

To: The Castle Mountain Community

December 5, 2013

From: CMCA Area Structure Plan Subcommittee

We hope you have received a letter from CMR regarding the Subdivision of Castle Mountain Resort. If not, please contact the office at 403.627.5101 and ask to have one sent to you. This is time sensitive as CMR requires an answer returned to them by December 30.

Our CMCA subcommittee is trying to facilitate this by sharing some concerns folks have had and get some additional information to you. This subcommittee's job is to encourage participation, not necessarily agreeing or disagreeing!

Please complete the Agreement to Pay OR make your refusal known by sending back the agreement by December 30. As the instructions say, return to Castle Mountain Resort, PO Box 610, Pincher Creek AB, T0K 1W0, or drop it off at the office now that we are open! If no information is received by CMR it will cause delays and extra work! If this subcommittee can help in any way please let us know and we will give it our best!

Some questions and answers follow;

(Q) A few years ago we had our lots surveyed. What happened to that information?

(A) The lots were surveyed and pinned a few years ago. This information is the basis of the proposed subdivision. The lots will not be resurveyed, merely confirmed.

(Q) When the lots are subdivided what happens if the size of the lot is not what we thought we had originally leased? Are the lots going to be subdivided with equal amounts of land? If buildings do not have the proper setbacks to the "official lot" what will happen? Are the lane ways that are access to the lots property of the lots or castle? I

(A) If proper setbacks have not been observed, there may have to be easements granted. I don't know the answer re the laneways -- whether they are easements or roads. With respect to watercourses, your rights and responsibilities will not change as a result of subdivision.

(Q) Which company will be doing the subdividing? Does it go out to tender? And if we agree, when will this take place? Will we have an appeal process?

(A) We have received quotes on the subdivision. The lowest cost is the company that did the survey a few years ago. As I mentioned in the letter, we are working with the MD of Pincher Creek to revise the existing ASP governing land use at Castle Mountain. Subdivision is just one of a number of important issues impacted by this document. The MD expects to complete work on the revised ASP within 2 years, following which we would expect to file a subdivision plan. However, should progress on the ASP falter or should the MD impose harsh conditions, the Board wants the approval of Leaseholders to proceed with subdivision even without the MD's support.

(Q) Are we subdividing the entire area including base, parking lot, new or old trailer lots, maintenance areas? I am sure they are under one title with CMR.

(A) We will be subdividing Phase 1, 2, 3, 4 and the hostel. The daylodge, staff accom, shop, Phase 5 etc are already subdivided out. We do not plan to subdivide the trailer park.

(Q) Will this affect our taxes and how?

(A) This should not affect taxes.

(Q) I am assuming that our right's as a leaseholder to castle mountain really doesn't change it just defines exactly where our property lines are. Is that correct? The lot will still be "owned" by Castle Mountain and leased to us for a specified period of time.

(Q) Subdivision will result in separate freehold titles exactly matching existing surveyed lease lots. CMR will remain the owner of the freehold title and you will continue to have a lease. However, because a separate, distinct freehold title will support your lease, banks will be more willing to grant a mortgage for the purchase of your cabin. In addition, in the event of bankruptcy by CMR, you will have rights to a specific piece of land for the duration of your lease.

(Q) Am I correct in the understanding that freehold title, the ownership of the property now rests with the titleholder for ever. What is the anticipated process for this to happen? What costs?

(A) Our current ASP prohibits freehold ownership. Should a revised ASP provide for freehold ownership, CMR may consider offering cabin owners the option of purchasing such a right as an alternative to leasing. However, I do not believe we would stop offering leases. I cannot address your question regarding cost of freehold or cost of future lease terms at this time

(Q) Why the Dec 30 deadline? And why are the individual costs 1/116?

(A) December 30 was set to give people time to consider the issues. Once we give the go ahead, the subdivision can be ready to file very quickly. So we won't do anything until we 1) The MD's progress on the ASP falters or ceases, or 2) the ASP is completed and we have the MD's blessings (and agreement to minimize, waive or defer Municipal reserve). We will be subdividing 116 lots.

Thanks! And please remember, return by December 30!