

Westsea Construction Ltd.  
#2108—1330 Harwood Street,  
Vancouver, B.C., V6E 1S8

14 July 2018

Re: Billing for Orchard House 2017 operating-fund shortfall; your letter of 7 June 2018

You have billed me for suite #807's proportionate share of the supposed \$551,954 operating shortfall for calendar year 2017, of which \$426,337 is for your company's legal expenses. Enclosed you'll find my cheque for \$428.73, being my suite's .3413% share of the shortfall that is NOT your legal expenses. I will not make payment for Westsea's legal expenses because:

- \* I was not a party to the lawsuits your company contested during 2017.
- \* It is contrary to B.C. Provincial Court rules to bill for costs before they are awarded by the court.
- \* The Supreme Court of Canada may well adjudicate this very question among others arising in a suit between Westsea and Mr. Trenchard.
- \* Until a tribunal or court rules otherwise, I stand by the 2016 decision of B.C. Supreme Court Justice B. D. MacKenzie that such legal expenses are NOT properly operating costs under our Lease.

Be assured that I am ready to pay such expenses as a court might order. During 10 years as a lessee at Orchard House I have paid all billings on time, including roughly \$40,000 in special assessments over those years.

While Westsea may consider my unpaid balance a “debt” overdue as of 1 August 2018, it should be cautious about any “...applicable prescribed interest charges...”, as your letter describes them, which I would contest. The Orchard House lease allows charging of interest on “unpaid rent”, which I believe refers to the pre-paid rent for 99 years collected when my suite was leased to its first buyer. I will only pay interest in this matter if ordered to do so by a tribunal or court.

Turning to 2018, you informed lessees in your letter of 24 October 2017 of a 38% increase for the 2018 operating budget, mentioning legal fees as one increased expense. The scale of your retroactive billing for the 2017 “shortfall” now makes clear that most of the current-year increase is due to your legal expenses, which I also will not pay unless ordered to do so by a tribunal or court.

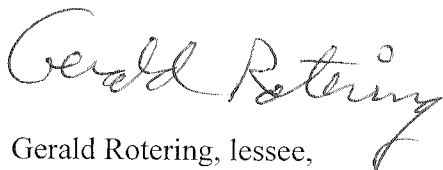
Because Westsea did not provide us even the dollar amount of the 2018 Orchard House operating budget, much less the budget itself (ignoring written requests for it), we lessees are left to guess at what amount to hold back.

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My reasonable action is to cancel my suite-fee cheques for \$318.26 for August and September, amounting to \$636.52. I calculate that the 10 payments I will have made for 2018 amount to a 15% increase over my payments for 2017, which is likely more than enough to cover increased Orchard House operating expenses that are NOT your legal expenses for 2018. For clarity, we can add \$636.52 deducted for 2018 to \$1,455.09 not remitted for 2017 (\$1,883.82 billed - \$428.73 enclosed = \$1,455.09), arriving at \$2,091.61 that I will not pay in this matter for these two years.

I now turn to your lawyer's letter of 16 January 2018, which threatened legal action against any lessee who does not pay their billing, to the extent of pursuing an order terminating that suite's lease. Because the legal-expenses issue may yet be heard by the Supreme Court of Canada and, failing that, could be adjudicated through the B.C. Civil Resolution Tribunal or a small-claims court action, such a threat is unnecessary, extreme and intimidating.

Despite these issues, I enjoy living at Orchard House and gladly pay the operating expenses other than your business expense of legal costs not directly attributable to operating the building.



Gerald Roterling, lessee,  
#807 Orchard House tower,  
Victoria

phone: 778-679-5855

Enclosed: cheque for \$428.73