqua Lounge, 25 metre indoor Swimming Pool with viewing area.

Jubilee Park: 3 Ball Diamonds, Playground, basketball court, volleyball court, Farmer's Market every Saturday from June to October.

Located beside the Centennial Centre Memorial Arena: Auditorium (150 person capacity), Conference Room, Arena ice with seating for 1,400.

Kerr Park: Chalet (closed in winter months), Tennis Courts, and Ball

Diamonds

Kelvin Grove Park: Lighted Tennis Courts, Public Boat Launch, and swimming beach

Annie Williams: Barbecue Pits, picnic tables, washrooms, swimming area
Bracebridge Cult. & Rec. Dept. Phone: 1-705-645-3037

Beaches: Several Public beaches are available for public enjoyment.

Bowyer's Beach: Located on Lake Muskoka with a sandy swimming area, picnic tables, and washrooms. A privately owned boat launch is nearby.

Kirby's Beach: Located on Lake Muskoka with a sandy swimming area, picnic tables, playground and washrooms.

Bay Park: 2 acres on the Muskoka River located in the centre of Town. Facilities

located at this site include a beach, parking area, boat dock, access to walking trails and the historic hydropower generating station.

Muskoka Falls Beach: Located on the south branch of the Muskoka River just above South Falls power plant with a sandy beach, swimming dock, grassed area and washrooms.

Prospect Lake Beach: Located west of Bracebridge, at the end of Prospect Lake Road

8.0 Tourism Profile For Muskoka Region

8.1 Total Person Visits by Length of Stay and Main Purpose

Between 1998 and 2003 person visits in Muskoka District Municipality grew by -15%, from 2,586,094 to 2,190,700.

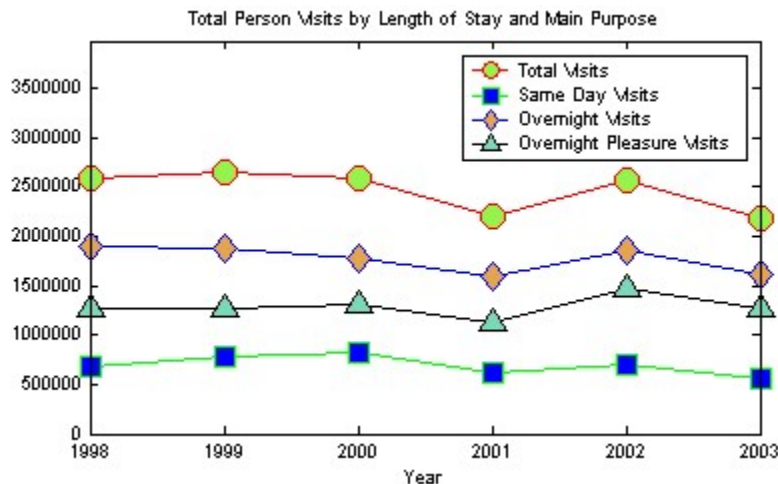


Table 1-1. Total Person Visits by Length of Stay and Main Purpose

Title/Year	1998	1999	2000	2001	2002	2003
Total	2,586,093	2,655,382	2,596,358	2,207,914	2,569,252	2,190,700

Title/Year	1998	1999	2000	2001	2002	2003
Visits						
Same Day Visits	677,348	773,001	817,768	615,282	704,301	566,357
Overnight Visits	1,908,745	1,882,381	1,778,589	1,592,632	1,864,951	1,624,342
Overnight Pleasure Visits	1,274,816	1,279,203	1,320,183	1,119,519	1,479,434	1,269,425
Overnight VFR Visits	493,666	479,890	383,309	386,964	259,100	272,225
Overnight Business Visits	47,468	40,852	26,951	36,718	39,210	26,739
Other Overnight Visits	92,793	82,435	48,144	49,430	87,205	55,952

8.2 Person Visits by Canadians

Between 1998 and 2003 person visits in Muskoka District Municipality by Canadians grew by -15%, from 2,441,117 to 2,072,138.

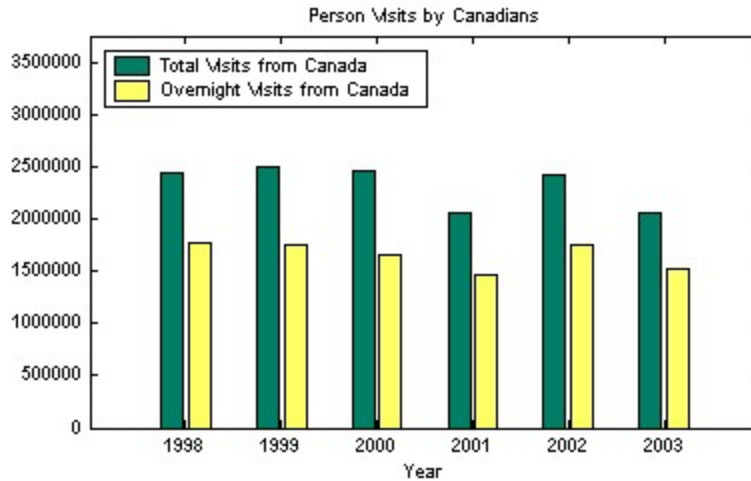


Table 1-2. Person Visits by Canadians

Title/Year	1998	1999	2000	2001	2002	2003
Total Visits from Canada	2,441,116	2,511,134	2,472,615	2,059,341	2,440,033	2,072,137
Overnight Visits from Canada	1,783,933	1,754,364	1,669,123	1,463,424	1,752,094	1,521,158

8.3 Person Visits by Americans

Between 1998 and 2003 person visits by US residents in Muskoka District Municipality grew by -6%, from 92,831 to 87,531.

