AL INTERNATIONAL, INC.

FORM 10-12G/A
(Amended Securities Registration (section 12(g)))

Filed 04/23/13

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Telephone 619-934-3980
CIK 0001569329
Symbol YGYI
Fiscal Year 12/31
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Post Effective Amendment to
FORM 10

Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

AL INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

90-0890517
(I.R.S. Employer Identification No.)

2400 Boswell Road, Chula Vista, CA 91914
(Address of principal executive offices)

(619) 934-3980
(Registrant’s telephone number, including area code)

(619) 934-3980
(Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act: None

Title of each class to be so registered

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

□ Large accelerated filer
□ Non-accelerated filer

□ Accelerated filer
□ Smaller reporting company

Common Stock, par value $0.001
(Title of class)

(Do not check if a smaller reporting company)

Name of each exchange on which each class is to be registered

None
This report contains “forward-looking” statements. We intend to identify forward-looking statements in this report by using words such as “believes,” “intends,” “expects,” “may,” “will,” “should,” “plan,” “projected,” “contemplates,” “anticipates,” “estimates,” “predicts,” “potential,” “continue,” or similar terminology. These statements are based on our beliefs as well as assumptions we made using information currently available to us. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Because these statements reflect our current views concerning future events, these statements involve risks, uncertainties, and assumptions. Actual future results may differ significantly from the results discussed in the forward-looking statements. These risks include changes in demand for our products, changes in the level of operating expenses, our ability to expand our network of customers, changes in general economic conditions that impact consumer behavior and spending, product supply, the availability, amount, and cost of capital to us and our use of such capital, and other risks discussed in this report. Additional risks that may affect our performance are discussed below under “Risk Factors Associated with Our Business.”
ITEM 1. DESCRIPTION OF BUSINESS

Unless otherwise noted, the terms “we,” “our,” “us,” “Company” “Youngevity®” and “AL International” refer to AL International, Inc. and its subsidiaries. AL International is a holding company, with substantially all of its assets consisting of the capital stock of its wholly-owned subsidiaries, Youngevity® and CLR Roasters LLC.

Overview and Description of Business

On July 11, 2011, AL Global Corporation (“AL Global”), a privately held California corporation, merged with and into a wholly-owned subsidiary of Javalution Coffee Company, a publicly traded Florida corporation (“Javalution”). After the merger, Javalution reincorporated in Delaware and changed its name to AL International Inc. AL International operates as Youngevity® Essential Life Sciences and Drinkact.com in the direct selling channel. In connection with our merger, CLR Roasters, LLC (“CLR Roasters”), the wholly owned subsidiary of Javalution continued to be a wholly owned subsidiary of the Company. CLR Roasters operates a traditional coffee roasting business, and through the merger we were provided access to additional distributors, as well as added the JavaFit® product line to our network of direct marketers.

We are a Delaware corporation that operates through the following domestic wholly-owned subsidiaries: AL Global Corporation, which operates our two direct selling networks, Youngevity® and Drinkact.com; CLR Roasters, LLC, our commercial coffee business. In addition, Financial Destinations, Inc., FDI Management, Inc., and MoneyTrax, LLC, (collectively “FDI”) and the wholly-owned foreign subsidiaries Youngevity Australia Pty. Ltd. and Youngevity NZ, Ltd. make up of our direct selling operation. The Company also consolidated AL Corporation Holding Pte. Ltd. and DrinkAct Southeast Asia, Inc. (collectively “DrinkACT SEA”), which are non-controlled variable interest entities which are consolidated for financial accounting reporting purposes. AL Global Corporation which does business under the assumed name of Youngevity® Essential Life Sciences was originally formed in the State of California under the name Wellness Lifestyles, Inc. in 1996.

We operate in two segments: the direct sales segment where products are offered through a global distribution network of preferred customers and distributors and the commercial coffee segment where products are sold directly to businesses. During the year ended December 31, 2012, we derived approximately 90% of our revenue from our direct sales and approximately 10% of our revenue from our commercial coffee sales.

Direct Sales Segment. In the direct sales segment we sell health and wellness products on a global basis and offer a wide range of products through an international direct selling network. Our direct sales are made through our network, which is a web-based global network of customers and distributors. Our multiple independent sales forces sell a variety of products to an array of customers, through friend-to-friend marketing and social networking. Our direct sales products are sold through Youngevity® Essential Life Sciences and Drinkact.com networks. Initially, our focus was solely on the sale of products in the health, beauty and home care market through our marketing network; however, we have since expanded our selling efforts to include a variety of other products in other markets. The Company's Youngevity® Essential Life Sciences division, founded in 1997 by Dr. Joel Wallach, BS, DVM, ND and Dr. Ma Lan, MS, MD, offers through our direct selling network more than 400 products to support a healthy lifestyle. Drinkact.com was acquired in 2007 and is focused upon the delivery of nutritional and healthy energy drink and diet programs. Our product offerings include:

- Nutritional products
- Sports and energy drinks
- Health and wellness-related services
- Lifestyle products (spa, bath, garden and pets)
- Gourmet coffee
- Skincare and cosmetics
- Weight loss
- Pharmacy discount cards
Through a series of recent acquisitions of other direct selling companies and their product lines, we have substantially expanded our distributor base by uniting the companies that we have acquired under our web-based independent distributor network, as well as providing our distributors with additional new products to add to their product offerings. In July 2012, we acquired certain assets of Livinity, Inc., a developer and distributor of nutritional products through a network of distributors. In April 2012, we acquired certain assets of GLIÉ, LLC, a developer and distributor of nutritional supplements, including vitamins and mineral supplements. In October 2011, we acquired all of the equity of Financial Destination, Inc. (“FDI”), a seller of financial and health and wellness-related services and FDI became our wholly owned subsidiary. In August 2011, we acquired the distributor base and product line of Adaptogenix International, a Salt Lake City-based direct seller of botanical derived products, including a health line, wellness beverages and energy drinks. In July 2011, we acquired the distributors and product line of R-Garden, Inc. (“R-Garden”), a Washington State based designer of nutritional supplements, including vitamin, mineral and unique plant enzyme supplements. In September 2012, we modified the terms of the agreement with R-Garden, transferring the ownership of the products to R-Garden in exchange for forgiveness of the contingent acquisition debt. In June 2011, we acquired the distributor base and product line of Bellamora, a Tampa, Florida-based marketer of skin care products. In September 2010, the Company acquired the distributor base and product line of Preferred Price Plus, Inc., a direct seller of health supplement products. In June 2010, we acquired the distributor base and product line of MLM Holdings, Inc., a direct seller of health brand supplements and facial products.

**Coffee Segment** - We engage in the commercial sale of one of our products, our coffee. We own a traditional coffee roasting business that produces coffee under its own Café La Rica brand, as well as under a variety of private labels through major national sales outlets and to major customers including cruise lines and office coffee service operators, as well as through our distributor network. Our coffee manufacturing division, CLR Roasters, was established in 2003 and is a wholly owned subsidiary. CLR Roasters produces and markets a unique line of coffees with health benefits under the JavaFit® brand which is sold directly to consumers.

The Company is currently listed for quotation on the Over-the-Counter Pink Sheets (“OTC PINK”) under the symbol PINK.JCOF.

**Emerging Growth Company**

We are an emerging growth company under the JOBS Act. We shall continue to be deemed an emerging growth company until the earliest of:

(a) the last day of the fiscal year in which we have total annual gross revenues of $1 billion or more;
(b) the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement;
(c) the date on which we have issued more than $1 billion in non-convertible debt, during the previous 3-year period, issued; or
(d) the date on which we are deemed to be a large accelerated filer.

As an emerging growth company we will be subject to reduced public company reporting requirements. As an emerging growth company we are exempt from Section 404(b) of Sarbanes Oxley. Section 404(a) requires issuers to publish information in their annual reports concerning the scope and adequacy of the internal control structure and procedures for financial reporting. This statement shall also assess the effectiveness of such internal controls and procedures. Section 404(b) requires that the registered accounting firm shall, in the same report, attest to and report on the assessment of the effectiveness of the internal control structure and procedures for financial reporting.

As an emerging growth company we are also exempt from Section 14A (a) and (b) of the Securities Exchange Act of 1934 which require the shareholder approval of executive compensation and golden parachutes.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the Jobs Act, that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

**Products**

**Direct Sales Segment - Youngevity® Drinkset.com**

Through Youngevity® Essential Life Sciences, we offer more than 400 products to support a healthy lifestyle. All of these products, which are sold through our direct selling network, can be categorized into eight sub-product lines. (Nutritional Supplements, Sports and Energy Drinks, Health and Wellness, Weight Loss, Gourmet Coffee, Skincare and Cosmetics, Lifestyle Services, and Pharmacy Discount Cards).

Our flagship Nutritional Supplements include our Healthy Start Pak™, which includes Beyond Tangy Tangerine ® (a multivitamin/mineral/amino acid supplement), EFA Plus™ (an essential fatty acid supplement), and Osteo-fx Plus™ (a bone and joint health supplement).
Our Sports and Energy Drinks include Rebound FX™, formulated for quick, sustained energy and endorsed by former All Star Basketball player Theo Ratliff. Our flagship Weight Management product is called the Slender FX™ Weight Management System, consisting of a meal replacement shake plus supplements to support healthy weight loss. Our Gourmet Coffee includes JavaFit®, a line of gourmet coffees blended with nutrients to support various health aspects. Our Personal Care products include Youngevity® Mineral Makeup™ and Youngevity® Botanical Spa™, Ancient Legacy™ Essential Oils, and Isolda Luce™ Palm Oil Candles. Our Home and Garden products include Arthrydex™, a joint health supplement for pets; Hydrowash™, an environmentally safe cleaner; and Bloomin Minerals™, a line of plant and soil revitalizers.

Financial Destination, Inc. ("FDI") and its related entities FDI Management, Inc. and MoneyTrax, LLC were acquired by AL International in October 2011 and fully integrated into our existing direct selling businesses. FDI was a nationwide direct marketer of financial, and health and wellness-related products and services. FDI’s distributors now sell our other products such as our Youngevity® and JavaFit® products, and existing distributors of Youngevity® and JavaFit® products also sell our FDI financial services.

Coffee Segment - CLR Roasters

Our coffee line initially began in 2003 with the formation of Javalution. Javalution, through its JavaFit Brand, develops products in the relatively new category of fortified coffee. JavaFit fortified coffee is a blend of roasted ground coffee and various nutrients and supplements. Our JavaFit line of coffee is only sold through our direct selling network. Our wholly owned subsidiary, CLR Roasters produces coffee under its own brands, as well as under a variety of private labels through major national retailers, various office coffee and convenience store distributors, to wellness and retirement centers, to a number of cruise lines and cruise line distributors, and direct to the consumer through sales of the JavaFit Brand to our direct selling division.

In addition, CLR Roasters produces coffee under several company owned brands including: Café La Rica, Café Alma, Josie’s Java House, Javalution Urban Grind, Javalution Daily Grind, and Javalution Royal Roast. These brands are sold to various internet and traditional brick and mortar retailers including Wal-Mart, Winn-Dixie, Jetro, American Grocers, Publix, Home Goods, Marshalls and TJ Maxx.

Our products offered by CLR Roasters include:

- 100% Colombian Premium Blend;
- House Blend;
- Dark Roast;
- Donut Shop;
- Flavored Coffees;
- Espresso;
- Italian Espresso;
- Decaffeinated Coffee;
- Half Caff Espresso;
- Organic Coffees; and
- Select Water Decaffeinated.

The following table summarizes our percentage of sales by segment for the years ended December 31, 2012 and 2011.

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sales</td>
<td>90%</td>
<td>93%</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>
The approximate percentages of total product sales represented by our top-selling products are:

<table>
<thead>
<tr>
<th>Product</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beyond Tangy Tangerine®</td>
<td>21%</td>
<td>7%</td>
</tr>
<tr>
<td>Healthy Start Pack™</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Osteo FX Plus™</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Ultimate Classic®</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Distribution**

Direct Sales Segment - We presently sell products in 68 countries and territories, including all 50 states in the U.S., with operations in the U.S. and New Zealand. For the year ended December 31, 2012, approximately 9% of sales were shipped to destinations outside the U.S. We primarily sell our products to the ultimate consumer through the direct selling channel. In our case, sales of our products are made to the ultimate consumer principally through direct selling by approximately 70,000 independent distributors, which we refer to as “distributors”. Each distributor is required to pay a one-time enrollment fee of up to ten dollars ($10.00) for a welcome kit that consists of forms, policy and procedures, selling aids, and access to our distributor website, prior to commencing services for us as a distributor. Distributors are independent contractors and not our employees. Distributors earn a profit by purchasing products directly from us at a discount from a published brochure price and selling them to their customers, the ultimate consumer of our products. We generally have no arrangements with end users of our products beyond the distributors, except as described below. No single distributor accounts for more than 1% of our net sales.

A distributor contacts customers directly, selling primarily through our online or printed brochures, which highlight new products and special promotions for each of our sales campaigns. In this sense, the distributor, together with the brochure, is the “store” through which our products are sold. A brochure introducing new sales campaigns are frequently produced and our websites and social networking activity takes place on a continuous basis. Generally, distributors and customer’s forward orders using the internet, mail, telephone, or fax and payments are processed via credit card at the time an order is placed. Orders are processed and the products are assembled at our distribution center in Chula Vista, California and delivered to distributors and customers through a variety of local and national delivery companies.

We employ certain web enabled systems to increase distributor support, which allow a distributor to run her or his business more efficiently and also allow us to improve our order-processing accuracy. In many countries, distributors can utilize the internet to manage their business electronically, including order submission, order tracking, payment and two-way communications. In addition, distributors can further build their own business through personalized web pages provided by us, enabling them to sell a complete line of our products online. Self-paced online training also is available in certain markets, as well as up-to-the-minute news, about us.

In the U.S. and selected other markets, we also market our products through the following consumer websites:

- www.youngevity.com;
- www.drinkact.com;
- www.90forlife.com
- www.myjavafit.com;
- www.javafitbuilder.com;
- www.javafitgivesback.com;
- www.alimjcof.com;
- www.cafelarica.com;
- www.financialdestination.com;
- www.fdidvd.com;
- www.YoungevityOnline.com; and
The recruiting of new distributors and the training are the primary responsibilities of key independent distributors supported by the Company’s marketing staff. The independent distributors are independent contractors compensated exclusively based on total sales of products achieved by their down-line distributors and customers. Although the independent distributors are not paid a fee for recruiting additional distributors, they have the incentive to recruit additional distributors to increase their opportunities for increasing their total sales and related sales commissions. Personal contracts, including recommendations from current distributors, and local market advertising constitute the primary means of obtaining new distributors and customers. Distributors also have the opportunity to earn bonuses based on the net sales of products made by distributors they have recruited and trained in addition to discounts earned on their own sales of our products. This program can be unlimited based on the level achieved accordance with the compensation plan that can change from time to time at the discretion of the Company. The primary responsibilities of Sales Leaders are the prospecting, appointing, training and development of their down-line distributors while maintaining a certain level of their own sales.

