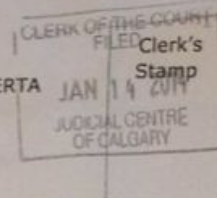


COURT FILE NUMBER 1401- 00013  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT CONDOMINIUM CORPORATION  
NO. 0312235  
RESPONDENTS GEOFFREY SCOTT and  
DONNA SCOTT  
DOCUMENT **AFFIDAVIT**  
ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS DOCUMENT  
McLEOD LAW LLP  
300, 14505 Bannister Road SE  
Calgary, AB T2X 3J3  
Tel: (403) 278-9411  
Fax:(403) 271-1769



Attn: Stephanie Whyte / File 100606

**AFFIDAVIT OF DEAN JARVEY**

Sworn on Wednesday, the 8<sup>th</sup> day of January, 2014

I, Dean Jarvey, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a member of the Board of Directors of Condominium Corporation No. 0312235, also known as Mystic Springs, the Applicant herein, and as such have personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief and whereso stated I do verily believe same to be true.
2. The Applicant is a Condominium Corporation created upon registration of Condominium Plan No. 0312235, which has the responsibility for the enforcement of its bylaws and the control, management and administration of its real and personal property and the common property, as directed by the Board of Directors.
3. The Respondents, Geoffrey Scott and Donna Scott, are the registered owners of the following properties:

Municipal: 114 - 140 Kananaskis Way, Canmore  
Legal: CONDOMINIUM PLAN 0312235  
UNIT 14  
AND 218 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON  
PROPERTY  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
("Unit 114")

Municipal: 124 - 140 Kananaskis Way, Canmore  
Legal: CONDOMINIUM PLAN 0312235  
UNIT 24  
AND 218 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON  
PROPERTY  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
("Unit 124")

Attached hereto to this my Affidavit and marked as **Exhibit "A"** are true copies of the Certificates of Title for Unit 114 and 124, hereinafter referred to collectively as "The Units".

4. The Units are located within the Applicant's Condominium Plan.
5. Mystic Springs is a unique Condominium Corporation as it was a condition of the Development and creation of the Condominium Corporation that the property would be designated "Visitor Accommodation". Attached hereto to this my Affidavit and marked as **Exhibit "B"** is a true copy of the Development Permit indicating the approved use as "Visitor Accommodation".
6. The Town of Canmore Land Use Bylaws defines "Visit Accommodation" as follows,

Visitor Accommodation means a building or group of buildings not intended for residential use where sleeping facilities are provided for persons for periods of up to 30 days and which may also contain recreational facilities, commercial uses and additional facilities including but not limited to eating establishment, drinking establishments, room service, meeting rooms, public convention rooms, and laundry service.

Where the majority of visitor accommodation units within the visitor accommodation contain suites of more than 1 rooms, two or more of the following services shall be provided: eating establishment, drinking establishment, room service, public convention room, or laundry service.

Attached hereto to this my Affidavit and marked as **Exhibit "C"** is a true copy of the definition of Visitor Accommodation as found in section 16 of the Town of Canmore Land Use Bylaw 22-2010.

7. As the Units located within the Corporation could not be used as residences but strictly for recreational or revenue purposes, the Developer retained the services of a Professional Management Company to supervise rentals within the Corporation with the intent that all rentals would be overseen by this Company. The Management Company further ensured that Owners acted in strict compliance with the Town of Canmore Land Use Bylaw and that the quality of service provided to renters was such that the reputation of the Corporation would not be harmed. Attached hereto to this my Affidavit and marked as **Exhibit "D"** is a true copy of the correspondence from Ed Romanowski of Bellstar Hotels & Resorts, the rental management company retained by the Developer when Mystic Springs was built.



8. Owners who purchased in the Corporation did so with the understanding that rentals within the Corporation would be professionally managed. Attached hereto to this my Affidavit are true copies of the following:

- a. Email dated November 11, 2013 from Chris Stathonikos of Unit 102, attached as **Exhibit "E"**;
- b. Letter dated November 18, 2013 from William Hogue and Francis DeCoste of Unit 117, attached as **Exhibit "F"**;
- c. Letter dated November 18, 2013 from Del Reinhart of Unit 137, attached as **Exhibit "G"** and
- d. Letter dated November 29, 2013 from Phil and Gail Foreman of Unit 35, attached as **Exhibit "H"**.

