

# IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *The Owners, Strata Plan EPS 7076 v.  
1186856 B.C. Ltd.,  
2026 BCSC 148*

Date: 20260129  
Docket: S142167  
Registry: Kelowna

Between:

**The Owners, Strata Plan EPS 7076**

Petitioner

And

**1186856 B.C. Ltd.**

Respondent

Before: The Honourable Madam Justice Sukstorf

## Reasons for Judgment

Counsel for the Petitioner:

E. Shen

Counsel for the Respondent:

J. W.T, Robinson

Place and Date of Hearing:

Kelowna, B.C.  
December 17, 2025

Place and Date of Judgment:

Kelowna, B.C.  
January 29, 2026

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**I. OVERVIEW**

[1] This petition concerns a dispute between a strata corporation and the original builder and developer of the strata development. The dispute centres on the recovery of legal costs arising from the registration of a strata lien. The underlying strata fees and charges have been paid. No order for sale was sought. The sole issue to be determined is whether the strata corporation is entitled to recover legal fees under s. 118 of the *Strata Property Act*, S.B.C. 1998, c. 43 [SPA].

**II. FACTS**

[2] The petitioner, the Owners, Strata Plan EPS 7076, is the strata corporation for the development. The respondent, 1186856 BC Ltd., was the original builder and developer.

[3] Unlike the typical case involving a delinquent strata owner who refuses to pay strata fees, this matter arises in the context of a phased strata development. During the construction and marketing phase of the development, strata lots were completed, sold, and closed at different times. The evidence indicates that during the development phase, strata fees attributable to each unit were paid at or before the unit's sale closing as part of the conveyancing process. This protocol reflected the practical realities of a phased development and operated without dispute as units were completed and sold.

[4] In the spring of 2024, after the majority of strata lots had been sold and the strata corporation had assumed governance of the development, the petitioner pursued the respondent directly for payment of strata fees for the final unsold unit.

[5] The respondent does not dispute that, at that stage, the strata was entitled to seek payment of strata fees directly from it. Instead, the respondent's position is that, when payment was demanded, it requested confirmation of the amounts claimed, including budgets, meeting minutes, and account statements. The respondent says it was not refusing to pay but rather seeking documentation

consistent with the manner in which strata fees had previously been addressed during the development.

**A. Statutory Enforcement Steps**

[6] On July 4, 2024, the petitioner issued a written notice, pursuant to s. 112(2) of the *SPA*, demanding payment of the alleged arrears and advising that a lien could be registered if payment was not made. The notice provided the respondent with at least two-weeks of notice, as prescribed by the *SPA*, before lien registration.

[7] The respondent did not pay the claimed arrears within the period set out in s. 112 notice.

[8] On August 14, 2024, following expiry of the notice period, the petitioner registered a certificate of lien against the respondent's strata lot pursuant to s. 116(1) of the *SPA*. The lien was registered in the Land Title Office and charged the strata lot with the amount the petitioner asserted was owing at that time.

[9] No order enforcing the lien by way of sale under s. 117 was sought or obtained prior to payment of the arrears.

**B. Communications Following the s. 112 Notice and Lien Registration**

[10] After receiving the s. 112 notice, the respondent raised questions regarding the basis for the amounts claimed as owing. In particular, the respondent requested copies of budgets, meeting minutes, and other materials that, in its view, would explain how the strata fees and arrears had been calculated. The respondent also expressed confusion about the account statements provided and asserted that the amounts claimed could not readily be reconciled with the information it had received prior to the notice.

[11] The evidence reflects ongoing correspondence between the parties following lien registration, including exchanges in which the respondent maintained that it was prepared to pay strata fees upon receiving further clarification and the petitioner maintained its position that arrears were owing.

[12] These requests and communications occurred after issuance of the s. 112 notice and after the lien was registered in August 2024.

**C. Payment of Arrears and Narrowing of the Dispute**

[13] In January 2025, after the lien had been registered but before any enforcement proceedings were initiated, the respondent paid the outstanding strata arrears claimed by the petitioner. The payment resolved the underlying dispute concerning strata fees and common expenses. However, the payment did not include the strata corporation's claimed legal costs.

[14] It is the petitioner's position that it is entitled to recover its legal fees pursuant to s. 118 of the *SPA*.

[15] The respondent did not agree to pay legal fees without adjudication and maintains that the fees claimed were unnecessary, unreasonable, and disproportionate in the circumstances.

