

LICENSE AGREEMENT

THIS AGREEMENT made and entered as of the last date of execution hereinbelow by each party (the "Effective Date") by and between Vertical Designs Ltd ("LICENSOR") a British Columbia corporation with an office at #25 -1833, Coast Meridian St, Port Coquitlam, BC, Canada, and Abattis Bioceuticals Corp. ("LICENSEE") a British Columbia corporation listed on the Canadian National Stock Exchange with an office at 104 - 9295 198th Street, Langley, British Columbia Canada V1M 3J9.

DEFINITIONS

1.1 Whenever used in this AGREEMENT, the following terms shall have the following meanings:

- a. "EQUIPMENT PURCHASE AGREEMENT" is identified on annexed Appendix I.
- b. "FIRST LICENSED FACILITY" means the first LICENSED FACILITY for which LICENSEE begins construction following the Effective Date.
- c. "LICENSED FACILITY" means any facility constructed pursuant to this Agreement in the TERRITORY for growing PRODUCTS and includes any SUBSEQUENT LICENSED FACILITIES.
- d. "LICENSED FIELD" means the use of LICENSOR TECHNOLOGY and LICENSOR PATENTS by LICENSEE for growing PRODUCTS.
- e. "LICENSOR PATENTS" shall mean all United States and foreign patents and reissues, renewals and extensions thereof, and patent applications, and any divisions, continuations, and continuations-in-part:
 - (1) which are identified on annexed Appendix II; or
 - (2) which claim inventions on PRODUCTS and their manufacture and/or use, that are conceived by agents, servants, employees, subcontractors or outside consultants of LICENSOR prior to the termination of this AGREEMENT.
- f. "LICENSOR TECHNOLOGY" shall mean all proprietary information relating to the LICENSOR Growth System, all data, technology, know-how, trade secrets, specifications, training materials, protocols and the like in existence as of the Effective Date relating to the construction, operation and use of the LICENSOR Growth System, and will include any LICENSOR Improvements disclosed to LICENSEE pursuant to Part 5 hereof.
- g. "MARKS" shall mean all United States and foreign trademarks, servicemarks (whether registerable and/or unregisterable) which are identified on annexed Appendix III.

- h. "MODULE" means any plant array covered by the LICENSOR PATENTS for growing plants.
- i. "NET SALES" shall mean the total amount invoiced in connection with sales of PRODUCTS, after deduction, to the extent applicable, of:
 - i) all trade, case and quantity credits, discounts, refunds or rebates;
 - ii) allowances or credits for returns;
 - iii) sales taxes (including value added tax); and
 - iv) one hundred percent (100%) of royalties, licensing fees, minimum royalties and any other monetary payments actually paid to a third party for a patent license, sublicense or assignment required for the unencumbered exercise of the PATENT LICENSE or TRADEMARK LICENSE granted to LICENSEE pursuant to Section 7 of this AGREEMENT.
- j. "PATENT LICENSE" shall mean a non-exclusive license, without the right to grant sublicenses, to use LICENSOR TECHNOLOGY within the LICENSED FIELD at a LICENSED FACILITY within the TERRITORY to produce PRODUCTS. The PATENT LICENSE also includes the worldwide right to market, distribute, offer to sell, and sell PRODUCTS.
- k. "PRODUCTS" shall mean plants, plant material and extracts grown and produced in the LICENSED FIELD by LICENSEE, its agents or distributors pursuant to this Agreement.
- l. "SUBSEQUENT LICENSED FACILITY" means a LICENSED FACILITY for which LICENSEE begins construction following the start of construction of the FIRST LICENSED FACILITY.
- m. "TERRITORY" means British Columbia, Canada.
- n. "TRADEMARK LICENSE" shall mean the exclusive license to develop, manufacture, have manufactured, have made, have packaged, use, sell, offer for sale, market, promote, distribute, import and export PRODUCTS bearing the MARKS granted to LICENSEE pursuant to Section 7 of this AGREEMENT.

