

THIS AGREEMENT made effective the 4<sup>th</sup> day of January, 2018.

**BETWEEN:**

**THE GREEN ORGANIC DUTCHMAN LTD.**  
(the "Owner")

- and -

**AURORA LARSEN PROJECTS INC.**  
(the "Consultant")

**DESIGN AND CONSULTING SERVICES AGREEMENT**

**WHEREAS:**

**A.** The Owner requires the services of the Consultant in connection with the provision of design and construction consulting services relating to the Project;

**B.** The Owner and the Consultant have reached agreement with respect to the terms and conditions under which the Consultant will provide such services to the Owner;

**NOW THEREFORE**, in consideration of the promises, mutual terms, covenants and conditions herein, the parties hereto agree as follows:

**1. DEFINITIONS**

**1.1** In this Agreement:

**(a) "Confidential Information"** means:

- (i) the Work Product;
- (ii) proprietary intellectual property, trade secrets and methodologies of Owner or as developed jointly by the Owner and the Consultant;
- (iii) business information including, without limitation, financial information, business and marketing planning and related initiatives and any and all data and information obtained by the Consultant or any of its employees or contractors from Owner; and
- (iv) other information or data received by the Consultant or any of its employees or subcontractors that is identified as proprietary or confidential

but does not include any information which the Consultant can demonstrate:

- (A) was, at the time of disclosure to the Consultant, in the public domain;
- (B) after disclosure to the Consultant, became part of the public domain through no fault of the Consultant;
- (C) was in the possession of the Consultant at the time of disclosure to it as demonstrated by written records;
- (D) was received by the Consultant from a third party who had a lawful right to

disclose such information; or

- (E) was independently developed by the Consultant without reference to such information;
- (b) "**Contractor**" means the third party(s) hired by the Owner to construct the Project;
- (c) "**Fees**" means the fees and expenses that the Owner shall cause to be paid to the Consultant as set forth in **Schedule "B"** hereto;
- (d) "**Private Placement**" means the private placement of subscription receipts pursuant to a subscription agreement between Aurora Cannabis Inc. and The Green Organic Dutchman Holdings Ltd. dated January 4, 2018;
- (e) "**Project**" means the construction of an approximately 65,149 square metres greenhouse located at Valleyfield, Quebec;
- (f) "**Services**" means the preparation of detailed plans for the Project for Owner approval as well as assistance through the request for proposal process to assist the Owner with selecting Contractors for the Project and entering into contracts with Owners for the Project, as more particularly identified in **Schedule "A"** hereto; and
- (g) "**Work Product**" means any and all materials, reports, documentation, and other items made, prepared or produced for the Owner by or on behalf of the Consultant or any of its employees and contractors as part of the provision of the Services (whether then provided or delivered to the Owner, or not), including related materials, regardless of media or format.

**2. PREAMBLE AND SCHEDULES**

**2.1** The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that same and the various schedules hereto are expressly incorporated into and form part of this Agreement:

- Schedule "A" - Services
- Schedule "B" - Fees

**3. OBLIGATIONS**

**3.1** The Consultant shall:

- (a) perform the Services faithfully, to the same standard as a prudent Consultant would in the circumstances, exercising reasonable best efforts, and in accordance with and subject to the terms and conditions contained in this Agreement;
- (b) provide qualified staff to provide the Services;
- (c) be bound by and observe all applicable federal, provincial and municipal legislation and related regulations and the Consultant shall cause all of its employees and approved sub-consultants to be so bound;
- (d) obtain and maintain at its sole expense all necessary permits, licenses, consents and approvals required by all authorities having jurisdiction incidental to the performance of the Consultant's obligations under this Agreement. Notwithstanding the foregoing, the Owner acknowledges and agrees that the Consultant is not acting as a licensed engineer when performing the Services and the Owner will require the assistance of a third party engineer;

- (e) pay all fees and all other costs incidental to the performance of the Consultant's obligations under this Agreement (subject always to the payment of the Fees as contemplated herein); and
- (f) provide all such reasonable written and verbal reports as required by the Owner on the progress of the Services. The Consultant will make available such information, including data and documents, as the Owner may require from time to time to allow the Owner to evaluate the quality and progress of the Services.

**3.2** The Owner shall:

- (a) give due consideration to all sketches, drawings, reports, tenders, proposals and other information laid before them by the Consultant and shall give its decision in such reasonable time as not to delay the work of the Consultant; and
- (b) provide the Consultant with all pertinent information which may affect the Services, except where the Consultant is specifically required to provide the same according to this Agreement.

