

Date May 17 1974
D. J. ...
~~NO MAJOR VALUE OF LTA~~
MAJORS DATE
Telephone number 601-800-...
Yours truly,
Sgt. Major [Signature]
710-1-1, 1st Lt. [Signature]
Vanderbilt, D.C.

THIS LEASE made as of the 1 day of May, 1974. C59403

BETWEEN:

WESTSEA CONSTRUCTION LTD., a body corporate duly incorporated under the laws of the Province of British Columbia and having its registered office at 1075 West Georgia Street, in the City of Vancouver, Province of British Columbia, (Incorporation # 68766, March 23, 1966)

(hereinafter called the "Lessor")

OF THE FIRST PART

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CAPITAL CONSTRUCTION SUPPLIES LTD., a body corporate,
duly incorporated under the laws of the Province of
British Columbia, having its chief place of
business at 1330 Harwood Street, in the City of
Vancouver, Province of British Columbia,

(hereinafter called the "Lessee")

OF THE SECOND PART

WHEREAS:

A. The Lessor is the owner of the lands located at
647 Michigan Street, Victoria, British Columbia
legally known and described as Lot "A" of Lots 1761 to 1975
inclusive and Lots 1803 to 1807 inclusive, Victoria City,
Plan 22534,
(the "Lands").

B. There is presently constructed upon the Land a Twenty-two storey apartment building known as ORCHARD HOUSE (the "Building").

ARTICLE 1 - Demise

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1.01 WITNESSETH THAT in consideration of inter alia the covenants and agreements hereinafter reserved and contained on the part of the Lessee to be observed and performed, the Lessor hereby demises and leases unto the Lessee subject to the terms, covenants and conditions as hereinafter set forth, each of the Suites known by the suite numbers as more particularly set forth in Schedule "A" hereto and as each are shown on the Explanatory Plans numbered as set forth in Schedule "A" hereto and filed at the Victoria Land Registry Office on the 17th day of May, 1974 (hereinafter called the "Suites") TOGETHER WITH the right in common with the Lessor and the lessees of all suites in the Building and all others having the like right to use for purposes only of access to and egress from the Suites, the entrance hall, staircases, corridors and elevators in the Building and to use the laundry rooms and storage facilities (as may be designated by the Lessor) in the Building for the purpose for which they are design-

ARTICLE 2 - Term

2.01 TO HAVE AND TO HOLD the same unto the Lessee for the term commencing on the 1st day of May, 1974, and ending on the 31st day of December, 2073, (hereinafter called the "Term").

ARTICLE 3 - Base Year

3.01 In lieu of operating expenses (as hereinafter defined) for the calendar year 1974 ("the Base Year") the Lessee agrees to pay to the Lessor on the first day of each and every month of the Base Year commencing on the date of commencement of the

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Term, the monthly sum of Sixty (\$60.00) DOLLARS, in respect of each of the Suites.

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ARTICLE 4 - Lessee's Covenants

The Lessee covenants with the Lessor:

- | | | |
|---------------------------------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>rent</u> | 4.01 | To pay rent; |
| <u>Utility Charges</u> | 4.02 | To pay all charges for light and power supplied, delivered, provided to or made available for use in each of the Suites; |
| <u>repairs</u> | 4.03 | To repair and maintain each of the Suites including all doors, windows, walls, floors and ceilings thereof and all sinks, tubs and toilets therein and to keep the same in a state of good repair, reasonable wear and tear and such damage as is insured against by the Lessor only excepted; to permit the Lessor, its agents or employees to enter and view the state of repair; to repair according to notice in writing except as aforesaid and to leave each of the Suites in good repair except as aforesaid; |
| <u>Waste and Nuisance</u> | 4.04 | Not to do, suffer or permit any act or neglect which may in any manner directly or indirectly cause injury or damage to any of the Suites or the Building or to any fixtures or appurtenances thereof or which may be or become a nuisance or interference to any other occupants of the Building. |
| <u>Increase of Insurance Premiums</u> | 4.05 | Not to permit or suffer anything to be done or kept in any of the Suites which will increase the rate of fire insurance on the Building. |

