



January 2010

New Year's greetings from Howard Group. The following is a review of performance in 2009.

Investment Offering

The Howard Group investment offering for the Comox Bay Resort & Marina project was launched in 2009, with the first closing in August. We have been very pleased with the response to date. We currently expect to reach the close of the investment offering by mid-2010.

Phase 1 Development Plans

In 2009, our management team continued to refine the Resort's development plan. The decision was made to apply to the local government to modify the approved development permit for Phase 1. The purpose of the modification is to eliminate the second level of underground parking in the Building. This change would significantly reduce the cost of building the Resort, but will still leave adequate parking for suite owners and guests. A win-win for everyone involved. To further this decision, the application for amendment to the permit was prepared, as well as an amendment to the permit plans. These were submitted to the Town's Planning Department in November 2009. The Planner has sent out the usual request for comments to local community departments. There are four still outstanding. Once these are received, the application will go before Council for approval. We will keep you informed on our progress in the next newsletter.



Easy to get here, hard to leave!

Marketing

The B.C. real estate market remains the strongest in the country with growth of 20% in 2009 vs. 2008 sales. B.C.'s 2009 highs even exceeded those reached in 2007.* This trend appears to be continuing into 2010. Once the modification to the development permit has been completed, the Company will be making decisions about marketing the suites in the Resort. A number of investors have indicated an interest in purchasing the suites in the completed Building. In order to assist us in our planning, we ask that you let us know if you have a continuing interest in purchasing a suite. You can do so by sending an email to us at info@comoxbayresort.com or by registering on the website at www.comoxbayresort.com or by telephoning us at 1-877-COMOX-RE. We look forward to hearing from you.

* Figures based on statistics posted on www.bcrea.bc.ca



Phase 2 of Development Plans

Our management team is proceeding with the development plans for the upper end of the property, identified in the Offering Memorandum as Phase 2. Our initial steps will be to acquire preliminary drawings from our consultants and to meet with the Town Planners for their input. It makes sense to start this process now as it will add value to the land.



Spend a little Island time...

Errors & Omissions Insurance

We are in the process of obtaining an insurance policy as an extra level of protection for our investors in the event of insurable errors or omissions by the management team. We will provide a more detailed account of the coverage in our next newsletter, once the process is finalized.

2009 Income Taxes

For those investors who purchased a non-registered investment Bond during the 2009 taxation year, you will be receiving a T5 Statement of Investment Income from Howard Bond Corp. The income stated on the T5 form is to be included as interest income in either your personal or business income tax filing for the 2009 taxation year.

T5 Statements for Registered Bonds will be sent directly to Olympia Trust Company.

Oswego Hotel, Victoria

We look forward to the future, when we can invite you to spend some time at the Comox Bay Resort. In the meantime though, we invite you to visit our last development: the Oswego Hotel in Victoria, B.C. (www.oswegovictoria.com). We have arranged a special rate for Comox investors. If you decide to visit, please call 1-800-7OSWEGO(767-9346) to make your reservations. If you provide your name and the code word "Comox Investor" you will be entitled to a discounted rate.

Wishing everyone a wonderful 2010!