9. In January 2010, by Special Resolution the Owners amended their Bylaws to add provisions with respect to the Professionally Managed Rentals, labelled the "Rental Pool", which included the following,

Article 14

Where a Rental Manager has been engaged by the Corporation for the Project...

- (c) no Owner shall rent his or her Unit for Short Term Rentals other than through the Rental Manager; and
- (d) no Owner shall frustrate, undermine or otherwise compete with the Rental Manager's operations for the Project.

10. The particulars outlined in Article 14 is the system in effect since the Corporation's inception and was intended as a use and occupancy restriction for the governance and betterment of the Corporation as a whole.

11. The Bylaws that govern the Condominium Corporation and all members thereof were registered with the Land Titles Office for the South Alberta Land Registration District on October 10, 2003 as Instrument Number 031 350 877 and updated by Notice of Change of Bylaws registered on January 13, 2010 as Instrument Number 101 013 191. Attached hereto to this my Affidavit and marked as **Exhibit "I"** is a true copy of the Bylaws.

12. Pursuant to section 32(6) of the Condominium Property Act, the Bylaws are binding on the Respondents.

13. Pursuant to section 2.1(d) of the Bylaws,

Each owner shall adhere to, comply with, and strictly observe this By-law and each and every part thereof and all Rules, Regulations, By-laws, and Resolutions, in respect of the

use of, either or both, his Unit and the Common Property, and in so doing, each Owner...

- (iv) not use the Owners's Unit or permit it to be used, in whole or in part, for any purposes...which are prohibited by Municipal Authority or which may be injurious to the reputation of the Project;
- (xi) shall not do anything or permit anything to be done in his Unit, or on the Common Property that is contrary to any statute, ordinance, by-law or regulation of any Appropriate Authority;
- (xxviii) shall comply with the Town of Canmore land use by-law which provides that the Unit is zoned for 30 day or less vacation use only.

14. On or about January 1, 2013, the Respondents withdrew the Units from the Rental Pool with the intention of renting the Units independently, outside of the Rental Pool. The Corporation advised the Respondents that this behaviour was contrary to the Bylaws of the Corporation.

15. In April 2013 the Corporation held its Annual General Meeting at which time the Respondent, Geoffrey Scott, made a motion that the Corporation seek to have the Bylaws amended to remove Article 14. Of the 33 Owners present at the AGM, 26 voted against amending the Bylaws, a clear indication that the Special Resolution necessary to amend the Bylaws would not be obtainable and that the Owners preferred that Article 14 remain.

16. The Corporation made repeated requests of the Respondents that they act in accordance with the Bylaws, notwithstanding which they continue to rent the Units independently and outside of the Rental Pool.

17. Further in violation of the Bylaws of the Corporation, the Respondents offered their services to other Owners within the Corporation to act as Rental or Property Manager in place of the Corporation's Rental Manager, more specifically Units 122 and 125.

18. It is detrimental to the Project to have an unlicensed individual acting in direct competition to the licensed hotel manager engaged by the Corporation.

19. Due to the Respondents blatant disregard of the Bylaws of the Corporation, we retained the services of McLeod Law LLP to assist us with this matter.

20. I am advised by Stephanie D. Whyte, counsel for the Applicant, and do verily believe that by letter dated August 23, 2013 she provided notice to the Respondents that they were in breach of Article 14 of the Bylaws and provided them with 10 days in which to rectify their behaviour. Attached hereto to this my Affidavit and marked as **Exhibit "J"** is a true copy of the August 23, 2013 correspondence together with the email delivery confirmation for same.

