

LEASE AGREEMENT

Company Space

Undersigned

1. Koot Vastgoed BV

located at **[Redacted: Address of the Landlord.]**

registered in the trade register under number **[Redacted: Trade register number.]**

represented by Mr. **[Redacted: Name of individual.]**

2. Mister **[Redacted: Name of individual.]**, in private,

living at **[Redacted: Address of individual.]**

hereinafter collectively referred to as 'Landlord',

AND

Red Light Holland Inc.

located at 1 Adelaide St East, Suite 801, Toronto, Ontario, M5C 2V9

represented by: Todd Shapiro

hereinafter referred to as 'Tenant',

Red Light Holland Inc. incorporates a private limited liability company associated with Red Light Holland Inc. under the laws of the Netherlands. The latter private limited liability company shall enter into the rights and obligations of Red Light Holland Inc., which rights and obligations are laid down in this agreement, with effect from the date of incorporation in the Netherlands of the aforementioned private limited liability company.

have agreed:

The rented, destination

1.1. a Landlord sub 1 rents to Tenant and Tenant rents from Landlord indoor about 338.4 m² of business space (mushroom cells) with office and canteen, hereinafter referred to as 'the Leased' (see photos), located at **[Redacted: Address of premises.]**, which business premises (mushroom cells) are further indicated on the drawing (production 1) attached as appendices to this agreement and forming part thereof, initialled by the parties, and an official report of

delivery (production 2), initialled by the parties, indicating which installations and other facilities belong to the leased property and also giving a description of the condition of the leased property, possibly supplemented by photographs initialled by the parties. The hired object shall also include the outdoor area as shown in the sketch of the situation attached as an appendix, which sketch has been signed for approval by both parties (production 3).

1.1.b Landlord sub 2 rents to Tenant and Tenant rents from Landlord the plot located on the **[Redacted: Address of premises.]**

1.2.a The leased under 1.1.a. will be exclusively intended and used by, or on behalf of the Tenant, for the cultivation of mushrooms and truffles and the storage of goods related to this cultivation of mushrooms and truffles.

1.2.b The rented object under 1.1.b will be exclusively intended and used by, or on behalf of the Tenant, for driving out substrates and cutting waste resulting from the use as described under 1.2.a. above.

1.3 The Tenant is not permitted without prior written permission from the Landlord to give the rented object a purpose other than that described in 1.2.

1.4 The maximum permissible load on the floors of the rented property is 3 tonnes/m².

1.5 Upon entering into the tenancy agreement, the Tenant has not received a copy of the energy label, as referred to in the Energy Performance of Buildings Decree, in respect of the leased property.

1.6 If it appears that the area referred to in Article 1.1 is not correct, the parties agree that a difference with the actual size (under- or oversize) will have **no** difference for the rent.

Terms and conditions

2.1 This lease agreement forms part of the "GENERAL PROVISIONS FOR THE RENTAL CONVENTION OF OFFICE SPACE and other business premises within the meaning of Section 7:230a of the Dutch Civil Code", filed with the registry of the District Court in The Hague on 17 February 2015 and registered there under number 15/21, (hereinafter referred to as "general provisions"). The content of these general provisions is known to the parties. The Tenant and Landlord have received a copy of the general provisions.

2.2 The general provisions referred to in article 2.1 shall apply except in so far as they have been expressly deviated from in this lease, or their application is not possible with regard to the rented space.

Duration, extension and termination

3.1 This rental agreement commences on **1 August 2020** (hereinafter '**effective date**') and is entered into for a period of five years until **31 July 2025**.

3.2 After the expiry of the period referred to in Clause 3.1, this tenancy agreement will be continued for a subsequent period of **five years**, i.e. until **31 July 2030** inclusive, subject to termination of this tenancy agreement by notice given by the Tenant or the Landlord in accordance with Clauses 3.3 and 3.4.

Subject to termination at the end of a lease period, this lease will then be continued twice for subsequent periods of **five years**, until **31 July 2035** and **31 July 2040** respectively.

3.3 Termination of this lease will take place by notice by the Tenant to the Landlord or by the Landlord to the Tenant at the end of the current lease period, subject to a period of **one year**.

3.4 Notice of termination must be given by bailiff's writ or by registered letter.

Rent, sales tax, service charges, rent adjustment, payment obligation, payment period

4.1.a The initial rent of the leased property under 1.1.a. on the commencement date on an annual basis amounts to **[Redacted: Dollar amount of rent.]**.

4.1.b The initial rent of the leased property under 1.1.b on the commencement date on an annual basis amounts to **[Redacted: Dollar amount of rent.]**.

4.2 The parties agree that the Landlord will charge the Landlord turnover tax on the rent on account of sub 1.1.a.

If it is not agreed that the Landlord will charge turnover tax on the Lease, the Tenant will owe the Landlord a separate fee in addition to the Lease price to compensate for the disadvantage that the Landlord or its legal successor(s) suffers or will suffer because the turnover tax on the Landlord's investments and operating costs is not (or no longer) deductible. The provisions of Article 19 of the general provisions will then not apply.