2. EFFECTIVE DATE

- 2.1 This AGREEMENT shall be effective as of the last date of execution hereof (the "EFFECTIVE DATE") and shall remain in full force and effect until expiration, unless terminated earlier.

3. PATENT LICENSE FEE

- 3.1 In consideration for the grant of the PATENT LICENSE and for the grant of rights to construct a LICENSED FACILITY, LICENSEE shall pay to LICENSOR Five Hundred Thousand Canadian dollars (\$500,000) as a non-refundable patent license fee (the "PATENT LICENSE FEE"). Such PATENT LICENSE FEE shall be paid as follows:
- 3.1.1 Upon the execution of this Agreement, LICENSEE shall pay to LICENSOR Two Hundred and Fifty Thousand (C\$250,000) Canadian dollars by way of the issuance of 2,500,000 common shares of LICENSEE (the "LICENSEE Shares"), to be issued at a deemed price of C\$0.10 per common share, which common shares shall be registered in the name of LICENSOR.
- 3.1.2 Within 5 business days of LICENSEE completing an equity and/or debt financing of any amount whatsoever, LICENSEE shall pay to LICENSOR an additional Thirty-Seven Thousand (C\$37,000) Canadian dollars.
- 3.1.3 The remaining payment of Two Hundred Thirteen Thousand (\$213,000) Canadian Dollars shall be applied to the purchase of equipment pursuant to and in accordance with the EQUIPMENT PURCHASE AGREEMENT.
- 3.2 In the event that LICENSEE elects to construct and operate a SUBSEQUENT LICENSED FACILITY, a non-refundable SUBSEQUENT LICENSED FACILITY LICENSE FEE of One Million (\$1,000,000.00) Canadian Dollars shall be payable by LICENSEE to LICENSOR for each SUBSEQUENT LICENSED FACILITY prior to the beginning of construction of each such SUBSEQUENT LICENSED FACILITY.
- 3.3 Each LICENSED FACILITY and/or SUBSEQUENT LICENSED FACILITY (as described herein) shall contain a maximum of one hundred fifty-four (154) MODULES. In the event that a LICENSED FACILITY and/or SUBSEQUENT LICENSED FACILITY contains more than one hundred fifty-four (154) MODULES, an additional fee of One Million (\$1,000,000) Canadian Dollars will be payable by LICENSEE to LICENSOR prior to the construction and/or use of each MODULE over one hundred fifty-four (154) at any LICENSED FACILITY and/or SUBSEQUENT LICENSED FACILITY.

4. TITLE

- 4.1 Subject to the rights explicitly granted to LICENSEE pursuant to this AGREEMENT, LICENSEE acknowledges and agrees that the LICENSOR is the sole and exclusive owner of the entire right, title and interest (including all accompanying goodwill) in and to the MARKS, LICENSOR PATENTS and LICENSOR TECHNOLOGY.

- 4.2 LICENSEE appreciates that the MARKS have been coined, promoted and commercialized in ways that attach material value to them. LICENSEE agrees that it shall be entitled to no rights whatsoever in the MARKS except as is specifically granted pursuant to this AGREEMENT.

5. ACCESS

- 5.1 LICENSEE will permit representatives of LICENSOR to visit the facilities of LICENSEE using LICENSOR PATENTS and/or LICENSOR TECHNOLOGY upon at least twenty-four (24) hour notice in advance of each such visit.

6. IMPROVEMENTS

- 6.1 The term "IMPROVEMENTS", as used herein, shall be those improvements made to PRODUCTS and methods of making and using same.
- 6.2 In the event that LICENSOR develops IMPROVEMENTS, LICENSOR shall immediately disclose the same to LICENSEE in writing and such IMPROVEMENTS shall automatically become a part of this Agreement and part of the PATENT LICENSE.
- 6.4 In the event that LICENSEE develops IMPROVEMENTS, LICENSEE shall (a) immediately disclose the same to LICENSOR in writing and identifying the IMPROVEMENT, and (b) provide a non-exclusive license in and to the IMPROVEMENT to LICENSOR.