**4. PAYMENT OF FEES**

**4.1** The Owner will be responsible for the payment of the Fees to the Consultant following receipt of invoices and in accordance with the payment terms set forth in **Schedule "B"** hereto, plus any applicable GST thereon.

**5. TAXES AND DEDUCTIONS**

**5.1** The Consultant shall be responsible to collect, remit, and pay all source deductions, Canada Pension contributions, employment insurance premiums, taxes and GST and all other required payments, contributions or deductions under all applicable laws and authorities including, but not limited to, any assessments levied pursuant to applicable workers' compensation legislation and regulation in the Province of Quebec, or any corresponding legislation from any other province of Canada that is applicable, which arise or may hereafter arise with respect to the performance of the obligations of the Consultant under this Agreement and the Owner shall not have liability for the same.

**6. WARRANTIES AND REPRESENTATIONS**

**6.1** The Consultant hereby represents and warrants to the Owner, and acknowledges that the Owner is relying upon such representations and warranties, that during the currency of this Agreement:

- (a) the Consultant is in compliance with all laws and regulations of any public authority relating to the conduct of its business and has all required approvals, permits, licenses, certificates and authorizations necessary to carry on its business and to carry out its obligations hereunder and there are not any proceedings whatsoever, actual or pending, and whether concerning cancellation, extension or otherwise, relating to the said approvals, permits, licenses, certificates or authorizations; and
- (b) the Consultant is experienced in the performance of all aspects of the Services, and is capable of performing the Services in accordance with the terms, covenants and conditions contained in this Agreement.

**7. INSURANCE**

**7.1** Without in any way limiting the liability of the Consultant under this Agreement, the Consultant shall be responsible for obtaining and maintaining any insurance which may be required by law or merely required for the protection of the Consultant and any employees, agents or sub-consultants. Such insurance shall include:

- (a) commercial general liability insurance policy providing coverage of at least **ONE MILLION (\$1,000,00.00) DOLLARS** per occurrence in respect of any claim for bodily injury and property damage, products and completed operations; and
- (b) professional liability insurance policy providing coverage of at least **ONE MILLION (\$1,000,00.00) DOLLARS** per occurrence in respect of errors and omissions liability, and on a claims made coverage basis.

The cost of all of the insurance required to be held by the Consultant as set forth herein shall be borne by the Consultant. The Owner shall have no liability to the Consultant or any of its employee,s agents or sub-consultants with respect to the matters insured by such insurance.

**8. USE OF WORK PRODUCT**

**8.1** The Owner acknowledges that the Work Product has been produced by the Consultant specifically for the Project and the Owner is only authorized to use the Work Product for the Project and for no additional projects.

**9. CONFIDENTIAL INFORMATION**

**9.1** The Consultant shall:

- (a) keep the Confidential Information confidential; and
- (b) not use, observe or record any of the Confidential Information except as necessary to meet its obligations hereunder.

**9.3** The Consultant acknowledges and agrees that any contravention of this Section 9 by the Consultant may cause Owner harm which may not be compensable by monetary damages alone and, accordingly, in addition to any other remedy available, Owner shall be entitled as a matter of right to immediate injunctive relief restraining the contravening Consultant from committing or continuing to commit such breach, without any requirement to post a bond or prove damages.

**9.4** This Section 9 shall survive the termination or expiry of this Agreement for any reason whatsoever.

**10. TERM AND TERMINATION**

**10.1** The term of this Agreement shall begin on the date first written above and shall end on the completion of the Services, as determined by the Consultant, acting reasonably.

**10.2** This Agreement may be terminated at any time by the Owner for any reason and in the sole discretion of the Owner, upon fourteen (14) days written notice to the Consultant and the Consultant's right to consideration shall be limited to payment for the Services performed in accordance with the terms, covenants and conditions contained within this Agreement and not previously paid for up to the date of termination. Upon such termination, the Owner shall pay the Consultant for Services performed up to the effective date of termination based on the percentage of Services completed as determined by the parties, acting reasonably. .

**10.3** This Agreement may be terminated by the Consultant upon fourteen (14) days written notice to the Owner in the event of non-payment by the Owner of any invoice for services rendered in accordance with Schedule "B" hereto if such invoice is not paid within 30 business days from receipt of such invoice by the Owner.

**10.4** If notice is given as per Sections 10.2 or 10.3, the Consultant shall perform the Services up to and including the effective date of termination specified in the notice and shall, upon request, provide the Owner with a written report on the Services rendered to the time of termination. Except for any such report, the Consultant shall not perform any further Services subsequent to the effective date of termination.