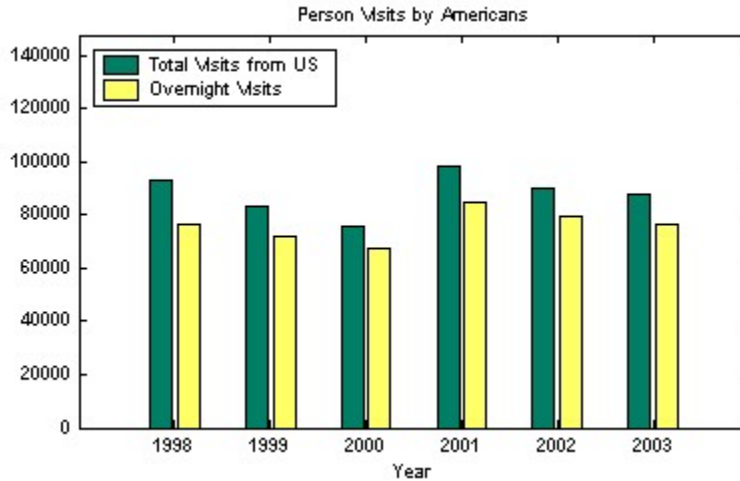


Table 1-3. Person Visits by Americans

Title/Year	1998	1999	2000	2001	2002	2003
Total Visits from US	92,830	83,363	75,774	98,549	89,937	87,530
Overnight Visits	76,416	72,395	67,693	84,525	79,813	76,630

8.4 Person Visits by Residents of Other Countries

Person visits by residents of other countries to Muskoka District Municipality grew by -40%, between 1998 and 2003, from 52,146 to 31,032.

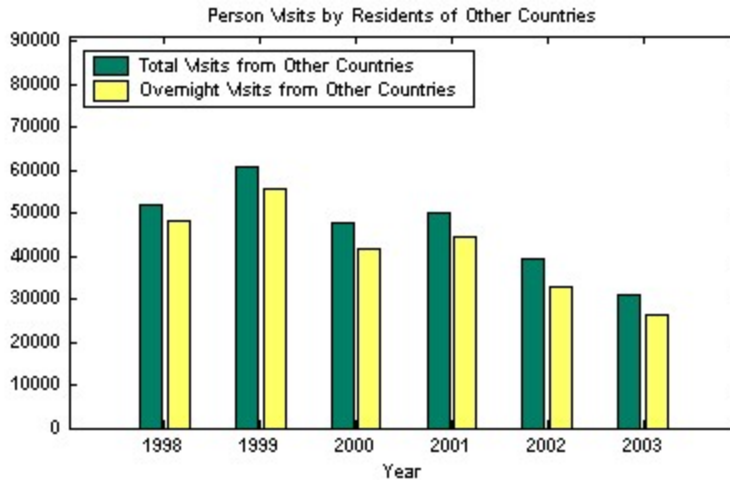


Table 1-4. Person Visits by Residents of Other Countries

Title/Year	1998	1999	2000	2001	2002	2003
Total Visits from Other Countries	52,146	60,884	47,967	50,023	39,281	31,031
Overnight Visits from Other Countries	48,394	55,621	41,773	44,682	33,042	26,553

8.5 Hotel Occupancy Rates and Revenue per Room (Revpar)

Hotel occupancy rates in Muskoka District Municipality grew by (-9%), or from 55% to 50% between 1998 and 2003.

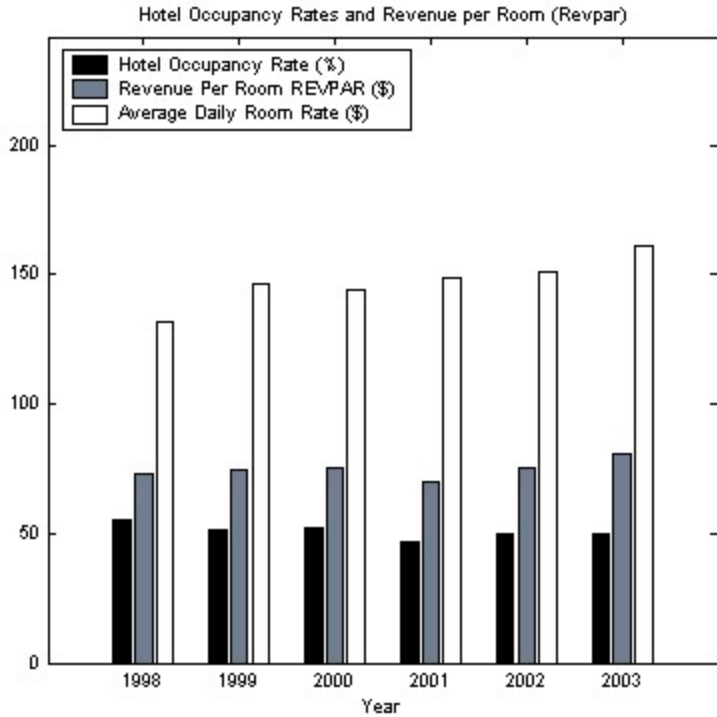


Table 1-5. Hotel Occupancy Rates and Revenue per Room (Revpar)

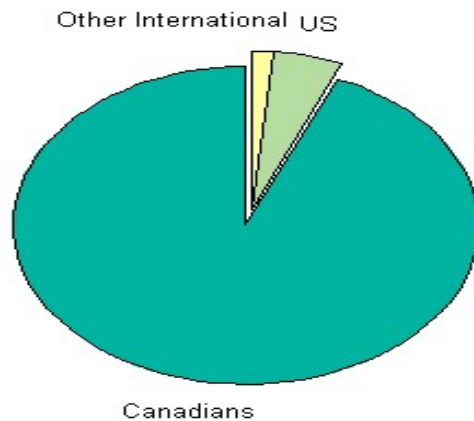
Title/Year	1998	1999	2000	2001	2002	2003
Hotel Occupancy Rate (%)	55	51	52	47	49	50
Revenue Per Room REVPAR (\$)	72	74	74	69	74	80
Average Daily Room Rate (\$)	131	146	143	148	150	161

8.6 Total Visitors

In 2003, 2,190,700 visitors went to Muskoka District Municipality. Of these visitors 1,624,343 or 74% stayed in the area for one plus nights and the balance, 566,358 or 26 %, made a same-day visit to Muskoka District Municipality.