Coffee Segment - The coffee segment is operated by AL International’s wholly owned subsidiary CLR Roasters. The segment operates a coffee roasting plant and distribution facility located in Miami, Florida. The 25,000 square foot plant contains two commercial grade roasters and four commercial grade grinders capable of roasting 10 million pounds of coffee annually. The plant contains a variety of packaging equipment capable of producing 2 ounce fractional packs, vacuum sealed brick packaging for espresso, various bag packaging configurations ranging from 8 ounces up to a 5 pound bag package, as well as Super Sack packaging that holds bulk coffee up to 1100 pounds.

The versatility of the plant supports a diverse customer base. The coffee segment is a large supplier to the hospitality market with a great focus on serving the cruise line industry. A major revenue producing area is the private label market where the company produces coffee for various retailer owned private brands. The segment supplies coffee and equipment to retirement communities, services the office coffee service segment, and markets through distributors to the convenient store market. CLR Roasters also markets its own brands of coffee to various retailers. Company owned brands that are currently on retail shelves are Café La Rica, Josie’s Java House, and the Javalution stable of brands.

Seasonality and Back Orders

Our business in both the direct selling and coffee segment can experience weaker sales during the summer months, however, recent experience has not been material to our operation results. We have not experienced significant back orders.

Promotion and Marketing

Direct Selling Segment - Sales promotion and sales development activities are directed at assisting distributors through sales aids such as brochures, product samples and demonstration products. In order to support the efforts of distributors to reach new customers, specially designed sales aids, promotional pieces, customer flyers, television and print advertising are used. In addition, we seek to motivate our distributors through the use of special incentive programs that reward superior sales performance. Periodic sales meetings with our independent distributors are conducted by the Company’s marketing staff. The meetings are designed to keep distributors abreast of product line changes, explain sales techniques and provide recognition for sales performance.

A number of merchandising techniques are used, including the introduction of new products, the use of combination offers, the use of trial sizes and samples, and the promotion of products packaged as gift items. In general, for each sales campaign, a distinctive brochure is published, in which new products are introduced and selected items are offered as special promotions or are given particular prominence in the brochure. A key current priority for our merchandising is to continue the use of pricing and promotional models to enable a deeper, fact-based understanding of the role and impact of pricing within our product portfolio.

Coffee Segment - Sales promotion and sales development primarily takes place via CLR Roasters in-house team, however, the Company utilizes commission only outside manufacturer’s representatives for a number of specialty accounts. CLR Roasters works diligently to be sure that the Company is invited to participate in the request for proposal (“RFP”) process that comes up each year on major coffee contracts. CLR Roasters in-house sales team consists of 5 people that devote the majority of their time to obtaining new business. CLR has established a direct store distribution (“DSD”) route that it utilizes to market, promote and ship its Company owned Café La Rica and Josie’s Java House brands. Various promotion strategies and advertisements in retail circulars are utilized to support the brands being marketed through DSD.
Suppliers

**Direct Selling Segment.** We purchase raw materials from numerous domestic and international suppliers. Other than the coffee products produced through CLR Roasters, all of our products are manufactured by independent suppliers. To achieve certain economies of scale, best pricing and uniform quality, we rely primarily on a few principal suppliers, namely: WVNP, Inc., a related party, Pacific Nutritional, Inc., Pharmachem Laboratories, Inc., Nutritional Engineering, Inc., and Summit Lake Labs, LLC.

Sufficient raw materials were available during the year ended December 31, 2012 and we believe they will continue to be. We monitor the financial condition of certain suppliers, their ability to supply our needs, and the market conditions for these raw materials. We believe we will be able to negotiate similar market terms with alternative suppliers if needed.

**Coffee Segment.** The Company sources green coffee from various countries in Central and South America. When CLR Roasters obtains a large contract from its customers to supply coffee it contacts its green coffee suppliers and locks in a price for the identical time period and the identical quantity required by CLR Roasters to supply coffee to its customers. This protects CLR Roasters and its customers from price fluctuations that take place in the commodities market.

The Company purchases its inventory from multiple third-party suppliers at competitive prices. For the year ended December 31, 2012 the Company made purchases from four vendors that individually comprised more than 10% of total purchases and in aggregate approximated 53% of total purchases. For the year ended December 31, 2011, the Company made purchases from two vendors that individually comprised more than 10% of total purchases and in aggregate approximated 21% of total purchases. The Company does not believe it is substantially dependent upon nor exposed to any significant concentration risk related to purchases from any single vendor, given the availability of alternative sources from which the Company may purchase inventory.

**Intellectual Property**

We have developed and we use registered trademarks in our business, particularly relating to our corporate and product names. We own 14 trademarks that are registered with the U.S. Patent and Trademark Office and 2 in Canada with the Canadian Intellectual Property Office. Registration of a trademark enables the registered owner of the mark to bar the unauthorized use of the registered trademark in connection with a similar product in the same channels of trade by any third-party in the respective country of registration, regardless of whether the registered owner has ever used the trademark in the area where the unauthorized use occurs.

We also claim ownership and protection of certain product names, unregistered trademarks, and service marks under common law. Common law trademark rights do not provide the same level of protection that is afforded by the registration of a trademark. In addition, common law trademark rights are limited to the geographic area in which the trademark is actually used. We believe these trademarks, whether registered or claimed under common law, constitute valuable assets, adding to recognition of our brands and the effective marketing of our products. We intend to maintain and keep current all of our trademark registrations and to pay all applicable renewal fees as they become due. The right of a trademark owner to use its trademarks, however, is based on a number of factors, including their first use in commerce, and trademark owners can lose trademark rights despite trademark registration and payment of renewal fees. We therefore believe that these proprietary rights have been and will continue to be important in enabling us to compete, and if for any reason we were unable to maintain our trademarks, our sales of the related products bearing such trademarks could be materially and negatively affected. See “Risk Factors”.

We own certain intellectual property, including trade secrets that we seek to protect, in part, through confidentiality agreements with employees and other parties. Most of our products are not protected by patents and therefore such agreements are often our only form of protection. Even where these agreements exist, there can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known to or independently developed by competitors. Our proprietary product formulations are generally considered trade secrets, but are not otherwise protected under intellectual property laws.

We intend to protect our legal rights concerning intellectual property by all appropriate legal action. Consequently, we may become involved from time to time in litigation to determine the enforceability, scope, and validity of any of the foregoing proprietary rights. Any patent litigation could result in substantial cost and divert the efforts of management and technical personnel.
Industry Overview

We are engaged in two industries, the direct selling industry and the sale of coffee industry.

**Direct Selling Industry**

Direct sales are a business-distribution model that allows a company to market its products directly to consumers by means of independent contractors and relationship referrals. Independent, unsalaried salespeople, referred to as distributors, represent the company and are awarded a commission based upon the volume of product sold through each of their independent business operations.

According to an Opus Group Research report dated February 21, 2012, direct sales is rapidly becoming the most successful commercialization of social networking. With more and more retail sales migrating either to the internet or large shopping malls – a prime locale for individually owned and operated kiosks – as well as the globalization of brand names, direct sales has been one of the few bright spots of retail growth in an otherwise moribund consumer sector.

Retailers may be noticing the success of the Direct Selling Industry as noted in the January 9, 2012 news article by Direct Selling News which pointed out that the industry was facing new competition via e-commerce from online retailers. The article pointed out that the expansion of e-commerce has changed the selling landscape. It is estimated that e-commerce will top $300 billion in revenues in the United States alone in 2012. Market share is shifting from traditional forms of commerce such as retail stores to more online forms that challenge everyone engaged in the marketing of a product or service including direct sellers. It is apparent that the companies within the Direct Selling Industry will need to better integrate their selling processes with the capabilities evident in the online retailing space. Those that do not focus on the e-commerce opportunities will have trouble competing effectively with online retailers. More and more traditional retailers are moving into the e-commerce space which will provide even greater competition to the Direct Selling Industry.

**Coffee Business Industry**

Over the last decade, the U.S. retail coffee market has seen explosive growth. As reported in New York based, National Coffee Association’s (“NCA”) 2011 Coffee Trends Study, sales continue to show robust expansion even during the current consumer recession. NCA’s 2011 Coffee Trends Study revealed the following:

- In 2011, 40% of 18-24 year olds reported that they drink coffee every day, up from 31% in 2010, and 54% of 25-39 year olds reported that they drink coffee daily, up from 44% in 2010;
- Gourmet and specialty coffee continues to be a significant portion (37%) of total coffee consumed;
- 86% of coffee consumers reported that they purchase coffee for home consumption; and
- 25% of all coffee consumers drink a gourmet or specialty coffee at least once a day.

**Competition**

Direct Selling Segment – The diet fitness and health food industries, as well as the food and drink industries in general, are highly competitive, rapidly evolving and subject to constant change. The number of competitors in the overall diet, fitness, health food, and nutraceutical industries is virtually endless. We believe that existing industry competitors are likely to continue to expand their product offerings. Moreover, because there are few, if any, substantial barriers to entry, we expect that new competitors are likely to enter the “functional foods” and nutraceutical markets and attempt to market “functional food” or nutraceutical coffee products similar to our products, which would result in greater competition. We cannot be certain that we will be able to compete successfully in this extremely competitive market.

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We face competition from competing products in each of our lines of business, in both the domestic and international markets. Worldwide, we compete against products sold to consumers by other direct selling and direct-sales companies and through the Internet, and against products sold through the mass market and prestige retail channels. We also face increasing competition in our developing and emerging markets.

Within the direct selling channel, we compete on a regional and often country-by-country basis, with our direct selling competitors. There are also a number of direct selling companies that sell product lines similar to ours, some of which also have worldwide operations and compete with us globally. We compete against large and well-known companies that manufacture and sell broad product lines through various types of retail establishments such as General Foods and Nestle. In addition, we compete against many other companies that manufacture and sell in narrower product lines sold through retail establishments. This industry is highly competitive, and some of our principal competitors in the industry are larger than we are and have greater resources than we do. Competitive activities on their part could cause our sales to suffer. We have many competitors in the highly competitive energy drink, skin care and cosmetic, coffee, pet line and pharmacy card industries globally, including retail establishments, principally department stores, and specialty retailers, and direct-mail companies specializing in these products. Our largest direct sales competitors are Herbalife, Amway, USANA, and Blythe Capital. In the energy drink market we compete with companies such as Red Bull, Gatorade and Rock Star. Our beauty, skin care and cosmetic products compete with Avon and Bare Escentuals. From time to time, we need to reduce the prices for some of our products to respond to competitive pressures or to maintain our position in the marketplace. Such pressures also may restrict our ability to increase prices in response to raw material and other cost increases. Any reduction in prices as a result of competitive pressures, or any failure to increase prices when raw material costs increase, would harm profit margins and, if our sales volumes fail to grow sufficiently to offset any reduction in margins, our results of operations would suffer.

We are also subject to significant competition from other network marketing organizations for the time, attention, and commitment of new and existing distributors. Our ability to remain competitive depends, in significant part, on our success in recruiting and retaining distributors. There can be no assurance that our programs for recruiting and retaining distributors will be successful. The pool of individuals who may be interested in network marketing is limited in each market and it is reduced to the extent other network marketing companies successfully recruit these individuals into their businesses. Although we believe we offer an attractive opportunity for distributors, there can be no assurance that other network marketing companies will not be able to recruit our existing distributors or deplete the pool of potential distributors in a given market.

Coffee Segment – With respect to our coffee products, we compete not only with other widely advertised branded products, but also with private label or generic products that generally are sold at lower prices. Consumers’ willingness to purchase our products will depend upon our ability to maintain consumer confidence that our products are of a higher quality and provide greater value than less expensive alternatives. If the difference in quality between our brands and private label products narrows, or if there is a perception of such a narrowing, then consumers may choose not to buy our products at prices that are profitable for us. If we do not succeed in effectively differentiating ourselves from our competitors in specialty coffee, including by developing and maintaining our brands, or our competitors adopt our strategies, then our competitive position may be weakened and our sales of specialty coffee, and accordingly our profitability, may be materially adversely affected.
The processing, formulation, manufacturing, packaging, labeling, advertising, and distribution of our products are subject to federal laws and regulation by one or more federal agencies, including the FDA, the FTC, the Consumer Product Safety Commission, the U.S. Department of Agriculture, and the Environmental Protection Agency. These activities are also regulated by various state, local, and international laws and agencies of the states and localities in which our products are sold. Government regulations may prevent or delay the introduction or require the reformulation, of our products, which could result in lost revenues and increased costs to us. For instance, the FDA regulates, among other things, the composition, safety, labeling, and marketing of dietary supplements (including vitamins, minerals, herbs, and other dietary ingredients for human use). The FDA may not accept the evidence of safety for any new dietary ingredient that we may wish to market, may determine that a particular dietary supplement or ingredient presents an unacceptable health risk, and may determine that a particular claim or statement of nutritional value that we use to support the marketing of a dietary supplement is an impermissible drug claim, is not substantiated, or is an unauthorized version of a "health claim." Any of these actions could prevent us from marketing particular dietary supplement products or making certain claims or statements of nutritional support for them. The FDA could also require us to remove a particular product from the market. Any future recall or removal would result in additional costs to us, including lost revenues from any additional products that we are required to remove from the market, any of which could be material. Any product recalls or removals could also lead to liability, substantial costs, and reduced growth prospects. With respect to FTC matters, if the FTC has reason to believe the law is being violated (e.g., failure to possess adequate substantiation for product claims), it can initiate an enforcement action. The FTC has a variety of processes and remedies available to it for enforcement, both administratively and judicially, including compulsory process authority, cease and desist orders, and injunctions. FTC enforcement could result in orders requiring, among other things, limits on advertising, consumer redress, divestiture of assets, rescission of contracts, or such other relief as may be deemed necessary. Violation of these orders could result in substantial financial or other penalties. Any action against us by the FTC could materially and adversely affect our ability to successfully market our products.

Additional or more stringent regulations of dietary supplements and other products have been considered from time to time. These developments could require reformulation of some products to meet new standards, recalls or discontinuance of some products not able to be reformulated, addition of new record-keeping requirements, increased documentation of the properties of some products, additional or different labeling, additional scientific substantiation, adverse event reporting, or other new requirements. Any of these developments could increase our costs significantly. For example, the Dietary Supplement and Nonprescription Drug Consumer Protection Act (S3546), which was passed by Congress in December 2006, imposes significant regulatory requirements on dietary supplements including reporting of “serious adverse events” to FDA and recordkeeping requirements. This legislation could raise our costs and negatively impact our business. In June 2007, the FDA adopted final regulations on GMPs in manufacturing, packaging, or holding dietary ingredients and dietary supplements, which apply to the products we manufacture and sell. These regulations require dietary supplements to be prepared, packaged, and held in compliance with certain rules. These regulations could raise our costs and negatively impact our business. Additionally, our third-party suppliers or vendors may not be able to comply with these rules without incurring substantial expenses. If our third-party suppliers or vendors are not able to timely comply with these new rules, we may experience increased cost or delays in obtaining certain raw materials and third-party products. Also, the FDA has announced that it plans to publish guidance governing the notification of new dietary ingredients. Although FDA guidance is not mandatory, it is a strong indication of the FDA’s current views on the topic discussed in the guidance, including its position on enforcement.