7. GRANT OF LICENSE

- 7.1 LICENSOR hereby grants to LICENSEE and LICENSEE hereby accepts from LICENSOR, the PATENT LICENSE and the TRADEMARK LICENSE. LICENSOR also grants to LICENSEE the right to use the LICENSOR TECHNOLOGY solely in connection with the PATENT LICENSE.
- 7.2 LICENSEE shall have no right to sublicense all or part of the PATENT LICENSE or the TRADEMARK LICENSE.
- 7.3 LICENSOR hereby grants to LICENSEE, and LICENSOR accepts, a right of first refusal for further licenses to be granted by LICENSOR for use of LICENSOR TECHNOLOGY and LICENSOR PATENTS in regions outside of the TERRITORY during the term of this Agreement. LICENSOR will provide LICENSEE with written notice of any such proposed further licenses in regions outside of the TERRITORY. LICENSEE will thereafter have thirty (30) business days to accept any such further license or shall be deemed to have waived its right of first refusal and the right shall be terminated for that specific, proposed further license only.
- 7.4 All PRODUCTS offered for sell and/or actually sold by LICENSEE, its agents or distributors pursuant to this Agreement will be sold by LICENSEE and marketed exclusively by LICENSEE.

- 7.5 All equipment, technical assistance, and training in connection with the construction, set-up, operation and use of LICENSED FACILITY will be provided to LICENSEE by LICENSOR or its subcontractors pursuant to agreements between the parties relating to such matters.
- 7.6 Unless otherwise approved in writing by LICENSOR to LICENSEE, LICENSEE will only use MODULES, LICENSOR PATENTS, and LICENSOR TECHNOLOGY in the LICENSED FACILITY to grow PRODUCTS.
- 7.3 LICENSEE shall make no use of any MARKS except in the form and with the graphics authorized in advance by LICENSOR. The LICENSEE shall for each such use feature a prominent notice and acknowledgement of the registered MARKS ownership and license by the LICENSOR in conjunction with all usage of the MARKS. The LICENSEE shall also cause the symbol "(R)" or "(TM)", as applicable, to appear next to and above the MARKS.
- 7.4 LICENSEE shall not adopt or use any mark, logo, insignia or design that is, or is likely to be, confusingly similar to or could cause deception or mistake with respect to any of the MARKS.
- 7.5 LICENSEE shall not use the MARKS in any manner that would be offensive to good taste or would injure the reputation of the LICENSOR and/or of the MARKS.
- 7.6 LICENSOR may, itself or through any reasonably designated representative, inspect the premises and operations of the LICENSEE at LICENSEE's place of business at any time during regular working hours to ensure that the PRODUCTS to be sold under the MARKS are up to the LICENSOR's quality standards. If the LICENSOR's inspection reveals deficiencies in the quality of PRODUCTS bearing the MARKS which in the judgment of the LICENSOR would adversely reflect upon the MARKS, the LICENSEE shall promptly rectify all such deficiencies in quality to the satisfaction of the LICENSOR and shall refrain from shipping any PRODUCTS which have been so found.
- 7.7 During the term of this AGREEMENT and thereafter, the LICENSEE shall not apply for, or aid or abet others to apply for, trademark registrations of any mark or design which includes the MARKS (or any variations of them), alone or in combination, except with the LICENSOR's express prior written consent, nor shall the LICENSEE contest the LICENSOR's rights in and to the MARKS. Without limiting the foregoing, the LICENSEE shall not seek or aid and abet others to seek registration for marks which shall include in a composite way any of the MARKS or variations of them. The LICENSEE's goodwill and uses of the MARKS (as well as any LICENSOR authorized variations of the MARKS) shall inure to the benefit of the LICENSOR. If the LICENSOR desires to seek trademark protection in connection with any MARKS licensed under this AGREEMENT, the LICENSEE shall supply to the LICENSOR (at the LICENSOR's expense) all materials, including such things as POLYMERIC PRODUCTS labels, advertising copy and literature, that the LICENSOR may

request for such purposes and the LICENSEE shall also fully cooperate with the LICENSOR in connection with any such applications for MARKS protection.