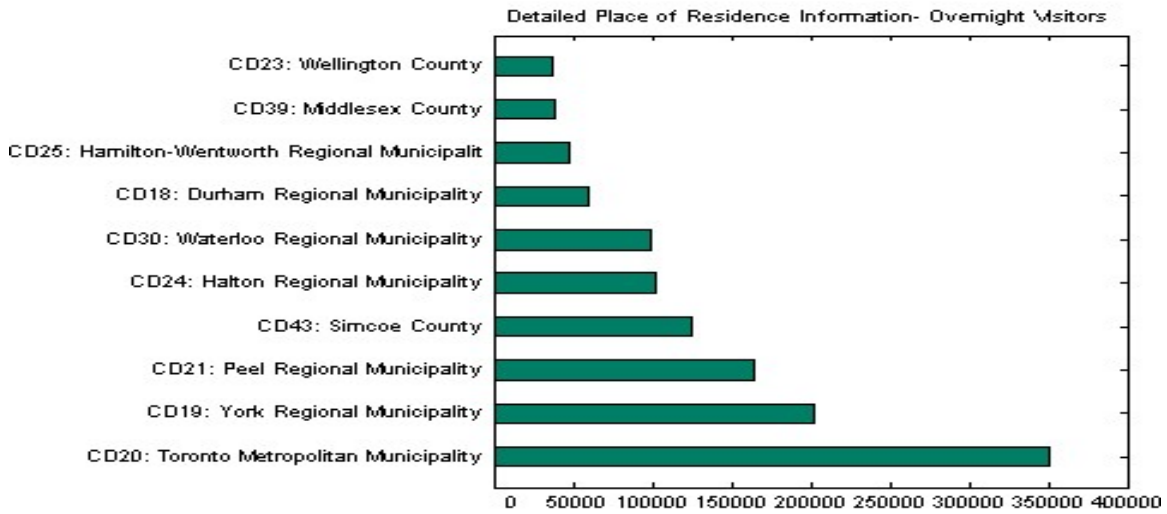
8.7 Overnight Visitors by Origin

Of all overnight visitors to Muskoka District Municipality, 1,521,159 (94%) were Canadians, and 103,184 (6%) were international visitors, including 76,631 (5%) from USA and 26,553 (2%) from other countries.



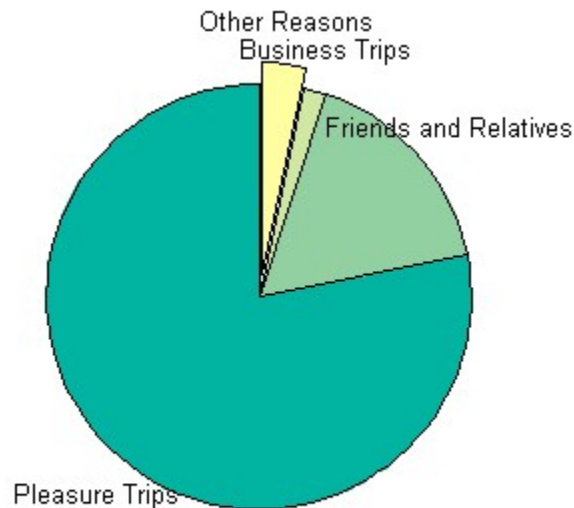
8.8 Detailed Place of Residence Information- Overnight Visitors

The top 10 markets of overnight visitors for Muskoka District Municipality are shown in the chart below. For example, 22% of all overnight visitors to Muskoka District Municipality came from CD20: Toronto Metropolitan Municipality.



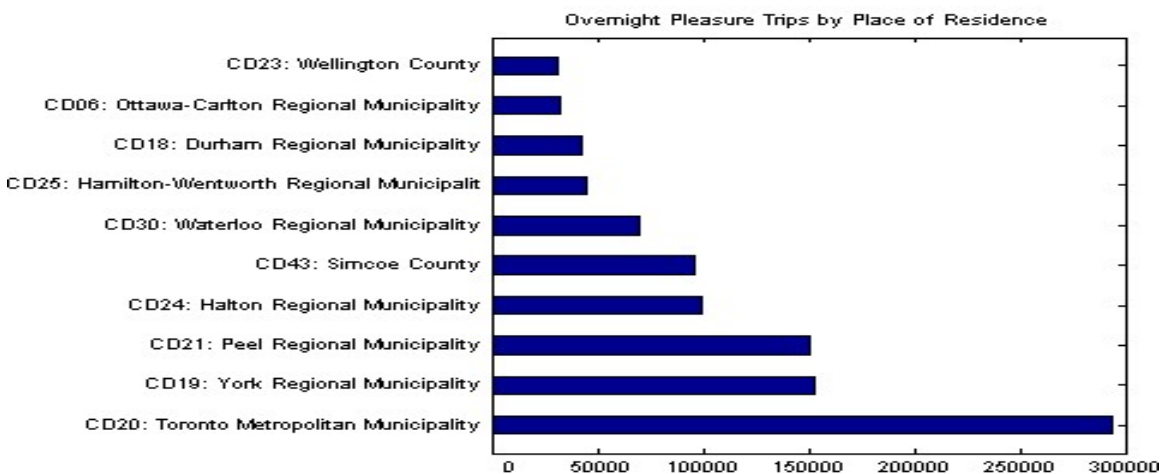
8.9 Main Purpose of Overnight Trip

Of the 1,624,343 overnight visitors to Muskoka District Municipality, 1,269,425 (78%) were on pleasure trips, 272,225 (17%) were traveling to visit friends and relatives, 26,739 (1.6%) were on a business trip and 55,953 (3.4%) were traveling for other reasons.