21. I am advised and do verily believe that no response was received to Ms. Whyte's correspondence and the Respondents continue to market and rent the Units outside of the Rental Pool. Attached hereto to this my Affidavit and marked as **Exhibit "K"** are true copies of



the webpage screen shot for the Respondents' online advertisements for the Units with "Home Away," "VRBO" and Facebook on December 20, 2013

22. The actions of the Respondents detrimentally impact other Owners, visitors attending at the Corporation, the reputation of the Corporation and the value of other Owners respective Units.

23. As part of the Rental Pool, the following services are provided to Renters:

- a. Guest reception and Check-in;
- b. Room Key Service and assistance with lost or faulty keys;
- c. Concierge Service;
- d. Housekeeping and in-house amenities;
- e. In-room towel service, linens and bedding and laundry for same;
- f. Telephone infrastructure with central switchboard;
- g. Pool-side towel service;
- h. Package event discounts;
- i. On site events intended for registered hotel guests only;
- j. Suite interior maintenance repairs and upgrades;
- k. Inventory restocking;
- l. Access to Riverstone Hall (public convention room);
- m. Access to movies and gaming system;
- n. Emergency assistance for in-suite problems;
- o. Management or eviction for bad renters;
- p. Collection of payment for suite damage; and
- q. Collection of bad accounts.

24. Without the inclusion of all parties in the Rental Pool, the ability of Mystic Springs to offer the services provided is detrimentally impacted as it is only if all members participate that this level of service can be offered and maintained.

25. The Respondents are also given the benefit of the efforts made by those Owners that participate in the Rental Pool, without having to contribute for the benefits received. The Owners that participate in the Rental Pool contribute 5% of all gross revenue towards marketing for Mystic Springs while the Respondents contribute nothing.

26. The Respondents further receive the benefit of the efforts made by Waymarker, the Rental Pool Manager, to promote and enhance Mystic Springs, which includes Waymarker's contribution of approximately \$63,000 towards marketing for Mystic Springs. Further, attached hereto to this my Affidavit and marked as **Exhibit "L"** is a true copy of the December 8, 2013 email of Barb Scott from Waymarker outlining some additional benefits the Respondents reap due to Waymarker's efforts.

27. The Respondents renting outside the Rental Pool has resulted in the Corporation no longer having control over management, maintenance and the services provided to guests nor the ability to address damages to the Common Property caused by unruly guests.



28. On or about October 19, 2013 where the Respondents arranged privately for Rentals in Units 124 and 125. The guests in these units were unruly and caused excessive disruption for the other guests and damage to the Common Property. Attached hereto to this my Affidavit and marked as **Exhibit "M"** is a true copy of the Notice provided to the Respondents with respect to this incident.

29. Furthermore, the Respondents renting outside of the Rental Pool impedes the Corporation's ability to enforce the Bylaws and to ensure the Owners act in compliance with the Town of Canmore Land Use Bylaw, which is not being strictly observed as required. Attached hereto to this my Affidavit and marked as **Exhibit "N"** is a true copy of the email from Lara Korb of Waymarker indicating that the Respondents rental of Unit 114 exceeded the 30 day restriction imposed by the Town of Canmore.

30. It is the position of the Corporation that the Respondents have shown a wanton disregard for the Bylaws of the Corporation and other Owners within the Corporation.

31. It is further the position of the Corporation that the Respondents' disregard for the Bylaws of the Corporation and continued violations constitute improper conduct.

32. Pursuant to section 3.3 of the Bylaws

In addition to the powers and rights conferred upon the Corporation under the Act, the Corporation may, and is hereby authorized to:

- (n) in the event of any infraction or violation of, or default under the By-laws or any rules, regulations or resolutions of the Corporation on the part of an Owner, an Occupant, or any of their servants, agents, licensees, or invitees, correct, remedy, or cure, and any costs or expenses incurred or expended by the Corporation in correcting, remedying or curing such infraction, violation or default may be charged to such owner and shall be added to and become part of the assessment of such Owner for the month next following the date when such costs are expended or incurred (but not necessarily paid) by the Corporation and shall become due and payable on the date of payment of such monthly assessment and shall bear interest at the Interest Rate until paid
- (o) recover from any Owner by an action for debt in any court of competent jurisdiction any sum of money which the Corporation is required to expend as a result of any act or omission by the Owner, his servants, agents, licensees, invitees, or tenants, which violates the By-laws or any rules, regulations or resolutions established by the Corporation and there shall be added to any judgment, all costs of such action including costs as between solicitor and his client and nothing herein shall be deemed to limit any right of any owner to bring action or proceeding for the enforcement and protection of his rights and the exercise of his remedies