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- Compliance with Laws 4.06 To comply with all requirements of all governmental authorities applicable to the use and occupancy of each of the Suites and with all laws, ordinances, rules and regulations of any governmental authority or of any Board of fire underwriters of the Lessor's insurance agents with respect to such use and occupancy. C59483
- Assignment or Sub-letting 4.07 Not to assign, sub-let or part with possession of any of the Suites or any part thereof without the Lessor's prior consent in writing such consent not to be unreasonably withheld. No such consent shall be required in the case of any Mortgage by way of Sub-lease of any of the Suites hereof granted by the Lessee or any assignee of the Lessee in favour of the Lessor.
- Alterations 4.08 Not to make or permit to be made any alteration in the construction or arrangement of any of the Suites without the previous written consent of the Lessor nor without like consent to cut, alter or injure any of the floors, walls, ceilings, timbers, wiring or plumbing of any of the Suites.
- 4.09 To use each of the Suites for the purposes of a private residence only.
- Entry by Lessor 4.10 To permit the Lessor, its servants or agents to enter each of the Suites for the purpose of making any repairs, alterations or improvements to each of the Suites or to the Building and the Lessee shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby.
- Rules and Regulations 4.11 To observe and perform the rules and regulations forming Schedule "B" hereto and such further reason-

able rules and regulations as the Lessor may from time to time adopt and of which written notice shall have been given to the Lessee.

ARTICLE 5 - Lessor's Covenants

The Lessor covenants with the Lessee:

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Quiet
enjoyment

5.01

For quiet enjoyment;

Heat

5.02

To provide heat to all common areas of the Building and to each of the Suites (unless any of the Suites contain or are equipped with an independent heating system) to an extent sufficient to maintain a reasonable temperature therein at all times except during the making of repairs.

To maintain
the structure

5.03

To keep in good repair and condition the foundations, outer walls, roofs, spouts and gutters of the Building all of the common areas therein and the plumbing, sewage and electrical systems therein.

To Light,
Heat & Clean

5.04

To keep the entrance halls, staircases, corridors and other like areas in the Building clean and properly lighted and heated and the elevators properly lighted and in good working order.

To Provide
Staff

5.05

The Lessor shall provide or engage the services of such staff as may be requisite for the proper care and servicing of the Building.

Taxes

5.06

To pay taxes.

Elevators

5.07

To provide passenger elevator service except during the making of repairs.

Fire
Insurance

5.08

To keep the Building insured against loss or damage by fire, lightning or tempest or any additional peril

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defined in standard fire insurance additional peril supplemental contract which insurance to the best of the ability of the Lessor shall be to the full insurable value of the Building excluding foundations and excavations.

Public Liability Insurance

- 5.09 To maintain a policy or policies of general public liability insurance against claims for bodily injury, death or property damage arising out of the use and occupancy of the Building, such insurance to be in such amount as the Lessor may from time to time determine.

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Cablevision

- 5.10 To the extent that the service is available to provide cablevision and front door intercommunication service to each of the Suites in the Building.

Prior Charge

- 5.11 To observe and perform all the terms, covenants, provisions and agreements contained in any prior charge and without restricting the generality of the foregoing, to make all payments of money required to be made thereunder on their due dates. Prior charge shall include any mortgage now constituting a charge upon the Lands and Building.

ARTICLE 6 - Interruption of Service

6.01 The Lessor does not warrant that any service or facility provided by it in accordance with the provisions of this Lease will be free from interruption by reason of causes beyond the reasonable control of the Lessor including without limiting the generality of the foregoing, maintenance repairs, renewals, modifications, strikes, riots, insurrections, labour disputes, accidents, fuel shortages, government intervention, force majeure

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and act of God. No such interruptions shall be deemed to constitute a disturbance of the Lessee's enjoyment of any of the premises nor render the Lessor liable for injury to or in damages to the Lessee nor relieve the parties from their obligations under this Lease.

ARTICLE 7 - Operating Expenses

Definition of Operating Expenses

7.01

"Operating expenses" in this Lease means the total amount paid or payable by the Lessor in the performance of its covenants herein contained (save and except those contained in Article 5.11) and includes but without restricting the generality of the foregoing, the amount paid or payable by the Lessor in connection with the maintenance, operation and repair of the Building, expenses in heating the common areas of the Building and each of the Suites therein (unless any of the Suites are equipped with their own individual and independent heating system in which event the cost shall be payable by the Lessee of any such suite) and providing hot and cold water, elevator maintenance, electricity, window cleaning, fire/casualty liability and other insurance, utilities, service and maintenance contracts with independent contractors or property managers, water rates and taxes, business licences, janitorial service, building maintenance service, resident surveyor's salary (if applicable) an legal and accounting charges and all other expenses paid or payable by the Lessor in connection with the Building, the common areas of the Building or the lands.

