

LICENSE AGREEMENT

This Agreement dated the ____ day of February, 2019 is made **BETWEEN:**

PROGRESSIVE HERBS, INC., a corporation
incorporated under the laws of the State of Delaware (the
"Sublicensor")

- and -

CAPRI, LLC, a limited liability company formed under
the laws of the State of _____ ("Sublicensee")

BACKGROUND:

A. The Sublicensor acquired a exclusive license (with the ability to sublicense) to certain intellectual property pursuant to a License Agreement dated January 14, 2019 (the "License Agreement") between the Sublicensor and Jonathan Partlow;

B. Sublicensor has agreed to sublicense to the Sublicensee certain intellectual property, such licensed intellectual property as described in Schedule "A" hereto;

C. Sublicensor and the Sublicensee agree that the Sublicensee will have a sublicense to use, reproduce, develop, manufacture, commercialize, sublicense and otherwise exploit the Intellectual Property noted in Schedule "A" hereto solely in connection with the production, development, manufacture and sale of cannabis, hemp medicinal and bio pharmaceutical products for consumption and the parties wish to confirm such agreement in writing on the terms and conditions set out herein;

NOW THEREFORE in consideration of the premises and mutual covenants contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement each of the following terms has the meaning set out below:

- (a) "**Enhancement**" shall mean any enhancement, improvement, modification, translation, abridgement, expansion, compilation or derivative work or any work which embodies, incorporates or uses the Intellectual Property or for which the Intellectual Property was used in the development of such work.
- (b) "**Intellectual Property**" shall mean the items described in Schedule "A" hereto, including but not limited to, patents, patent applications, trademarks, trademark applications and registrations, pending trademarks, service marks, service mark applications and registrations, trade names, trade name applications and registrations, algorithms, compounds, designs, moral rights, copyrights, copyright applications and registrations, licenses, proprietary processes, formulae, inventions, trade secrets, know-how, development tools and other intellectual and proprietary rights pertaining to the intellectual property described in Schedule "A" hereto;

- 1.2 **Severability.** If any of the provisions contained in this Agreement are found by a Court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not be in any way affected or impaired thereby.
- 1.3 **Headings.** Headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement.
- 1.4 **Schedules.** The following schedules the ("**Schedules**") are attached hereto and form part of this Agreement:

Schedule "A" Licensed Intellectual Property

- 1.5 **Language.** In this Agreement, words importing the singular include the plural and vice versa and words importing gender include all genders.
- 1.6 **Entire Agreement.** The parties have expressed herein their entire understanding and agreement concerning the subject matter of this Agreement and no implied covenant, condition, term or reservation shall be read into this Agreement relating to or concerning such subject matter nor shall any oral or written understanding heretofore entered into modify or compromise any of the terms and conditions herein.
- 1.7 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful currency of the United States.
- 1.8 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington and shall be treated, in all respects, as a Washington contract. Each party hereto irrevocably attorns to and submits to the non-exclusive jurisdiction of the Courts of the State of Washington with respect to any matter arising hereunder or related hereto.

**ARTICLE 2
LICENSE**

- 2.1 **Grant.** Sublicensor hereby grants to the Sublicensee as at and from the date of this Agreement an exclusive, royalty free, world-wide right and license to use, reproduce, develop, manufacture, commercialize, sublicense and otherwise exploit the Intellectual Property (including all intellectual property and other information necessary to so exploit the Intellectual Property) solely in connection with the production, development, manufacture and sale of cannabis, hemp medicinal and bio pharmaceutical products for consumption. Sublicensor also hereby grants to the Sublicensee an exclusive, world-wide right and license to use, reproduce, develop, manufacture, commercialize, sublicense and otherwise exploit the Enhancements solely in connection with the production, development, manufacture and sale of cannabis, hemp medicinal and bio pharmaceutical products for consumption (collectively, the "**Sublicense**").