8. PAYMENT FOR LICENSOR TECHNOLOGY LICENSE

- 8.1 In consideration for the grant of the use of LICENSOR TECHNOLOGY hereunder, LICENSEE shall pay to LICENSOR a running royalty of three percent (3%) on NET SALES of all PRODUCTS sold.
- 8.2 LICENSEE shall be obligated to pay running royalties for consideration of the LICENSOR TECHNOLOGY under this Section 8 until the termination of this Agreement according to the provisions of Section 12.
- 8.3 Running royalties shall be paid only once under this AGREEMENT for each PRODUCT sold, regardless of the number of MARKS, LICENSOR PATENT, or LICENSOR TECHNOLOGY applicable thereto.
- 8.4 For the purpose of computing the royalties due to LICENSOR hereunder, the year shall be divided into four parts ending on March 30, June 30, September 30, and December 31. LICENSEE shall, within forty-five (45) days from the end of each March, June, September, and December in each calendar year during the term of this AGREEMENT (a) submit to LICENSOR a full and detailed report of royalties or payments due LICENSOR under the terms of this AGREEMENT for the preceding half year setting forth the following: (i) gross sales of PRODUCTS (i.e., the amount invoiced prior to any deductions), (ii) the deductions permitted under Section 1.1(g) hereof to arrive at NET SALES, and (iii) the royalty computations and subject of payment, and (b) pay the royalty due LICENSOR. For purposes of calculating the royalty due with respect to any foreign currency denominated Net Sales, the amount of such sales shall be translated into Canadian dollars based on the average exchange rate during the applicable three month period during which such sales were invoiced.
- 8.5 LICENSEE shall keep a complete and correct account in auditable form of NET SALES of PRODUCTS, and shall be obliged to keep such account for three (3) years ("RECORDS PERIOD") after making the related royalty payment. At any time during the RECORDS PERIOD, and on reasonable notice and during regular business hours, LICENSOR, at LICENSOR's expense, shall have the right to have the books of accounts, records and other relevant documentation of LICENSEE inspected by independent auditors. If LICENSOR desires to have an independent auditor perform such audit, LICENSOR shall notify LICENSEE and shall designate an independent auditor which does not have LICENSEE or LICENSOR as a client to perform such audit on LICENSOR's behalf. In the event that a shortfall of 3% or greater in the amount of royalty actually due LICENSOR is discovered, LICENSEE shall, in addition to immediately paying such shortfall to LICENSOR, reimburse LICENSOR for all costs and expenses incurred in connection with such audit.

9. METHOD OF PAYMENT

- 9.1 Royalties and any other payments payable to LICENSOR hereunder shall be paid to LICENSOR in Canadian dollars and shall be payable to LICENSOR in Canada.
- 9.2 If any payment made by one party to the other party under this AGREEMENT is subject to withholding tax, such withholding tax shall be borne by the receiving party and shall be deducted from the payments made by the paying party. Upon the receiving party's written request, the paying party shall support the receiving party in its legal efforts of minimizing such withholding taxes, and provide the receiving party with information about any documentation to reduce the withholding tax to a legal minimum. The paying party is responsible for ensuring that any such withholding taxes are paid to the applicable tax authorities. The paying party shall as soon as practical submit to the receiving party proper documentation confirming the payment of such taxes.