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"Operating expenses" shall not include any amount directly chargeable by the Lessor to any Lessee or Lessees. The Lessor agrees to exercise prudent and reasonable discretion in incurring Operating expenses, consistent with its duties hereunder. C59483

Estimate of
Operating
Expenses

7.02

Prior to commencement of each calendar year during the Term other than the Base Year, the Lessor shall furnish to the Lessee an estimate of the Operating expenses for such calendar year based on prior years experience and the Lessee shall pay to the Lessor on the first day of each and every month during such calendar year, One-Twelfth (1/12th) of the Lessee's Share of such estimated Operating expenses.

Actual
Operating
Expenses

7.03

In the event that the actual Operating expenses in any calendar year exceed the estimated Operating expenses for that calendar year, the Lessee agrees to pay, within Thirty (30) days of written demand by the Lessor the Lessee's Share of such excess and in the event that the actual Operating expenses in any calendar year is less than the estimated Operating expenses for that year, the Lessor's Share of Operating expenses for the following year shall be reduced accordingly. The actual Operating expenses shall be calculated by the Lessor for each calendar year and shall be certified by the auditors of the Lessor in accordance with generally accepted accounting principles.

Definition of
Lessee's
Share

7.04

"Lessee's Share" in this Lease means the ratio which the area of each of the suites bears to the total area of all suites in the Building, which ratio is hereby

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agreed to be in percentage terms and as applicable to each suite as set forth in Schedule "A" hereto.

ARTICLE 8 - Provisos

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Provided always and it is hereby agreed as follows:

Damage by 8.01
Fire

In the event of damage to the Building by fire or other casualty against which the Lessor has covenanted to insure, the Lessor agrees that it will with reasonable diligence repair the Building or the part thereof so damaged to the extent of the proceeds payable in respect of the insurance therefor.

Performance 8.02
of Lessees
Covenants

If the Lessee shall fail to perform any covenant or condition of this Lease on his part to be performed, the Lessor may (but shall not be obligated so to do) perform such covenant or condition as agent of the Lessee and all amounts paid by the Lessor in respect thereof and all costs, damages and expenses suffered or incurred by the Lessor in respect thereof shall be due and payable by the Lessee to the Lessor on demand as rent and the Lessor may exercise any remedy in respect of the recovery of any such amount as it might for rent in arrears.

Rent Arrears 8.03

Any installment of rent or other money payable as rent or paid on the due date of it without prejudice to any other rights of the Lessor shall be deemed to be in arrears if it is not paid on the date of payment (10%) per annum for each day after the date of payment. The Lessor may, at its option, terminate the Lease if the rent is not paid on the date of payment (10%) per annum for each day after the date of payment.

Proviso for 8.04
Re-entry

Provided that the Lessor may, at its option, terminate the Lease if the rent is not paid on the date of payment (10%) per annum for each day after the date of payment.

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Non-Waiver

8.05

No condoning, excusing or overlooking by the Lessor of any default, breach or non-observance by the Lessee at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Lessor's rights hereunder in respect of any continuing or subsequent default, breach or non-observance or so as to defeat or affect in any way the rights of the Lessor herein in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by the Lessor save only express waiver in writing. All rights and remedies of the Lessor in this Lease contained shall be cumulative and not alternative.

Overholding

8.06

If the Lessee shall continue to occupy any of the Suites after the expiration of this Lease and the Lessor shall accept rent, the new tenancy thereby created shall be deemed to be a monthly tenancy and shall be subject to the covenants and conditions contained in this Lease insofar as the same are applicable to a tenancy from month to month SAVE AND EXCEPT that the rental payable shall be as determined by the Lessor.

Waiver of Subrogation

8.07

Notwithstanding anything to the contrary herein contained, the Lessor hereby releases the Lessee from any and all liability or responsibility to the Lessor or anyone claiming through or under the Lessor by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties insured against, even if such fire or other casualty shall have been caused by the fault or negligence of the Lessee or anyone for whom the Lessee

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may be responsible, PROVIDED HOWEVER that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the Lessor's insurance policy shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair such insurance policies or prejudice the right of the Lessor to recover thereunder. The Lessor agrees that it will request the Lessor's insurance carriers to include in each of the Lessor's policies a suitable clause or endorsement commonly known as a waiver of subrogation endorsement.

