



No. S034144  
Vancouver Registry

**In the Supreme Court of British Columbia**

Between

MICHAEL J. QUILLING, RECEIVER FOR  
THE ESTATE OF FREDERICK J. GILLILAND

Plaintiff

And

FREDERICK J. GILLILAND, 834133 ALBERTA INC.,  
832790 ALBERTA INC., and ROYAL GRAND EXCHANGE INTERNATIONAL LTD.

Defendants

**NOTICE OF MOTION**

TO: The Defendants, FREDERICK J. GILLILAND and  
ROYAL GRAND EXCHANGE INTERNATIONAL LTD.  
AND TO: Their Solicitors

TO: THE TORONTO-DOMINION BANK  
AND TO: Its Solicitors

TO: PACIFICA MORTGAGE INVESTMENT CORPORATION  
AND TO: Its Solicitors

TO: MacDONALD REALTY LTD.  
AND TO: Its Solicitors

TO: RE/MAX MASTERS REALTY INC.  
AND TO: Its Solicitors

TO: MR. WEN KAI ZENG  
AND TO: His Solicitors

8/25

TAKE NOTICE that an application will be made by the Plaintiff to the presiding judge or master at the courthouse at 455 Columbia Street, in the City of Kamloops, in the Province of British Columbia, at a date and time to be set, for an Order that:

1. see attached draft Order.

The applicant will rely on Rule 43 of the *Rules of Court*.

At the hearing of the application, the applicant will rely on the following affidavit(s) and other documents:

1. the Affidavit of Gary B. Atkinson #1, sworn August 22, 2003;
2. the Affidavit of Martin Berke #1, sworn August 22, 2003 and

The applicant estimates that the application will take 10 minutes.

If you wish to receive notice of the time and date of hearing or to respond to the application, you must, within the proper time for response,

- (a) deliver to the applicant
  - (i) 2 copies of a response in Form 124, and
  - (ii) 2 copies of each of the affidavits and other documents, not already in the court file, on which you intend to rely at the hearing, and
- (b) deliver to every other party of records
  - (i) one copy of a response in Form 124, and
  - (ii) one copy of each affidavit and other document, not already in the court file, on which you intend to rely at the hearing.

#### TIME FOR RESPONSE

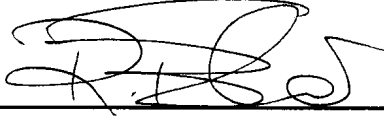
If the application is for a final judgment under Rule 18A, the response must be delivered on or before the 11th day after the delivery to you of the notice of motion.

In all other cases, the response must be delivered on or before the 8th day after the later of

- (a) the last date fixed for entry of appearance by you, and

(b) the date on which the notice of motion was delivered to you.

DATED: August 22, 2003

  
\_\_\_\_\_  
Solicitor for the Applicant

This **Notice of Motion** was prepared by Rachel I. Fisher of the law firm of Edwards, Kenny & Bray, whose place of business is 1900 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H3 (telephone: 604 689 1811).

No. S034144  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

MICHAEL J. QUILLING, RECEIVER  
FOR THE ESTATE OF FREDERICK J. GILLILAND

Plaintiff

AND:

FREDERICK GILLILAND, 834133 ALBERTA INC.,  
832790 ALBERTA INC., ROYAL GRAND EXCHANGE INTERNATIONAL LTD.

Defendants

**ORDER**

BEFORE THE HONOURABLE ) Tuesday, the 26<sup>th</sup> day  
MR. JUSTICE BLAIR ) of August, 2003

ON THE APPLICATION of the Plaintiff, coming on for hearing before me at Kamloops, British Columbia on this date; and upon hearing Rachel Fisher, counsel for the Plaintiff, and upon hearing Robert Palkowski, counsel for the Defendants Frederick J. Gilliland and Royal Grand Exchange International Ltd., and no-one appearing on behalf of the Respondents The Toronto-Dominion Bank, Pacifica Mortgage Investment Corporation, MacDonald Realty Ltd., Re/Max Masters Realty Inc. and Mr. Wen Kai Zeng, although duly served with notice of this motion, AND UPON READING the Affidavit of Gary B. Atkinson, sworn August 22, 2003 and the Affidavit of Martin Berke, sworn August 22, 2003,

THIS COURT ORDERS that:

1. The sale of the following lands and premises:

P.I.D: 023-737-778

Lot 16 District Lot 793 Group 1 New Westminster District Plan LMP32819

(collectively the "Lands"),

to Mr. Wen Kai Zeng (the "Purchaser") on the terms and conditions set out in the Contract of Purchase and Sale dated August 21, 2003 attached hereto as Schedule "A" is approved;

2. Michael J. Quilling, Receiver for the Estate of Frederick J. Gilliland (the "Vendor"), may execute on behalf of Royal Grand Exchange International Ltd. and Frederick J. Gilliland, any conveyance or other document necessary to complete the sale of the Lands;
3. For the purposes of issuing title of the Lands to the Purchaser the Order made by the Honourable Mr. Justice Blair in this Action on July 30, 2003 and registered in the Land Title Office under Land Title Registration No. BV297048 be removed from the title to the Lands.
4. For the purposes of issuing title of the Lands to the Purchaser the Order made by the Honourable Mr. Justice Blair in this Action on August 11, 2003 and registered in the Land Title Office under Land Title Registration No. BV314494 be removed from the title to the Lands.
5. Upon filing a certified copy of this Order in the New Westminster Land Title Office, together with a letter from the solicitor for the Vendor authorizing such registration, the Lands be conveyed to and vest in the Purchaser in fee simple, free and clear of any estate, right, title, interest, equity of redemption, and other claims of the parties, together with any other charges, liens, encumbrances, caveats or certificates of pending litigation registered against

the Lands, but subject to the reservations, provisos, exceptions and conditions expressed in the original grant(s) thereof from the Crown;

6. Vacant possession of the Lands, be delivered to the Purchaser at 12 noon on August 27, 2003;

7. In respect of the Lands, the net purchase price after the usual adjustments between the Vendor and Purchaser shall be paid to Edwards, Kenny and Bray, in Trust, and shall be paid out in accordance with the following priorities without further Order:

(a) first, any arrears of property taxes, water and sewer rates, utilities, interest and penalties thereon;

(b) second, the following real estate agent commissions payable to:

(i) McDonald Realty ..... \$38,327.40;

(ii) Re/Max Masters ..... \$16,670.60;

(c) third, to the Respondent, The Toronto-Dominion Bank, the amount required to pay the outstanding balance of its mortgage registered against the Lands under Land Title Registration No. BR99021;

(d) fourth, to the Respondent, Pacifica Mortgage Investment Corporation, the amount required to pay the outstanding balance of its mortgage registered against the Lands under Land Title Registration No. BV123133; and

(e) fifth, the balance then remaining of the proceeds of the sale, if any, to be paid into Court to the credit of this action and to be held pending further Order of this Court.

8. For the purpose of issuing title and in respect of the Lands, the following charges, liens, encumbrances, caveats, mortgages, and certificates of pending litigation be cancelled insofar as they apply to the Lands:

<b>Respondent</b>	<b>Nature of Charge</b>	<b>Land Title Registration No.</b>
Tortonto Dominion Bank	Mortgage	BR99021
Pacifica Mortgage Investment Corporation	Mortgage	BV123133
Pacifica Mortgage Investment Corporation	Assignment of Rents	BV123134

9. Vendor is at liberty to extend the completion, possession and adjustment date set out in the Contract of Purchase and Sale attached hereto as Schedule "A" for up to 14 days without further Order of this Court;
10. The parties may apply for such further direction as may be necessary to carry out this Order;

BY THE COURT

DISTRICT REGISTRAR

**APPROVED AS TO FORM:**

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Solicitor for the Plaintiff

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Solicitor for the Defendants,  
Frederick Gilliland and Royal Grand  
Exchange International Ltd.