10. OPERATIONS

- 10.1 LICENSEE will conduct business and other activities in the TERRITORY in a manner which is lawful and reputable and which brings good repute to LICENSEE, LICENSOR, PRODUCTS, LICENSED FACILITIES, and LICENSOR TECHNOLOGY. LICENSEE agrees to use commercially reasonable efforts to produce and sell the PRODUCTS in a sound and professional manner such that the same meets industry standards of performance and product quality
- 10.2 LICENSEE acknowledges that the LICENSED FACILITIES and PRODUCTS may be required to be tested, licensed, certified or permitted (the "PERMITTING") by government authorities. LICENSEE agrees to use commercially reasonable efforts and due diligence to acquire such PERMITTING and that expenses relating to PERMITTING will be at the sole cost of LICENSEE. LICENSOR agrees to provide any information, assistance, or other technical information that may be reasonably necessary and within LICENSOR's control for LICENSEE to carry out the task of PERMITTING.

11. INFRINGEMENT OF PATENTS AND MARKS

- 11.1 In the event a party to this AGREEMENT acquires information that a third party is infringing one or more LICENSOR PATENTS, the party acquiring such information shall immediately notify the other party to this AGREEMENT in writing of such infringement.
- 11.2 In the event of an infringement of LICENSOR PATENTS, shall have the first opportunity, but not the obligation, to bring suit against the infringer. If LICENSOR elects not to bring suit against the infringer, then LICENSEE shall have the option but not the obligation to bring suit against the infringer, and to join LICENSOR as a party plaintiff in such suit. In the event LICENSEE exercises its right to sue, it shall have the right to first reimburse itself out of any

sums recovered in such suit or in settlement thereof for all costs and expenses of every kind and character, including reasonable attorneys' fees, necessarily involved in the prosecution of any such suit, and if after such reimbursement, any funds shall remain from said recovery, the parties shall divide the remaining funds equally between the LICENSOR and LICENSEE.

- 11.3 If either party is not fully reimbursed for the costs and expenses of litigation from said recovery, it shall not have the right to recover the unreimbursed costs and expenses from the other party.
- 11.4 Each party shall always have the right to be represented by counsel of its own selection in any suit for infringement of the LICENSOR PATENTS.
- 11.5 Each party agrees to cooperate fully with the other, including, by giving testimony and producing documents lawfully requested in the course of an infringement suit, provided that the party bringing such infringement suit shall pay all reasonable expenses (including attorneys' fees) incurred by the other party in connection with such cooperation.
- 11.6 LICENSEE shall immediately notify the LICENSOR of the receipt of any claim that the LICENSEE's use of one or more of the MARKS on any PRODUCTS violates the rights of any third party and shall fully cooperate with the LICENSOR in any litigation, proceeding or settlement that the LICENSOR shall deem advisable in connection with any such claim. LICENSEE shall immediately notify the LICENSOR if it becomes aware of any infringement of the LICENSOR's MARKS, unfair competition or palming off with respect to the PRODUCTS. In the event that the LICENSOR elects to sue the third party engaging in such conduct, the LICENSEE shall, at the LICENSOR's sole expense, fully cooperate. LICENSEE shall have no right (or obligation) to proceed against, or to settle with, infringers of the MARKS and the LICENSOR shall have the sole control of any actions to be brought against third parties, which the LICENSOR shall be entitled to bring, or not bring, in its sole and absolute discretion.
- 11.7 LICENSEE acknowledges that the LICENSOR has no adequate remedy under this AGREEMENT or at law in the event that the LICENSEE were to use the MARKS in a manner not authorized by this AGREEMENT and that the LICENSOR would, in such circumstances, be entitled to injunctive or other equitable relief, including interlocutory and preliminary injunctive relief. The LICENSEE also acknowledges that LICENSOR's rights and remedies under this AGREEMENT and under the law are intended to be cumulative, and not mutually exclusive.

12. TERM AND TERMINATION

- 12.1 This AGREEMENT shall continue in effect in perpetuity until otherwise terminated by either party according to the terms outlined herein.