The parties acknowledge and agree that: (i) other than with respect to the right of the Sublicensee to sublicense, the License granted hereunder shall not be transferable or assignable by the Sublicensee without the prior written consent of Sublicensor; and (ii) all right, title, and interest in and to any improvements made by the Sublicensee, using the Sublicense in accordance with the above, shall be owned by Sublicensor.

- 2.2 **Ownership of Enhancements.** The Sublicensee acknowledges that Sublicensor shall own all right, title and interest in and to any Enhancements made to the Intellectual Property by Sublicensor or the Sublicensee. The Sublicensee shall confirm to Sublicensor any Enhancements made by the Sublicensee within a reasonable time period. To confirm such ownership in Sublicensor, in the United States, Canada, Europe and elsewhere in the world, the Sublicensee hereby sells and assigns to Sublicensor, the entire right, title and interest for United States, Canada, Europe and all other countries in and to the Enhancements, together with the Sublicensee's entire right, title and interest in and to any patent, copyright or other intellectual property protection application which may be filed with respect to any such Enhancements. The Sublicensee agrees to do all such lawful acts and things to execute without further consideration such lawful assignments, documents, assurances, applications and other instruments as may reasonably be required by the Sublicensee, its successors, assigns, or legal representatives to obtain any and all protection for the Enhancement and vests the same in Sublicensor, its successors, assigns, or legal representatives. The terms of this paragraph shall survive any termination/expiry of this Agreement.
- 2.3 **Sublicense Rights.** The Sublicensee shall have the right to sublicense the Intellectual Property, and any Enhancements thereto, to its affiliates or to third parties on the terms set out herein. All sublicense agreements shall require compliance with all applicable provisions of this Agreement, including termination provisions consistent with Article 5 of this Agreement.
- 2.4 **Technical Support.** Sublicensor will provide Sublicensee and any sub-Sublicensees with technical information and reasonable support as part of this Sublicense Agreement, as well as access to all Enhancements on a timely basis. Sublicensee shall have other necessary support, information and expertise made available to it by Sublicensor in a reasonably timely manner and on most favored pricing terms.

ARTICLE 3 CONFIDENTIALITY AND MARKETING

- 3.1 **Confidentiality.** The Sublicensee acknowledges that the Intellectual Property is proprietary to and contains trade secrets of Sublicensor. The Sublicensee covenants that it shall keep confidential any confidential information of Sublicensor to which the Sublicensee obtains access and that the Sublicensee shall take all reasonable precautions to protect such confidential information of Sublicensor or any part thereof from any use, disclosure or copying except as expressly authorized by this Agreement. Confidential information of Sublicensor shall not include (i) information which is or becomes available to the public through no fault of the Sublicensee; (ii) information which is disclosed to the Sublicensee by a third party who had lawfully obtained such information and without a breach of the third party's confidentiality obligations; or (iii) information which the Sublicensee is obligated by law to disclose provided that the Sublicensee provides prompt written notice prior to the disclose to Sublicensor so that Sublicensor may seek a protective order or other appropriate remedy. Each party acknowledges that the obligations set out in this section shall survive the termination of this Agreement.
- 3.2 **Return of Materials.** Upon termination of this Agreement or upon demand, the Sublicensee shall immediately deliver to and leave with Sublicensor all confidential information, documents, records, manuals, files, films, photographs, letters, notes, notepads, reports and other similar documentation or information containing any information concerning the business or affairs of Sublicensor, whether prepared by the Sublicensee or which are in the Sublicensee possession or under its control.

- 3.3 **Public or Media Inquiries.** The Sublicensee acknowledges that all public or media inquiries relating to the Intellectual Property shall be forthwith forwarded to Sublicensor to handle and respond to accordingly and the Sublicensee will not address any public or media inquiries directly or indirectly without Sublicensor's written permission.
- 3.4 **Property.** The Sublicensee acknowledges that the Intellectual Property and all related information and documentation are the property of Sublicensor and the Sublicensee forever disclaims any rights thereto. The Sublicensee's agrees that other than what has been expressly licensed to the Sublicensee hereunder, Sublicensor reserves all rights to the Intellectual Property.