33. Pursuant to 7.9(a) the Bylaws,

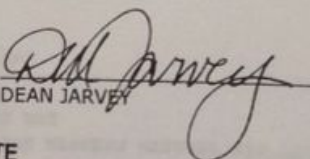
...The Corporation shall and does hereby have a lien on and a charge against the estate or interest of any Owner for any unpaid contribution including such accelerated amounts pursuant to Article 7.9(e) hereof, assessment, installment or payment due to the Corporation...

34. I swear this Affidavit in support of the Application of Condominium Corporation No. 0312235 pursuant to section 67 of the Condominium Property Act seeking the following Order:

- a. A declaration that the Respondents have and are in breach of the Bylaws of the Corporation;
- b. Directing that the Respondents shall within 10 days of the Application permanently cease all efforts to rent the Units independently and outside the Rental Pool;
- c. Directing that the Respondents shall within 10 days of the Application permanently cease offering services as a Short Term Rental Manager to other Owners;
- d. Directing that the Respondents shall within 10 days of the Application turn over to Waymarker Management Inc. the particulars of any Short Term Rental that has been brokered for the Units or any other Unit in the Corporation;
- e. Awarding costs on the basis of a solicitor as rendered to his own client, which costs shall be added to and become part of the monthly assessment for the Unit;
- f. Directing that the Corporation may charge interest on any costs incurred with respect to this matter until all amounts owing to the Corporation are paid in full, which interest shall be at the rate stipulated in the Applicant's bylaws;
- g. Granting the Corporation a charge over the lands to enforce payment of any amount owing pursuant to this matter; and
- h. If required, abridging the time for service, or in the alternative, deeming service of the Notice of Application and any documents filed in support thereof, good and sufficient.

Sworn before me at the City of Calgary )  
in the Province of Alberta, this 8<sup>th</sup> )  
day of January, 2014. )

  
\_\_\_\_\_  
A Commissioner for Oaths in and )  
for the Province of Alberta )

  
DEAN JARVEY

**STEPHANIE D. WHYTE**  
*Barrister & Solicitor*



BELLSTAR  
HOTELS & RESORTS.

THIS IS EXHIBIT " D "  
Referred to in the Affidavit of  
Dean Jarvey  
Sworn before me this 8  
day of January 20 14  
SD  
A Commissioner of Oaths in and for  
the Province of Alberta

STEPHANIE D. WHYTE  
Barrister & Solicitor

November 12, 2013

CONDOMINIUM CORPORATION NO. 0312235  
c/o Stephanie D. Whyte  
McLeod Law  
Third Floor, 14505 Bannister Road S.E.  
Calgary, AB, T2X 3J3

[swhyte@mcleod-law.com](mailto:swhyte@mcleod-law.com)

Ladies and Gentlemen:

Subject: Structure of Rental Management Program at Mystic Springs Chalets & Hot Pools

We have been asked by Del Reinhart, acting at the request of the Board of Condominium Corporation No. 0312235, to provide a letter concerning the original intentions in structuring the rental management program for Mystic Springs Chalets & Hot pools in Canmore, Alberta. Bellstar Hotels & Resorts Ltd. worked with the developer in 2003 to develop a rental management program for the property. Bellstar was the manager of the rental management program at Mystic Springs Chalets & hot Pools from the start of operations in 2003 until September 2011.