[16] As a result, the proceeding initiated by the petitioner continued on the issue of whether the petitioner is entitled to recover legal fees under s. 118 of the *SPA*.

**III. ISSUES**

[17] The underlying strata arrears have been paid. The dispute currently before the Court is limited to legal costs.

[18] The issues to be determined are:

- a) whether the petitioner is entitled, in principle, to recover legal costs under s. 118 of the *SPA*; and
- b) if entitlement exists, what the proper scope of that entitlement is, having regard to the fact that the arrears were paid after the lien was registered but before any enforcement order was obtained.

[19] The quantum of any recoverable legal costs is not before the Court. If entitlement is established, the reasonableness and amount of any such costs would ordinarily be determined on assessment before a registrar. The reasons that follow therefore address only the statutory scheme governing entitlement and scope under s. 118 of the *SPA*.

[20] As a preliminary matter, in its reply submissions, the respondent argued that the petitioner failed to establish the validity of the lien because it did not adduce evidence proving liability for the underlying strata fees, including approved budgets and meeting minutes, and that payment of the arrears did not render that evidentiary deficiency moot. This was the first time this argument was made. It is not necessary to determine the validity of the lien or the underlying arrears in this proceeding. The arrears were paid on a without prejudice basis and the pleadings narrowed the dispute to entitlement and scope of legal costs under s. 118 of the *SPA*. To the extent the respondent's submissions bear on whether particular legal costs were reasonably incurred or whether post-payment steps fall within s. 118, they are addressed in the entitlement and scope analysis that follows. The Court is not adjudicating the merits of the arrears or determining whether the lien would have been proven at trial.

#### **IV. LEGAL AUTHORITY**

##### **A. Statutory Scheme Governing Recovery of Legal Costs**

[21] The recovery of unpaid strata fees and legal costs by a strata corporation is governed by a discrete and structured statutory scheme set out in ss. 112–118 of the *SPA*. I outline the sections of particular relevance to this matter further below.

[22] Section 112(2) of the *SPA* requires that, at least two weeks before a lien is registered, a strata corporation give written notice demanding payment and advising that a lien may be registered if payment is not made. Section 116 permits the registration of a lien in defined circumstances where strata fees or other lienable amounts remain unpaid. This lien ranks in priority to all other charges and liens, except those enumerated in ss. 116(5). For instance, liens previously registered in

favour of the Crown or under the *Builders Lien Act*, S.B.C. 1997, c. 45, retain priority over a strata corporation's s. 116 lien. Section 117 authorizes enforcement of a registered lien by allowing a strata corporation with a registered lien to apply to the Supreme Court for an order to sell the strata lot. Finally, s. 118 addresses the costs that may be added to the amount owing under a certificate of lien.

[23] Specifically, s. 118 of the *SPA* provides that a strata corporation may add the costs of registering or enforcing the lien to the amount owing, including reasonable legal costs, land title and court registry fees, and other reasonable disbursements.

[24] Read together, ss. 112, 116, 117, and 118 of the *SPA* establish a linear and confined process: notice, lien registration, enforcement if required, and limited cost recovery. The statute does not authorize the recovery of legal costs outside that framework.

### **1. The Statutory Question**

[25] The petitioner submits that entitlement to legal costs arises automatically upon registration of a lien and that any concerns about excess in quantum must be addressed on assessment. The respondent submits that entitlement is not automatic and that, in the circumstances of this case, the incurring and continuation of legal costs was not reasonably necessary. These competing submissions raise a question of statutory interpretation and judicial discretion.

[26] Section 118 of the *SPA* provides that a strata corporation may add "reasonable legal costs" incurred in registering or enforcing the lien to the amount owing under a certificate of lien. The provision is permissive, not mandatory. It does not confer an automatic right to recover all legal fees once a lien is registered, nor does it create a general cost-shifting regime. Instead, it authorizes recovery only of costs incurred in registering or enforcing a lien and only to the extent those costs are reasonable. Importantly, s. 118 of the *SPA* does not displace the court's role in determining whether entitlement exists in principle.

## 2. How Courts Approach a Permissive Costs Provision

[27] Where a statute provides that a court or decision-maker *may* grant a particular form of relief, the discretion must be exercised judicially and in accordance with the purpose of the statute, the language used, and the context in which the discretion arises. The presence of the word “may” in s. 118 of the *SPA* signals that entitlement is conditional, not automatic.