ARTICLE 4 WARRANTIES AND INDEMNITY

- 4.1 **Disclaimer.** The Sublicensee acknowledges that Sublicensor does not represent or warrant that (i) the Intellectual Property shall meet the Sublicensee's requirements; (ii) the use of the Intellectual Property shall be error free; (iii) the use of the Intellectual Property shall not be interrupted by reason of defect therein or by reasons of fault on the part of the Sublicensee; or (iv) the Intellectual Property is fit for any particular purpose. Sublicensor expressly waives all warranties or conditions not specifically set forth in this agreement including but not limited to implied warranties or conditions of merchantable quality and fitness for a particular purpose and those arising by statute or otherwise in law or from course of dealing or usage of trade.
- 4.2 **Limitation of Liability.** Notwithstanding anything else in this agreement, the aggregate liability of either party to the other in any way relating out or related to this agreement shall be limited to an amount equal to the aggregate amounts actually paid by the Sublicensee to Sublicensor. In no event shall either party be liable for special, consequential or indirect damages, even if it is given notice of same, including lost profits, loss of revenue or failure to realize expected saving. These limitations apply in respect of all causes of action, whether for breach of contract, tort (including negligence) or otherwise. Neither party shall be liable for any failure to perform due to causes beyond its reasonable control.
- 4.3 **Indemnity of Sublicensor.** The Sublicensee shall indemnify and save harmless Sublicensor from and against any and all liabilities, damages, costs or expenses awarded against or incurred or suffered by Sublicensor arising out of any action or proceeding commenced or maintained by any third party in respect of any acts or omissions of the Sublicensee arising out of any claims related to the Sublicensee's performance under this Agreement.

ARTICLE 5 TERM AND TERMINATION

- 5.1 **Term.** The term (the "**Term**") of this Agreement shall commence on the date of this Agreement and shall continue in perpetuity unless terminated in accordance with the provisions hereof.
- 5.2 **Termination.** This Agreement shall continue in perpetuity until terminated by the non-defaulting party on written notice to the other Party in the case of any Terminating Event (defined below). Each of the following events shall, at the option of the non-defaulting party, and without prejudicing any other rights the non-defaulting or terminating party may have under this Agreement, constitute a "**Terminating Event**":
- (a) if either party becomes insolvent or unable to pay its debts as they become due or ceases to any its debts as they become due in ordinary course of business or makes or commits

to threatens to make or commit any act of bankruptcy or any assignment for the benefit of its creditors, or is liquidated or dissolved or any proceedings are commenced against either party under any debtor's relief law or law of similar application, or if a receiver is appointed for either party or any of its assets; or

- (b) if there is any material breach of this Agreement by Sublicensor or Sublicensee that is not remedied by the breaching party within thirty (30) days after receipt from the non-breaching party of notice of such breach.

5.3 **Upon Termination.** Upon termination of this Agreement the Sublicensee shall immediately return the Intellectual Property, any confidential information of Sublicensor, or any part thereof and any copies of the Intellectual Property, confidential information of Sublicensor, or any part thereof in its possession to Sublicensor.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 **Representations and Warranties.** Each of the Parties hereby represents and warrants as follows:

- (a) the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a Party or by which it is bound, nor violate any law or regulation of any Authorized Authorities having jurisdiction over it.
- (b) it has obtained all necessary corporate authorization to enter into this Agreement and perform its obligations hereunder.

6.2 **Representations and Warranties of Sublicensee.** Sublicensee hereby represents and warrants as follows:

- (a) it has all necessary licenses, registrations, permits and other rights to perform its obligations under this Agreement, and agrees to maintain all such required licenses, registrations, permits and other rights in good standing during the terms of this Agreement;
- (b) neither the execution nor delivery of this Agreement nor the performance of its obligations hereunder will constitute a breach of the terms or provisions of any contract or agreement to which Sublicensee is a Party;
- (c) the Products as manufactured by Sublicensee will comply with all Applicable Laws in the Territory, including, without limitation, all safety laws and regulations.