8.10 Overnight Pleasure Trips by Place of Residence

Visitors on overnight pleasure trips to Muskoka District Municipality came from various Ontario cities, other parts of Canada, USA states and other countries. The chart below shows the top 10 such places. For example, 23% of all overnight pleasure trips to Muskoka District Municipality came from CD20: Toronto Metropolitan Municipality.



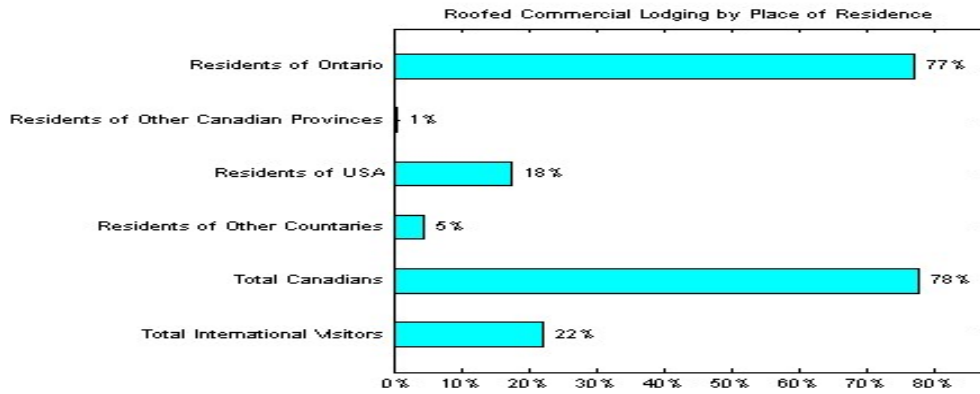
8.11 Lodging/Person Nights

Overnight visitors spent 5,364,124 person nights in Muskoka District Municipality, with 1,193,729 of these nights or 22% spent in roofed commercial lodgings such as hotels, motels, resorts, B&Bs and commercial cottages. 525,566 person nights or 9.8% were spent in local campgrounds or trailer facilities and 3,399,043 person nights or 63% were spent in private homes or private cottages.

8.12 Roofed Commercial Lodging by Place of Residence

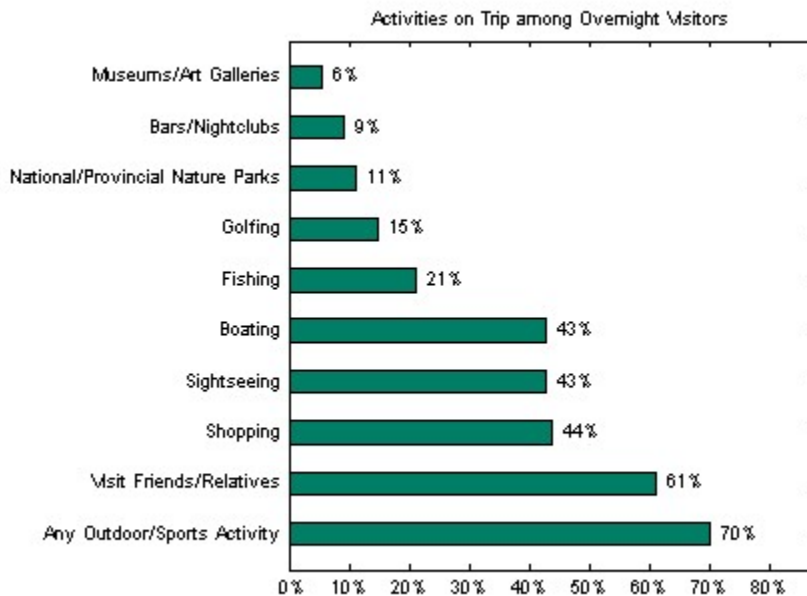
Of the 1,193,729 person nights in roofed commercial lodgings, 77% were spent by residents of the province, 1% was spent by residents

of other Canadian provinces and 22% were spent by international visitors. (18% Americans; 5% Other Countries)



8.13 Activities on Trip among Overnight Visitors

The top 10 trip-activities engaged in by overnight visitors to Muskoka District Municipality are displayed in the chart. For example, Any Outdoor/Sports Activity was an activity that 70% of all overnight visitors to Muskoka District Municipality participated in while on their trip.

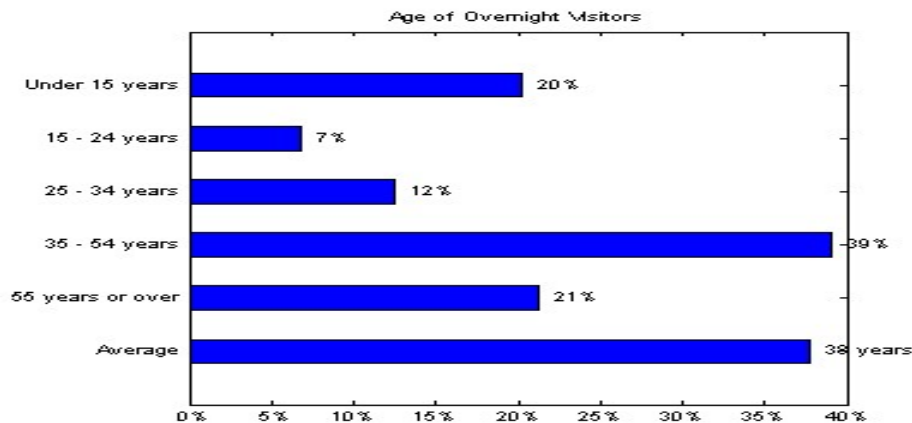


8.14 Travel Party Size

75% of the overnight visitors to Muskoka District Municipality were travelling in adult-only parties and the remaining 24% were travelling with at least one individual fifteen years of age or younger. The average party size for overnight visitors was 2 (including children)