[28] That does not mean the discretion is unfettered. Nor does it invite an open-ended inquiry into fairness. Rather, the task of the court at the entitlement stage is to determine whether the claim for costs falls within the class of cases the Legislature intended s. 118 to address.

## 3. Guidance from the Authorities

[29] In *The Owners, Strata Plan KAS 2428 v. Baettig*, 2017 BCCA 377 [*Baettig*], the Court of Appeal held that s. 118 of the *SPA* permits a strata corporation to add its actual legal costs of registering and enforcing a lien, subject to the critical qualification that those costs must have been reasonably necessary. The Court emphasized that ss. 116–118 of the *SPA* are remedial provisions intended to protect compliant owners from bearing the cost of enforcing strata obligations against delinquent owners: at paras. 62–66.

[30] As the Court of Appeal stated in *Baettig*:

[65] Sections 116–118 of the *SPA* are remedial. They shift the burden of costs associated with collecting strata arrears to the delinquent owners who have failed to meet their obligations. Accordingly, the provision must be given “such fair, large and liberal construction and interpretation as best ensures the attainment of its objects”: *Interpretation Act*, R.S.B.C. 1996, c. 238, s. 8.

[31] At the same time, the Court in *Baettig* made clear that the remedial purpose of s. 118 operates within the structure of the statutory scheme. The objective of protecting compliant owners cannot be used to expand entitlement beyond what the *SPA* permits, nor to collapse all reasonableness considerations into an automatic entitlement.

[32] In *The Owners, Strata Plan NW 2089 v. Ruby*, 2019 BCSC 504 [*Ruby*], Justice Jackson clarified the division of responsibility between the court and the registrar. Once entitlement has been determined by the court, the registrar's role is to assess the quantum of costs claimed. The registrar may not revisit entitlement by asking whether it was reasonable for the strata corporation to retain counsel in the first place: at paras. 24–26.

[33] Similarly, in *The Owners, Strata Plan BCS 3426 v. Mei*, 2024 BCSC 2011 [*Mei*], Associate Judge Harper, acting as registrar, proceeded on the footing that entitlement under s. 118 of the *SPA* had already been established and therefore confined the analysis to the reasonableness of the amounts claimed.

[34] More recently, in *The Owners, Strata Plan EPSS2415 v. Wu*, 2025 BCSC 1762 [*Wu*], this Court confirmed that where s. 118 of the *SPA* applies, concerns about excess quantum are addressed through assessment, not by substituting tariff or Scale B costs. *Wu* does not, however, eliminate the court's responsibility to determine whether entitlement exists in the first place.

#### **4. The Bright-line Limit: No Entitlement Before a Lien is Registered**

[35] A further structural constraint on entitlement arises from *625536 B.C. Ltd. v. Owners of Strata Plan LMS 4385*, 2021 BCCA 158 [*LMS 4385*]. There, the Court of Appeal held that s. 118 of the *SPA* is not engaged unless and until a certificate of lien is registered. Legal costs incurred solely in complying with the notice requirements under s. 112 are not independently recoverable: at paras. 44, 49.

[36] *LMS 4385* establishes a clear temporal boundary: if there is no lien, there is also no entitlement under s. 118. While costs incurred in preparing a s. 112 notice may ultimately be included once a lien is registered, entitlement does not arise in advance of registration. At the same time, the Court confirmed that legal costs incurred in preparing a s. 112 notice may be added to the costs recoverable under s. 118 once a lien is ultimately registered, as part of the reasonable legal costs included in the certificate of lien.

## 5. The Proper Role of the Court at the Entitlement Stage

[37] Taken together, these authorities establish the following principles:

- a) entitlement under s. 118 of the *SPA* is a legal determination for the court, informed by the statutory language and purpose;
- b) entitlement is not automatic upon the registration of a lien;
- c) the court's task is to determine whether the claim for costs falls within the type of lien-registration or enforcement scenario contemplated by the *SPA*; and
- d) once entitlement is established, the reasonableness and amount of costs are ordinarily matters for assessment.

[38] At the entitlement stage, the court does not engage in a line-by-line review of legal accounts. Nor does it determine quantum. The court does, however, determine whether it was legally open to the strata corporation to invoke s. 118 in the circumstances presented.

[39] In exercising that discretion, the court may consider the nature of the enforcement steps taken and whether the claim for costs is tethered to the registration or enforcement of a lien, as opposed to becoming an end in itself. This inquiry ensures that s. 118 of the *SPA* operates as a protective mechanism within the statutory scheme and not as a self-standing costs engine divorced from its remedial purpose.