The rental management program at Mystic Springs Chalets & Hot Pools, as originally conceived, was based on the following:

- The reception and front desk operation would serve all 44 units in the complex. It was important that all owners share in the expense of providing this service to guests and owners.
- To properly staff resort operations, including guest services, housekeeping, and maintenance, it was important that all 44 units share in the cost of these operations since the economies of scale were important to being able to provide a base level of service to operate as a single resort property to a certain standard as recognized within the hotel and resort industry.
- To afford professional rental management, marketing, sales, and administration, it was important that the costs of doing so were shared amongst 44 units.
- As promoted to prospective buyers of the units, individual owners of the units were not to take on the burden of individually managing the rental program, marketing, sales, guest reception & services, housekeeping, and maintenance of the common property as well as maintaining and regularly upgrading the interiors of their units. The main idea was to allow owners to book their units for their own periodic weekend and vacation stays, and during other periods have their units cared for by the rental manager. Think of it as "lock & leave".
- If the units were managed individually for rentals, there would be no means of achieving a consistent standard of service as well as product consistency in terms of furniture, décor, housekeeping, service items within the units, etc. that would enable marketing and sales to occur as a one resort property under the resort's name, Mystic Springs Chalets & Hot Pools.



BELLS<sup>Y</sup>AR  
HOTELS & RESORTS.

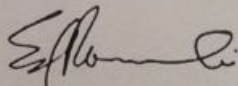
In our opinion, if individual owners are left to manage their own units for rental purposes, the consequences could be as follows:

- If it's "every owner for themselves", then overall marketing and sales as a resort would not be feasible.
- The ratings of the property in various formal and informal forums and organizations would be difficult to manage since there would not be consistency in the standards of the unit interiors and services provided. Without consistency in the product and services, it is almost impossible to sell the units within the resort to groups, tour operators and wholesalers. In the short run, it is likely that the standards and appeal of the overall property as a condo hotel can be maintained but as the divergence or range in the standards of care, interior finishes & décor, and services increases, then the ratings of the property overall are likely to fall dramatically.
- It would not be feasible for a central reception and guest services to operate due to the wide variety and range of policies and services applied and offered at a small resort property of only 44 units.
- Unless the individual owners who operate the rental of their own units are primarily or largely dedicated to the business of doing so, few are likely to sustain the level of care and energy required in the long run to operate their units for rentals at a high level of care and sustained ratings.
- As has been experienced in other resort destinations (Hawaii, Florida & Whistler) where there is a much longer history of condo hotels, this evolution has occurred (from coordinated rental management to individual unit management), and where the zoning requires that the property to be operated for short term rentals (monthly rentals not allowed), they have often come back full circle to coordinated rental management to best serve the needs of the guests and owners.

We trust this letter provides some perspective about the structure of the rental management program as implemented at Mystic Springs Chalets & Hot Pools, and our opinion concerning future prospects without a coordinated rental management program.

If you have any questions, please connect with me.

Yours in hospitality,  
BELLSTAR HOTELS & RESORTS LTD.



Per: Ed Romanowski  
CEO

/er

**Stephanie Whyte**

---

**From:** chris stathonikos <domna@shaw.ca>  
**Sent:** Monday, November 11, 2013 4:47 PM  
**To:** Stephanie Whyte  
**Subject:** Re Mystic Hotel

Hi Stephanie,

I am very concerned with the fact that individual owners are renting their units out on their own and not going through the Hotel manager. I bought my unit from the developer while it was being built. What attracted me to this investment was the fact that it would be managed by a single exclusive professional manager and operated as a hotel, look after all the operations for all the owners of Mystic and I would be able to use it whenever I would like to go to the mountains. Also I would make income to cover the purchase of the unit as the hotel operations continued. Now with individual owners renting their own I fear that the promise I was given is in jeopardy, and the hotel system I have invested in will not be able to operate in a profitable manner.

Therefore as one of the original owners I am against individuals renting out their own units.