- 12.2 LICENSEE may terminate this AGREEMENT at any time upon ninety (90) days written notice. Upon termination by LICENSEE, the TRADEMARK LICENSE, PATENT LICENSE, and LICENSEE's use of LICENSOR TECHNOLOGY shall also be terminated hereunder.
- 12.3 At any time prior to expiration of this AGREEMENT, LICENSOR may terminate this AGREEMENT for Cause by giving written notice to LICENSEE. "Cause" for termination of this AGREEMENT shall be deemed to exist if: (A) LICENSEE materially breaches or defaults in the performance or observance of this AGREEMENT, and such breach or default is not cured within sixty (60) days or, in the case of failure to pay any amounts due hereunder, thirty (30) days after receiving written notice from LICENSOR specifying such breach or default; (B) LICENSEE discontinues its business; (C) LICENSEE fails to pay the MINIMUM ROYALTIES when due; or (D) LICENSEE becomes insolvent, makes an assignment for the benefit of creditors, or has a petition of bankruptcy filed by or against it, which petition is not vacated or otherwise removed within ninety (90) days after the filing thereof.
- 12.4 Any amount payable pursuant to this AGREEMENT which has not been paid by the date payment is due ("DELINQUENT OBLIGATION") shall bear interest from its due date until the date of actual payment, at the rate of two percent (2%) per annum in excess of the 1 month LIBOR Rate prevailing at the relevant interbank market. The non-defaulting party may set off against any amount it owes the defaulting party to the extent of the DELINQUENT OBLIGATION.

13. OBLIGATIONS UPON EXPIRATION OR TERMINATION

- 13.1 Upon expiration or termination of this AGREEMENT, nothing in this AGREEMENT shall be construed to grant an implied license from one party to the other party.
- 13.2 Termination or expiration of this AGREEMENT shall not relieve the parties of any obligation incurred prior to such termination or expiration.
- 13.3 Sections 1, 4, 5.6, 8.6, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 shall survive and remain in full force and effect after any termination of this Agreement.
- 13.4 This AGREEMENT may be executed in counterparts, each of which shall constitute an original and all of which shall be deemed one and the same instrument. Facsimile or PDF signatures shall serve as original signatures.

14. INDEMNIFICATION

- 14.1 LICENSEE shall, at all times during the term of this AGREEMENT and thereafter, defend, indemnify and hold harmless LICENSOR and its officers, employees, agents, and servants (collectively, "INDEMNITEES") from and against any and all liability, loss, damages and expenses (including attorneys' fees), they may suffer as the result of claims, demands, costs or judgments

(collectively, "CLAIMS") which may be made or instituted against them or any of them arising out of the manufacture, distribution, use, testing, sale or other disposition by LICENSEE or distributor, customer, sublicensee or representative of LICENSEE or anyone in privity therewith, of any PRODUCTS, or any method or process licensed by LICENSOR to LICENSEE hereunder or out of any representation made by LICENSEE pursuant to this Agreement. LICENSEE's obligation to defend, indemnify and hold harmless shall include, but not be limited to, CLAIMS, whether for money damages or equitable relief by reason of alleged personal injury (including death) to any person, alleged property damage, or alleged infringement of any patent, copyright or other proprietary rights. The parties agree that LICENSEE shall have no obligation to defend, indemnify or hold harmless the INDEMNITEES if it is determined that such CLAIM is a result of the INDEMNITEES' negligent acts or willful misconduct.