### B. Entitlement vs. Quantum

[40] The authorities outlined above draw a clear distinction between entitlement to recover legal costs under s. 118 and the quantum of recoverable costs once entitlement is established.

[41] Entitlement is determined by the court. It concerns whether, in principle, a strata corporation may add legal costs to the amount owing under a lien because

those costs were incurred in registering the lien under s. 116 or enforcing it under s. 117.

[42] Quantum concerns the amount of costs, if any, that may be added once entitlement is established. That inquiry focuses on whether the claimed fees were reasonably necessary and of a reasonable amount. The registrar ordinarily determines the quantum on an assessment.

[43] Accordingly, the issue before this Court is entitlement and its scope: whether the petitioner is entitled, in principle, to claim legal costs under s. 118 of the *SPA* in the circumstances of this case and, if so, the category of costs that fall within “registering” or “enforcing” the lien. The reasonableness and amount of any such costs are, absent exceptional circumstances, matters for assessment by the registrar.

**C. Scope of Entitlement Where Arrears are Paid After Lien Registration**

[44] The registration of a lien does not, by itself, resolve entitlement to legal costs under s. 118 of the *SPA*. The statute permits recovery only of reasonable legal costs incurred in registering and enforcing a lien.

[45] Where, as here, the arrears are paid after the lien is registered and before any order under s. 117 is sought or obtained, the potential scope of s. 118 costs is necessarily limited. In such circumstances, recoverable costs will ordinarily be confined to those reasonably incurred to register the lien and to take the necessary steps leading up to payment, together with any steps reasonably required to give effect to that payment and discharge the lien.

[46] This limitation stems from the statute's structure and purpose. As explained in *Baettig*, ss. 116–118 are remedial provisions designed to protect compliant owners from bearing the costs of enforcing strata obligations against genuinely delinquent owners. They are not intended to incentivize unnecessary escalation or to permit

legal costs to become the primary object of enforcement once the underlying strata obligation has been satisfied.

[47] Accordingly, while entitlement under s. 118 is a legal question for the court, the scope of that entitlement is informed by the nature and timing of the enforcement steps taken. The determination of whether particular legal costs were reasonably necessary within that scope is, in the ordinary course, a matter for the registrar on assessment.

## **V. ANALYSIS**

[48] As a preliminary matter, it is of note that while the petitioner relies on s. 47 of the *SPA* to argue that any alleged notice defects would not invalidate budget or levy approvals, it is not necessary to decide that issue. The respondent has not brought a challenge to the validity of any vote or meeting, the arrears have been paid, and notice or vote validity issues are not properly engaged as a defence to entitlement under s. 118.

### **A. Issue 1: Whether Entitlement Exists Under s. 118 of the *SPA***

[49] The petitioner submits that entitlement to legal costs arises automatically upon registration of a certificate of lien and that any concerns about the quantum must be addressed on assessment. The respondent submits that entitlement under s. 118 is discretionary, and that, in the circumstances of this case, the petitioner is not entitled to recover legal costs because it acted unreasonably in escalating the matter and seeking legal assistance.

[50] The respondent does not argue that s. 118 is inapplicable as a matter of law, nor is a strata corporation ever entitled to recover reasonable legal costs once a lien is registered. Rather, the respondent advances three related propositions at the entitlement stage: first, that entitlement under s. 118 is discretionary and not automatic; second, that reasonableness informs not only quantum but also whether it was reasonable to incur legal costs in the first place; and third, that, on the facts of this case, the petitioner's conduct warrants denial of entitlement.

[51] As set out above, s. 118 is a permissive provision. It provides that a strata corporation may add reasonable legal costs incurred in registering or enforcing a lien. The use of the word “may” confirms that entitlement is not automatic upon lien registration and requires the court to exercise judgment in accordance with the statutory scheme. The authorities do not support either an automatic entitlement upon registration or a broad entitlement, denying discretion based on generalized allegations of unreasonableness. Rather, the court’s role at the entitlement stage is a gatekeeping one: to determine whether the circumstances fall within the class of cases for which s. 118 was enacted.

[52] The second proposition requires greater precision. The respondent relies on *Ruby* to argue that reasonableness is relevant at both the entitlement and assessment stages. That submission is only partly correct.