6.3 **Representations and Warranties of Sublicensor.** Sublicensor hereby represents, warrants and covenants as follows:

- (a) it has the authority and right to grant the Sublicenses described within this Agreement;
- (b) it has not incurred any obligations (contractual or otherwise) that interfere with its extension of license rights under this Agreement;

- (c) it is the exclusive owner or authorized Sublicensee of the Intellectual Property;
 - (d) based on a reasonable search of public sources, including but not limited to, patent registry offices for patents within Canada, the United States, European Union and Japan, and to the knowledge of Sublicensor, at the time of execution of this Agreement, Sublicensor is not aware that the Intellectual Property infringes the valid intellectual property rights of any third party or that any third party is infringing the intellectual property rights of Sublicensor in respect of the Intellectual Property;
 - (e) Sublicensor will diligently protect all the Intellectual Property and related Intellectual Property by appropriate and reasonable means and in a manner consistent with the furtherance of development and commercialization of the Intellectual Property; and
 - (f) while significant development activity remains to commercialize the Intellectual Property, Sublicensor is not presently aware of any technological or design challenges that will prevent successful commercialization of the Intellectual Property.
- 6.4 **Notice of Infringement.** During the Term of this Agreement, Sublicensor will timely notify Sublicensee if it becomes aware of any infringement by the Intellectual Property on the valid intellectual property rights of any third party and Sublicensee will timely notify Sublicensor if it becomes aware of any infringement by the Intellectual Property on the valid intellectual property rights of any third party.
- 6.5 **Commercial Warranties.** Following successful demonstration of the Intellectual Property, Sublicensor shall provide Sublicensee with further standard representations and warranties regarding the Intellectual Property and the products and services of Sublicensor that embody the Intellectual Property, including but not limited to ownership, merchantability, compliance with product specifications as defined by the Parties, commercial viability, and non-infringement.
- 6.6 **Indemnification.** The representations set forth in this Article 6 shall survive the termination of this Agreement. Sublicensor agrees to fully indemnify and save harmless Sublicensee with respect to any loss, damages, costs, expenses, including reasonable attorneys' fees, and/or injury suffered by the Sublicensee arising out of a material inaccuracy, material incorrectness or material breach of any of the representations set forth within this Article 6 to the extent of Sublicensor's own negligence and/or willful misconduct.

ARTICLE 7 ENHANCEMENTS

- 7.1 **Sublicensee's Right to Best Available Commercial Technology.** During the Term of this Agreement, Sublicensee and its sub-Sublicensees shall have access to Best Available Commercial Technology. "Best Available Commercial Technology" refers to state of the art Intellectual Property, including all Enhancements to the Intellectual Property deemed by Sublicensor to be commercially-ready.
- 7.2 **Request for Enhancements.** Sublicensee may request Sublicensor to develop Enhancements to the Intellectual Property. The Parties agree to negotiate in good faith the terms upon which such Enhancements would be developed. Any resultant Enhancements shall form part of the Intellectual Property and the subject of the Sublicenses.

- 7.3 **Dispute of Ownership of Intellectual Property.** In the event that the Parties do not agree as to whether certain Intellectual Property is owned by the Sublicensee or Sublicensor and a resolution is not able to be negotiated in good faith, either Party may use the disputes process described within Article 8..