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Lease
Subordinate

8.08

This Lease is and shall be subject and subordinate to any prior charge constituting a charge, lien or mortgage upon the Lands and Building.

ARTICLE 9 - Definition - Taxes

9.01 "Taxes" in this Lease shall mean all taxes, rates, local improvement rates, duties, charges, levies and assessments of every nature and kind whatsoever whether municipal, provincial, federal or otherwise now charged or hereafter to be charged upon or against the Lands and the Building or with respect to the use and occupancy of the Lands and the Building or the improvements, equipment, machinery and fixtures brought therein or appertaining thereto.

ARTICLE 10 - Separate Leases

10.01 It is hereby declared and agreed between the parties hereto that each of the Suits shall be sold during the term

separately from and independently of each of the other Suites and shall not be affected by the breach of any of the covenants, stipulations or conditions herein contained in respect of any others or other of the Suites and accordingly each suite shall be held during the Term with the benefit of all rights and privileges appurtenant thereto as if each suite had been demised to separate lessees by separate leases in the form of this Lease.

ARTICLE 11 - Notices

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11.01 Any notice required or contemplated by this Lease shall be sufficiently given by personal delivery or by registered letter, postage prepaid and mailed to the address of the party to whom such notice is to be given at the address of such party as given in this Lease or to such other address as either party may notify the other of in writing during the term hereof and any such notice shall be effective and shall be conclusively deemed to have been received as of the day of such personal delivery or as of the second business day after the day of such mailing.

ARTICLE 12 - Interpretation

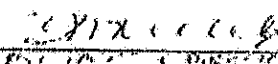
12.01 The headings to the Articles and clauses of this Lease are for convenience only and shall not constitute a part of this lease. The definition of any words used in any Article of this Lease shall apply to such words when used in any other Article hereof whenever the context is consistent.

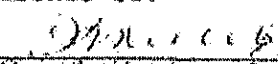
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13.01 This Lease and everything herein contained shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors, assigns and other legal representatives as the case may be of each of the parties hereto and every reference herein to any party shall include the heirs, executors, administrators, successors, assigns, or other legal representatives of such party and where there is more than one (1) Lessee or there is a female party or a corporation, the provisions hereof shall be read with all grammatical changes thereby rendered necessary and all covenants shall be deemed joint and several.

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IN WITNESS WHEREOF the Lessor and Lessee have duly signed and executed these presents at the City of Vancouver as of the day, month and year first above written.

The Corporate Seal of)
WESTSEA CONSTRUCTION LTD.)
was hereunto affixed in)
the presence of:)
)
_____))
_____)

The Corporate Seal of)
CAPITAL CONSTRUCTION)
SUPPLIES LTD., was here-)
unto affixed in the)
presence of:)
)
_____))
_____)

SCHEDULE A

Page 1

Suite Number	Percentage	Explanatory Plan No.
201	.4637	1930R
202	.4547	1930R
203	.4547	1930R
204	.4547	1930R
205	.6693	1930R
206	.4465	1930R
207 ← 1930R	.3413 ← 1930R	1930R
209	.4547	1930R ← 1930R
210	.6337	1930R
301	.4637	1931R
302	.4547	1931R
303	.4547	1931R
304	.4547	1931R
305	.6693	1931R
306	.4465	1931R
307	.3413	1931R
308	.3413	1931R
309	.4547	1931R
310	.6730	1931R
401	.4637	1932R
402	.4547	1932R
403	.4547	1932R
404	.4547	1932R
405	.6693	1932R
406	.4465	1932R
407	.3413	1932R
408	.3413	1932R
409	.4547	1932R
410	.6337	1932R
501	.4637	1933R
502	.4547	1933R
503	.4547	1933R
504	.4547	1933R
505	.6693	1933R
506	.4465	1933R
507	.3413	1933R
508	.3413	1933R
509	.4547	1933R
510	.6730	1933R