Chris Stathonikos  
Unit 102

THIS IS EXHIBIT " E "  
Referred to in the Affidavit of  
Dean Jarek  
Sworn before me this 8  
day of January 20 14  
S  
A Commissioner for Oaths in and  
For the Province of Alberta

**STEPHANIE D. WHYTE**  
*Barrister & Solicitor*



November 18, 2013  
1607 Shelbourne St SW  
Calgary, AB  
T3C 2L2

THIS IS EXHIBIT " F "  
Referred to in the Affidavit of

Dean Justice  
Sworn before me this 8  
day of January 20 14

A Commissioner for Oaths in and  
For the Province of Alberta

**STEPHANIE D. WHYTE**  
*Barrister & Solicitor*

Ms. Stephanie D. Whyte  
McLeod Law  
Third Floor, 14505 Bannister Road S.E.  
Calgary, AB, T2X 3J3

Attention: Ms. Stephanie D. Whyte

Dear Ms. Whyte

Re: Mystic Springs Chalets & Hot Pools Single Exclusive Professional Hotel Manager

My wife, Frances DeCoste and I are original owners of unit #117 at Mystic Springs Chalets & Hot Pools.

A key deciding factor in our decision to purchase at Mystic Springs was having a single manager responsible for hotel operations. The philosophy of a single hotel manager, we felt provided us with greatest potential return on our investment via hotel operations while protecting the overall value of our property investment. Without the single hotel manager model we have had serious doubts about the purchase of our unit at Mystic Springs.

With the single exclusive professional hotel manager model, we believe they act in the best interests of all owners and guests who stay at Mystic Springs. Any other model embracing multiple hotel manager's, individual owners or agents renting units undoubtedly leads to a degradation on the quality of service, guest dissatisfaction, reduced hotel revenues all of which will lead to a reduced property value.

As an example frequently hotel guests have issues and concerns during their stays; when there is a single hotel manager, this provides the greatest opportunity to handle any confusion, frustration and disagreements with guests. When we have multi hotel managers, individual or agents renting units when issues arise, those guests all too frequently look to the onsite hotel manager to solve their issues with their guests, this leaves the onsite hotel manager, and ultimately owners operating under a the single hotel manager in a no win position since they can't deal with issues they are not responsible for.

Having multi hotel managers, individual or agents renting units negatively impacts the vast majority of Mystic Springs owners from a reputation and potentially income revenue point of view when those guests post negative commentary and comments on the numerous travel blogs/websites (i.e. Trip Advisor).

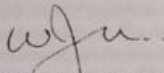
With a single professional manager they have a mandate to monitor travel blogs/websites and work with guests who may post not just negative commentary, but thank guests who take the time to provide positive commentary. The same cannot be said if Mystic Springs was to have multi managers, individual owners or

agents renting units. This seemingly simple task by a professional hotel manager builds upon the reputation and quality of service which is key to building of hotel operation revenues and enhancing our property value.

Having one exclusive licensed professional hotel manager looking after not just our unit, but all of the units at Mystic Springs has the best opportunity of protecting our investment and providing the best income from hotel operations. Having multi hotel managers, individual owners or agents renting units creates confusion and leads to lower incomes and lower property values, which is what we want to avoid.

We want to see Mystic Springs succeed as a destination hotel in Canmore area and fully support Mystic Springs having a single exclusive licensed professional hotel manager.

Sincerely,



William Hogue & Frances DeCoste  
Mystic Springs Chalets & Hot Pools  
Owners of unit #117

Cc Dean Jarvey  
Del Reinhart



THIS IS EXHIBIT " G  
Referred to in the Affidavit of  
Dean Jarvey  
Sworn before me this 8  
day of January 2014

J-Del Ltd.

A Commissioner of Oaths in and for  
the Province of Alberta  
**STEPHANIE D. WHYTE**  
Barrister & Solicitor

November 18, 2013

Ms. Stephanie Whyte  
McLeod Law  
Third Floor, 14505 Bannister Road S.E.  
Calgary, AB, T2X 3J3

Re: Mystic Springs & Chalets Condo Corporation 0312235

We are the current owner of unit 137 in the above named complex. We are original owners having purchased from the developer in 2003.

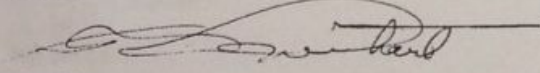
At the time of purchase we understood that a rental collective would exist and in which all units would participate. We understood that this rental operation would be managed by a licensed, experienced, professional management company who had exclusive rights to manage the operation. Such a manager (in addition to a condo manager) was already engaged by the developer and formed part of the offering at that time.