ARTICLE 8 ARBITRATION

- 8.1 **Disputes Arising under Agreement.** Any dispute arising under this Agreement that cannot be settled by direct negotiations shall be submitted to final and binding arbitration within thirty (30) days from the date upon either party serving the other party with notice that a dispute has occurred, and the following principles should apply to that arbitration:
- (a) upon written demand by a party, both parties shall meet and attempt to appoint a single arbitrator. If both parties are unable to agree on an arbitrator, then the parties shall apply to a Justice of the Court of Queen's Bench of Alberta for an appointment of an arbitrator;
 - (b) the arbitrator so chosen shall proceed immediately to hear the matter in Calgary, Alberta. The decision of the arbitrator shall be made within thirty (30) days after his appointment, subject to any reasonable delay due to unforeseen circumstances, provided that such delay shall not exceed fifteen (15) days, then either party may elect to have a new arbitrator chosen in like manner as if none had been previously selected;
 - (c) the decision of the arbitrator shall be in writing and shall be final and binding upon all parties;
 - (d) all costs shall be paid jointly by the parties; and
 - (e) except as expressly provided in this Agreement, the provisions of the *Arbitration Act* (Alberta) shall apply.

ARTICLE 9 GENERAL PROVISIONS

- 9.1 **Assignment.** This Agreement may be assigned by Sublicensor. This Agreement may not be assigned by the Sublicensee without the prior written consent of Sublicensor in its sole, absolute and unfettered discretion.
- 9.2 **Amendment.** The terms of this Agreement may only be amended in writing signed by an authorized representative of each of the parties.
- 9.3 **Remedies.** Nothing in this Agreement shall restrict the ability of Sublicensor to pursue any legal or equitable remedy to obtain an injunction to protect any rights Sublicensor may have in respect of the Intellectual Property.
- 9.4 **Survival.** Article 3, Article 4 and Article 8 shall survive termination of this Agreement.
- 9.5 **No Waiver.** Failure by either party to exercise its rights under this Agreement, or to require strict performance of any part of this Agreement, shall not constitute a waiver of the rights and provisions set out herein, and all rights remain in full force and effect.

9.6 **Notices.** Except as may otherwise be provided in this Agreement, all notices, demands, statements, requests, consents, approvals and other communications (collectively, "Notices") required or permitted to be given hereunder, or which are to be given with respect to this Agreement, shall be in writing, duly executed by an authorized officer or agent of the Party so giving such Notice, and either personally delivered to any duly authorized representative of the Party receiving such Notice or sent by email, registered or certified mail, or by courier service, return receipt request, addressed:

(a) In the case of Sublicensor:
9160 Ford Circle
Fishers, Delaware, USA 64038
Attention: Jonathan Partlow, President
Email: jp@aggressivelyorganic.com

(b) In the case of the Sublicensee:
1250, 639 – 5 Ave SW
Calgary, Alberta T2P 0M9
Attention: Scott Reeves
Email: sreeves@tinglemerrett.com

All Notices shall be effective for all purposes upon personal delivery thereof or, if sent by email, shall be effective on the date sent, or, if sent by mail or courier service, shall be effective on the date of delivery shown on the return receipt. Any Party may at any time change the address for Notices to such Party by providing a Notice in the manner set forth in this section.

9.7 **Counterpart.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed form or other electronic means and the parties adopt any signatures received by a receiving fax machine or other electronic means as original signatures of the parties.

IN WITNESS WHEREOF this contract has been executed by the parties hereto as of the date first written above.

CAPRI LLC

DocuSigned by:
Ralph Olson
Per: _____
2664EAF68BD34FC...

PROGRESSIVE HERBS, INC.

DocuSigned by:
JONATHAN PARTLOW
Per: _____
22D8B95E49043B...

SCHEDULE "A"

SUBLICENSED INTELLECTUAL PROPERTY

[excel worksheet of patent detail to be appended]

Owner	Country Name	Title	Filed	Application Number	Type	Status	BT Matter
PARTLOW, Jonathan D	United States of America	METHOD AND APPARATUS FOR GROWING VEGETATION HYDROPONICALLY	08/02/2017	62/540243	Provisional	Inactive	268212
PARTLOW, Jonathan D	Patent Cooperation Treaty	METHOD AND APPARATUS FOR GROWING VEGETATION	08/01/2018	PCT/US2018/044818	PCT	Pending	284480
PARTLOW, Jonathan D	Taiwan	METHOD AND APPARATUS FOR GROWING VEGETATION	08/02/2018	107126857	Non- Provisional	Pending	284481