**10.5** Notwithstanding the foregoing, this Agreement shall automatically terminate if the Private Placement is not completed on or before January 12, 2018.

**11. GENERAL**

**11.1 Notices**

Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing. Notice shall be served by one of the following means:

- (a) personally, by delivering it to the party on whom it is to be served at the address set out herein, provided such delivery shall be during normal business hours. Personally delivered Notice shall be deemed received when actually delivered as aforesaid and addressed as specified in subsection (c) below; or
- (b) by telecopier or by any other like method by which a written or recorded message may be sent, directed to the party on whom it is to be served at that address set out herein (including, without restriction, electronic mail). Notice so served shall be deemed received on the earlier of:
  - (i) upon transmission with answer back confirmation if received within the normal working hours of the same business day; or
  - (ii) at the commencement of the next ensuing business day following transmission with answer back confirmation thereof; or
- (c) by mailing via first class registered post, postage prepaid, to the party on whom it is served. Notice so served shall be deemed to be received three (3) days after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

Except as herein otherwise provided, notice required to be given pursuant to this Agreement shall be deemed to have been received by the addressee on the date received when served by hand or courier, or three (3) days after the same has been mailed in a prepaid envelope by registered mail to:

**Aurora Larssen Projects Inc.**

**Attention: Thomas Larssen**

**Email:** tlarssen@l-ge.com

cc: jswainson@brownleelaw.com

Suite 1500  
1199 West Hastings Street  
Vancouver, BC  
V6E 3T5

With a copy to  
Brownlee LLP  
2200 – 10155 102 St.  
Edmonton, AB T5J 4G8  
Attention: Jillian Swainson

**Attention: Rob Anderson**  
**E-mail:** randerson@tgod.ca

6205 Airport Rd, 3<sup>rd</sup> Floor  
Mississauga, ON L4V

or to such other address as each party may from time to time direct in writing.

**11.2 Governing Law**

This Agreement shall be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the exclusive jurisdiction of the Courts of the Province of Ontario.

**11.3 Time of Essence**

Time shall be of the essence of this Agreement.

**11.4 Headings**

The headings, captions, paragraph numbers, sub-paragraph numbers, article numbers and indices appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Agreement or any provisions hereof.

**11.5 Relationship between Parties**

Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party, as creating the relationship of employer and employee, principal and agent, partnership, or of a joint venture between the parties hereto, it being understood and agreed that none of the provisions contained herein nor any act of the parties hereto shall be deemed to create any relationship between the parties hereto other than an independent service agreement between the two parties at arm's length.

**11.6 No Authority**

Except as may from time to time be expressly stated in writing by the one party, the other party has no authority to assume or create any obligation whatsoever, expressed or implied, on behalf of or in the name of the other party, nor to bind the other party in any manner whatsoever. Without restricting any of the foregoing, unless otherwise specifically authorized and documented between the parties at no time shall the Consultant have authority to bind the Owner as their agent or otherwise, nor make representations or warranties for or on behalf of the Owner.

**11.7 Agreement Entire Relationship**

This Agreement constitutes the entire agreement between the parties hereto and the parties acknowledge and agree that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement. Specifically, the parties acknowledge and agree that this Agreement replaces and supersedes any agreement relating to the Project between Larssen Ltd., a sister company of the Consultant, and the Owner, including, but not limited to, the Proposal 5317-17 dated September 11, 2017

**11.8 Further Assurances**

Each of the parties do hereby agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

**11.9 Amendments**

This Agreement may not be altered or amended in any of its provisions, except where any such changes are reduced to writing and executed by the parties.

**11.10 Waiver**

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

**11.11 Counterparts**

This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute the one and same instrument and notwithstanding their date of execution shall be deemed to bear date as of the date first above written.

**11.12 Statutory Reference**

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto and promulgated thereunder with all amendments made thereto and in force from time to time and any final judicial decisions interpreting the same, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

**11.13 Unenforceability**

If any term, covenant or condition of this Agreement or the application thereof to any party or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest permitted by law.

**11.14 Survival**

The parties acknowledge and agree that the provisions of this Agreement which, by their context, are meant to survive the termination or expiry of this Agreement shall survive the termination or expiry of this Agreement and shall not be merged therein or therewith.

**11.15 Remedies Generally**

Mention in this Agreement of any particular remedy of a party in respect of a default by the other parties does not preclude the first party from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but a party may from time to time exercise any one of more of such remedies generally or in combination, such remedies being cumulative and not alternative.

