



The Green Organic Dutchman Ltd
1915 Jerseyville Road West
Ancaster, ON L0R 1R0

Attn: Marc Cernovitch

Burlington, April 18, 2017
3117-17 Pro02.doc

PROPOSAL – Consultancy for a 13,500 m² Cannabis Greenhouse plus 1,900 m² Pharma Building in Ancaster, Ontario

Thank you for giving Larssen Ltd the opportunity to propose work relating to a cannabis greenhouse project in Ancaster, Ontario.

This proposal involves a greenhouse facility with a 1,900 m² external grow area (pharmaceutical area) connection. The proposal is based upon our discussions and our work can be tailored around your specific needs.

Our proposed work will cover the following phases:

1. Design of Facility
2. Pricing and vendor selection, up to contract signing
3. Construction Phase:
 - Pre construction
 - Construction
 - Post construction
4. Master Plan (approximately 14 ha of buildings)

1.0 Design of Facility – Pharma Building, Block 2 and Greenhouse Block 3:

Larssen Ltd's work during the design phase is expected to include:

- Determination of production demands at the various stages
- Evaluation and selection of production systems and techniques to optimize quality, efficiency yield and product consistency
- Detailed design incorporating the selected systems including but not limited to:
 - Layout including production flow and estimated production rates while collaborating with Construction manager
 - Design of greenhouse and pharmaceutical area
 - Design of production systems for mother plant, propagation, vegetative and flowering stage
 - Production flow diagram for incorporation of full traceability
 - Grow lights and screening system

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- Irrigation and nutrient delivery systems
- A full set of drawings, approximately 35 in total, for example:
 - Site plan
 - House plan (pharmaceutical area)
 - Plan with production flow and description
 - Typical section for each production area
 - High level diagram for heating and cooling installation, water systems and CO₂ systems
 - Construction plan
 - Lighting plan
 - Heating and cooling diagram for each zone
 - Screening plan
 - In ground piping plan – TBD
 - Office, lab and workspace
 - Social areas, lunch room and kitchen, rest rooms
 - Concrete plans in collaboration with construction manager
- Modeling of consumables including energy for heating/cooling, energy for grow lights, CO₂ consumption, utility and water requirements in collaboration with Enson, Trane, and Edge consultants
- Time schedule for construction phase

2.0 Pricing and Vendor Selection:

- Collaborate with TGOD partnerships and
- Pre selection of potential vendors
- Strategy for bidding process, i.e. general contractor, several contractors or other options.
- Larsen Ltd will provide an RFP for the investment (non-partners only), based on the strategy made above. RFP's are tailored for the individual project. We estimate the project in Ontario will consist of approximately 70 pages of specific descriptions as well as approximately 35 drawings to guide proposers.
- The RFP will include descriptions and drawings as well as a time schedule for achieving competitive pricing on the desired solutions. The RFP will be divided into the following sub-positions:
 1. General conditions
 2. Site work (to be amended by local engineer)
 3. Pharma building
 4. Support area
 5. Greenhouse
 6. Concrete
 7. Boiler Room
 8. Heating/ Cooling/ CO₂
 9. Water Technical
 10. Growing systems for vegetative and flowering stages
 11. Screens
 12. Climate Computer and electrical
 13. Grow lights

14. Support buildings & HVAC

All work will be performed having in mind Ledcor will be the General Contractor for the project and that Trane and Eaton are partners.

Necessary calculations to provide the RFP will be included.

All material will be available on our website through login id and password.

- Larssen Ltd will participate in all negotiations and contracting in collaboration with project team (legal parts to be handled by other party).

3.0 Construction Phase

Pre construction phase to include:

- Collaboration with TGOD project team and construction manager
- Verification of vendor drawings and calculations
- Load verification and general evaluation of rules by local engineers

Construction phase to include the following:

- Collaboration with Construction Manager
- Weekly site meetings:

Larssen Ltd will be present onsite weekly when activities take place. Thomas Larssen to be present minimum once per month. When not present, meeting will be held over the internet/phone with your and vendor's representatives.

Each site meeting will include:

- Visit on site including inspection
- Time schedule follow up
- Written minutes of meeting
- Follow up on QA
- Follow up on change orders if any
- Close monitoring and cooperation with local site clerk

- Monitoring construction permitting by local engineers
- Budget evaluation with accountant
- Day to day follow up with suppliers
- QA system

Building QA system includes:

- System for checking material from contractors (will be incorporated as vendor demand in the RFP)
- System for on site follow up
- System for Invoice approval and budget follow up
- Hand over procedure

Post Construction Phase to include:

- Updating our drawings to as-built and delivery in both paper and electronic format (AutoCad). I expect our services to include a total of approximately 35-40 drawings.
- Ensuring all vendor drawings are updated to as-built
- Organizing documentation from suppliers including maintenance frequency list (expected and demanded) electronically in database search engine.

4.0 Master Plan

Larssen Ltd's work to include:

- Master plan site layout of buildings
- Plan – rough design of:
 - Cannabis greenhouse – standard version
 - Support buildings
 - Energy building
 - Elevations
- Production flow
- Consumables modeling for full facility including diagram for design base
 - Natural gas
 - Electricity
 - Water
 - CO₂
- Yields for cannabis
- Rough CAPX for phases

Expected Schedule:

Phase 1 and 2 – RFP draft – May 1, 2017

RFP delivered to vendors – May 8, 2017

Price submittal vendors – 4 weeks

Phase 3 – Project finished – March 31, 2018

Phase 4 – Master Plan – In parallel with project – finalized by July 1, 2017

Contract

This contract may be terminated by The Green Organic Dutchman Ltd at any time resulting in an invoice being issued for actual hours worked and expenses incurred at the standard rates according to our term sheet.

Proposal includes necessary time with pre-selected construction manager and TGOD partnerships to align process and expectations.

Please note Larssen Ltd does not carry any professional engineers in Ontario and will therefore work as consultants. Legal construction of contracts with vendors will appoint the engineering responsibility to the vendors in matters where there is no other appointed local engineer (site engineer as an example). We although want to point out that we do carry the responsibilities in projects throughout North American and Europe. Through this knowledge as well as through our experience in other parts of the world, we will be able to educate local suppliers to realize the optimum project for this specific location. We also refer to our term sheet that is enclosed.

I will be the contact in our company for this project. I'm looking forward to realizing this project together with you to your full satisfaction.

Kinds Regards,
LARSEN Ltd
Greenhouse Engineering

“Thomas Larssen”
Thomas Larssen
M.Sc. Engineering

Approved on 5 day of May, 2017
The Green Organic Dutchman Ltd

“Marc Cernovitch”
Marc Cernovitch

REDACTED

PRICE PORTION APPENDIX