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SCHEDULE A

Page 2

Suite Number	Percentage	Explanatory Plan No.
601	. 4637	1934 R
602	. 4547	1934 R
603	. 4547	1934 R
604	. 4547	1934 R
605	. 6693	1934 R
606	. 4465	1934 R
607	. 3413	1934 R
608	. 3413	1934 R
609	. 4547	1934 R
610	. 6337	1934 R
701	. 4637	1935 R
702	. 4547	1935 R
703	. 4547	1935 R
704	. 4547	1935 R
705	. 6693	1935 R
706	. 4465	1935 R
707	. 3413	1935 R
708	. 3413	1935 R
709	. 4547	1935 R
710	. 6730	1935 R
801	. 4637	1936 R
802	. 4547	1936 R
803	. 4547	1936 R
804	. 4547	1936 R
805	. 6693	1936 R
806	. 4465	1936 R
807	. 3413	1936 R
808	. 3413	1936 R
809	. 4547	1936 R
810	. 6337	1936 R
901	. 4637	1937 R
902	. 4547	1937 R
903	. 4547	1937 R
904	. 4547	1937 R
905	. 6693	1937 R
906	. 4465	1937 R
907	. 3413	1937 R
908	. 3413	1937 R
909	. 4547	1937 R
910in	. 6730	1937 R

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Suite Number	Percentage	Explanatory Plan No.
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1001	. 4637	1938R
1002	. 4547	1938R
1003	. 4547	1938R
1004	. 4547	1938R
1005	. 6603	1938R
1006	. 4465	1938R
1007	. 3413	1938R
1008	. 3413	1938R
1009	. 4547	1938R
1000	. 6337	1938R

1101	. 4637	1939R
1102	. 4547	1939R
1103	. 4547	1939R
1104	. 4547	1939R
1105	. 6603	1939R
1106	. 4465	1939R
1107	. 3413	1939R
1108	. 3413	1939R
1109	. 4547	1939R
1110	. 6337	1939R

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1201	. 4547	1940R
1202	. 4547	1940R
1203	. 4547	1940R
1204	. 4547	1940R
1205	. 6603	1940R
1206	. 4465	1940R
1207	. 3413	1940R
1208	. 3413	1940R
1209	. 4547	1940R
1210	. 6337	1940R

1401	. 4547	1941R
1402	. 4547	1941R
1403	. 4547	1941R
1404	. 4547	1941R
1405	. 6603	1941R
1406	. 4465	1941R
1407	. 3413	1941R
1408	. 3413	1941R
1409	. 4547	1941R
1410	. 6337	1941R

Suite Number	Percentage	Explanatory Plan No.
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1501	.4637	1942 R
1502	.4547	1942 R
1503	.4547	1947 R
1504	.4547	1942 R
1505	.6693	1942 R
1506	.4465	1942 R
1507	.3413	1942 R
1508	.3413	1942 R
1509	.4547	1942 R
1510	.6337	1942 R
1601	.4637	1942 R
1602	.4547	1942 R
1603	.4547	1942 R
1604	.4547	1942 R
1605	.6693	1942 R
1606	.4465	1942 R
1607	.3413	1942 R
1608	.3413	1942 R
1609	.4547	1942 R
1610	.6730	1942 R
1701	.4637	1944 R
1702	.4547	1944 R
1703	.4547	1944 R
1704	.4547	1944 R
1705	.6693	1944 R
1706	.4468	1944 R
1707	.3413	1944 R
1708	.3413	1944 R
1709	.4547	1944 R
1710	.6337	1944 R
1801	.4637	1945 R
1802	.4547	1945 R
1803	.4547	1945 R
1804	.4547	1945 R
1805	.6693	1945 R
1806	.4465	1945 R
1807	.3413	1945 R
1808	.3413	1945 R
1809	.4547	1945 R
1810	.6730	1945 R

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Suite Number	Percentage	Explanatory Plan No.
1901	.4637	1946R
1902	.4547	1946R
1903	.4547	1946R
1904	.4547	1946R
1905	.6693	1946R
1906	.4465	1946R
1907	.3413	1946R
1908	.3413	1946R
1909	.4547	1946R
1910	.6337	1946R
2001	.4637	1947R
2002	.4547	1947R
2003	.4547	1947R
2004	.4547	1947R
2005	.6693	1947R
2006	.4465	1947R
2007	.3413	1947R
2008	.3413	1947R
2009	.4547	1947R
2010	.5730	1947R
2101	.4637	1948R
2102	.4547	1948R
2103	.4547	1948R
2104	.4547	1948R
2105	.6693	1948R
2106	.4465	1948R
2107	.3413	1948R
2108	.3413	1948R
2109	.4547	1948R
2110	.6337	1948R
2201	.4637	1949R
2202	.4547	1949R
2203	.4547	1949R
2204	.4547	1949R
2205	.6693	1949R
2206	.4465	1949R
2207	.3413	1949R
2208	.3413	1949R
2209	.4547	1949R
2210	.5730	1949R