In addition, there are an increasing number of laws and regulations being promulgated by the U.S. government, governments of individual states and governments overseas that pertain to the Internet and doing business online. In addition, a number of legislative and regulatory proposals are under consideration by federal, state, local, and foreign governments and agencies. Laws or regulations have been or may be adopted with respect to the Internet relating to:
Moreover, the applicability to the Internet of existing laws governing issues such as:

- liability for information retrieved from or transmitted over the Internet;
- online content regulation;
- commercial electronic mail;
- visitor privacy; and
- taxation and quality of products and services.

Moreover, the applicability to the Internet of existing laws governing issues such as:

- intellectual property ownership and infringement;
- consumer protection;
- obscenity;
- defamation;
- employment and labor;
- the protection of minors;
- health information; and
- personal privacy and the use of personally identifiable information.

This area is uncertain and developing. Any new legislation or regulation or the application or interpretation of existing laws may have an adverse effect on our business. Even if our activities are not restricted by any new legislation, the cost of compliance may become burdensome, especially as different jurisdictions adopt different approaches to regulation.

We are also subject to laws and regulations, both in the U.S. and internationally, that are directed at ensuring that product sales are made to consumers of the products and that compensation, recognition, and advancement within the marketing organization are based on the sale of products rather than investment in the sponsoring company. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as “pyramid” schemes, which compensate participants for recruiting additional participants irrespective of product sales, use high pressure recruiting methods, and do not involve legitimate products. Complying with these rules and regulations can be difficult and requires the devotion of significant resources on our part.

Management Information, Internet and Telecommunication Systems

The ability to efficiently manage distribution, compensation, inventory control, and communication functions through the use of sophisticated and dependable information processing systems is critical to our success.
We continue to upgrade systems and introduce new technologies to facilitate our continued growth and support of independent distributor activities. These systems include: (1) an internal network server that manages user accounts, print and file sharing, firewall management, and wide area network connectivity; (2) a Microsoft SQL database server to manage sensitive transactional data, corporate accounting and sales information; (3) a centralized host computer supporting our customized order processing, fulfillment, and independent distributor management software; (4) a standardized telecommunication switch and system; (5) a hosted independent distributor website system designed specifically for network marketing and direct sales companies; and (6) procedures to perform daily and weekly backups with both onsite and offsite storage of backups.

Our technology systems provide key financial and operating data for management, timely and accurate product ordering, commission payment processing, inventory management and detailed independent distributor records. Additionally, these systems deliver real-time business management, reporting and communications tools to assist in retaining and developing our sales leaders and independent distributors. We intend to continue to invest in our technology systems in order to strengthen our operating platform.

Product Returns

Our return policy in the direct selling segment provides that customers and distributors may return to us any products purchased within 30 days of their initial order for a full refund. Product damaged during shipment is replaced. Product returns as a percentage of our net sales have ranged from 0.9% to 2.4% of our monthly net sales over the last three years. Commercial coffee segment sales are only returnable if defective.

Employees

As of February 1, 2013, we have 118 total employees, of which 115 are full-time employees. We believe that our current personnel are capable of meeting our operating requirements in the near term. We expect that as our business grows we may hire additional personnel to handle the increased demands on our operations and to handle some of the services that are currently being outsourced, such as brand management and sales efforts.

Our Corporate Headquarters

Our corporate headquarters are located at 2400 Boswell Road, Chula Vista, California 91914. This is also the location of the Company’s operations and distribution center. The facility consists of a 59,000 square foot Class A single use building that is comprised 40% of office space and the balance is used for distribution.

Our telephone number is (619) 934-3980 and our facsimile number is (619) 934-3205.

Roasting, distribution and operations for our CLR Roasters division are handled in our Miami, Florida based facility, which consists of 25,000 square feet of which 10% is office space. The Company expanded the leased space to approximately 39,500 square feet on March 19, 2013. We also have a marketing office located in Windham, New Hampshire, which consists of 12,750 square feet of office space.
ITEM 1A. Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this registration statement before deciding to invest in our common stock. You should only purchase our securities if you can afford to suffer the loss of your entire investment.

RISKS RELATED TO OUR BUSINESS

Risks related to our Business

Risks related to our Business

Because we have recently acquired a large number of related businesses, it is difficult to predict if we will continue to generate our current level of revenue.

Until recently, our business was comprised solely of the direct sale of Youngevity® health products. During 2011 and 2012, we completed 7 business acquisitions, increasing our product line by approximately 185 products. It is too early to predict whether consumers will accept, and continue to use on a regular basis, the products generated from these new acquisitions. Since we have had very limited recent operating history as a combined entity and the impact of all of the acquisitions is difficult to assess. Therefore, our ability to generate revenue is uncertain and there can be no assurance that we will be able to generate significant revenue or be profitable.

Our business is difficult to evaluate because we have recently expanded our product offering and customer base.

The Company has recently expanded its operations, engaging in the sale of new products through new distributors. There is a risk that we will be unable to successfully integrate the newly acquired businesses with our current management and structure. Although we are based in California, several of the businesses we acquired are based in other places such as Washington, Utah and Florida, making the integration of our newly acquired businesses difficult. Our estimates of capital, personnel and equipment required for our newly acquired businesses are based on the historical experience of management and businesses they are familiar with. Our management has limited direct experience in operating a business of our current size as well as one that is publicly traded.

Our ability to generate profit will be impacted by payments we are required to make under the terms of our acquisition agreements, the extent of which is uncertain.

Since many of our acquisition agreements have no limit as to future consideration owed under the agreements, we could be obligated to make payments that exceed expectations. Many of our acquisition agreements require us to make future payments to the sellers based upon a percentage of sales of products by certain agents, with no maximum payment amount. The carrying value of the contingent acquisition debt, which requires remeasurement each reporting period, is based on our estimates of future sales. Profits could be adversely impacted in future periods if adjustment of the carrying value of the contingent acquisition debt is required.

We may have difficulty managing our future growth.

Since we initiated our network marketing sales channel in fiscal 1997, our business has grown significantly. This growth has placed substantial strain on our management, operational, financial and other resources. If we are able to continue to expand our operations, we may experience periods of rapid growth, including increased resource requirements. Any such growth could place increased strain on our management, operational, financial and other resources, and we may need to train, motivate, and manage employees, as well as attract management, sales, finance and accounting, international, technical, and other professionals. Any failure to expand these areas and implement appropriate procedures and controls in an efficient manner and at a pace consistent with our business objectives could have a material adverse effect on our business and results of operations. In addition, the financing for any of future acquisitions could dilute the interests of our stockholders, resulting in an increase in our indebtedness or both. Future acquisitions may entail numerous risks, including:
Our business is subject to strict government regulations.

The processing, formulation, manufacturing, packaging, labeling, advertising, and distribution of our products are subject to federal laws and regulation by one or more federal agencies, including the FDA, the FTC, the Consumer Product Safety Commission, the U.S. Department of Agriculture, and the Environmental Protection Agency. These activities are also regulated by various state, local, and international laws and agencies of the states and localities in which our products are sold. Government regulations may prevent or delay the introduction, or require the reformulation, of our products, which could result in lost revenues and increased costs to us. For instance, the FDA regulates, among other things, the composition, safety, labeling, and marketing of dietary supplements (including vitamins, minerals, herbs, and other dietary ingredients for human use). The FDA may not accept the evidence of safety for any new dietary ingredient that we may wish to market, may determine that a particular dietary supplement or ingredient presents an unacceptable health risk, and may determine that a particular claim or statement of nutritional value that we use to support the marketing of a dietary supplement is an impermissible drug claim, is not substantiated, or is an unauthorized version of a “health claim.” Any of these actions could prevent us from marketing particular dietary supplement products or making certain claims or statements of nutritional support for them. The FDA could also require us to remove a particular product from the market. Any future recall or removal would result in additional costs to us, including lost revenues from any additional products that we are required to remove from the market, any of which could be material. Any product recalls or removals could also lead to liability, substantial costs, and reduced growth prospects. With respect to FTC matters, if the FTC has reason to believe the law is being violated (e.g., failure to possess adequate substantiation for product claims), it can initiate an enforcement action. The FTC has a variety of processes and remedies available to it for enforcement, both administratively and judicially, including compulsory process authority, cease and desist orders, and injunctions. FTC enforcement could result in orders requiring, among other things, limits on advertising, consumer redress, divestiture of assets, rescission of contracts, or such other relief as may be deemed necessary. Violation of these orders could result in substantial financial or other penalties. Any action against us by the FTC could materially and adversely affect our ability to successfully market our products.

Additional or more stringent regulations of dietary supplements and other products have been considered from time to time. These developments could require reformulation of some products to meet new standards, recalls or discontinuance of some products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of some products, additional or different labeling, additional scientific substantiation, adverse event reporting, or other new requirements. Any of these developments could increase our costs significantly. For example, the Dietary Supplement and Nonprescription Drug Consumer Protection Act (S3546), which was passed by Congress in December 2006, imposes significant regulatory requirements on dietary supplements including reporting of “serious adverse events” to FDA and recordkeeping requirements. This legislation could raise our costs and negatively impact our business. In June 2007, the FDA adopted final regulations on GMPs in manufacturing, packaging, or holding dietary ingredients and dietary supplements, which apply to the products we manufacture and sell. These regulations require dietary supplements to be prepared, packaged, and held in compliance with certain rules. These regulations could raise our costs and negatively impact our business. Additionally, our third-party suppliers or vendors may not be able to comply with these rules without incurring substantial expenses. If our third-party suppliers or vendors are not able to timely comply with these new rules, we may experience increased cost or delays in obtaining certain raw materials and third-party products. Also, the FDA has announced that it plans to publish guidance governing the notification of new dietary ingredients. Although FDA guidance is not mandatory, it is a strong indication of the FDA’s current views on the topic discussed in the guidance, including its position on enforcement.
Unfavorable publicity could materially hurt our business.

We are highly dependent upon consumers’ perceptions of the safety, quality, and efficacy of our products, as well as products distributed by other companies. Future scientific research or publicity may not be favorable to our industry or any particular product. Because of our dependence upon consumer perceptions, adverse publicity associated with illness or other adverse effects resulting from the consumption of our product or any similar products distributed by other companies could have a material adverse impact on us. Such adverse publicity could arise even if the adverse effects associated with such products resulted from failure to consume such products as directed. Adverse publicity could also increase our product liability exposure, result in increased regulatory scrutiny and lead to the initiation of private lawsuits.

Product returns may adversely affect our business.

We are subject to regulation by a variety of regulatory authorities, including the Consumer Product Safety Commission and the Food and Drug Administration. The failure of our third party manufacturer to produce merchandise that adheres to our quality control standards could damage our reputation and brands and lead to customer litigation against us. If our manufacturer is unable or unwilling to recall products failing to meet our quality standards, we may be required to remove merchandise or issue voluntary or mandatory recalls of those products at a substantial cost to us. We may be unable to recover costs related to product recalls. We also may incur various expenses related to product recalls, including product warranty costs, sales returns, and product liability costs, which may have a material adverse impact on our results of operations. While we maintain a reserve for our product warranty costs based on certain estimates and our knowledge of current events and actions, our actual warranty costs may exceed our reserve, resulting in a need to increase our accruals for warranty costs in the future.

In addition, selling products for human consumption such as coffee and energy drinks involve a number of risks. We may need to recall some of our products if they become contaminated, are tampered with or are mislabeled. A widespread product recall could result in adverse publicity, damage to our reputation, and a loss of consumer confidence in our products, which could have a material adverse effect on our business results and the value of our brands. We also may incur significant liability if our products or operations violate applicable laws or regulations, or in the event our products cause injury, illness or death. In addition, we could be the target of claims that our advertising is false or deceptive under U.S. federal and state laws as well as foreign laws, including consumer protection statutes of some states. Even if a product liability or consumer fraud claim is unsuccessful or without merit, the negative publicity surrounding such assertions regarding our products could adversely affect our reputation and brand image.

Returns are part of our business. Our return rates since the inception of selling activities has ranged from 0.9% to 2.4% of sales. We replace returned products damaged during shipment wholly at our cost, which historically has been negligible. Future return rates or costs associated with returns may increase. In addition, to date, product expiration dates have not played any role in product returns, however, it is possible they will increase in the future.
A general economic downturn, a recession globally or in one or more of our geographic regions or sudden disruption in business conditions or other challenges may adversely affect our business and our access to liquidity and capital.

A downturn in the economies in which we sell our products, including any recession in one or more of our geographic regions, or the current global macro-economic pressures, could adversely affect our business and our access to liquidity and capital. Recent global economic events over the past few years, including job losses, the tightening of credit markets and failures of financial institutions and other entities, have resulted in challenges to our business and a heightened concern regarding further deterioration globally. We could experience declines in revenues, profitability and cash flow due to reduced orders, payment delays, supply chain disruptions or other factors caused by economic or operational challenges. Any or all of these factors could potentially have a material adverse effect on our liquidity and capital resources, including our ability to issue commercial paper, raise additional capital and maintain credit lines and offshore cash balances. An adverse change in our credit ratings could result in an increase in our borrowing costs and have an adverse impact on our ability to access certain debt markets, including the commercial paper market.

Consumer spending is also generally affected by a number of factors, including general economic conditions, inflation, interest rates, energy costs, gasoline prices and consumer confidence generally, all of which are beyond our control. Consumer purchases of discretionary items, such as beauty and related products, tend to decline during recessionary periods, when disposable income is lower, and may impact sales of our products. We face continued economic challenges in fiscal 2013 because customers may continue to have less money for discretionary purchases as a result of job losses, foreclosures, bankruptcies, reduced access to credit and sharply falling home prices, among other things.

In addition, sudden disruptions in business conditions as a result of a terrorist attack similar to the events of September 11, 2001, including further attacks, retaliation and the threat of further attacks or retaliation, war, adverse weather conditions and climate changes or other natural disasters, such as Hurricane Katrina, pandemic situations or large scale power outages can have a short or, sometimes, long-term impact on consumer spending.

We face significant competition.

We face competition from competing products in each of our lines of business, in both the domestic and international markets. Worldwide, we compete against products sold to consumers by other direct selling and direct-sales companies and through the Internet, and against products sold through the mass market and prestige retail channels. We also face increasing competition in our developing and emerging markets.

Within the direct selling channel, we compete on a regional and often country-by-country basis, with our direct selling competitors. There are also a number of direct selling companies that sell product lines similar to ours, some of which also have worldwide operations and compete with us globally. We compete against large and well-known companies that manufacture and sell broad product lines through various types of retail establishments. In addition, we compete against many other companies that manufacture and sell in narrower product lines sold through retail establishments. This industry is highly competitive and some of our principal competitors in the industry are larger than we are and have greater resources than we do. Competitive activities on their part could cause our sales to suffer. From time to time, we need to reduce the prices for some of our products to respond to competitive and customer pressures or to maintain our position in the marketplace. Such pressures also may restrict our ability to increase prices in response to raw material and other cost increases. Any reduction in prices as a result of competitive pressures, or any failure to increase prices when raw material costs increase, would harm profit margins and, if our sales volumes fail to grow sufficiently to offset any reduction in margins, our results of operations would suffer.