- 14.2 LICENSOR agrees to notify LICENSEE as soon as LICENSOR becomes aware of a claim or action for which indemnification may be sought pursuant to Section 14.1.
- 14.3 LICENSEE shall provide attorneys and/or pay all attorney fees and costs for attorneys selected by LICENSOR to defend against any claim or action with respect to the subject of indemnity contained herein, whether or not such claims are rightfully brought or filed. LICENSEE cannot settle any CLAIM without the prior written consent of LICENSOR and the applicable INDEMNITEES. Furthermore, LICENSEE agrees to fully cooperate with LICENSOR and the applicable INDEMNITEES, at LICENSEE's expense, in the defense of such CLAIM.
- 14.4 With respect to any matter for which LICENSEE has an obligation to indemnify LICENSOR and/or INDEMNITEES, the LICENSOR and the applicable INDEMNITEES shall have the right to participate and be represented by legal counsel, and the LICENSEE shall pay all attorney fees and costs for attorneys selected by LICENSOR and the applicable INDEMNITEES.
- 14.5 Failure of LICENSOR to deliver notice to LICENSEE within a reasonable time after becoming aware of a CLAIM shall not relieve LICENSEE of any liability to the INDEMNITEE pursuant to this Section 14 unless such delay is shown by clear and convincing evidence to be or have been prejudicial to LICENSEE's ability to defend such CLAIM.

15. CONFIDENTIAL INFORMATION

- 15.1 LICENSEE shall maintain any and all of the LICENSOR PATENTS and/or LICENSOR TECHNOLOGY (collectively, "CONFIDENTIAL INFORMATION") in confidence and shall not release or disclose any tangible or intangible component thereof to any third party without first receiving the prior written consent of LICENSOR to said release or disclosure.

- 15.2 The obligations of confidentiality set forth in Section 15.1 shall not apply to any component of the LICENSOR PATENTS and/or LICENSOR TECHNOLOGY which is part of the public domain prior to the EFFECTIVE DATE of this AGREEMENT or which becomes a part of the public domain due to an authorized act of the receiving party after the EFFECTIVE DATE of this AGREEMENT.
- 15.3 Upon the termination of this Agreement for any reason, each party will destroy or return to the other party all CONFIDENTIAL INFORMATION of the other party in its possession at the time of expiration or termination and will promptly confirm same in writing to the other party. In particular, but not without limitation, LICENSEE will destroy or return to LICENSOR all information relating to LICENSOR PATENTS and LICENSOR TECHNOLOGY upon termination of this Agreement.

16. REPRESENTATIONS

- 16.1 LICENSEE hereby represents and warrants to LICENSOR that it is a corporation duly organized, validly existing and in good standing under the laws of British Columbia. LICENSEE has been granted all requisite power and authority to carry on its business and to own and operate its properties and assets.
- 16.2 LICENSOR hereby represents and warrants to LICENSEE that it is a corporation duly organized, validly existing and in good standing under the laws of British Columbia. LICENSOR has been granted all requisite power and authority to carry on its business and to own and operate its properties and assets. LICENSOR also hereby represents and warrants that it has the full right and authority to grant the LICENSE to LICENSEE.

17. USE OF NAME

Without the prior written consent of LICENSOR, LICENSEE shall not use the name of LICENSOR or of any LICENSOR employee or any adaptation thereof, except to the extent permitted by the TRADEMARK LICENSE:

- a. In any advertising, promotional or sales literature; or
- b. In connection with any public or private offering or in conjunction with any application for regulatory approval, unless disclosure is otherwise required by law, in which case LICENSEE may make a factual statement concerning this AGREEMENT or file copies of this AGREEMENT after providing LICENSOR with an opportunity to comment and reasonable time within which to do so on a draft of such. Except as provided herein, neither LICENSOR nor LICENSEE will issue public announcements about this AGREEMENT or the status or its existence without prior written approval of the other party.

18. ACKNOWLEDGMENTS AND CONSENTS

- 18.1 LICENSOR acknowledges that in compliance with Canadian securities laws the LICENSEE shares it is to receive under this Agreement shall be subject to restrictions on resale and the certificate representing such LICENSEE shares shall bear a legend noting such restrictions in substantially the following form: "UNLESS PERMITTED UNDER SECURITIES LEGISLATIONS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE *[the date that is four months and one day following the date of distribution]*."
- 18.2 LICENSOR, on its own behalf and on behalf of its principals, acknowledges that pursuant to CNSX's policies, LICENSEE is required to post a Form 9 on CNSX's website which contains personal information regarding the principals of LICENSOR and that such personal information shall, as a consequence thereof, be publicly available on CNSX's website.