[53] The reasonableness inquiry does not involve a line-by-line review of legal accounts, nor does it involve substituting tariff costs for s. 118 costs. Those matters are reserved for assessment by the registrar if entitlement is established. The entitlement inquiry asks whether, in principle, the strata corporation is invoking s. 118 for the purpose contemplated by the *SPA*: to recover the reasonable costs of registering or enforcing a lien so that compliant owners are not required to subsidize unpaid strata obligations.

[54] *Ruby* confirms that the question of whether it was reasonable to incur legal costs in the first place is for the court to determine at the entitlement stage, not for the registrar on assessment. At the same time, neither *Ruby* nor *Baettig* support the proposition that all reasonableness considerations are deferred to assessment. Instead, the court retains a gatekeeping role in defining entitlement and scope under s. 118 in that it must determine whether the claim for costs falls within the statutory categories of “registering or enforcing” a lien. What is deferred to the registrar is the assessment of quantum: whether the particular fees and disbursements claimed within that scope were both reasonably necessary and reasonable in amount. *Ruby* does not stand for the proposition that entitlement may be denied whenever

enforcement could, in hindsight, have been handled differently or whenever an owner can point to arguable shortcomings in a strata's enforcement approach. Rather, it delineates institutional roles: the court determines entitlement and scope in principle, and the registrar determines the reasonableness of the amounts claimed.

[55] *Baettig* provides further guidance. The Court of Appeal confirmed that ss. 116–118 are remedial provisions designed to protect compliant owners from having to enforce strata obligations against delinquent owners. Importantly, the Court emphasized that a strata corporation has no authority to forgive arrears and must ensure that compliant owners are not unfairly burdened by contributions that exceed their lawful share: at para. 63.

[56] That obligation is structural. Once a strata corporation becomes fully operational, it cannot elect to ignore or informally waive unpaid strata fees without risking prejudice to compliant owners and therefore departing from its statutory duties. In that context, a decision to invoke the formal enforcement tools provided by the *SPA*—including notice under s. 112 and the registration of a lien under s. 116—cannot, without more, be characterized as unreasonable or illegitimate.

[57] This does not mean that every enforcement step taken by a strata corporation will attract cost recovery under s. 118. Nor does it insulate the strata corporation from scrutiny as to the scope or necessity of particular legal steps. It does, however, reinforce why entitlement under s. 118 cannot be defeated solely because the strata corporation chose to proceed in accordance with the statutory process once arrears were asserted to be owing.

[58] The Court of Appeal's decision in *LMS 4385* further constrains the entitlement inquiry by drawing a clear temporal boundary: s. 118 is not engaged unless and until a lien is registered. That statutory precondition is met here.

[59] On the facts of this case, the petitioner issued a notice under s. 112. The respondent did not pay the claimed arrears within the notice period. In August 2024, the petitioner registered a certificate of lien under s. 116. The respondent did not pay

the arrears until January 2025, well after the lien was registered. There was no undertaking, agreement, or unconditional tender of payment before registration that would have rendered the lien unnecessary or premature.

[60] In these circumstances, the petitioner’s invocation of the lien’s registration falls within the core enforcement scenario contemplated by the *SPA*. While the court retains discretion at the entitlement stage under s. 118, that discretion must be exercised consistently with the statutory purpose and structure. Given these facts, the factors that might justify denying entitlement in principle are absent.

[61] I therefore conclude that the petitioner is entitled, in principle, to invoke s. 118 of the *SPA*. The remaining question concerns the scope of that entitlement in light of the timing of payment and the enforcement steps actually taken. That issue is addressed below.

**B. Issue 2: The Proper Scope of Entitlement**

[62] The existence of entitlement in principle does not resolve the issue of the scope of recoverable costs. Although the authorities do not expressly use the term “scope,” they consistently confine recovery under s. 118 of the *SPA* to legal costs incurred in registering or enforcing a lien, and only within the temporal limits of the lien regime itself. Defining those boundaries is a matter for the court; determining the reasonableness and quantum of costs falling within those boundaries is a matter for the registrar.

[63] Section 118 of the *SPA* treats legal costs as an incident of lien enforcement, not as a self-standing debt capable of sustaining enforcement in its own right.

[64] The Court of Appeal in *Baettig* made clear that a structured mechanism exists to ensure that any legal costs added to the lien reflect only those costs reasonably necessary to register the lien and pursue its enforcement. In that regard, Rule 18-1 of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009, provides that the court may direct that an inquiry or assessment be held by an associate judge or registrar whose certified result, once filed, is binding on the parties. Importantly, the Court

also emphasized that Rule 18-1(12) allows the court to give special directions respecting the manner in which an assessment is to be conducted.