If our advertising, promotional, merchandising, or other marketing strategies are not successful, if we are unable to deliver new products that represent technological breakthroughs, if we do not successfully manage the timing of new product introductions or the profitability of these efforts, or if for other reasons our end customers perceive competitors’ products as having greater appeal, then our sales and financial results may suffer.
If we do not succeed in effectively differentiating ourselves from our competitors’ products, including by developing and maintaining our brands, or our competitors adopt our strategies, then our competitive position may be weakened and our sales, and accordingly our profitability, may be materially adversely affected.

We are also subject to significant competition from other network marketing organizations for the time, attention, and commitment of new and existing distributors. Our ability to remain competitive depends, in significant part, on our success in recruiting and retaining distributors. There can be no assurance that our programs for recruiting and retaining distributors will be successful. The pool of individuals who may be interested in network marketing is limited in each market, and it is reduced to the extent other network marketing companies successfully recruit these individuals into their businesses. Although we believe we offer an attractive opportunity for distributors, there can be no assurance that other network marketing companies will not be able to recruit our existing distributors or deplete the pool of potential distributors in a given market.

Our Coffee segment also faces strong competition. The coffee industry is highly competitive and coffee is widely distributed and readily available. Our competition will seek to create advantages in many areas including better prices, more attractive packaging, stronger marketing, more efficient production processes, speed to market, and better quality versus value opportunities. Many of our competitors have stronger brand recognition and will reduce prices to keep our brands out of the market. Our competitors may have more automation built into their production lines allowing for more efficient production at lower costs. We compete not only with other widely advertised branded products, but also with private label or generic products that generally are sold at lower prices. Consumers’ willingness to purchase our products will depend upon our ability to maintain consumer confidence that our products are of a higher quality and provide greater value than less expensive alternatives. If the difference in quality between our brands and private label products narrows, or if there is a perception of such a narrowing, then consumers may choose not to buy our products at prices that are profitable for us.

Our success depends, in part, on the quality and safety of our products.

Our success depends, in part, on the quality and safety of our products, including the procedures we employ to detect the likelihood of hazard, manufacturing issues, and unforeseen product misuse. If our products are found to be, or are perceived to be, defective or unsafe, or if they otherwise fail to meet our distributors' or end customers' standards, our relationship with our distributors or end customers could suffer, and we could need to recall some of our products, our reputation or the appeal of our brand could be diminished, and we could lose market share and or become subject to liability claims, any of which could result in a material adverse effect on our business, results of operations, and financial condition.

Our ability to anticipate and respond to market trends and changes in consumer preferences could affect our financial results.

Our ability to anticipate and respond to market trends and changes in consumer preferences could affect our financial results. Our continued success depends on our ability to anticipate, gauge, and react in a timely and effective manner to changes in consumer spending patterns and preferences. We must continually work to discover and market new products, maintain and enhance the recognition of our brands, achieve a favorable mix of products, and refine our approach as to how and where we market and sell our products. While we devote considerable effort and resources to shape, analyze, and respond to consumer preferences, consumer spending patterns and preferences cannot be predicted with certainty and can change rapidly. If we are unable to anticipate and respond to trends in the market for beauty and related products and changing consumer demands, our financial results will suffer.

Furthermore, material shifts or decreases in market demand for our products, including as a result of changes in consumer spending patterns and preferences or incorrect forecasting of market demand, could result in us carrying inventory that cannot be sold at anticipated prices or increased product returns. Failure to maintain proper inventory levels or increased product returns could result in a material adverse effect on our business, results of operations and financial condition.
If we are unable to protect our intellectual property rights, specifically patents and trademarks, our ability to compete could be negatively impacted.

Most of our products are not protected by patents. The labeling regulations governing our nutritional supplements require that the ingredients of such products be precisely and accurately indicated on product containers. Accordingly, patent protection for nutritional supplements often is impractical given the large number of manufacturers who produce nutritional supplements having many active ingredients in common. Additionally, the nutritional supplement industry is characterized by rapid change and frequent reformulations of products, as the body of scientific research and literature refines current understanding of the application and efficacy of certain substances and the interactions among various substances. In this respect, we maintain an active research and development program that is devoted to developing better, purer, and more effective formulations of our products. We protect our investment in research, as well as the techniques we use to improve the purity and effectiveness of our products, by relying on trade secret laws. Notwithstanding our efforts, there can be no assurance that our efforts to protect our trade secrets and trademarks will be successful. We intend to maintain and keep current all of our trademark registrations and to pay all applicable renewal fees as they become due. The right of a trademark owner to use its trademarks, however, is based on a number of factors, including their first use in commerce, and trademark owners can lose trademark rights despite trademark registration and payment of renewal fees. We therefore believe that these proprietary rights have been and will continue to be important in enabling us to compete and if for any reason we were unable to maintain our trademarks, our sales of the related products bearing such trademarks could be materially and negatively affected. Nor can there be any assurance that third-parties will not assert claims against us for infringement of their intellectual proprietary rights. If an infringement claim is asserted, we may be required to obtain a license of such rights, pay royalties on a retrospective or prospective basis, or terminate our manufacturing and marketing of our infringing products. Litigation with respect to such matters could result in substantial costs and diversion of management and other resources and could have a material adverse effect on our business, financial condition, or operating results.

We consider our roasting methods essential to the flavor and richness of our coffee and, therefore, essential to our various brands. Because our roasting methods cannot be patented, we would be unable to prevent competitors from copying our roasting methods, if such methods became known. If our competitors copy our roasting methods, the value of our brands could be diminished and we could lose customers to our competitors. In addition, competitors could develop roasting methods that are more advanced than ours, which could also harm our competitive position.

We may become involved in the future in legal proceedings that, if adversely adjudicated or settled, could adversely affect our financial results.

We may, in the future, become party to litigation. In general, litigation claims can be expensive and time consuming to bring or defend against and could result in settlements or damages that could significantly affect financial results. However, it is not possible to predict the final resolution of the litigation to which we may in the future become party to, and the impact of certain of these matters on our business, results of operations, and financial condition could be material.

Government reviews, inquiries, investigations, and actions could harm our business or reputation.

As we operate in various locations around the world, our operations in certain countries are subject to significant governmental scrutiny and may be harmed by the results of such scrutiny. The regulatory environment with regard to direct selling in emerging and developing markets where we do business is evolving and officials in such locations often exercise broad discretion in deciding how to interpret and apply applicable regulations. From time to time, we may receive formal and informal inquiries from various government regulatory authorities about our business and compliance with local laws and regulations. Any determination that our operations or activities or the activities of our distributors, are not in compliance with existing laws or regulations could result in the imposition of substantial fines, interruptions of business, loss of supplier, vendor or other third party relationships, termination of necessary licenses and permits, or similar results, all of which could potentially harm our business and or reputation. Even if an inquiry does not result in these types of determinations, it potentially could create negative publicity which could harm our business and or reputation.
The loss of key management personnel could adversely affect our business.

Our founder, Dr. Joel Wallach, is a highly visible spokesman for our products and our business, and our message is based in large part on his vision and reputation, which helps distinguish us from our competitors. Any loss or limitation on Dr. Wallach as a lead spokesman for our mission, business, and products could have a material adverse effect upon our business, financial condition, or results of operations. In addition, our executive officers, including Stephan Wallach, William Andreoli, and David Briskie, are primarily responsible for our day-to-day operations, and we believe our success depends in part on our ability to retain our executive officers, to compensate our executive officers at attractive levels, and to continue to attract additional qualified individuals to our management team. We cannot guarantee continued service by our key executive officers. We do not maintain key man life insurance on any of our executive officers. The loss or limitation of the services of any of our executive officers or the inability to attract additional qualified management personnel could have a material adverse effect on our business, financial condition, or results of operations.

The beneficial ownership of a significant percentage of our common stock gives our officers and directors effective control, and limits the influence of other shareholders on important policy and management issues.

Currently, our officers and directors beneficially own 76% of our outstanding common stock. By virtue of this stock ownership, they are able to exert significant influence over the election of the members of our Board of Directors and our business affairs. This concentration of ownership could also have the effect of delaying, deterring, or preventing a change in control that might otherwise be beneficial to shareholders. There can be no assurance that conflicts of interest will not arise with respect to this beneficial ownership or that conflicts will be resolved in a manner favorable to other shareholders of the Company.

The inability to obtain adequate supplies of raw materials for products at favorable prices, or at all, or the inability to obtain certain products from third-party suppliers or from our manufacturers, could have a material adverse effect on our business, financial condition, or results of operations.

We contract with third-party manufacturers and suppliers for the production of some of our products, including most of our powdered drink mixes and nutrition bars, and certain of our personal care products. These third-party suppliers and manufacturers produce and, in most cases, package these products according to formulations that have been developed by, or in conjunction with, our in-house product development team. There is a risk that any of our suppliers or manufacturers could discontinue manufacturing our products or selling their products to us. Although we believe that we could establish alternate sources for most of our products, any delay in locating and establishing relationships with other sources could result in product shortages or back orders for products, with a resulting loss of net sales. In certain situations, we may be required to alter our products or to substitute different products from another source. We have, in the past, discontinued or temporarily stopped sales of certain products that were manufactured by third parties while those products were on back order. There can be no assurance that suppliers will provide the raw materials or manufactured products that are needed by us in the quantities that we request or at the prices that we are willing to pay. Because we do not control the actual production of certain raw materials and products, we are also subject to delays caused by any interruption in the production of these materials, based on conditions not within our control, including weather, crop conditions, transportation interruptions, strikes by supplier employees, and natural disasters or other catastrophic events.

Shortages of raw materials may temporarily adversely affect our margins or our profitability related to the sale of those products.

We may experience temporary shortages of the raw materials used in certain of our nutritional products. While we periodically experience price increases due to unexpected raw material shortages and other unanticipated events, this has historically not resulted in a material effect on our overall cost of goods sold. However, there is no assurance that our raw materials will not be significantly adversely affected in the future, causing our profitability to be reduced. A deterioration of our relationship with any of our suppliers, or problems experienced by these suppliers, could lead to inventory shortages. In such case, we may not be able to fulfill the demand of existing customers, supply new customers, or expand other channels of distribution. A raw material shortage could result in decreased revenue or could impair our ability to maintain or expand our business.
A failure of our information technology systems would harm our business.

The global nature of our business and our seamless global compensation plan requires the development and implementation of robust and efficiently functioning information technology systems. Such systems are vulnerable to a variety of potential risks, including damage or interruption resulting from natural disasters, telecommunication failures, and human error or intentional acts of sabotage, vandalism, break-ins and similar acts. Although we have adopted and implemented a business continuity and disaster recovery plan, which includes routine back-up, off-site archiving and storage, and certain redundancies, the occurrence of any of these events could result in costly interruptions or failures adversely affecting our business and the results of our operations.

We are dependent upon access to external sources of capital to grow our business.

Our business strategy contemplates future access to debt and equity financing to fund the expansion of our business. Recent events in the financial markets have had an adverse impact on the credit markets and equity securities, including our common stock, have exhibited a high degree of volatility. The inability to obtain sufficient capital to fund the expansion of our business could have a material adverse effect on us.

Our business is subject to online security risks, including security breaches.

Our business involves the storage and transmission of users’ proprietary information, and security breaches could expose us to a risk of loss or misuse of this information, litigation, and potential liability. An increasing number of websites, including several large companies, have recently disclosed breaches of their security, some of which have involved sophisticated and highly targeted attacks on portions of their sites. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. A party that is able to circumvent our security measures could misappropriate our or our customers’ proprietary information, cause interruption in our operations, damage our computers or those of our customers, or otherwise damage our reputation and business. Any compromise of our security could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, and a loss of confidence in our security measures, which could harm our business.

Currently, a significant number of our customers authorize us to bill their credit card accounts directly for all transaction fees charged by us. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication to effectively secure transmission of confidential information, including customer credit card numbers. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in the technology used by us to protect transaction data being breached or compromised. Non-technical means, for example, actions by a suborned employee, can also result in a data breach.

Under payment card rules and our contracts with our card processors, if there is a breach of payment card information that we store, we could be liable to the payment card issuing banks for their cost of issuing new cards and related expenses. In addition, if we fail to follow payment card industry security standards, even if there is no compromise of customer information, we could incur significant fines or lose our ability to give customers the option of using payment cards to fund their payments or pay their fees. If we were unable to accept payment cards, our business would be seriously damaged.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, “denial-of-service” type attacks and similar disruptions that could, in certain instances, make all or portions of our websites unavailable for periods of time. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. These issues are likely to become more difficult as we expand the number of places where we operate. Security breaches, including any breach by us or by parties with which we have commercial relationships that result in the unauthorized release of our users’ personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability. Our insurance policies carry coverage limits, which may not be adequate to reimburse us for losses caused by security breaches.
Our web customers, as well as those of other prominent companies, may be targeted by parties using fraudulent “spoof” and “phishing” emails to misappropriate passwords, credit card numbers, or other personal information or to introduce viruses or other malware through “trojan horse” programs to our customers’ computers. These emails appear to be legitimate emails sent by our Company, but they may direct recipients to fake websites operated by the sender of the email or request that the recipient send a password or other confidential information via email or download a program. Despite our efforts to mitigate “spoof” and “phishing” emails through product improvements and user education, “spoof” and “phishing” remain a serious problem that may damage our brands, discourage use of our websites, and increase our costs.

We rely on independent certification for a number of our products, the loss of any of which could harm our business.

We rely on independent certification, such as certifications of our products as “organic” or “Fair Trade,” to differentiate our products from others such as the Newman’s Own® Organics product line, Green Mountain Coffee® Fair Trade Certified™ coffee line and CBV’s Fair Trade Organic Collection. In fiscal 2011 and 2012, approximately 1% of our coffee purchases were from Fair Trade and or Organic certified sources. The loss of any independent certifications could adversely affect our marketplace position, which could harm our business.

We must comply with the requirements of independent organizations or certification authorities in order to label our products as certified. For example, we can lose our “organic” certification if a manufacturing plant becomes contaminated with non-organic materials or if it is not properly cleaned after a production run. In addition, all raw materials that we use in manufacturing must be certified organic in order to maintain our certification.

**Risks Related to our Direct Selling Business**

Independent distributor activities that violate laws could result in governmental actions against us and could otherwise harm our business.

Our independent distributors are independent contractors. They are not employees and they act independently of us. The network marketing industry is subject to governmental regulation. We implement strict policies and procedures to try to ensure that our independent distributors comply with laws. Any determination by the Federal Trade Commission or other governmental agency that we or our distributors are not in compliance with laws could potentially harm our business. Even if governmental actions do not result in rulings or orders against us, they could create negative publicity that could detrimentally affect our efforts to recruit or motivate independent distributors and attract customers.

