

THIS AGREEMENT is dated the \_\_\_\_ May, 2004.

BETWEEN:

DUTCH CANADIAN CLUB (EDMONTON)  
of the City of Edmonton, in the Province of Alberta  
(hereinafter called "DCC")

OF THE FIRST PART

- and -

SCANDINAVIAN CENTRE CO-OPERATIVE ASSOCIATION LIMITED  
of the City of Edmonton, in the Province of Alberta  
(hereinafter called "SCCA")

OF THE SECOND PART

### AGREEMENT

#### RECITALS

WHEREAS:

- A. DCC is the owner of lands municipally described as 13312 – 142 Street, Edmonton, Alberta ("the Lands");
- B. The parties have executed a Lease Agreement dated February 10, 1999 and the parties wish to amend the said Lease Agreement as set out in this Agreement;
- C. SCCA wishes to advance the sum of \$175,000.00 to DCC on the terms and conditions as set out in this Agreement;

WITNESSETH THEREFORE that the parties hereto covenant and agree each with the other as follows:

1. SCCA shall advance the sum of \$175,000.00 ("the Funds") to DCC and DCC agrees to accept the Funds from SCCA on the terms and conditions as set out in this Agreement.
2. DCC shall use the Funds to upgrade the Lands.
3. In consideration of receipt of the Funds from SCCA, DCC shall grant a mortgage to SCCA in the sum of the Funds and the SCCA shall be entitled to register the mortgage against the Lands at the North Alberta Land Registration District. There shall be no interest payable on the Funds by DCC to SCCA and the mortgage shall state that no interest is payable by DCC to SCCA on the Funds. The Funds shall only be payable by DCC to SCCA on the following conditions:
  - a. In the event that the DCC determine that they no longer wish to share the Lands with the SCCA, the DCC shall give written notice to the SCCA of such decision and the DCC shall pay the sum of \$175,000.00 to the SCCA within 2 years after giving such written notice to the SCCA;
  - b. In the event that the DCC becomes insolvent, bankrupt or petitioned into

receivership, SCCA shall rank as a preferred creditor;

- c. In the event that the SCCA determine that they no longer wish to share the Lands with the DCC, the SCCA shall give written notice to the DCC of such decision and the DCC shall not be required to make any payments to the SCCA of the Funds thereafter and the Funds shall be forfeited by the SCCA to the DCC in its' entirety. The SCCA shall discharge the mortgage from the Lands forthwith.
4. The cost of preparing and registering the mortgage shall be solely paid by the SCCA.
5. The parties agree that each of them shall do, perform, execute, deliver or cause to do any and all lawful acts, deeds, and assurances whatsoever for the true intent and meaning of the terms and conditions as set out in this Agreement.
6. Time shall be of the essence of this agreement.
7. No amendment or variation of the terms, conditions, warrants, covenants, agreements and undertakings set forth herein shall be of any force or effect unless the same shall be reduced to writing duly executed by both parties hereto in the same manner and with the same formality as this agreement is executed.
8. The parties hereby agree that the Lease Agreement dated February 10, 1999 shall continue in force and effect except as amended by the terms and conditions as set out in this Agreement.
9. The parties are at liberty to amend or vary the Lease Agreement dated February 10, 1999 and this Agreement by reducing any such amendment or variation to writing duly executed by both parties hereto in the same manner and with the same formality as this agreement is executed.
10. This agreement shall enure to the benefit of and be binding upon each of the parties hereto and each of their respective personal representatives, successors, administrators and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement as witnessed by the signatures of their proper officers in that behalf, and this agreement is delivered, all as of the date first above written.

DUTCH CANADIAN CLUB (EDMONTON)

PER: 

PER: 

SCANDINAVIAN CENTRE CO-OPERATIVE ASSOCIATION LIMITED

PER: 

PER: 