In order to effectively manage one's own hotel rentals, one would need to live in Canmore and possess some related specialized hotel management knowledge. We do not live in Canmore, do not possess such specialized knowledge, and have no way to accommodate conducting our own rentals. Had the licensed professional hotel management company not been part of the offering we would not have purchased this property.

Further there is no doubt that Mystic is an extremely atypical condo complex. Virtually all other condos are properties designed for long term occupancy. As such there is no need for a "rental" manager in those properties to serve the interests of the individual condo owners. Consequently it is proper and justified that one be permitted to lease one's own condo in those complexes. This is very much unlike the case of Mystic where short term stay municipal zoning precludes any uses other than as a hotel-type facility.

For the common good of all owners in Mystic Springs, it is imperative that this complex, as has been in place since inception, should have a licensed professional hotel manager with exclusive rental rights. Otherwise, there will be a lack of uniformity in guest experience that will destroy appeal, subsequently resulting in deteriorating revenue and downward pressure on marketable value.

J-Del Ltd.



Del Reinhart  
President

Ms. Stephanie D. Whyte  
McLeod Law  
Third Floor, 14505 Bannister Road S.E.  
Calgary, AB, T2X 3J3

Phone: (403) 278-9411  
Fax: (403) 271-1769  
swhyte@mcLeod-law.com

November, 29, 2013

Dear Ms. Whyte,

My wife and I (Phil and Gail Foreman) are owners of Unit 35 at Mystic Springs in Canmore. We are original owners of this property having bought our unit from the developer.

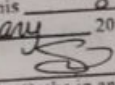
When we bought our unit, we understood and agreed with the prospectus that the entire property would be operated as a single licensed professional hotel, at that time under Bellstar, on behalf of all the owners.

This understanding was a factor in our decision to buy this property. If the situation that presently exists; where one or more units was 'out of the rental pool' and operated independently and in direct competition with the rest of the units, we would never have purchased our unit. In addition, the acrimony this current situation has caused has impacted the peaceful enjoyment of our property when we are there, and we fear when other paying guests are there.

It is critical to us that our *single*, exclusive, licensed professional hotel management company continues to operate our property. As our primary residence is other than Canmore and since this is primarily an investment property for us, we want the best possible management of our property in our absence. We do not have the time, interest nor expertise to manage our property ourselves. We feel the current situation where some owners have chosen to operate their units outside of the original agreement is a detriment to our investment and devalues our property.

We would be happy to discuss further if required.

Sincerely,  
Phil and Gail Foreman  
Unit 35  
403-350-5442

THIS IS EXHIBIT " H "  
Referred to in the Affidavit of  
Dean Joseph  
Sworn before me this 8  
day of January 20 14  
  
A Commissioner for Oaths and  
For the Province of Alberta **STEPHANIE D. WHYTE**  
Barrister & Solicitor



**From:** Barb Scott  
**Sent:** December 8, 2013 11:44 PM  
**To:** Barb Scott  
**Subject:** FW: Re: Mystic Springs

**-Community Service**

Together community recognition we donate owners rooms to various festival and events in exchange for community good will or advertisement in their events. We volunteer to be on various industry boards to increase visibility of Mystic, develop leads etc. this comes at our labour costs and is for the greater good of mystic springs. Examples include Canmore hotel and lodging association. Tourism Canmore, Destination marketing funds, Rotary, eagles, Folk fest, highland games, 24 hours of adrenalin, halloween parade, the july first parade, childrens festival, art speak, CEDA, Bow valley ARP committee

**-Marketing**

As the rogue renters are using Mystic Springs name to promote their chalets all social media, paid advertisement, internet enhancements drive customers to their chalet.

**-Product Development**

We work very closely with owners to enhance the property to better suite our family patronage. All owners benefit to the new additions even though it is Waymarker brain storms and resourcing that brought them to reality. Examples would include future plans for a fire pit and playground.