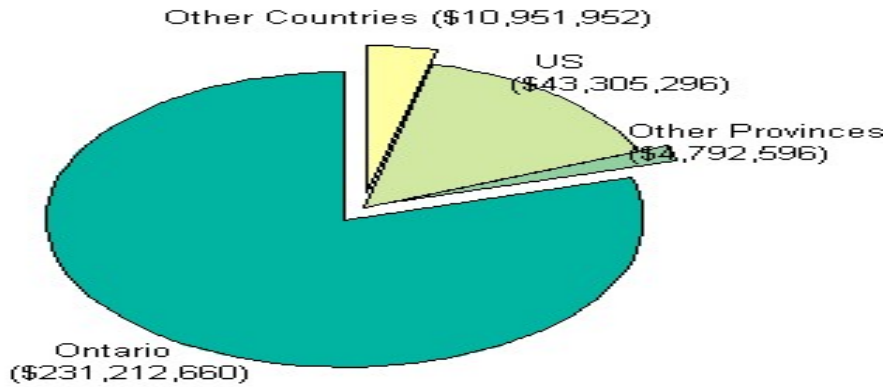
8.15 Age of Overnight Visitors

The average age of overnight visitors to Muskoka District Municipality is approximately 38 years.



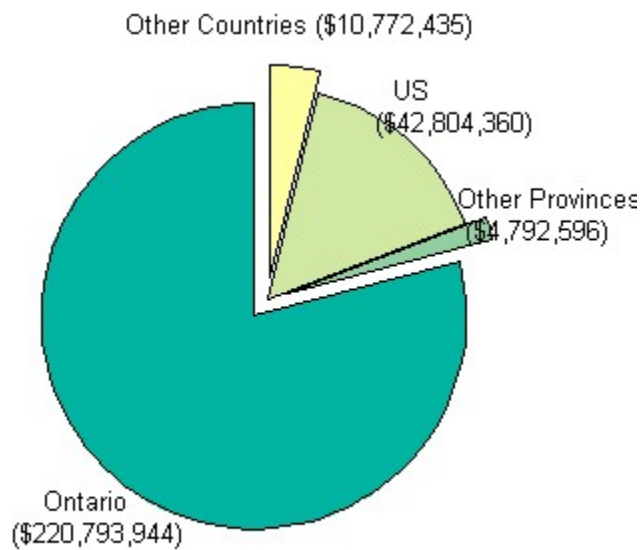
8.16 Spending in Muskoka District Municipality by Visitors

Same-day and overnight visitors spent \$290,262,504 in Muskoka District Municipality on tourism-related expenditures/categories including lodging, food and beverages, transportation, entertainment, and retail during 2003.



8.17 Spending in Muskoka District Municipality by Overnight Visitors

Overnight visitors spent \$279,163,336 in Muskoka District Municipality on all expenditure categories including lodging, food and beverages, transportation, entertainment, and retail during 2003.



8.18 Average Spending in Muskoka District Municipality by Overnight Visitors

The average per person per night spending for overnight visitors to Muskoka District Municipality was about \$58. Overnight visitors from Ontario spent approximately \$54 per person per night in the area; those from USA spent about \$92 per person per night; and those from other countries spent approximately \$58 per person per night.

8.19 The Economic Impact of Visitors Spending in Muskoka District Municipality

The \$290,262,504 in spending by all visitors in Muskoka District Municipality generated \$208,525,000 in direct, indirect and induced contributions to gross domestic product (GDP), \$112,038,000 of labour income and salaries and 3,934 part-time, full-time and seasonal jobs. Total taxes generated as a result of visitor spending in Muskoka District Municipality reached \$106,799,000 in year 2003 including \$6,389,000 in municipal taxes that accrue to Muskoka District Municipality.

Visitors' spending Muskoka District Municipality also generated economic impacts for other parts of the province, as shown in the table below. Together, the impacts retained in Muskoka District Municipality and those that accrue to the other parts of the province, represent the total impacts across Ontario.

Table 3-1. The Economic Impact of Visitors Spending in Muskoka District Municipality

	Impacts retained in Muskoka District Municipality.	Impacts that accrue to other parts of Ontario.	Total impacts of Muskoka District Municipality's visitor spending in Ontario.
	[A]	[B]	[A+B]
GDP (Gross Domestic Product) (\$ 000)			
Direct	147,922	11,198	159,120
Indirect	22,116	23,620	45,736
Induced	38,486	24,975	63,461
Total	208,525	59,793	268,318
Wages and Salaries (\$ 000)			
Direct	77,027	7,579	84,606
Indirect	13,883	14,985	28,869
Induced	21,126	15,021	36,147
Total	112,037	37,585	149,623
Number of Jobs			
Direct	3,174	206	3,381
Indirect	298	313	611
Induced	460	316	777
Total	3,933	836	4,770

	Impacts retained in Muskoka District Municipality.	Impacts that accrue to other parts of Ontario.	Total impacts of Muskoka District Municipality's visitor spending in Ontario.
Taxes (\$ 000)			
Direct	81,434	3,404	84,838
Indirect	6,846	7,262	14,108
Induced	18,518	9,689	28,208
Total	n/a	n/a	127,155
Federal	n/a	n/a	64,309
Provincial	46,906	7,242	54,149
Local	6,388	2,308	8,697

8.20 The Economic Impact of Tourism Receipts in Muskoka District Municipality

Muskoka District Municipality's tourism receipts reached \$319,243,735 in 2003. Tourism receipts consist of visitors spending plus the transportation fares that residents of Muskoka District Municipality paid to Canadian carriers to take trips outside the region. These tourism receipts generated \$224,783,000 of GDP in Muskoka District Municipality, \$121,364,000 in labour income and 4,140 jobs. A total of \$114,610,000 of taxes were generated for all levels of government.