**11.16 Payment of Monies**

The parties acknowledge and agree that any payment of monies required to be made hereunder shall be made in Canadian funds and that any tender of monies or documents hereunder may be made upon the solicitors acting for the party upon whom the tender is desired and it shall be sufficient that a negotiable bank draft is tendered instead of cash.

**11.17 GST Exclusive**

All amounts payable to the Consultant hereunder will be exclusive of any goods and services tax ("GST") and the Owner will, in addition the amounts payable hereunder, cause to be paid to the Consultant all amounts of GST applicable thereon.

**11.18** Singular, Plural and Gender

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof.

**11.19** Binding Effect

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of all of the parties.

**11.20** Assignment

Neither party may assign its interest in this Agreement, or any part hereof, in any manner whatsoever without having first received the written consent from the other parties, which consent may be arbitrarily withheld.

**11.21** Requests for Consent

All parties shall provide any decision with regard to a request for consent in a timely manner.

**11.22** Construction

This Agreement shall be interpreted according to its fair construction and shall not be construed as against any party hereto.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement effective the date first written above.

**AURORA LARSEN PROJECTS INC.**

Per: "Terry Booth"

**THE GREEN ORGANIC DUTCHMAN LTD.**

Per: "Robert W. Anderson"



## SCHEDULE "A"

### SERVICES

The parties acknowledge that the Consultant shall make reasonable efforts to ensure that it is available to provide the Services to the Owner in priority over other third party clients of the Owner (not including affiliates of the Consultant) when required by the Owner and as needed to ensure that the Project is not delayed.

The Services will cover the following phases:

1. Design of Facility
2. Pricing and vendor selection, up to contract signing

#### **1. DESIGN OF FACILITY:**

The Consultant's work during the design phase is expected to include:

- (a) Determination of production demands at the various stages;
- (b) Evaluation and selection of production systems and techniques to optimize quality, efficiency yield and product consistency for the large scale organic production facility
- (c) Detailed design incorporating the selected systems including but not limited to:
- (d) Layout including production flow and estimated production rates
  - (i) Design of greenhouse, support area and 2nd floor greenhouse
  - (ii) Design of production systems for mother plant, propagation, vegetative and flowering stage; Separate area for special varieties
  - (iii) Production flow diagram for incorporation of full traceability
  - (iv) Grow lights and screening system
  - (v) Irrigation and nutrient delivery systems

(e) A full set of drawings, approximately 50 in total, for example:

- Site plan
- House plan
- 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
- (e) Modeling of consumables including energy for heating/cooling, energy for grow lights, CO2 consumption, utility and water requirements in collaboration with other consultants
- (f) Time schedule for construction phase

2. **PRICING AND VENDOR SELECTION:**

- (a) Preselection of potential vendors
- (c) Strategy for bidding process, i.e. general contractor, several contractors or other options
- (d) 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 will consist of approximately 70-80 pages of specific descriptions as well as approximately 45-50 drawings to guide proposers.
- (e) 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 subpositions:
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 mind Ledcor will be the Project Manager for the project and that Trane and Eaton are partners.

Necessary calculations to provide the RFP will be included. All material will be available in Dropbox.

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

#### SPECIFIC EXCEPTION TO SERVICES

The Consultant does not and is not qualified to provide professional engineering services. Accordingly, where it is deemed necessary by the Consultant or vendors engaged by the Consultant in fulfilling its responsibilities hereunder, professional engineers will be retained.

#### ADDITIONAL SERVICES DURING CONSTRUCTION

The parties acknowledge that it is intended that the Consultant shall be involved with the Project and perform additional services, as further described below, after the Services described above are complete. Therefore, the parties agree to negotiate in good faith to determine agree to fees associated with the Consultant performing the following additional services during the construction phase and post construction phase in relation to the Project:

##### Construction Phase

Pre construction phase to include:

- Verification of vendor drawings and calculations
- Load verification and general evaluation of rules by local engineers

Construction phase to include the following:

- Weekly site meetings: the Consultant being resent once per month when activities take place on site. When not present, meeting will be held over the internet/phone with your and vendor's representatives.

Each site meeting will include:

- o Visit on site including inspection
- o Time schedule follow up
- o Written minutes of meeting
- o Follow up on QA
- o Follow up on change orders if any
- o 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:

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

Post Construction Phase to include:

- Updating our drawings to as-built and delivery in both paper and electronic format (AutoCad).
- 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.

REDACTED

SCHEDULE B – FEES