19. MISCELLANEOUS

- 19.1 In carrying out this AGREEMENT the parties shall comply with all local, state and federal laws and regulations.
- 19.2 If any provision of this AGREEMENT is determined to be invalid or void, the remaining provisions shall remain in effect.
- 19.3 This AGREEMENT shall be governed and interpreted in all respects under the laws of British Columbia. Any dispute arising under this AGREEMENT between the parties requiring resolution by legal proceedings shall be resolved in an action filed in the courts of competent jurisdiction in British Columbia. The defendant(s) in either such proceeding shall be entitled to bring a counterclaim(s) and join other parties as a part of that proceeding.
- 19.4 All notices, consents, requests, waivers, demands and payments required or permitted to be given under this AGREEMENT must be given in writing and will be deemed to have been duly given (a) when delivered, if delivered by hand (with written confirmation of receipt), (b) when sent, if sent by telecopier (with written confirmation of receipt), provided that a copy is mailed by certified mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (return receipt requested), with postage prepaid, in each case to the appropriate addresses set forth below (or to such other addresses as a party may designate by notice to the other party by like notice):

If to LICENSOR:

Vertical Designs Ltd.:
President, CEO
Attn: Nick G Brusatore
#25 -1833, Coast Meridian St
Port Coquitlam, BC, Canada

If to LICENSEE:

Abattis Bioceuticals Corp.:
President, CEO
Attn: Mike Withrow
104 - 9295 198th Street
Langley, BC Canada V1M 3J9

- 19.5 This AGREEMENT (and the annexed Appendices and documents incorporated herein) constitute the entire agreement between the parties and no variation, modification or waiver of any of the terms or conditions hereof shall be deemed valid unless made in writing and signed by both parties hereto. This AGREEMENT supersedes any and all prior agreements or understandings, whether oral or written, between LICENSEE and LICENSOR, unless specifically provided otherwise in this AGREEMENT.
- 19.6 No waiver by either party of any non-performance or violation by the other party of any of the covenants, obligations or agreements of such other party hereunder shall be deemed to be a waiver of any subsequent violation or non-performance of the same or any other covenant, agreement or obligation, nor shall forbearance by any party be deemed to be a waiver by such party of its rights or remedies with respect to such violation or non-performance.
- 19.7 The descriptive headings contained in this AGREEMENT are included for convenience and reference only and shall not be held to expand, modify or aid in the interpretation, construction or meaning of this AGREEMENT.
- 19.8 The Appendices hereto form a part of this Agreement.
- 19.9 It is not the intent of the parties to create a partnership or joint venture or to assume partnership responsibility or liability. The obligations of the parties shall be limited to those set out herein and such obligations shall be several and not joint.
- 19.10 This AGREEMENT may not be assigned by either party without the written consent of the other party, which may not be unreasonably withheld. However, each party may assign this AGREEMENT, without the consent of the other party, to any purchaser of all or substantially all of its assets to which this AGREEMENT relates or to any successor corporation resulting from any merger, consolidation or restructuring of the party; provided, however, such assignment shall not release the assigning party from any obligations under this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the
EFFECTIVE DATE.

LICENSOR

By:

Name: Nick Brusatore

Title: President CEO

Date: Nov 15/2012

LICENSEE

By:

Name: Mike Withrow

Title: PRESIDENT CEO

Date: Nov 15 2012

APPENDIX I – EQUIPMENT PURCHASE AGREEMENT

An equipment purchase agreement is to be completed and executed between the parties to this Agreement. When the equipment purchase agreement is executed between the parties, it will form a part of this Agreement.

APPENDIX II - Patents to be Licensed (As of Effective Date)

1. United States Patent Application Serial No. 61/592,338, filed January 30 2012, and entitled "Method and Apparatus for Growing Plants".

APPENDIX III – Trademarks to be Licensed (As of Effective Date)

1. None.