Muskoka District Municipality's tourism receipts also generated impacts in other parts of Ontario as shown in the table below. Together, the impacts retained within Muskoka District Municipality's and those

generated in other parts of Ontario constitute the economic impacts of Muskoka District Municipality tourism receipts for the province of Ontario.

Table 3-2. The Economic Impact of Tourism Receipts in Muskoka District Municipality

	Impacts of tourism receipts retained in Muskoka District Municipality.	Impacts that accrue to other parts of Ontario.	Total impacts of Muskoka District Municipality's tourism receipts in Ontario.
	[A]	[B]	[A+B]
GDP (Gross Domestic Product) (\$ 000)			
Direct	159,113	16,005	175,118
Indirect	23,983	27,245	51,228
Induced	41,686	29,296	70,982
Total	224,782	72,546	297,329
Wages and Salaries (\$ 000)			
Direct	83,311	11,230	94,541
Indirect	15,170	17,425	32,595
Induced	22,882	17,530	40,413
Total	121,364	46,186	167,550

	Impacts of tourism receipts retained in Muskoka District Municipality.	Impacts that accrue to other parts of Ontario.	Total impacts of Muskoka District Municipality's tourism receipts in Ontario.
Number of Jobs			
Direct	3,312	285	3,598
Indirect	328	366	694
Induced	498	369	868
Total	4,139	1,020	5,160
Taxes (\$ 000)			
Direct	87,112	4,864	91,976
Indirect	7,441	8,347	15,788
Induced	20,056	11,455	31,512
Total	n/a	n/a	139,276
Federal	n/a	n/a	71,516
Provincial	49,453	8,575	58,028
Local	6,924	2,807	9,732

8.21 Tourism Related Establishments

This information is from Statistics Canada's Canadian Business Patterns. Included are those businesses that meet at least one of the following criteria: (1) Have an employee force for which they submit payroll remittance to CCRA, or (2) Have a minimum of \$30,000 in annual sales revenue, or (3) Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the last three years.

8.22 Accommodation

Table 4-1. Accommodation

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
ACCOMMODATION	174	82	60	18	4	10
Hotels	16	7	7	1	0	1
Motor Hotels	3	1	2	0	0	0
Resorts	31	5	11	4	2	9
Motels	34	15	18	1	0	0
Casino Hotels	0	0	0	0	0	0
Bed and Breakfast	3	1	2	0	0	0
Housekeeping Cottages and Cabins	40	24	9	7	0	0
All Other Traveller Accommodation	1	1	0	0	0	0
RV (Recreational Vehicle) Parks and Campgrounds	27	19	7	1	0	0
Hunting and Fishing Camps	4	3	1	0	0	0
Recreational (except Hunting and Fishing) and Vacation Camps	15	6	3	4	2	0

8.23 Arts, Entertainment and Recreation

Table 4-2. Arts, Entertainment and Recreation

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
ARTS, ENTERTAINMENT & RECREATION	140	54	67	13	3	3
Commercial Art Dealers	6	4	2	0	0	0
Motion Picture and Video Exhibition	4	1	3	0	0	0
Theatre Companies and Dinner Theatres	3	3	0	0	0	0
Dance Companies	0	0	0	0	0	0
Other Performing Arts Companies	0	0	0	0	0	0
Sports Teams and Clubs	1	0	1	0	0	0
Horse Race Tracks	2	2	0	0	0	0
Other Spectator Sports	0	0	0	0	0	0
Live Theatres and Other	0	0	0	0	0	0

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
Performing Arts Presenters with Facilities						
Sports Stadiums and Other Presenters with Facilities	0	0	0	0	0	0
Museums	4	2	2	0	0	0
Historic and Heritage Sites	0	0	0	0	0	0
Zoos and Botanical Gardens	0	0	0	0	0	0
Other Heritage Institutions	0	0	0	0	0	0
Amusement and Theme Parks	2	0	1	1	0	0
Amusement Arcades	1	1	0	0	0	0
Casinos (except Casino Hotels)	0	0	0	0	0	0
All Other Gambling Industries	3	2	1	0	0	0
Golf Courses and Country Clubs	22	3	10	6	1	2

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
Skiing Facilities	4	2	0	0	1	1
Marinas	47	17	28	2	0	0
Fitness and Recreational Sports Centres	19	8	9	2	0	0
Bowling Centres	0	0	0	0	0	0
All Other Amusement and Recreation Industries	22	9	10	2	1	0

8.24 Food and Beverage

Table 4-3. Food and Beverage

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
FOOD & BEVERAGE	211	74	107	21	6	3
Full-Service Restaurants	111	38	57	14	2	0
Limited-Service Eating Places	70	21	38	5	4	2
Caterers	15	7	6	1	0	1
Mobile Food	4	4	0	0	0	0

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
Services						
Drinking Places (Alcoholic Beverages)	11	4	6	1	0	0

8.25 Transportation

Table 4-4. Transportation

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
TRANSPORTATION	30	13	15	2	0	0
Scheduled Air Transportation	0	0	0	0	0	0
Non-Scheduled Chartered Air Transportation	4	1	3	0	0	0
Passenger Rail Transportation	0	0	0	0	0	0
Deep Sea, Coastal and Great Lakes Water Transportation	1	1	0	0	0	0
Inland Water Transportation	1	0	1	0	0	0
Urban Transit Systems	0	0	0	0	0	0

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
Interurban and Rural Bus Transportation	0	0	0	0	0	0
Taxi Service	10	4	6	0	0	0
Limousine Service	3	2	0	1	0	0
Charter Bus Industry	0	0	0	0	0	0
Other Transit and Ground Passenger Transportation	0	0	0	0	0	0
Scenic and Sightseeing Transportation	5	1	3	1	0	0
Passenger Car Rental	5	3	2	0	0	0
Truck, Utility Trailer and RV (Recreational Vehicle) Rental and Leasing	1	1	0	0	0	0