Network marketing is heavily regulated and subject to government scrutiny and regulation, which adds to the expense of doing business and the possibility that changes in the law might adversely affect our ability to sell some of our products in certain markets.

Network marketing systems, such as ours, are frequently subject to laws and regulations, both in the U.S. and internationally, that are directed at ensuring that product sales are made to consumers of the products and that compensation, recognition, and advancement within the marketing organization are based on the sale of products rather than on investment in the sponsoring company. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as “pyramid” schemes, which compensate participants for recruiting additional participants irrespective of product sales, use high pressure recruiting methods and or do not involve legitimate products. Complying with these rules and regulations can be difficult and requires the devotion of significant resources on our part. Regulatory authorities, in one or more of our present or future markets, could determine that our network marketing system does not comply with these laws and regulations or that it is prohibited. Failure to comply with these laws and regulations or such a prohibition could have a material adverse effect on our business, financial condition, or results of operations. Further, we may simply be prohibited from distributing products through a network-marketing channel in some countries, or we may be forced to alter our compensation plan.
We are also subject to the risk that new laws or regulations might be implemented or that current laws or regulations might change, which could require us to change or modify the way we conduct our business in certain markets. This could be particularly detrimental to us if we had to change or modify the way we conduct business in markets that represent a significant percentage of our net sales. For example, the FTC released a proposed New Business Opportunity Rule in April 2006. As initially drafted, the proposed rule would have required pre-sale disclosures for all business opportunities, which may have included network marketing compensation plans such as ours. However, in March 2008 the FTC issued a revised notice of proposed rulemaking, which indicates that the New Business Opportunity Rule as drafted will not apply to multi-level marketing companies.

Our principle business segment is conducted worldwide in one channel, direct selling and therefore any negative perception of direct selling would greatly impact our sales.

Our principle business segment is conducted worldwide in the direct selling channel. Sales are made to the ultimate consumer principally through approximately 70,000 independent distributors worldwide. There is a high rate of turnover among distributors, which is a common characteristic of the direct selling business. As a result, in order to maintain our business and grow our business in the future, we need to recruit, retain and service distributors on a continuing basis and continue to innovate the direct selling model. Consumer purchasing habits, including reducing purchases of products generally, or reducing purchases from distributors or buying products in channels other than in direct selling, such as retail, could reduce our sales, impact our ability to execute our global business strategy or have a material adverse effect on our business, financial condition and results of operations. If our competitors establish greater market share in the direct selling channel, our business, financial condition and operating results may be adversely affected. Furthermore, if any government bans or severely restricts our business method of direct selling, our business, financial condition and operating results may be adversely affected.

Our ability to attract and retain distributors and to sustain and enhance sales through our distributors can be affected by adverse publicity or negative public perception regarding our industry, our competition, or our business generally. Negative public perception may include publicity regarding the legality of network marketing, the quality or efficacy of nutritional supplement products or ingredients in general or our products or ingredients specifically, and regulatory investigations, regardless of whether those investigations involve us or our distributors or the business practices or products of our competitors or other network marketing companies. Any adverse publicity may also adversely impact the market price of our stock and cause insecurity among our distributors. There can be no assurance that we will not be subject to adverse publicity or negative public perception in the future or that such adverse publicity will not have a material adverse effect on our business, financial condition, or results of operations.

As a network marketing company, we are dependent upon an independent sales force and we do not have direct control over the marketing of our products.

We rely on non-employee, independent distributors to market and sell our products and to generate our sales. Distributors typically market and sell our products on a part-time basis and likely will engage in other business activities, some of which may compete with us. We have a large number of distributors and a relatively small corporate staff to implement our marketing programs and to provide motivational support to our distributors. We rely primarily upon our distributors to attract, train and motivate new distributors. Our sales are directly dependent upon the efforts of our distributors. Our ability to maintain and increase sales in the future will depend in large part upon our success in increasing the number of new distributors, retaining and motivating our existing distributors, and in improving the productivity of our distributors.

We can provide no assurances that the number of distributors will increase or remain constant or that their productivity will increase. Our distributors may terminate their services at any time, and, like most direct selling companies, we experience a high turnover among new distributors from year to year. We cannot accurately predict any fluctuation in the number and productivity of distributors because we primarily rely upon existing distributors to sponsor and train new distributors and to motivate new and existing distributors. Our operating results in other markets could also be adversely affected if we and our existing distributors do not generate sufficient interest in our business to successfully retain existing distributors and attract new distributors.
The loss of a significant AL International distributor could adversely affect our business.

We rely on the successful efforts of our distributors that become leaders. If these downline distributors in turn sponsor new distributors, additional business centers are created, with the new downline distributors becoming part of the original sponsoring distributor’s downline network. As a result of this network marketing system, distributors develop business relationships with other distributors. The loss of a key distributor or group of distributors, large turnover or decreases in the size of the key distributors force, seasonal or other decreases in purchase volume, sales volume reduction, the costs associated with training new distributors, and other related expenses may adversely affect our business, financial condition, or results of operations. Moreover, our ability to continue to attract and retain distributors can be affected by a number of factors, some of which are beyond our control, including:

- General business and economic conditions;
- Adverse publicity or negative misinformation about us or our products;
- Public perceptions about network marketing programs;
- High-visibility investigations or legal proceedings against network marketing companies by federal or state authorities or private citizens;
- Public perceptions about the value and efficacy of nutritional, personal care, or weight management products generally;
- Other competing network marketing organizations entering into the marketplace that may recruit our existing distributors or reduce the potential pool of new distributors; and
- Changes to our compensation plan required by law or implemented for business reasons that make attracting and retaining distributors more difficult.

There can be no assurance that we will be able to continue to attract and retain distributors in sufficient numbers to sustain future growth or to maintain our present growth levels, which could have a material adverse effect on our business, financial condition, or results of operations.

Nutritional supplement products may be supported by only limited availability of conclusive clinical studies.

Some of our products include nutritional supplements that are made from vitamins, minerals, herbs, and other substances for which there is a long history of human consumption. Other products contain innovative ingredients or combinations of ingredients. Although we believe that all of our products are safe when taken as directed, there is little long-term experience with human consumption of certain of these product ingredients or combinations of ingredients in concentrated form. We conduct research and test the formulation and production of our products, but we have performed or sponsored only limited clinical studies. Furthermore, because we are highly dependent on consumers’ perception of the efficacy, safety, and quality of our products, as well as similar products distributed by other companies, we could be adversely affected in the event that those products prove or are asserted to be ineffective or harmful to consumers or in the event of adverse publicity associated with any illness or other adverse effects resulting from consumers’ use or misuse of our products or similar products of our competitors.

Our manufacturers are subject to certain risks.

We are dependent upon the uninterrupted and efficient operation of our manufacturers and suppliers of products. Those operations are subject to power failures, the breakdown, failure, or substandard performance of equipment, the improper installation or operation of equipment, natural or other disasters, and the need to comply with the requirements or directives of government agencies, including the FDA. There can be no assurance that the occurrence of these or any other operational problems at our facilities would not have a material adverse effect on our business, financial condition, or results of operations.
Risks Related to our Coffee Business

Increases in the cost of high-quality arabica coffee beans or decreases in the availability of high-quality arabica coffee beans or other commodities could have an adverse impact on our business and financial results.

We purchase, roast, and sell high-quality whole bean arabica coffee beans and related coffee products. The price of coffee is subject to significant volatility and, although coffee prices have come down from their near-record highs of 2011, they are still above the historical average price of coffee and may again increase significantly due to factors described below. The high-quality arabica coffee of the quality we seek tends to trade on a negotiated basis at a premium above the “C” price. This premium depends upon the supply and demand at the time of purchase and the amount of the premium can vary significantly. Increases in the “C” coffee commodity price do increase the price of high-quality arabica coffee and also impact our ability to enter into fixed-price purchase commitments. We frequently enter into supply contracts whereby the quality, quantity, delivery period, and other negotiated terms are agreed upon, but the date, and therefore price, at which the base “C” coffee commodity price component will be fixed has not yet been established. These are known as price-to-be-fixed contracts. We also enter into supply contracts whereby the quality, quantity, delivery period, and price are fixed. The supply and price of coffee we purchase can also be affected by multiple factors in the producing countries, including weather, natural disasters, crop disease, general increase in farm inputs and costs of production, inventory levels, and political and economic conditions, as well as the actions of certain organizations and associations that have historically attempted to influence prices of green coffee through agreements establishing export quotas or by restricting coffee supplies. Speculative trading in coffee commodities can also influence coffee prices. Because of the significance of coffee beans to our operations, combined with our ability to only partially mitigate future price risk through purchasing practices, increases in the cost of high-quality arabica coffee beans could have an adverse impact on our profitability. In addition, if we are not able to purchase sufficient quantities of green coffee due to any of the above factors or to a worldwide or regional shortage, we may not be able to fulfill the demand for our coffee, which could have an adverse impact on our profitability.

Adverse public or medical opinions about the health effects of consuming our products, as well as reports of incidents involving food-borne illnesses, food tampering, or food contamination, whether or not accurate, could harm our business.

Some of our products contain caffeine and other active compounds, the health effects of which are the subject of public scrutiny, including the suggestion that excessive consumption of caffeine and other active compounds can lead to a variety of adverse health effects. In the U.S., there is increasing consumer awareness of health risks, including obesity, due in part to increased publicity and attention from health organizations, as well as increased consumer litigation based on alleged adverse health impacts of consumption of various food products, frequently including caffeine. An unfavorable report on the health effects of caffeine or other compounds present in our products, or negative publicity or litigation arising from certain health risks could significantly reduce the demand for our products.

Similarly, instances or reports, whether true or not, of food-borne illnesses, food tampering and food contamination, either during manufacturing, packaging or preparation, have in the past severely injured the reputations of companies in the fast food processing, grocery and quick-service restaurant sectors and could affect us as well. Any report linking us to the use of food tampering or food contamination could damage our brand value, severely hurt sales of our products, and possibly lead to product liability claims, litigation (including class actions) or damages. If consumers become ill from food-borne illnesses, tampering or contamination, we could also be forced to temporarily stop selling our products and consequently could materially harm our business and results of operations.

RISKS ASSOCIATED WITH INVESTING IN OUR COMMON STOCK

We are controlled by one principal stockholder who is also our Chief Executive Officer and Chairman.

Through his voting power, Mr. Stephan Wallach, our Chief Executive Officer and Chairman, has the ability to elect a majority of our directors and to control all other matters requiring the approval of our stockholders, including the election of all of our directors. Mr. Wallach owns and beneficially owns approximately 72% of our total equity securities (assuming exercise of the options to purchase Common Stock held by Mr. Wallach and Michelle Wallach, his wife and Chief Operating Officer and Director). As our Chief Executive Officer, Mr. Wallach has the ability to control our business affairs.
We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act enacted in April 2012, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, not being required to comply with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, not being required to comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could remain an emerging growth company until the earliest of: (i) the last day of the fiscal year in which we have total annual gross revenues of $1 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer. We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the Jobs Act, that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. We cannot predict if investors will find our Common Stock less attractive if we choose to rely on these exemptions. If some investors find our Common Stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Common Stock and our stock price may be more volatile. Further, as a result of these scaled regulatory requirements, our disclosure may be more limited than that of other public companies and you may not have the same protections afforded to shareholders of such companies.

Our financial statements may not be comparable to companies that comply with public company effective dates.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the Jobs Act, that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

Our stock has historically had a limited market. If an active trading market for our common stock does develop, trading prices may be volatile.

In the event that an active trading market develops, the market price of our shares of common stock may be based on factors that may not be indicative of future market performance. Consequently, the market price of our common stock may vary greatly. If an active market for our common stock develops, there is a significant risk that our stock price may fluctuate dramatically in the future in response to any of the following factors, some of which are beyond our control:

- variations in our quarterly operating results;
- announcements that our revenue or income/loss levels are below analysts’ expectations;
- general economic slowdowns;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts; or
- acquisitions, strategic partnerships, joint ventures or capital commitments.

Because our shares are deemed “penny stocks,” an investor may have difficulty selling them in the secondary trading market.

The SEC has adopted regulations which generally define a “penny stock” to be any equity security that has a market price, as therein defined, of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. Additionally, if the equity security is not registered or authorized on a national securities exchange that makes certain reports available, the equity security may also constitute a “penny stock.” As our common stock comes within the definition of penny stock, these regulations require the delivery by the broker-dealer, prior to any transaction involving our common stock, of a risk disclosure schedule explaining the penny stock market and the risks associated with it. The broker-dealer also must provide the customer with bid and offer quotations for the penny stock, the compensation of the broker-dealer and any salesperson in the transaction, and monthly account statements indicating the market value of each penny stock held in the customer’s account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock. The ability of broker-dealers to sell our common stock and the ability of shareholders to sell our common stock in the secondary market would be limited. As a result, the market liquidity for our common stock would be severely and adversely affected. We can provide no assurance that trading in our common stock will not be subject to these or other regulations in the future, which would negatively affect the market for our common stock.

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We will be subject to the reporting requirements of Federal Securities Laws, which can be expensive.

Upon the effectiveness of this registration statement, we will become subject to the information and reporting requirements under the Securities Exchange Act of 1934 and other federal securities laws, and the compliance obligations of the Sarbanes-Oxley Act of 2002. The costs of preparing and filing annual and quarterly reports and other information with the SEC will cause our expenses to be higher than they would be if we were a privately-held company.

Sales by our shareholders of a substantial number of shares of our common stock in the public market could adversely affect the market price of our common stock.

A large number of outstanding shares of our common stock are held by several of our principal shareholders. If any of these principal shareholders were to decide to sell large amounts of stock over a short period of time such sales could cause the market price of our common stock to decline.

Our stock price has been volatile and subject to various market conditions.

There can be no assurance that an active market in our stock will be sustained. The trading price of our common stock has been subject to wide fluctuations. The price of our common stock may fluctuate in the future in response to quarter-to-quarter variations in operating results, material announcements by us or our competitors, governmental regulatory action, conditions in the nutritional supplement industry, negative publicity, or other events or factors, many of which are beyond our control. In addition, the stock market has historically experienced significant price and volume fluctuations, which have particularly affected the market prices of many dietary and nutritional supplement companies and which have, in certain cases, not had a strong correlation to the operating performance of these companies. Our operating results in future quarters may be below the expectations of securities analysts and investors. If that were to occur, the price of our common stock would likely decline, perhaps substantially.

We may issue preferred stock with rights senior to the common stock, which we may issue in order to consummate a merger or other transaction necessary to raise capital.

Our certificate of incorporation authorizes the issuance of up to 100,000,000 shares of preferred stock, par value $0.001 per share (the "Preferred Stock") without shareholder approval and on terms established by our directors. We may issue shares of preferred stock in order to consummate a financing or other transaction, in lieu of the issuance of common stock. The rights and preferences of any such class or series of preferred stock would be established by our board of directors in its sole discretion and may have dividend, voting, liquidation and other rights and preferences that are senior to the rights of the common stock.