4.3 The parties declare, with reference to article 11 paragraph 1 opening words under section 5(b) of the Turnover Tax Act 1968, to have agreed on a rental that is subject to turnover tax. Turnover tax will also be charged on the fee payable by the Tenant for the supply of goods and services to be provided by or on behalf of the Landlord, as set out in Article 5 of the Lease Agreement and in Article 18 of the General Provisions.

By signing this tenancy agreement, the Tenant declares, also on behalf of the Landlord's successor(s) in title, that it will continue to use the Subjects or allow the Landlord to use the Subjects permanently for purposes for which there is a full or almost full right to deduct turnover tax pursuant to Section 15 of the Turnover Tax Act 1968.

4.4 The financial year of the Tenant runs from 1 January up to and including 31 December.

4.5 The rent will be increased annually on 1 January, for the first time with effect from **1 January 2021, with a fixed percentage of 2%.**

4.6 The fee payable by the Tenant for the supply of goods and services by, or on behalf of the Landlord, will be determined in accordance with article 18 of the general provisions. This compensation will be subject to a system of advance payments with subsequent offsetting, as indicated there.

4.7 The Tenant will no longer owe turnover tax on the rent if the leased property may no longer be let with turnover tax, although the parties had agreed to this. If that is the case, the turnover tax fees referred to in Article 19.1 of the General Provisions will be replaced and will be reflected in advance in Article 4.8.

4.8 The payment obligation of the Renter consists of the following components:

In respect of the Leased Property under 1.1.a:

For each payment period of three calendar months, the following amounts will be charged at the start of the rental period:

- the rent **[Redacted: Dollar amount of rent.]**
- the advance on the compensation for by or on behalf of Landlord
The delivery of goods and services with the about it
sales tax due **[Redacted: Dollar amount of tax due.]**
- in case of taxed rent, the amount due over the rental price
sales tax **[Redacted: Dollar amount of tax due.]**

Total **[Redacted: Total dollar amount.]**

Total in words: three thousand three hundred and ninety euros.

The payment obligation of the Renter consists of the following components:

In respect of the Subjects under 1.1.b:

For each payment period of three calendar months on the commencement date of the lease amounts to:

- Rent	[Redacted: Dollar amount of rent.]
- the advance on the compensation for by or on behalf of Landlord The delivery of goods and services with the about it sales tax due	[Redacted: Dollar amount of tax due.]
- in case of taxed rent, the amount due over the rental price sales tax	[Redacted: Dollar amount of tax due.]
<hr/> Total	[Redacted: Total dollar amount.]

4.9 With regard to the commencement date, the Tenant's first payment relates to the period from August 1, 2020 up to and including August 31, 2020 and the amount due for this first period is [Redacted: Dollar amount.] including VAT for the Leased Property sub 1.1.a and [Redacted: Dollar amount.] for the Leased Property sub 1.1.b.

Tenant will pay these amounts before or on **August 1, 2020**.

4.10 The periodic payments to be made by the Tenant to the Landlord pursuant to this tenancy agreement as set out in Clause 4.8 are payable in Euros in advance and must be paid in full before or on the first day of the period to which the payments relate.

- The periodic payments relating to the Subjects under 1.1.a must be paid as a single amount to Landlord under 1 to the bank account number [Redacted: Bank Account Number.] in the name of **Koot Vastgoed B.V.**, stating 'huur Ruttenweg' and the quarter to which the lease relates.

- The periodic payments relating to the leased property under 1.1.b must be made as a single amount to Landlord under 2 to the bank account number [Redacted: Bank Account Number.] in the name of **J.W. Koot**, stating 'huur Ruttenweg' and the quarter to which the lease relates.

4.11 Unless stated otherwise, all amounts in this lease and the general provisions forming part thereof are exclusive of turnover tax.

Costs of delivery of goods and services

5.1. The following items and services are provided by or on behalf of Landlord:

- **the supply, transport, metering and consumption of water** with respect to the Subjects under 1.1.a. The costs thereof will be charged to the Tenant, subject to the provisions of article 18 of the general provisions - and with respect to water consumption on the basis of post-calculation according to the water meter to be installed on 1 August 2020.

The supply, transport, metering and consumption of gas and electricity will not be taken care of by the Landlord; the Tenant must take care of this at its own expense.

5.2 The Landlord is authorised, after consultation with the Tenant, to change the delivery of goods and services referred to in article 5.1 according to the type and scope or to have them lapse.

Guarantees

6.1 Prior to the commencement date, the Tenant shall pay a **deposit** in the amount of **[Redacted: Dollar amount of deposit.]**, to be paid to the Landlord under 1 in respect of the Subjects under 1.1.a and an amount of **[Redacted: Dollar amount of deposit.]**, to be paid to Landlord under 2 in respect of the Subjects under 1.1.b, to the respective bank accounts referred to in Clause 4.10.