8.26 Travel Services

Table 4-5. Travel Services

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
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	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
TRAVEL SERVICES	14	6	7	1	0	0
Travel Agencies	7	3	4	0	0	0
Tour Operators	5	3	2	0	0	0
Other Travel Arrangement and Reservation Services	2	0	1	1	0	0

8.27 Retail and Other Services

Table 4-6. Retail and Other Services

	Number of Establishments	No Employees	1 to 19	20 to 49	50 to 99	100+
RETAIL	508	213	251	33	6	5
OTHER SERVICES	173	74	89	9	0	1

9.0 Muskoka Marketing Summaries

9.1 Muskoka Tourism Market Summary

There are over approximately 6,139,155 Overnight stays in Muskoka every year. 94% of the visitors are Canadian, 4% are from the United States and 2% are from International countries. The average party size is usually 2 people and the average age of traveler to Muskoka is 34 years of age. 19% of the market stays in a commercial roof lodgings such as Hotels, Motels, Resorts and commercial cottages. 5.3% of the Market stays at Local Campgrounds or Trailer facilities. 74% of the market own Private homes or has their own cottage. The visitors engage in many activities while they are in muskoka which includes, 68% of the market does any Outdoor Sports activity, 57% visiting friends and relatives, 43% go shopping, 35% do Boating activities, 30% went sightseeing, 14% golfed, 13% visited National/Provincial Parks, 11% went fishing, 8% participated in festivals and fairs, 8% visited historic sites. The average spending per night per person in Muskoka is \$45 per person. Ontario visitors spend \$43 per person per night, US visitors spend \$77 Per person per night and International visitors spend \$81 Per person per night.

9.2 Fractional Ownership Market

This market is fairly new to Muskoka and is far from being fully saturated. The prices in Muskoka Real Estate have gone through the roof and it is very difficult for an average income person to purchase a private property in Muskoka. With The Fractional Ownership Program we can make it affordable for people to have a piece of a cottage utilizing 10 Shares per cottage. For example we

can have 10 Families who know each other quite well whether them being Uncles, Aunts, Brothers etc and each family can buy One Share and they can share the cottage. Each Shareholder will have approx 5 Weeks out of the year to use the cottage.

9.3 Target Market

Going through the Muskoka Statistics the average Visitor in Muskoka Owns their own cottage which makes up 74% of the market. The average age group is 34 Years of age. There are a few main markets which we will look at:

- 1) *Young Couples with Kids* – From June–August this market will mainly book their cottages in the summer time where they will bring their children and enjoy.
- 2) *Elderly Couples over 65* – Since the baby boomers are entering their retirement years I feel many of them will selling their principle residences and purchasing condos in the City and they will also take an interest in buying property in the cottage country where they can go up in the low season to relax. This market is usually after September when it slows down.
- 3) *Weekend getaways* – Since we are 90 Minutes from Toronto Shareowners of these cottages can also book their suites for the weekend as well. Usually Middle aged individuals or couples that have a stressful week can get away for two days to their cottages.
- 4) *Holidays* – A family can spend Christmas, Easter, and Thanksgiving etc. at their cottage.

9.4 Target Market (By Area)

The majority of our customers are coming in from the GTA (Greater Toronto Area) which makes up 23% of visitors which is approximately 290,000 visitors per year from the GTA. The remainder of our Visitors comes from the Surrounding area of the GTA which includes Peel Region, York Region, Simcoe County, Halton Region, Waterloo Regional Municipality, Durham Regional Municipality, Hamilton-Wentworth Regional Municipality, Middlesex County, & Wellington. These are the Markets which we will promote our cottages too.

9.5 Marketing Company Initiatives

We will be appointing a marketing company to assist us in the following:

1.) Primary Market Research Data	2.) Corporate Branding & Slogans
3.) Graphic Design Work	4.) Brochures & Promotional Material Design
5.) Seeking Advertising Opportunities and also Designing advertisements.	6.) Developing a Sales team and working with a Licensed Real Estate Broker to sell off the Units.
7.) Public Relations Sales (Trade Shows)	8.) Copywriting of Brochures and Promotional material.
9.) To Survey Customers	10.) Developing Add-on

after they have purchased their units.	Value services for our customers.
----------------------------------------------	--------------------------------------

9.6 Promotional Strategies

We will seek out several avenues to reach our Target Audience and includes the following:

- 1.) Advertising (Fractional Ownership Opportunity) in Local Newspapers in our Target Market Areas.
- 2.) Advertising (Fractional Ownership Opportunity) in Cottage and Log Home Magazines Nationally and Provincially throughout Canada but mainly focusing on our Target Market which is Southern Ontario.
- 3.) Public Relations advertising mainly catering to Trade Shows such as the Home Show, Financial Forum, Cottage Show and other Trade Shows in the GTA and Surrounding areas that has our Target Market.
- 4.) Local Radio Advertising the (Fractional Ownership Opportunity).
- 5.) Brochures going out to our Target Market and we will buy a mailing List from a List broker.
- 6.) Become a Member with Muskoka Tourism and promote our (Fractional Ownership Opportunity) through them.

- 7.) Work with Real Estate Brokers and promote the (Fractional Ownership Opportunity) through their Network.
- 8.) We will also promote these Cottages in Niche Markets such as Indian, Greek, and Chinese Publications. We will also target the Gay community as they have Dual Income no Kids and they have the excess funds to purchase these cottages and advertise in their publications as well.
- 9.) We will also look at advertising in Publications such as Lifestyle Magazine, Macleans Publication and similar Lifestyle Publications.
- 10.) What will give us a lot of Credibility is to have publicity and have a write up or article in a local and National Newspaper announcing this upcoming development? Since this property is unique it should make the papers. We will also ask for Letters of Support from the Municipality of Bracebridge, Provincial and Federal Local MP'S and MPP'S.