You should not rely on an investment in our common stock for the payment of cash dividends.

Because of our significant operating losses and because we intend to retain future profits, if any, to expand our business, we have never paid cash dividends on our stock and do not anticipate paying any cash dividends in the foreseeable future. You should not make an investment in our common stock if you require dividend income. Any return on investment in our common stock would only come from an increase in the market price of our stock, which is uncertain and unpredictable.
ITEM 2. FINANCIAL INFORMATION

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

A number of statements contained in this discussion and analysis are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the applicable statements. You are cautioned not to place undue reliance on these forward-looking statements. The nature of our business makes predicting the future trends of our revenues, expenses and net income difficult. The risks and uncertainties involved in our businesses could affect the matters referred to in such statements and it is possible that our actual results may differ materially from the anticipated results indicated in these forward looking statements. Important factors that could cause actual results to differ from those in the forward-looking statements include, but are not limited to:

- our ability to meet our financial obligations;
- the relative success of marketing and advertising;
- the continued attractiveness of our lifestyle and diet programs;
- competition, including price competition and competition with self-help weight loss and medical programs;
- our ability to obtain and continue certain relationships with the providers of popular nutrition and fitness approaches and the suppliers of our meal delivery service;
- adverse results in litigation and regulatory matters, more aggressive enforcement of existing legislation or regulations, a change in the interpretation of existing legislation or regulations, or promulgation of new or enhanced legislation or regulations; and,
- general economic and business conditions.

A. Overview

We operate in two segments: the direct sales segment where products are offered through a global distribution network of preferred customers and distributors and the commercial coffee segment where products are sold directly to businesses. In the direct sales segment we sell health and wellness products on a global basis and offer a wide range of products through an international direct selling network. Our direct sales are made through our network of independent distributors, which is a web-based global network of customers and distributors. Our multiple independent sales forces sell a variety of products through friend-to-friend marketing and social networking. Our direct sales products are sold through two of our divisions: our Youngevity® Essential Life Sciences division and our Drinkact.com division. We also engage in the commercial sale of one of our products, our coffee. We own a traditional coffee roasting business that produces coffee under its own Café La Rica brand, as well as under a variety of private labels through major national sales outlets and major customers including cruise lines and office coffee service operators. We derive approximately 91% of our revenue and almost all of our costs from within the United States, where we have not seen any significant changes in either revenue or results of operations as a result of inflation or rising prices of goods or services.

Critical Accounting Policies and Estimates

Discussion and analysis of our financial condition and results of operations are based upon financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates; including those related to collection of receivables, inventory obsolescence, sales returns and non-monetary transactions such as stock and stock options issued for services. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.
Emerging Growth Company. We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the Jobs Act, that allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

Revenue Recognition. The Company recognizes revenue from product sales when the following four criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured. Sales revenue and a reserve for estimated returns are recorded when product is shipped. Revenue from product sales is recorded net of sales taxes.

Inventory Valuation. Inventories are stated at the lower of cost or market on a first-in first-out basis. A reserve for inventory obsolescence is maintained and is based upon assumptions about current and future product demand, inventory whose shelf life has expired, and prevailing market conditions.

Business Combinations. The Company accounts for business combinations under the acquisition method and allocates the total purchase price for acquired businesses to the tangible and identified intangible assets acquired and liabilities assumed, based on their estimated fair values. When a business combination includes the exchange of the Company’s common stock, the value of the common stock is determined using the closing market price as of the date such shares were tendered to the selling parties. The fair values assigned to tangible and identified intangible assets acquired and liabilities assumed are based on management or third party estimates and assumptions that utilize established valuation techniques appropriate for the Company’s industry and each acquired business. Goodwill is recorded as the excess, if any, of the aggregate fair value of consideration exchanged for an acquired business over the fair value (measured as of the acquisition date) of total net tangible and identified intangible assets acquired. A liability for contingent consideration, if applicable, is recorded at fair value as of the acquisition date. In determining the fair value of such contingent consideration, management estimates the amount to be paid based on probable outcomes and expectations on financial performance of the related acquired business. The fair value of contingent consideration is reassessed quarterly, with any change in the estimated value charged to operations in the period of the change. Increases or decreases in the fair value of the contingent consideration obligations can result from changes in actual or estimated revenue streams, discount periods, discount rates, and probabilities that contingencies will be met.

Long-Lived Assets. Long-lived assets, including property and equipment and definite lived intangible assets are carried at cost less accumulated amortization. Costs incurred to renew or extend the life of a long lived asset are reviewed for capitalization. All finite-lived intangible assets are amortized on a straight-line basis, which approximates the pattern in which the estimated economic benefits of the assets are realized, over their estimated useful lives. The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate their net book value may not be recoverable. Impairment, if any, is based on the excess of the carrying amount of these assets over their fair value, if applicable, and is recognized as an expense.

Goodwill. Goodwill is recorded as the excess, if any, of the aggregate fair value of consideration exchanged for an acquired business over the fair value (measured as of the acquisition date) of total net tangible and identified intangible assets acquired. Goodwill and other intangible assets with indefinite lives are not amortized but are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

Stock Based Compensation. The Company accounts for stock based compensation in accordance with Financial Accounting Standards Board (“FASB”) Topic 718, Compensation – Stock Compensation, which establishes accounting for equity instruments exchanged for employee services. Under such provisions, stock based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense, under the straight-line method, over the vesting period of the equity grant. The Company accounts for equity instruments issued to non-employees in accordance with authoritative guidance for equity based payments to non-employees. Stock options issued to non-employees are accounted for at their estimated fair value determined using the Black-Scholes option-pricing model. The fair value of options granted to non-employees is re-measured as they vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered.
**Income Taxes.** The Company accounts for income taxes under the asset and liability method which includes the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this approach, deferred taxes are recorded for the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial statement and tax bases of our assets and liabilities, and are adjusted for changes in tax rates and tax laws when changes are enacted. The effects of future changes in income tax laws or rates are not anticipated.

**B. Results of Operations**

We have incurred significant operating losses to date and we have a significant accumulated deficit. These losses are directly attributable to impairments to goodwill, product research, identifying channels of distribution, and marketing expenses incurred in order for us to bring our products to market.

The comparative financials discussed below show the condensed consolidated financial statements of AL International, Inc. as of and for years ended December 31, 2012 and 2011. We have completed a number of acquisitions during the reporting periods, whose operating results for periods before their respective acquisition dates are not included in the consolidated financial statements.

**Year ended December 31, 2012 compared to year ended December 31, 2011**

For the year ended December 31, 2012, our revenue increased approximately 84% to approximately $75,004,000 compared to approximately $40,670,000 for the year ended December 31, 2011. The increase in revenue is attributed primarily to the increase in our product offerings and the number of distributors resulting from our acquisitions during 2011, the effect of a new marketing campaign, and growth of the CLR Roasters private label business. During the year ended December 31, 2012 we acquired True2Life and Livinity, Inc. The following table summarizes our revenue in thousands by segment:

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<th>Segment</th>
<th>2012</th>
<th>2011</th>
<th>Percentage change</th>
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</thead>
<tbody>
<tr>
<td>Direct sales</td>
<td>$ 67,324</td>
<td>$ 37,784</td>
<td>78%</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>7,680</td>
<td>2,886</td>
<td>166%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 75,004</strong></td>
<td><strong>$ 40,670</strong></td>
<td><strong>84%</strong></td>
</tr>
</tbody>
</table>

For the year ended December 31, 2012, cost of sales increased approximately 95% to $31,179,000 compared to $15,962,000 for the year ended December 31, 2011. The increase in cost of sales is primarily attributed to the increase in product offerings resulting from our acquisitions during 2011 and increases in fulfillment costs during 2012.

For the year ended December 31, 2012, gross profit increased approximately 77% to $43,825,000 compared to $24,708,000 for the year ended December 31, 2011. Below is a table of the gross margin percentages by segment:

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct sales</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Combined</strong></td>
<td><strong>58%</strong></td>
<td><strong>61%</strong></td>
</tr>
</tbody>
</table>
The respective decreases in gross margin were a result of increases in fulfillment costs, mainly due to shipping costs in the direct selling segment and those related to the packaging and increased labor cost related to retail displays launched during 2012 in the commercial coffee segment.

For the year ended December 31, 2012, our operating expenses decreased approximately 75% to $44,106,000 compared to $176,230,000 for the year ended December 31, 2011. The decrease was primarily attributed to the goodwill impairment expenses of $151,432,000 recorded in connection with the reverse merger in July 2011 and $366,000 recorded in the fourth quarter of 2011 in connection with the Adaptogenex acquisition. Net of the goodwill impairment, the operating expense for the year ended December 31, 2011 was $24,432,000, and the change to the year ended December 31, 2012 was an approximate 81% increase. Included in operating expense is distributor compensation, the compensation paid to our independent distributors in the direct sales segment. For the year ended December 31, 2012, the distributor compensation increased 80% to $30,526,000 from $16,986,000 for the year ended December 31, 2011. Distributor commission as a percentage of direct sales revenue remained the same at 45% for both of the comparative year ends. For the year ended December 31, 2012, the sales and marketing expense increased 75% to $3,259,000 from $1,861,000 for the year ended December 31, 2011 due to the acquisition of FDI in 2011. For the year ended December 31, 2012, the general and administrative expense increased 85% to $10,321,000 from $5,585,000 for the year ended December 31, 2011 due to the acquisition of FDI in 2011, increase in amortization expense of acquired intangible assets, and the $1,130,000 expense from increasing the contingent acquisition liabilities.

For the year ended December 31, 2012, interest expense increased approximately 135% to approximately $1,004,000 compared to approximately $427,000 for the year ended December 31, 2011. The increase is the result of increases in contingent acquisition debt, principally the contingent debt related to the FDI acquisition. Additionally, other income increased in the year ended December 31, 2012, for the settlement of a claim related to the government closure of a product supplier, which occurred in 2003 in the amount of $227,000, and the adjustment to the carrying amount of the liability to M2C Global, Inc. by approximately $690,000.

Liquidity

At December 31, 2012 we had cash and cash equivalents of approximately $3,025,000 and working capital of approximately $1,440,000 compared to cash and cash equivalents of $1,390,000 and a working capital deficit of approximately $101,000 as of December 31, 2011. The increase in cash and improvement in net working deficit was due to increased revenues and gross profit and cash acquired from investing activities.

Our net cash provided by operating activities for the year ended December 31, 2012 was $3,646,000 compared to $520,000 for the year ended December 31. The increase in operating cash flow was due to a reduction of inventory on hand due to improved management of inventory turnover cycles and an increase in accrued expenses as a result of higher distributor commissions payable. Net cash used in investing activities for the year ended December 31, 2012 was approximately $529,000 primarily related to purchases of equipment to increase production capacity in the commercial coffee segment while in the comparative period in 2011, $413,000 in cash was generated, principally from acquisition activity. Net cash used in financing activities was approximately $1,472,000 for the year ended December 31, 2012 compared to $135,000 in the same period in 2011 and was primarily attributed to payments to reduce notes payable, contingent acquisition debt and our factoring arrangement offset by proceeds from the sale of common stock.
In the past we have funded our working capital needs from loans as well as revenue generated by our business. In November 2006, the Company entered into a $1,944,000 unsecured note payable to 2400 Boswell, LLC ("2400 Boswell") to fund the Company’s working capital needs. 2400 Boswell is the owner and lessor of the building occupied by the Company for its corporate office and warehouse and the Step-parent of a greater than 5% shareholder of the Company. The note bears interest at 5.25% per annum. The note and all accrued unpaid interest were forgiven by 2400 Boswell in June 2011, and recognized as a capital contribution.

In April 2007, the Company entered into a $130,000 unsecured note payable to Dr. Joel Wallach, the Company founder and a family member of the Company’s Chief Executive Officer, to fund the Company’s working capital needs. The note bears interest at 5.00% per annum. The note and all accrued unpaid interest were forgiven by Dr. Joel Wallach in June 2011 and recognized as a capital contribution.

In December 2007, the Company entered into a $156,000 unsecured note payable to Stephan Wallach, the Company’s CEO, in lieu of compensation. The note bears interest at 5.25% per annum. The note and all accrued unpaid interest were forgiven by Stephan Wallach in June 2011 and recognized as a capital contribution.

Payments Due by Period

The following table summarizes our expected contractual obligations and commitments subsequent to December 31, 2012 (in thousands):

<table>
<thead>
<tr>
<th>Contractual Obligations</th>
<th>Total</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating leases</td>
<td>$6,138</td>
<td>$781</td>
<td>$726</td>
<td>$534</td>
<td>$509</td>
<td>$509</td>
<td>$3,079</td>
</tr>
<tr>
<td>Capital leases</td>
<td>208</td>
<td>96</td>
<td>96</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital commitments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase obligations</td>
<td>6,864</td>
<td>6,864</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes payable</td>
<td>5,555</td>
<td>366</td>
<td>283</td>
<td>278</td>
<td>284</td>
<td>287</td>
<td>57</td>
</tr>
<tr>
<td>Contingent acquisition debt</td>
<td>5,684</td>
<td>619</td>
<td>743</td>
<td>701</td>
<td>492</td>
<td>536</td>
<td>2,793</td>
</tr>
<tr>
<td>Total</td>
<td>$20,449</td>
<td>$8,726</td>
<td>$1,848</td>
<td>$1,529</td>
<td>$1,285</td>
<td>$1,132</td>
<td>$5,929</td>
</tr>
</tbody>
</table>

- Operating leases generally provide that property taxes, insurance, and maintenance expenses are the responsibility of the Company. Such expenses are not included in the operating lease amounts that are outlined in the table above.

- Purchase obligations relates to minimum future purchase commitments for green or unroasted coffee.

- The "Notes payable" refers to debt related to business acquisitions.

- The "Contingent acquisition debt" relates to contingent liabilities related to business acquisitions. Generally, these liabilities are payments to be made in the future based on a level of revenue derived from the sale of products. These numbers are estimates and actual numbers could be higher or lower because many of our contingent liabilities relate to payments on sales that have no maximum payment amount.
In addition to the above, we have co-guaranteed the mortgage on the building in which our corporate headquarters are located, which we lease from the Step-parent of Mr. Wallach. The mortgage balance is approximately $3,976,000 as of December 31, 2012. On March 15, 2013, the mortgage was refinanced in the amount of $3,625,000. Also on March 15, 2013, the Company acquired 2400 Boswell, LLC, the owner of the building, for approximately $975,000 and assumed the mortgage. In connection with our acquisition of FDI, we assumed mortgage guarantee obligations made by FDI on the building housing our New Hampshire office. The balance of the mortgages is approximately $2,142,000 as of December 31, 2012.

Our core business model is to create and market high quality consumable products that will positively impact people’s lives. Our objective is to market our products through a direct selling platform as well as more traditional distribution channels, through vertically integrated business segments. We have set our sights on building a global, industry leading, direct sales platform. We expect to continue to grow our distributor network and multiple revenue streams from our Youngevity®, JavaFit®, and other brands in our network marketing organization. Our traditional sales platform is derived from our commerical coffee business segment, CLR Roasters which is also experiencing growth. To drive top line revenue growth, in addition to continuing to grow organically, we intend to grow through continued acquisitions and with a focus on expanding our international footprint.