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Suite Number	Percentage	Explanatory Plan No.
2301	.4637	1950R
2302	.4547	1950R
2303	.4547	1950R
2304	.4547	1950R
2305	.6693	1950R
2306	.4465	1950R
2307	.3413	1950R
2308	.3413	1950R
2309	.4547	1950R
2310	.6337	1950R

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RULES AND REGULATIONS (Cont'd.)

9. Toilets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any toilets or other apparatus shall be paid for by the Lessee in whose Suite it shall have been caused.
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10. No Lessee shall keep or harbor in the Building any animal, bird, domestic or household pet without the written consent of the Lessor, provided that the Lessor may at any time in writing revoke such consent or request the removal of any domestic or household pet, animal or bird, which is a nuisance or causing an annoyance to others, whereupon such animal or pet shall be removed forthwith from the Building. No Lessee shall feed pigeons, gulls or other birds from the windows of their Suite, or anywhere in close proximity to the Building.
11. No radio or television aerial shall be attached to or hung from the exterior of the Building without the approval of the Lessor.
12. The Agents of the Lessor, and any contractor or workman authorized by the Lessor, may enter any Suite at any reasonable hour of the day for the purpose of inspecting each Suite to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.
13. The Lessor shall have the right from time to time to reduce or relocate any space devoted to storage or laundry purposes and to limit the hours in which the same are available for use by Lessees.
14. Garbage and refuse from the Suites shall be deposited in such place in the Building only and at such times and in such manner as the manager of the Building may direct.
15. No vehicle belonging to a Lessee or to a member of the family or guests, subtenant or employee of a Lessee shall be parked in such manner as to impede or prevent ready access to the entrance of the Building by another vehicle.
16. Complaints, if any, regarding service in the Building shall be made in writing to the Lessor.
17. The Lessor may retain a passkey to each Suite. No Lessee shall alter any lock or install a new lock on any door leading into his Suite without the prior approval of the Lessor, which approval the Lessor shall not unreasonably withhold or delay. If such approval is given, the Lessee shall provide the Lessor with a key for Lessor's use.

18. No contractor or workman shall be permitted to do any work in the Suite that would disturb any other resident between the hours of 6:00 p.m. and 8:30 a.m. or on Saturdays, Sundays or legal holidays without the prior consent of the Lessor.
19. No auction sale shall be held in any Suite.
20. The following rules shall be observed with respect to incinerator equipment:
- C59483
- (a) All wet debris is to be securely wrapped or bagged in small package size to fit easily into the hopper panel.
 - (b) Debris should be completely drip-free before it leaves the Suite and carried to the incinerator closet in a careful manner and in a drip-proof container; then placed into the flue hopper so it will drop into the flue for disposal.
 - (c) Cartons, boxes, crates, sticks of wood or other solid matter shall not be stuffed into hopper opening. Small items of this nature may be left in a neat manner on the incinerator closet floor. Bulky items should be left at the incinerator area.
 - (d) Under no circumstances should carpet sweepings containing naphthalene, camphor balls or flakes, floor scrapings, plastic wrappings or covers, oil soaked rags, empty paint or aerosol cans or any other inflammable, explosive, high combustible substances or cigar stubs be thrown into the incinerator flue.
 - (e) The Lessor shall be notified of any drippings, or molten refuse, appearing on incinerator closet floor and corridors.
 - (f) Vacuum cleaner bags must never be emptied into the flue. Such dust, dirt, etc. should be wrapped in a securely tied bag or package and then be placed through hopper door panel into flue.
21. No Lessee shall throw or allow to fall or permit to be thrown or to fall any material substance whatsoever out or from any window, door, stairway, passage or other part of the Suite or the Building.
22. No Lessee shall place or park anything in the parking area of the Building other than a private automobile or motorcycle.
23. No Lessee shall perform any automobile repairs or repairs to other mechanical equipment in any part of the Building.
24. No Lessee shall store any combustible, inflammable or other offensive material in his Suite.