10.0 Potential Designs of Cottages

Here are some Potential Designs that we are looking at for the following Projects:

10.1 Phase 1

1.) 2,137 Sq Feet
Plan No. 17-468



2.) 2,053 Sq Feet
Plan No. 117-127



3.) 2,064 Sq Feet
Plan No. 17-483



1.) 2,206 Sq Feet
Plan No. 17-469



5.) 2,032 Sq Feet
Plan No. 117-108



6.) 2,053 Sq Feet
Plan No. 117-106



7.) 2,042 Sq Feet
Plan No. 117-413



8.) 2,057 Sq Feet
Plan No. 117-406



9.) 2,065 Sq Feet
Plan No. 115-149



10.2 Phase 2

These are sample designs and will be custom designed by our Architect.



Possible Cottage Style Condo)



(Possible Hotel/Condo)



(Possible Hotel/Condo)

10.3 Lodge (Convention Centre/5-Star Restaurant, Spa, Athletic Club, Game Room)



Here is a potential design for the Lodge and can be altered by our architects.

11.0 Construction Income Statement

11.1 Projected (Estimated) Income & Expense of Construction For

Total Construction Project

Revenues

Existing Buildings

4-Unit Motel	\$1,200,000
1 Bedroom Cottage – 3 Units	\$1,200,000
2 Bedroom Cottage – 3 Units	\$1,800,000
3 Bedroom Cottage – 6 Units	\$4,800,000
5 Bedroom Cottage – 2 Units	\$1,800,000
<u>Phase 1</u>	\$37,500,000
<u>Phase 2 (Cottage-Style Condos)</u>	\$56,250,000
<u>Phase 2 (Cottage-Style Hotels)</u>	\$44,880,000
Total Projected Revenues	\$149,430,000

Expenses

Existing Buildings

4-Unit Motel	\$400,000
1 Bedroom Cottage - 3 Units	\$300,000
2 Bedroom Cottage - 3 Units	\$360,000
3 Bedroom Cottage - 6 Units	\$810,000
5 Bedroom Cottage - 2 Units	\$320,000

<u>Phase 1</u>	\$11,000,000
<u>Phase 2</u>	\$60,000,000
<u>Banquet/Convention Centre/Restaurant</u>	\$4,000,000
<u>Furniture</u>	\$3,950,000
<u>Landscaping Fees</u>	\$250,000
<u>Marina Construction Fees</u>	\$500,000

Total Projected Construction Expenses **\$86,390,000**

<u>Estimated Legal Fees</u>	\$230,000
<u>Marketing and Sales of Units/Cottages</u>	\$5,000,000
<u>Estimated Architecture and Design Fees</u>	\$7,825,200
<u>Building Permits</u>	\$50,000
<u>Infrastructure (Roads, Main Sewers, Electrical wiring)</u>	\$3,068,500
<u>Structural Engineering Fees</u>	\$550,000
<u>Planning Consultant Fees</u>	\$320,000
<u>Other Consultant and expertise Fees</u>	\$490,000
<u>Other Fees (Unknown)</u>	\$1,250,000

Total Projected Expenses **\$105,173,700**

Total Estimated Net Profits **\$44,256,300**

Foot Notes

1. This Income Statement is based on average Cost and average Market Value Price for Fractional Units in the Muskoka Bracebridge area.
2. This income statement is mainly for Construction and sales. A Separate Income Statement and Balance sheet will be formed in the business Plan for Ongoing long term Revenues from Maintenance Fees, Restaurant, Convention/Banquet Centre Sales, and Operational Costs. This will not be included in the Land Acquisition Proposal.
3. The Architecture Fees are calculated on the percentage of Construction costs. In this case the Architect will charge 8% on the total construction costs, which is \$7,825,200.
4. These figures are estimated values and are subject to change in the business plan.
5. The profit for the entire project is calculated at 30% Return on Investment.

11.2 Projected (Estimated) Income & Expense of Construction for Phase One (Including Existing Buildings)

Revenues

Existing Buildings

4-Unit Motel	\$1,200,000
1 Bedroom Cottage – 3 Units	\$1,200,000
2 Bedroom Cottage – 3 Units	\$1,800,000
3 Bedroom Cottage – 6 Units	\$4,800,000

5 Bedroom Cottage – 2 Units	\$1,800,000
<u>New Log Home Cottages (25 Cottages)</u>	\$37,500,000
Total Projected Revenues (Phase 1)	\$48,300,000

Expenses

Existing Buildings

4-Unit Motel	\$400,000
1 Bedroom Cottage – 3 Units	\$300,000
2 Bedroom Cottage – 3 Units	\$360,000
3 Bedroom Cottage – 6 Units	\$810,000
5 Bedroom Cottage – 2 Units	\$320,000

<u>New Log Home Cottages (25 Cottages)</u>	\$11,000,000
<u>Landscaping Fees</u>	\$125,000
<u>Furniture</u>	\$500,000
<u>Estimated Legal Fees</u>	\$115,000
<u>Marketing and Sales of Units/Cottages</u>	\$1,250,000
<u>Estimated Architecture and Design Fees</u>	\$3,000,000
<u>Building Permits</u>	\$25,000
<u>Infrastructure (Roads, Main Sewers, Electrical wiring)</u>	\$1,500,000
<u>Structural Engineering Fees</u>	\$275,000
<u>Planning Consultant Fees</u>	\$160,000
<u>Other Consultant and expertise Fees</u>	\$245,000
<u>Other Fees (Unknown)</u>	\$500,000

Total Projected Construction Expenses (Phase One) \$20,885,000

Total Estimated Net Profits (Phase One) \$27,415,000