We believe that current cash balances, future cash provided by operations, and our accounts receivable factoring agreement will be sufficient to cover our operating and capital needs in the ordinary course of business for at least the next 12 months. If we experience an adverse operating environment or unusual capital expenditure requirements, additional financing may be required. No assurance can be given, however, that additional financing, if required, would be available on favorable terms. We might also require or seek additional financing for the purpose of expanding into new markets, growing our existing markets, or for other reasons. Such financing may include the use of additional debt or the sale of additional equity securities. Any financing which involves the sale of equity securities or instruments that are convertible into equity securities could result in immediate and possibly significant dilution to our existing shareholders.

C. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of December 31, 2012.

D. Customer Concentrations

We have no single customer or independent distributor that accounts for any substantial portion of our current revenues.

Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this item.
Our corporate headquarters are located at 2400 Boswell, Road, Chula Vista, California 91914. This is also the location of Youngevity®’s operations and distribution center. The facility consists of a 59,000 square foot Class A single use building that is comprised 40% of office space and the balance is used for distribution. The lease expires April 30, 2021. The building is owned by 2400 Boswell, a limited liability company which, prior to March 15, 2013, was owned by the Step-parent of Mr. Wallach and we had co-guaranteed the mortgage on the building. Our annual office rent for 2012 and 2011 was $342,000 and $342,000, respectively. The total remaining obligation under the lease as of December 31, 2012 was approximately $2,850,000. On March 15, 2013, the mortgage was refinanced by 2400 Boswell in the amount of $3,625,000. Also on March 15, 2013, the Company acquired 2400 Boswell for approximately $975,000 and assumed the mortgage.

Roasting, distribution and operations for our CLR Roasters division are handled in our Miami, Florida based facility, which consists of 39,500 square feet, which includes an additional 14,500 that was added subsequent to year end. Approximately 2,500 square feet is office space. This lease expires in approximately May 2023, depending on the occupancy date of the additional space. The rent expense for the year ended December 31, 2012 was approximately $134,000 compared to approximately $29,000 for the same period in 2011. The remaining obligation under the lease as of December 31, 2012 was approximately $403,000, which does not include the new lease entered into subsequent to year end.

Our marketing office is located in Windham, New Hampshire, which consists of 12,750 square feet of office space. This lease expires July 31, 2029. The rent expense for the year ended December 31, 2012 was approximately $271,000 compared to $0 for the same period in 2011. The remaining obligation under the lease as of December 31, 2012 was $2,776,000. FDI Realty is the owner and lessor of the building. The Company is the lessee and is currently one of three tenants. An officer of the Company is the single member of FDI Realty. The Company is a co-guarantor of FDI Realty’s mortgages on the leased building and has an agreement to purchase FDI Realty in connection with the acquisition of FDI.

**ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGMENT**

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of March 20, 2013, the number and percentage of the outstanding shares of common stock which, according to the information supplied to AL International, Inc., were beneficially owned by: (i) each person who is currently a director; (ii) each executive officer; (iii) all current directors and executive officers as a group; and (iv) each person who, to our knowledge, is the beneficial owner of more than 5% of the outstanding common stock. The addresses of the individuals listed below are in the Company’s care at 2400 Boswell Road, Chula Vista, CA 91914, unless otherwise noted.
<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Number of Shares Beneficially Owned</th>
<th>Percentage of Outstanding Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephan Wallach</td>
<td>281,250,000</td>
<td>72%</td>
</tr>
<tr>
<td>Chairman and Chief Executive Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Andreoli</td>
<td>950,000</td>
<td>*</td>
</tr>
<tr>
<td>President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>David Briskie</td>
<td>12,701,055</td>
<td>3%</td>
</tr>
<tr>
<td>President of Commercial Development, Chief Financial Officer and Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michele Wallach</td>
<td>281,250,000</td>
<td>72%</td>
</tr>
<tr>
<td>Director and Chief Operations Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richard Renton</td>
<td>175,000</td>
<td>*</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John P. Rochon</td>
<td>5,050,000</td>
<td>1%</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All directors and officers as a group</td>
<td>301,376,055</td>
<td>76%</td>
</tr>
</tbody>
</table>

(1) On March 20, 2013, we had 389,126,848 shares of common stock issued and outstanding.

(2) Mr. Stephan Wallach, our Chief Executive Officer, owns 280,000,000 shares of common stock through joint ownership with his wife, Michelle Wallach, with whom he shares voting and dispositive control. Mr. Wallach also owns options to purchase 2,500,000 shares of common stock, of which 1,250,000 are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him.

(3) Mr. William Andreoli, our President, owns 750,000 shares of common stock, which are held in escrow as collateral for the promissory note for $120,000 owed to the Company by Mr. Andreoli. The amount currently owed to the Company is approximately $62,000. Mr. Andreoli also owns options to purchase 400,000 shares of common stock, of which 200,000 are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him.

(4) Mr. David Briskie, our Chief Financial Officer, owns 2,950,488 shares of common stock, and beneficially owns 2,000,567 shares of common stock owned by Brisk Investments, LP; 5,000,000 shares of common stock owned by Brisk Management, LLC. Mr. Briskie also owns options to purchase 5,000,000 shares of common stock, of which 2,500,000 options are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him. Also includes warrants to purchase 250,000 shares of common stock which have been adjusted to reflect the reverse 1 for 2 stock split in August 2011.

(5) Ms. Michelle Wallach, our Chief Operating Officer, beneficially owns 280,000,000 shares of common stock through joint ownership with her husband, Stephan Wallach, with whom she shares voting and dispositive control. Ms. Wallach also owns options to purchase 2,500,000 shares of common stock, of which 1,250,000 are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him.

(6) Mr. Renton owns 125,000 shares of common stock through joint ownership with his wife, Roxanna Renton, with whom he shares voting and dispositive control. Mr. Renton also owns 50,000 options to purchase common stock which are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him.

(7) Mr. John Rochon, a Director, beneficially owns 5,000,000 shares of common stock owned by the following: Rochon Capital Partners Ltd. - 3,814,286 shares; Heidi Christine Rochon 1992 Trust - 235,714 shares; Lauren Jean Rochon 1992 Trust - 714,286 shares. Mr. Rochon also owns 50,000 options to purchase common stock which are exercisable within 60 days of March 20, 2013 and are included in the number of shares beneficially owned by him.

* ownership of less than 1%
ITEM 5. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Directors and officers

The following sets forth certain information regarding each of our directors and executive officers:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Positions and Offices with the Registrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephan Wallach</td>
<td>46</td>
<td>Chief Executive Officer and Chairman</td>
</tr>
<tr>
<td>William Andreoli</td>
<td>42</td>
<td>President</td>
</tr>
<tr>
<td>Michelle Wallach</td>
<td>42</td>
<td>Chief Operating Officer and Director</td>
</tr>
<tr>
<td>Richard Renton</td>
<td>57</td>
<td>Director</td>
</tr>
<tr>
<td>John P. Rochon</td>
<td>61</td>
<td>Director</td>
</tr>
<tr>
<td>David Briskie</td>
<td>52</td>
<td>President of Commercial Development, Chief Financial Officer and Director</td>
</tr>
</tbody>
</table>

Directors hold office until the next annual meeting of stockholders following their election unless they resign or are removed as provided in the bylaws. Our officers serve at the discretion of our Board of Directors.

The following is a summary of our directors’ and executive officers’ business experience.

Management

Stephan Wallach, Chief Executive Officer and Chairman of the Board

Mr. Stephan Wallach was appointed to the position of Chief Executive Officer on July 11, 2011 pursuant to the terms of the merger agreement between Youngevity® and Javalution. He previously served as President and Chief Executive Officer of AL Global Corporation d/b/a Youngevity® Essential Life Sciences. He has served as a director of our Company since inception and was appointed Chairman of the Board on January 9, 2012. In 1997, Mr. Wallach and the Wallach family together launched our Youngevity® division and served as its co-founder and Chief Executive Officer from inception until the merger with Javalution.

Michelle G. Wallach, Chief Operating Officer and Director

Ms. Michelle Wallach was appointed to the position of Chief Operating Officer on July 11, 2011 pursuant to the terms of the merger agreement between Youngevity® and Javalution. She previously served as Corporate Secretary and Manager of AL Global Corporation d/b/a Youngevity® Essential Life Sciences. She has a background in network marketing, including more than 10 years in distributor management. Her career in network marketing began in 1991 in Portland, Oregon where she developed a nutritional health product distributorship. In 1997, Ms. Wallach and the Wallach family together launched our Youngevity® division and served as its co-founder and Chief Operations Officer from inception until the merger with Javalution. Ms. Wallach has an active role in promotion, convention and event planning, domestic and international training, and product development.

William Andreoli, President

Mr. William Andreoli was appointed to the position of President of the Youngevity® Essential Life Sciences division on October 25, 2011 pursuant to the terms of the merger agreement between Youngevity® and Financial Destination, Inc. He previously served as founder and Chief Executive Officer of Financial Destination, Inc. from July 2003 until the acquisition on October 25, 2011.
David Briskie, President of Commercial Development, Chief Financial Officer and Director

Mr. David Briskie was appointed to the position of Chief Financial Officer on May 15, 2012. Prior to that Mr. Briskie served as President of Commercial Development, a position he was appointed to on July 11, 2011 pursuant to the terms of the merger agreement between Youngevity® and Javalution. From February 2007 until the merger he served as the Chief Executive Officer and director of Javalution and since September 2007 has served as the Managing Director of CLR Roasters. Prior to joining Javalution in 2007, Mr. Briskie had an 18-year career with Drew Pearson Marketing (“DPM”), a consumer product company marketing headwear and fashion accessories. He began his career at DPM in 1989 as Executive Vice President of Finance and held numerous positions in the company, including vice president of marketing, chief financial officer, chief operating officer and president. Mr. Briskie graduated magna cum laude from Fordham University with a major in marketing and finance.

Board of Directors

Richard Renton, Director

Mr. Richard Renton was appointed to our Board of Directors on January 9, 2012, and currently serves on the Youngevity® Medical and Athletic Advisory Boards. For the past five years, Mr. Renton owned his own business providing nutritional products to companies like ours. The Company purchases Beyond Tangy Tangerine and a few other products from Mr. Renton’s company WVNP, Inc. Mr. Renton graduated from Portland State University with quad majors in Sports Medicine, Health, Physical Education, and Chemistry. He has served as an Associate Professor at PSU in Health and First Aid, and was the Assistant Athletic Trainer for PSU, the Portland Timbers Soccer Team, and the Portland Storm Football team. Mr. Renton is a board certified Athletic Trainer with the National Athletic Trainers Association.

John Rochon, Director

Mr. John Rochon was appointed to our Board of Directors on July 15, 2011. He is founder and chairman of Richmont Holdings Strategic Alliance. Mr. Rochon is a veteran of more than three decades of successful leadership in finance, marketing, sales, and operations. After spending the early part of his career working for Chesebrough-Ponds (Unilever) and Ecolab International, he joined Mary Kay, Inc. in 1980. In 1984, he became chief financial officer of Mary Kay, Inc. Mr. Rochon became vice chairman in 1997, and was appointed to the position of chairman and chief executive officer in 1991. Mr. Rochon is the General Partner of Richmont Capital Partners I, which was the largest shareholder in Avon Products, Inc. Mr. Rochon has managed the growth of dozens of Richmont entities, in such varied industries as financial services, marketing, international trading, food services, and office supplies. Mr. Rochon is the Chief Executive Officer and a director of Computer Vision Systems, Inc. Mr. Rochon holds a B.Sc. and an MBA from the University of Toronto, and has written and spoken extensively on topics relating to business strategy. He is a member of the School of Administration Advisory Board of the University of Texas at Dallas and is a past trustee of the University of Scranton and serves on The President's International Alumni Council of the University of Toronto. Further, Mr. Rochon established and heads the Rochon Family Foundation to assist victims of violence against women, particularly sexual assault.

Compliance with Section 16(a) of the Exchange Act

The Company does not have a class of equity securities registered under Sections 12(b) or 12(g) of the Exchange Act. Accordingly, our directors, executive officers and 10% equity holders are not required to make filings under Section 16(a) of the Exchange Act.

Nominating Committee

The Company does not have a formal Nominating Committee, however its Board of Directors acts in this capacity. As the Company’s cash resources improve, however, it will reassess this.
Audit Committee

The Audit Committee is comprised of two members of the Board of Directors. Its financial expert is deemed to be its Chief Financial Officer. As he is an executive officer of the Company he is not deemed independent. As the Company’s cash resources improve, it will evaluate the composition and independence of its Audit Committee.

Code of Ethics

AL International, Inc. has adopted a Code of Ethics applicable to all its employees including its principal executive officer, principal financial officer, principal accounting officer and controller, a copy of the Company’s Code of Ethics can be found on their website www.alintjcof.com, which is filed as an exhibit to this Form 10.

ITEM 6. EXECUTIVE COMPENSATION

The following table sets forth for the two years ended December 31, 2012 and December 31, 2011 the compensation awarded to, paid to, or earned by, our Chief Executive Officer and our other most highly compensated executive officers. Certain columns were excluded as the information was not applicable.

<table>
<thead>
<tr>
<th>Name and Principal Position (1)</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Option Awards ($)</th>
<th>All Other Compensation</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephan Wallach (2)(3)</td>
<td>2012</td>
<td>135,020</td>
<td>9,380</td>
<td>274,500</td>
<td>-</td>
<td>418,900</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>260,000</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>270,000</td>
</tr>
<tr>
<td>Michelle Wallach (2)(3)</td>
<td>2012</td>
<td>143,220</td>
<td>9,380</td>
<td>274,500</td>
<td>-</td>
<td>427,100</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>18,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,200</td>
</tr>
<tr>
<td>William Andreoli(4)</td>
<td>2012</td>
<td>170,000</td>
<td>-</td>
<td>44,600</td>
<td>1,110,100</td>
<td>1,324,700</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>31,800</td>
<td>-</td>
<td>-</td>
<td>150,000</td>
<td>181,800</td>
</tr>
<tr>
<td>David Briskie (2)(5)</td>
<td>2012</td>
<td>147,200</td>
<td>83,200</td>
<td>557,500</td>
<td>-</td>
<td>787,900</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>50,400</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
<td>60,400</td>
</tr>
<tr>
<td>Chris Nelson (6)</td>
<td>2012</td>
<td>59,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>59,800</td>
</tr>
<tr>
<td>former Chief Financial Officer</td>
<td>2011</td>
<td>150,000</td>
<td>6,500</td>
<td>-</td>
<td>-</td>
<td>156,500</td>
</tr>
</tbody>
</table>
The business address for each officer listed above is: AL International, Inc., 2400 Boswell Road, Chula Vista, CA 91914.

