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Our File: 59666.155

October 2, 2018

- 647 Michigan Street  
Victoria, BC V8V 1S9

TO: All Orchard House Leaseholders

Dear Sirs/Mesdames:

**Re: *Westsea Construction Ltd. v. Andrew Scott Taylor, et al***  
***SCBC Victoria Registry No. 184015 (the "Petition")***

We are solicitors for Westsea Construction Ltd. ("Westsea") the manager of Orchard House. As you may be aware, Westsea has filed a Petition in the Supreme Court of British Columbia, Victoria Registry, a copy of which is enclosed.

The Affidavit of Brian Slater filed with the Petition is not attached to this letter. However, if you wish to receive an electronic copy of the Affidavit, please email your request to sthompson@singleton.com and we will forward a PDF copy by email.

The Petition names as Respondents those Orchard House leaseholders who have withheld payment of operating expenses owed to Westsea and are in default of the Lease. Some of those leaseholders have objected to Westsea charging legal charges as operating expenses. It is Westsea's position that legal charges are properly charged as operating expenses pursuant to the terms of the Orchard House Lease and Westsea is prepared to have the British Columbia Supreme Court adjudicate the issue in the Petition.

A number of leaseholders at Orchard House have paid their operating expenses "under protest". It is not clear to us how those leaseholders propose that the protested payment will be adjudicated. By this letter Westsea is providing notice to any Orchard House leaseholder who is not already a Respondent to the Petition. If you wish to be added as a Respondent so that your "protest" can be adjudicated by the British Columbia Supreme Court, Westsea is prepared to consent to you doing so. Such consent however is based upon the understanding that any Respondent to the Petition will file a Response and participate meaningfully in the litigation.

Take notice however that if you elect to become a Respondent to the Petition you must do so on the understanding that Westsea is seeking recovery of the legal costs of the Petition from the Respondents. To be clear, legal expenses incurred by Westsea in relation to this Petition will be sought from the defaulting leaseholders, not from any Orchard House leaseholder who does not participate in this Petition. Further, if all operating expenses and legal costs are not paid by any particular Respondent, Westsea will seek a judgment against those Respondents. Further, if the

judgment is not paid Westsea reserves the right to apply for a Court ordered sale of the interest of the defaulting leaseholder.

Westsea will take the position that legal expenses incurred in any litigation relating to the subject matter of the Petition will be chargeable on a full indemnity basis pursuant to the Lease against those leaseholders who participate in such litigation, including those who have paid "under protest".

If you wish to participate in the Petition by being added as a Respondent, please complete the section of this letter below and return it to our office. To reiterate, if you elect to become a Respondent to the Petition, under the *Supreme Court Civil Rules* you must file and serve a Response in order to participate meaningfully in the Petition.

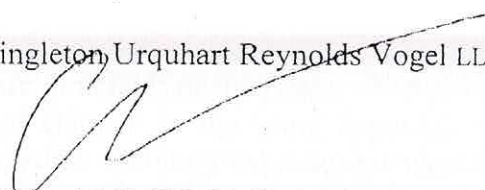
As we are the lawyers for Westsea, we cannot provide any legal advice to you. You should seek independent legal advice and provide your lawyer with a copy of this letter and its enclosures. Without limiting your options, these are some places that you may wish to consider in obtaining independent legal advice:

- Justice Access Centre: 604-660-2084
- BC CBA Lawyer Referral Service: 604-687-3221
- Legal Services Society: 604-660-2421
- Law Line: 1-866-577-2525
- Salvation Army: 604-694-6647
- Law Students Legal Advice Program: 604-822-5791
- People's Law School: 604-331-5400

If you do retain counsel to represent you, please have your lawyer contact us immediately.

Yours truly,

Singleton Urquhart Reynolds Vogel LLP

  
CSI for: M.C. (Mark) Stacey

MCS/st  
Enclosure

I, having read and understood the above letter,  
\_\_\_\_\_, leaseholder for Suite # \_\_\_\_\_ at  
Orchard House, 647 Michigan Street, Victoria, B.C., request that Westsea Construction Ltd.  
consent that I be added as a Respondent to the Petition filed under No. 184015, Victoria  
Registry this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name below]