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25. No Lessee will do or permit to be done anything on the grounds of the Building likely to damage the plants, bushes, flowers or lawns and no Lessee shall place chairs, tables or other objects on the lawns or other areas of the Building which may be used in common by all Lessees, so as to damage them or prevent their reasonable growth or to interfere with the cutting of lawns or the maintenance of such common property from time to time.
26. The Lessor shall not be responsible for accidents in or around the swimming pools and saunas and the Lessee shall observe all rules pertaining to the use of the same.
27. The Lessee shall not install any walls, fences, enclosure awnings or planting on any terrace or balcony except with the prior written approval of the Lessor or its managing agent. No cooking shall be permitted on any terraces, balconies or on any roof of the Building, nor shall the walls thereof be painted except with the prior written approval of the Lessor or its managing agent. It shall be the Lessee's duty to keep such terrace, balcony or adjoining roof clean and free from ice, snow, leaves and debris and to provide proper drainage therefor, and the Lessor shall have no duties or obligations with respect to any of such matters.
28. No Lessee shall paint any of the exterior of the Building and the appurtenances thereto or do or permit to be done anything which would alter the exterior appearance of the Building.
29. No Lessee shall permit cooking or other odours to escape from the Suites into the Building.
30. No Lessee shall use any equipment or appliances that result in poor quality or interruption of service to other portions of the Building or overloading of or damage to facilities maintained by the Lessor for the supplying of water, gas, electricity or other services to the Building.
31. No Lessee shall use any storage space, laundry or other facility outside the Suites for the storage of valuable or perishable property.
32. If washing machines or other equipment made available to Lessees, the same shall be used on condition that the Lessor is not responsible for such equipment or for any damage caused to the property of the Lessee resulting from the use thereof and that any use that may be made of such equipment shall be at the Lessee's own cost, risk and expense.
33. Any consent, approval or permission given under these rules and regulations by the Lessor:
 - (a) must be in writing and
 - (b) shall be revocable at any time.

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RULES AND REGULATIONS (Cont'd.)

34. Any items stored by Lessees in space furnished by the Lessor in the Building for that purpose shall be at the sole risk of Lessees and the Lessor shall not be responsible in any way for their loss or damage due to theft, fire, water damage or other causes.
35. Parking of vehicles of Lessees only shall be permitted and in such location and on such terms as the Lessor may from time to time prescribe.
36. No deliveries or pick up of furniture or major appliances shall be made before 10:00 a.m. or after 4:00 p.m. without the consent of the Lessor.

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WESTSEA CONSTRUCTION LTD.

Suite 2108 - 1330 Harwood Street Vancouver, BC V6E 1S8
Telephone (604) 681-2727 Facsimile (604) 684-8075

All Leaseholders of Orchard House

October 24, 2017

647 Michigan Street
Victoria, BC
V8V 1S9

Dear Leaseholder(s)

Re: Orchard House Operating Budget for the year 2018.

Please be advised that Westsea Construction has finalized your operating budget for the year 2018.

Accounts have been projected for next year's budget. There is a projected increase of 38% for the 2018 Operating Expense budget. This increase is reflected in estimated increase to the management fees, legal fees, audit fees, electricity, insurance, scavenging, repairs and maintenance, and water budgeted for 2018. Also included in this estimated increase is planned hallway carpet replace at an estimated \$85,000. The following estimated accounts have decreased for 2018, heat (common areas), and property taxes.

The building envelope, window, and door replacement project is completed.

Future project 2018- 2023: Low Voltage Maintenance on the electrical system - Estimated budget range \$200,000 (if retrofit possible - \$400,000 (if retrofit not possible and replacement required)). Each leaseholder will be responsible for their pro-rated share of the cost of each of these projects.

The audit of Actual Operating Expenses for the year ending December 31, 2017 will take place in the second quarter of 2018. Upon completion of the 2017 audit by our accountants all Leaseholder will receive a copy of the report with a summary of the year's expenses. Assessments or refunds will follow according to each leaseholder's unit entitlement.