6.2 No interest will be paid on the deposit.

Operator

7.1 Until Landlord notifies otherwise, Landlord will act as manager under 2, Mr. **[Redacted: Name of individual.]**.

7.2 Unless otherwise agreed in writing, the Tenant must contact the Landlord with regard to the contents and all other matters relating to this tenancy agreement.

7.3 The notice of termination must also be sent to the Landlord.

Incentives

8 The parties declare that no incentives other than those mentioned in this rental agreement have been agreed between the parties.

Asbestos/Environment

9.1 If asbestos is present in the roof, it will be removed before the start date of the renovation/removal of the roof. For the rest, the Landlord is **not aware** that asbestos has been incorporated in the rented property. The Landlord's unfamiliarity with the presence of asbestos in the leased property expressly does not imply any guarantee on the part of the lessor that no asbestos is present.

9.2 The Landlord is **not aware** that there is any contamination in, on or to the Subjects that is of such a nature that it is necessary to take measures under applicable legislation at the time of signing the Lease Agreement. The Landlord's unfamiliarity with the presence of any contamination in, on or to the rented object at the time of signing the Lease expressly does not constitute a guarantee on the part of the lessor that no contamination is present.

Sustainability/Green lease

10 Parties recognize the importance of sustainability and agree to support each other in achieving the jointly formulated or to be formulated objective and to discuss progress on a regular basis.

Special provisions

11.1 During the term of the lease, the Tenant has the option, subject to conditions to be agreed upon, to rent the space adjacent to the leased property, the cells located next to the leased property and the green shed located next to the leased property, as indicated in the situation sketch attached as an appendix (**production 4**), for the remaining term of the lease. In that respect, the Landlord hereby grants the Tenant a first right of lease during the term of the Lease.

If during the existence of this first right of lease the Landlord has the intention to let (part of) these properties to a third party, the Landlord will immediately notify the Tenant of that intention by registered letter. The Tenant will then inform the Landlord by registered letter within one month of receipt of that notification whether it wishes to exercise its first right of tenancy. If the Landlord has not received a response from the Tenant within that period, or no confirmation from the Tenant, the Tenant's first right of lease will lapse and the Landlord will be free to let to the third party. If the Tenant has notified the Landlord in good time that it wishes to exercise its first right of tenancy, the Landlord and the Tenant will consult on the conditions of this additional tenancy. If they have not reached agreement on those conditions within one month, the Landlord will be free to let to a third party at a rent that will not be

lower than the rent for which the Tenant has offered to enter into an additional tenancy agreement.

11.2 Storage on the outside site shall take place with due observance of the relevant provisions of the permits issued and to be issued by the government in respect of the leased property and the operation of the company in the leased property.

11.3 Parking on and in the vicinity of the leased premises shall take place with due observance of the relevant provisions of the permits granted and to be granted by the government in respect of the leased premises and the business operated in the leased premises.

11.4 Based on the Tenant's current (or at least known) municipal permit, no restrictions apply between 7:00 a.m. and 7:00 p.m. with regard to transport movements to and from the location of the Subjects. Before and after this period of time, however, government restrictions will apply, on the grounds of which (more than incidental) transport movements may not be permitted.

11.5 Movable property located in the leased property does not belong to the Landlord, nor does the Landlord have any claim to movable property located in the leased property.

11.6 Only the fire/building insurance of the building is taken out by the Landlord who pays premium for it on time. The Tenant must take out its own insurance, among other things with regard to fire and theft of the movable property located in the leased property.

11.7 Contrary to the provisions of Articles 12.2 and 12.3 of the general provisions, the Tenant may not make any changes and/or additions in or to the Subjects without the Landlord's prior written consent. The Tenant must also obtain the Landlord's prior written consent for the changes and additions as described in Clause 12.2 of the general provisions.

11.8 Landlord may in principle at all times enter, but only after consultation with the Tenant.

11.9 Landlord is responsible for the maintenance and tidiness of the land directly adjacent to the rented property.

Thus drawn up and signed in duplicate

Location	Date	Location	Date
Horst	04-05-2020	Horst	04-05-2020

(signature on behalf of Landlord sub 1)

[Redacted: Name of individual.]

(signature on behalf of Tenant)

Todd Shapiro

(Landlord 's signature sub 2)

[Redacted: Name of individual.]

Appendices:

- General provisions
- Floor plan / Drawing of the rented property
- Minutes of delivery (to be added at the time of delivery)
- Excerpt Chamber of Commerce Landlord
- Excerpt Chamber of Commerce Tenant trade register
- Copy passport entry fee of representative of Landlord
- Copy of passport of Tenant's legal representative

Separate signature(s) of the Tenant(s) for the receipt of their own copy of the 'General provisions for the lease of office space and other business space within the meaning of Section 7:230a of the Dutch Civil Code' as referred to in 2.1.

Signature Tenant
Todd Shapiro