**-Staff hiring and retention**

We carry a huge burden to train and staff due to the bow valley transient work force and housing issues.

**-Industry Representation and Partner Development**

Our reputation as hoteliers have lead to greater piece of industry recognition. Triple A, Albert hotel assoc, calgary tourism etc.

THIS IS EXHIBIT " L "  
Referred to in the Affidavit of  
Dean Savary  
Sworn before me this 8  
day of January 20 14

A Commissioner for Oaths in and  
For the Province of Alberta

**STEPHANIE D. WHYTE**  
*Barrister & Solicitor*

Sent October 20, 2013

Hi Donna and Geoff,

I am writing to inform you about some problems with guests this weekend in suites 124 and 125.

Late Friday night, a man from unit 125 was found passed out in front of 125 and had to be woken up and assisted to his room....security documented he used a metal key to enter his chalet 125.

On Saturday a guest from 126 came to the front desk to complain that 124 and 125 were noisy all night long...there was a physical fight at 2:00 am between 2 "ladies", a lot of swearing and smoking cigarettes around the chalets. The last time the guest from 126 was awoken was 4:00 am.

In addition, the guests in chalet 131 complained today about the "wild" parties in 124 and 125.

Attached is the photo of the front of 124 with a tipped over table and shrub uprooted. There was an ugly party bus with graffiti all over it that was parked on the street...bachelorette stuff and profanity written all over it.


Obviously incidents such as this have an impact on our business and customer satisfaction, and should be as much a matter of concern to you as they are to the other owners of Mystic Springs. Furthermore, such problems will have an impact on average daily rates, returns to owners, and ultimately our property values.

I remind you that independent rental of units at Mystic Springs is in contravention of our Bylaws article 14, which the board has a fiduciary responsibility to enforce. I also remind you that your actions as an agent to conduct rentals on behalf of 1063615 Alberta Ltd (unit 125) is a contravention of article 14, which the Board is obligated to enforce.

You have claimed in the past to have the best interests of owners at heart. How do the events of this weekend help anyone other than you, who are callously extracting personal profit at the expense of the other owners?

Dean Jarvey  
President, Board of Directors  
Mystic Springs condominium Corporation

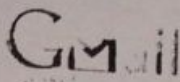
THIS EXHIBIT " M " \_\_\_\_\_  
Relates to the Affidavit of  
Dean Jarvey \_\_\_\_\_  
Sworn before me this 8  
day of January 20 14

  
STEPHANIE D. WHYTE  
Barrister & Solicitor  
A Commissioner for Oaths in and  
For the Province of Alberta



11/13/13

Page 1 of 1



Gmail - Independent Rental Observation

### Independent Rental Observation

Lara Korb <lara@waymarker.ca>  
To: Dean Jarvey <dean.jarvey@gmail.com>  
Cc: Barb Scott <barb.scott@waymarker.ca>

Wed, Nov 13, 2013 at 1:19 PM

Hi Dean,

I just met the guy staying in 114. He is here for over a month as he sold his house in town and is still building his house. He has 2 cats, Chico and Jade. He's been told he has to be out for December 15<sup>th</sup> to make room for the Christmas Holiday rush.

Thanks,

Lara

**Lara Korb**

*Room Division Manager*

*Mystic Springs Chalets and Hot Pools*

*Canmore, Alberta*

*Phone: 403-609-0333*

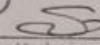
*Cell: 403-679-9394*

*lara@waymarker.ca*

*www.mysticsprings.ca*



THIS IS EXHIBIT " N "  
Refer to in the Affidavit of  
Dean Jarvey  
Sworn before me this 8  
day of January 20 14

 **STEPHANIE D. WHYTE**  
A Commissioner for Oaths in and *Barrister & Solicitor*  
For the Province of Alberta

\*https://mail.google.com/mail/u/0/?ui=2&ik=5b453853f6&view=pt&search=inbox&msg=142531e90a07009d

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https://drive.google.com/viewer?nid=explorer&scid=0R-R42aOwMvZQVmIleYd0caIP73M&

11/10/2013