# CONTRACT OF PURCHASE AND SALE



70			
INITIALS			



PREPARED BY: Edwards, Kenny & Bray DATE: August 21, 2003  
(AGENCY - PLEASE PRINT)  
 ADDRESS: 1900 - 1040 West Georgia Street, Vancouver, B.C. PC: V6E 4H3 PHONE: (604) 689-1811  
 PER: Rachel I. Fisher MLS® No.: \_\_\_\_\_

<b>SELLER:</b> <u>Michael J. Quilling, Receiver for</u> <b>SELLER:</b> <u>the Estate of Frederick J. Gilliland</u> ADDRESS: _____ _____ PC: _____ PHONE: <u>(604) 689-1811</u> RESIDENT OF CANADA <input checked="" type="checkbox"/> NON-RESIDENT OF CANADA <input type="checkbox"/> as defined under the <i>Income Tax Act</i> .	<b>BUYER:</b> <u>WEN KAI ZENG</u> <b>BUYER:</b> _____ ADDRESS: _____ _____ PC: _____ PHONE: <u>(604) 315-1699</u> OCCUPATION: _____
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**PROPERTY:** Address: 2373 Constantine Place Municipality West Vancouver PC: V7S 3H7  
 Legal Description: LOT 16 DISTRICT LOT 793 GROUP 1 NEW WESTMINSTER DISTRICT PLAN LMP32819  
 \_\_\_\_\_ (Property) PID # 023 737 778

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The purchase price of the Property will be ONE MILLION FIVE HUNDRED & EIGHTY THOUSAND  
 \_\_\_\_\_  
 \_\_\_\_\_ DOLLARS \$ 1,580,000.00 (Purchase Price)

2. **DEPOSIT:** A deposit of \$ 100,000.00 which will form part of the Purchase Price, will be paid on the following terms:  
Presently held in trust by MacDonald Realty

All monies paid pursuant to this section (Deposit) will be delivered in trust to MacDonald Realty and held in trust in accordance with the provisions of the *Real Estate Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:  
This purchase and sale is subject to the seller obtaining an Order in the Supreme Court of British Columbia approving the purchase and sale no later than August 26, 2003.

Each condition, if so indicated, is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Act*.

4. **COMPLETION:** The sale will be completed on or before August 27, yr. 2003 (Completion Date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have vacant possession of the Property at 12 noon on August 27, yr. 2003 (Possession Date) OR, subject to the following existing tenancies, if any: NONE

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of August 27 yr. 2003 (Adjustment Date)

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING: Blinds, drapes, window coverings, fridges (x2), stoves (x2), microwave, media room projector and screen, WASHER, DRYER.  
 BUT EXCLUDING: NONE

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on August 18, yr. 2003





PROPERTY ADDRESS 2373 Constantine Place, West Vancouver

- 9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Clause 5, if any, and except as otherwise set out herein.
- 10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's trust cheque.
- 11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office on or before the Completion Date.
- 12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be absolutely forfeited to the Seller in accordance with the *Real Estate Act*, on account of damages, without prejudice to the Seller's other remedies.
- 13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.
- 14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Buyer may pay the Purchase Price to a Lawyer or Notary in trust, on the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
- 15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 a.m. on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
- 17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
- 19. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled *Working With a Real Estate Agent* and acknowledge and confirm as follows:
  - (a) the Seller has an Agency relationship with REMAX MASTERS and CLARA HARTREE  
AGENT SALESPERSON
  - (b) the Buyer has an Agency relationship with MACDONALD RITY LTD and MARTIN BORKO  
AGENT SALESPERSON
  - (c) the Buyer and the Seller have consented to a limited dual agency relationship with MACDONALD REALTY LTD and MARTIN BORKO  
AGENT SALESPERSON SALESPERSON

having signed a limited dual agency agreement dated \_\_\_\_\_

If only (a) has been completed, the Buyer is acknowledging no agency relationship. If only (b) has been completed, the Seller is acknowledging no agency relationship.

20. THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.

21. **OFFER:** This offer, or counter-offer, will be open for acceptance until 5 o'clock P m. on MONDAY, AUGUST 25, yr. 2002 and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X Martin Berke-Macdonald (BUYER)      X Wen Kai Zeng (BUYER)

X \_\_\_\_\_ (WITNESS)      X \_\_\_\_\_ (WITNESS)

● WEN KAI ZENG (PRINT NAME)

● \_\_\_\_\_ (PRINT NAME)

22. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Agent, as requested, forthwith after completion.

Seller's acceptance is dated 8/21, yr. 2003

X Christie A. Steen (SELLER)      ● MICHAEL J. QUILLING (PRINT NAME)

X \_\_\_\_\_ (WITNESS)      ● \_\_\_\_\_ (PRINT NAME)

X \_\_\_\_\_ (WITNESS)      ● \_\_\_\_\_ (PRINT NAME)