Your 2018 monthly fees to cover the 2018 estimated Operating Expenses are shown below:

Suites ending in '01	\$432.40	Suites - 310, 510, 710, 910	
Suite 102	\$445.75	1110 & 1410, 1610	
Suites ending in '02 & '03	\$424.00	1810, 2010, 2210	\$627.57
Suites ending in '04 & '09	\$424.00		
Suites ending in '05	\$624.12	Suites - 210, 410, 610, 810	
Suites ending in '06	\$416.37	1010, 1210, 1510,	
Suites ending in '07 & '08	\$318.26	1710, 1910, 2110 & 2310	\$590.93

Please provide 12 post dated cheques, payable to Westsea Construction Ltd. Please note we do not offer any other type of payment methods. Please include your File number (8-digits) on your cheques.

Each leaseholder is responsible for their pro-rated share of the Operating Expenses as noted above and defined in the Lease. Monthly payments as noted are due the first day of every month and are to be dated for the 1st of every month.

WESTSEA CONSTRUCTION LTD.

Suite 2108 - 1330 Harwood Street Vancouver, BC V6E 1S8
Telephone (604) 681-2727 Facsimile (604) 684-8075

All Leaseholders of Orchard House
647 Michigan Street
Victoria, BC
V8V 1S9

October 12, 2018

Dear Leaseholder(s)

Re: Orchard House Operating Budget for the year 2019.

Please be advised that Westsea Construction has finalized your operating budget for the year 2019.

Accounts have been projected for next year's budget. There is a projected increase of 25% for the 2019 Operating Expense budget. This increase is reflected in estimated increase to the management fees, legal fees, insurance, repairs and maintenance budgeted for 2019. The following estimated accounts have decreased for 2019, heat (common areas), electricity, scavenging, water and property taxes.

Future project 2019- 2023: Low Voltage Maintenance on the electrical system -- Estimated budget range \$200,000 (if retrofit possible) - \$400,000 (if retrofit not possible and replacement required). Each leaseholder will be responsible for their pro-rated share of the cost of each of these projects.

The audit of Actual Operating Expenses for the year ending December 31, 2018 will take place in the second quarter of 2019. Upon completion of the 2018 audit by our accountants all Leaseholder will receive a copy of the report with a summary of the year's expenses. Assessments or refunds will follow according to each leaseholder's unit entitlement.

Your 2019 monthly fees to cover the 2019 estimated Operating Expenses are shown below:

Suites ending in '01	\$ 529.32	Suites - 310, 510, 710, 910
Suite 102	\$ 545.66	1110 & 1410, 1610
Suites ending in '02 & '03 <i>Rev 1152.00</i>	\$ 519.05 <i>- 424.12 - 1st year</i>	1810, 2010, 2210
Suites ending in '04 & '09	\$ 519.05	\$768.24
Suites ending in '05 <i>Rev 1395.00</i>	\$ 764.02 <i>- 424.12 - 1st year</i>	
Suites ending in '06	\$ 509.69	Suites - 210, 410, 610, 810
Suites ending in '07 & '08	\$ 389.60	1010, 1210, 1510,
		1710, 1910, 2110 & 2310
		\$723.38

Please provide 12 post dated cheques, payable to Westsea Construction Ltd. Please note we do not offer any other type of payment methods. Please include your File number (8-digits) on your cheques.

Each leaseholder is responsible for their pro-rated share of the Operating Expenses as noted above and defined in the Lease. Monthly payments as noted are due the first day of every month and are to be dated for the 1st of every month.

WESTSEA CONSTRUCTION LTD.

#2108 - 1330 Harwood St., Vancouver, BC V6E 1S8 Tel: (604) 681-2727 Fax: (604) 684-8075

Nov 1, 2018

All Leaseholders/Residents
Orchard House

Delivered by Mail

RE: BUILDING MANAGER STAFF CHANGE

Dear Leaseholder

This letter is to inform you that Brian and Betty Sutton have left their position with Westsea Construction Ltd., effective immediately. No further business dealings should be conducted with the previous building managers.

Doug MacKinnon and Kathleen Marshman are the new resident building managers.

The office phone number (250) 383-1185 will remain the same. Please note this is also the emergency number.

Should you require further assistance please contact the undersigned at Westsea Construction Ltd, main office (604) 681-2727.

Thank you for your patience, understanding and co-operation.

Regards,
WESTSEA CONSTRUCTION LTD.

Brian Slater
Property Manager