[65] The authorities support a principled narrowing of scope in these circumstances. While *LMS 4385* establishes a bright-line rule that s. 118 is not engaged at all until a lien is registered; it does not suggest that all costs incurred thereafter are automatically recoverable. Rather, recoverability remains confined to costs incurred in furtherance of lien registration and enforcement.

[66] Similarly, *Ruby* and *Mei* confirm that the registrar assesses quantum, not entitlement or scope. The court's role is to define the boundaries within which assessment occurs. That includes determining whether certain categories of costs fall within the statutory concept of "registering or enforcing" a lien.

[67] On the facts of this case, the petitioner issued a notice under s. 112, registered a lien under s. 116, and thereby secured its claim for arrears. No forced sale proceedings were commenced under s. 117. The respondent paid the arrears in January 2025, after registration and without prejudice to the dispute over legal costs.

[68] Once the arrears were paid and accepted, the lien ceased to serve any enforcement function. From that point forward, legal steps were no longer aimed at securing payment of strata arrears, but rather at resolving the dispute over legal costs.

[69] The petitioner relies on *The Owners, Strata Plan NW57 v. Lambert*, 2019 BCSC 64 [*Lambert*], for the proposition that a strata corporation is under no obligation to accept payment of arrears unless lienable legal costs are also paid. *Lambert* holds that a strata corporation is not obliged to accept a lesser amount than the arrears owed, nor is it required to absorb legal fees which stem from enforcement: at paras. 47–49. Further, the case stands for the proposition that a strata corporation is not required to wait until arrears meet a threshold amount before registering a lien: at para. 41. It does not determine the scope of recoverable

costs under s. 118 once arrears have been paid, nor does it support the recovery of legal costs incurred after payment as lien-related costs.

[70] The respondent's payment of the arrears on a without prejudice basis preserved the parties' respective positions on the recoverability of legal fees. It did not, however, preserve the lien as an enforcement mechanism. Once the arrears were paid and accepted, s. 118 of the *SPA* ceased to operate except in relation to legal costs incurred in registering or enforcing the lien before payment was made.

[71] Section 118 of the *SPA* does not authorize the recovery of legal costs incurred solely to pursue payment of legal fees after the underlying strata obligation has been satisfied. To permit such recovery would risk reversing the statutory relationship between arrears and costs, making legal fees the primary object of enforcement rather than an incident of it.

[72] This conclusion does not depend on a finding of improper conduct by the petitioner, nor does it turn on sympathy for the respondent. It flows from the structure of the *SPA*. Section 118 is designed to protect compliant owners from subsidizing unpaid strata fees, not to support the continued accrual of lienable legal costs once those fees have been paid.

[73] Accordingly, the proper scope of entitlement in this case is confined to reasonable legal costs incurred up to the point at which the arrears were paid, together with any legal steps reasonably required to give effect to that payment and to discharge the lien.

[74] Legal costs incurred thereafter, directed solely to the recovery of legal fees or to the continuation of this proceeding once arrears were paid, fall outside the scope of s. 118 of the *SPA* as a matter of law.

[75] Whether the particular legal steps taken before payment were reasonably necessary and whether they fall within the scope defined above are matters for assessment before the registrar.

**VI. DISPOSITION AND ORDERS**

[76] As a result, I direct the registrar of the Supreme Court of British Columbia to conduct an assessment under Rule 18-1 of the *Supreme Court Civil Rules* of the legal costs claimed by the petitioner, limited to those incurred up to the date the arrears were paid, together with any steps reasonably required to give effect to that payment and to discharge the lien. I further direct that the registrar's assessment be certified and, upon filing, be binding on the parties.

[77] Once the arrears were paid, legal costs incurred thereafter fall outside of the scope s. 118 of the *SPA* and are not recoverable as lien-related costs.

[78] The parties' submissions on costs were confined to entitlement under s. 118 of the *SPA*. Neither party made substantive submissions addressing the entitlement to ordinary costs of this proceeding. To the extent the petitioner seeks the costs of this proceeding beyond those recoverable under s. 118 of the *SPA*, any such entitlement arises, if at all, under the ordinary rules governing costs in civil proceedings. If the parties are unable to agree on costs, they may make written submissions, not exceeding five pages, within 14 days of the date of these reasons.

[79] Reply submissions, if any, shall not exceed two pages and shall be delivered within seven days thereafter.

"S. Sukstorf J."