Mr. Stephan Wallach, Mr. David Briskie, and Ms. Michelle Wallach have direct and/or indirect (beneficially) distributor positions in our Company that pay income based on the performance of those distributor positions in addition to their base salaries, and the people and/or companies supporting those positions based upon the contractual agreements that each and every distributor enter into upon engaging in the network marketing business. The Board of Directors has approved these distributor positions. The contractual terms of these positions are the same as those of all the other individuals that become distributors in our Company. There are no special circumstances for these officers/directors.

Mr. Stephan Wallach and Ms. Michelle Wallach received or beneficially received $227,300 and $155,600 for the fiscal years ended December 31, 2012 and 2011, respectively related to their distributor positions, which is not included above.

Mr. Andreoli became President of the Company on October 26, 2011, in connection with the acquisition of FDI. The Other Compensation includes payments of $848,500 to Mr. Andreoli in 2012, in accordance with the terms of our acquisition agreement related to the acquisition of FDI, and $261,600 of rent paid to FDI Realty LLC, a company controlled by Mr. Andreoli; and payments in 2011 of $116,000 to Mr. Andreoli in accordance with the terms of our acquisition agreement, related to the acquisition of FDI, and $34,000 of rent paid to FDI Realty LLC.

Mr. Briskie joined the Company on July 11, 2011 as President of Commercial Development and was appointed Chief Financial Officer on May 15, 2012. Mr. Briskie beneficially received $7,900 and $2,300 for the fiscal years ended December 31, 2012 and 2011, respectively related his spouse’s distributor position, which is not included above.

Mr. Nelson served as Chief Financial Officer from March 24, 2010 to April 12, 2012.

The Company uses a Black-Scholes option-pricing model (Black-Scholes model) to estimate the fair value of the stock option grant. These amounts represent the grant date fair value of equity-based awards granted by the Company during the years presented, determined in accordance with FASB ASC Topic 718. The use of a valuation model requires the company to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on the historical volatility of the Company’s stock price over the contractual term of the option. The expected life will be based on the contractual term of the option and expected employee exercise and post-vesting employment termination behavior. Currently it is based on the simplified approach provided by SAB 110. The risk-free interest rate is based on U.S. Treasury Daily Yield Curve Rates with a remaining term equal to the expected life assumed at the date of the grant. The following were the factors used in the Black-Scholes model to calculate the compensation expense:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock price volatility</td>
<td>85%</td>
</tr>
<tr>
<td>Risk-free rate of return</td>
<td>0.35%</td>
</tr>
<tr>
<td>Annual dividend yield</td>
<td>~%</td>
</tr>
<tr>
<td>Expected life</td>
<td>2.5 Years</td>
</tr>
</tbody>
</table>
Grants of Plan-Based Awards

During 2012, we issued the options listed below. There were no stock options exercised by officers or directors in 2012.

Outstanding Equity Awards at Fiscal Year-End

There were no equity awards for the year ended December 31, 2012. During 2012 the Company established the 2012 Employee Stock Option Plan and granted the equity awards. The table below reflects all outstanding equity awards made to each of the named executive officers that are outstanding at December 31, 2012.

Stock Option Exercises and Stock Vested

There were no options exercised by the named executive officers during the year ended December 31, 2012.
Employment Agreements

In July 2011, we entered into an employment agreement with Mr. Briskie, our President of Commercial Development, which expired on June 30, 2012 with an option to extend. His current salary is $135,000 per year. Mr. Briskie is also entitled to receive a cash bonus on a quarterly basis commencing the quarter ended December 31, 2011 equal to twenty percent (20%) of the increase in Net Sales (gross sales of products and services received by CLR Roasters, LLC less direct cost of goods) from the prior year’s comparable quarters. The employment agreement expired on June 30, 2012. Mr. Briskie currently works as an at-will employee.

On October 25, 2011, we executed a ten (10) year employment agreement with William J. Andreoli for Mr. Andreoli to serve as the Company’s President. Pursuant to the agreement, Mr. Andreoli will be paid an annual base salary of One Hundred Seventy Thousand Dollars ($170,000) and will be eligible for discretionary and transactional bonus payments. The employment agreement also includes confidentiality obligations and inventions assignments by Mr. Andreoli.

If Mr. Andreoli’s employment is terminated by the Company for any reason other than for Cause (as defined in the agreement), Mr. Andreoli will be entitled to receive all accrued but unpaid salary amounts payable through the date of termination plus reimbursement of any approved expenses previously incurred and will continue to receive his base salary for six (6) months following termination. If Mr. Andreoli’s employment is terminated by the Company for Cause, or if Mr. Andreoli terminates the agreement for any reason, he will be entitled solely to all accrued but unpaid salary amounts payable through the date of termination plus reimbursement of any approved expenses previously incurred.

Compensation of Directors

The following table sets forth information for the fiscal year ended December 31, 2012 regarding the compensation of our directors, who are not officers or employees of the Company.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees Earned or Paid in Cash</th>
<th>Option Awards</th>
<th>Other Compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Rochon</td>
<td>$ -</td>
<td>$ 5,490</td>
<td>$ -</td>
<td>$ 5,490</td>
</tr>
<tr>
<td>Richard Renton (1)</td>
<td>$ 5,490</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,490</td>
</tr>
</tbody>
</table>

(1) The above does not include compensation paid to Mr. Renton's company for inventory purchases.

Compensation Committee Interlocks

Not Applicable.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Director Independence and Related Transactions

The Board of Directors is comprised of Stephan Wallach, Michelle Wallach, Richard Renton, David Briskie and John P. Rochon.

Our common stock is not quoted or listed on any national exchange or interdealer quotation system with a requirement that a majority of our board of directors be independent and therefore we are not subject to any director independence requirements. However, for purposes of determining independence we use the definition applied by the NASDAQ Stock Market, our board of directors has determined that John Rochon is our only independent director in accordance with such definition.

The Committees of the Board are:

- **Audit Committee**: Dave Briskie (chair) and Michelle Wallach
- **Compensation Committee**: Richard Renton (chair) and John Rochon
- **Science Committee**: Richard Renton (chair) and Steve Wallach
- **Investment Committee**: Steve Wallach (chair), John Rochon, Dave Briskie

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Certain Relationships and Related Transactions

Our corporate headquarters are leased at the rate of $28,500 per month from 2400 Boswell, a limited liability company, which, prior to March 15, 2013, was owned by the Step-parent of Stephan Wallach who was the sole member. Payment of the mortgage on the building was co-guaranteed by us. During July 2012 the Company loaned 2400 Boswell, $323,000 in exchange for a promissory note bearing interest at 5% due June 1, 2013. The Company’s maximum exposure to loss was approximately $3,976,000 as of December 31, 2012. On March 15, 2013, 2400 Boswell refinanced the mortgage on the building. We, along with Stephan Wallach and Michelle Wallach, provided co-guarantees for the mortgage. The mortgage is for $3,625,000. Also on March 15, 2013, we acquired 2400 Boswell from the Step-parent of Stephan Wallach for approximately $975,000 and assumed the mortgage.

In November 2006, we entered into a loan with a company controlled by our Chief Executive Officer evidence by a note in the principal amount of $1,944,000, bearing interest at a rate of 5.25% per annum. The outstanding balance of the note was forgiven in June 2011 and there is no remaining amount owed under such note. Our founder, who is the father of our Chief Executive Officer, also forgave debt in June 2011 in the principal amount of $130,000 owed to him for loans for working capital.

Mr. Richard Renton was appointed to the Board of Directors in 2012. During the year ended December 31, 2012, we paid a company owned by Mr. Renton and his wife $2,254,000 primarily for the supply of Beyond Tangy Tangerine.

On July 1, 2012, the President of the Company was issued a loan to purchase stock in the Company, in the amount $120,000. The loan is to be repaid within one year and carries an interest rate of 4.0%. As of December 31, 2012, $60,000 has been repaid under the terms of the note and a minimal amount has been recorded as interest income for the year ended December 31, 2012.

As part of the agreement to acquire FDI and FDI Realty, in October, 2011, the Company completed the acquisition of FDI, but postponed the acquisition of FDI Realty subject to the seller obtaining consent regarding assignment of certain mortgages. If the transaction with FDI Realty closes, the Company will assume outstanding liabilities of approximately $2,160,000 in full consideration for FDI Realty. No other consideration will be due to the seller with respect to the acquisition of FDI Realty. As of March 20, 2013, FDI Realty has not been acquired. FDI is a co-guarantor of the mortgage guarantee obligations of FDI Realty, which houses our New Hampshire office. The Company’s maximum exposure to loss is approximately $2,142,000 as of December 31, 2012.

ITEM 8. LEGAL PROCEEDINGS

The Company is not a party to any material pending legal proceedings.
Quotations for the common stock of AL International, Inc. are included in the OTC Markets' OTC Pink Market system under the symbol “JCOF.” The following table sets forth for the respective periods indicated the prices of the common stock in the over-the-counter market, as reported and summarized on the OTC Pink Market. Such prices are based on inter-dealer bid and ask prices, without markup, markdown, commissions, or adjustments and may not represent actual transactions.

### Fiscal Year 2012

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$0.40</td>
<td>$0.25</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$0.33</td>
<td>$0.18</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$0.30</td>
<td>$0.12</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$0.19</td>
<td>$0.14</td>
</tr>
</tbody>
</table>

### Fiscal Year 2011

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$0.15</td>
<td>$0.07</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$0.28</td>
<td>$0.13</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$1.68</td>
<td>$0.30</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$0.67</td>
<td>$0.20</td>
</tr>
</tbody>
</table>

### Fiscal Year 2010

<table>
<thead>
<tr>
<th>Quarter</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$0.32</td>
<td>$0.08</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$0.24</td>
<td>$0.08</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$0.28</td>
<td>$0.12</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$0.18</td>
<td>$0.06</td>
</tr>
</tbody>
</table>

At December 31, 2012, there were approximately 348 holders of record of our common stock.

Since inception, no dividends have been paid on the common stock. The Company intends to retain any earnings for use in its business activities, so it is not expected that any dividends on the common stock will be declared and paid in the foreseeable future.
Equity Compensation Plan Information

The table below sets forth certain information as of the December 31, 2012 regarding the shares of the Company's common stock available for grant or granted under stock option plans that (i) were adopted by the Company's stockholders and (ii) were not adopted by the Company’s stockholders.

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of securities to be issued upon exercise of outstanding options, and rights</th>
<th>Weighted-average exercise price of outstanding options, warrants and rights</th>
<th>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in 1st column)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Compensation Plans approved by security holders</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity Compensation Plans not approved by security holders</td>
<td>13,728,000</td>
<td>$0.22</td>
<td>26,272,000</td>
</tr>
<tr>
<td>Total</td>
<td>13,728,000</td>
<td>$0.22</td>
<td>26,272,000</td>
</tr>
</tbody>
</table>

The above plan, as approved by the Company’s Board of Directors on May 15, 2012, is a nonqualified stock option plan eligible for employees, non-employee directors and consultants of the Company. The plan is administered by the Company’s Board of Directors which determines the terms and conditions upon which awards may be made and exercised. The maximum number of shares of the Company’s common stock that may be issued pursuant to awards made under the plan is 40,000,000. Grants under this stock option plan are effective until May 16, 2022, at which time the plan shall terminate except that awards made prior to, and outstanding on, that date shall remain valid in accordance with their terms.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

In February 2010, the Javalution settled an obligation for consulting services with Westport Strategic Partners, Inc. and agreed to issue 5,000,000 shares of the Company’s common stock. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

Additionally, in February 2010, Javalution issued 6,116,936 restricted shares from the 2010 Javalution Stock Bonus Plan to the employees of Javalution under the terms of the Plan. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

In June 2010, Javalution issued an aggregate of 27,111,111 shares of common stock and warrants exercisable for an aggregate of 13,555,555 shares of common stock (with a warrant exercise price of $0.25 per share) to 34 accredited investors in a private placement. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

In March 2011, Javalution issued warrants exercisable for 3,000,000 shares of common stock at an exercise price equal to the average closing price of our common stock for the 50 trading days prior to March 29, 2011 and 7,000,000 shares of restricted common stock as paid in full compensation in accordance with an Alliance Agreement with Richmont Holdings. The warrants, which were to expire in March 2016, were exercised on June 24 of 2011. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.
In March 2011, Javalution issued warrants exercisable for 5,000,000 shares of common stock at an exercise price of $0.07 per share and 5,000,000 shares of restricted common stock to one investor in accordance with a Subscription Agreement in the amount of $250,000. The warrants, which were to expire in 2016, have not been exercised. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

In March 2011, Javalution issued and aggregate of 6,116,936 shares of common stock to 8 employees in accordance with their Employment Agreements and Employee Stock Pool Distribution. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

In May 2011, Javalution issued 8,351,543 shares of common stock in exchange for a warrant with an exercise price of $0.12 per share to several investors. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

Javalution issued 2,385,886 shares of common stock in exchange for a cashless exercise of warrants. The offering and sale of the securities did not involve a public offering. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In June 2011, Javalution issued 12,754,489 shares of common stock upon exercise of warrants with an exercise price of $0.12 per share to several investors. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In June 2011, Javalution issued 5,980,592 shares of common stock in accordance with a cashless exercise of warrants. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In June 2011, Javalution issued 802,280 shares of our common stock to an investor as part of a convertible promissory note in the amount of $100,000 plus accrued interest of $20,342.08. The promissory note issued has an interest at an annual rate of 12% per annum and provide for the issuance of one share of common stock for each one dollar of principal amount of the note. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

On July 11, 2011, Javalution issued 560,000,000 shares of its common stock to AL Global Corporation’s stockholders in exchange for all of the common stock of AL Global Corporation. Stephan Wallach, our current Chief Executive Officer and Chairman of the Board, held all of the stock of AL Global Corporation. Giving effect to the 1-for-2 reverse stock split of Javalution’s common stock effective August 5, 2011, Mr. Wallach now holds 280,000,000 restricted shares of common stock of our Company, AL International, Inc. His wife, Michelle Wallach, our current Chief Operating Officer, beneficially owns 280,000,000 shares of common stock through joint ownership with Mr. Wallach, with whom she shares voting and dispositive control. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

In July 2011, we issued 3,693,712 shares of common stock in exchange for warrants as follows: 3,000,000 warrants had an exercise price of $0.07 per share and 580,000 warrants had an exercise prices between $0.18 and $0.25 per share and the balance of the warrants (113,712) were exercised with a cashless exercise at $0.25 per share. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In September 2011 we issued 100,000 shares of common stock to a preferred shareholder who converted their 25,000 preferred shares into common stock. Dividends that had accrued on the preferred shares were also paid in full with common stock. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In October 2011 we issued 430,729 shares of common stock to preferred shareholders who converted 100,000 preferred shares into common stock. Dividends that had accrued on the preferred shares were also paid in full with common stock. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.
In October 2011 we issued 1,800,000 shares of common stock to an investor who exercised 2,200,000 warrants utilizing a cashless exercise. The exchanged securities were issued in reliance upon Section 3(a)(9) of the Act.

In October 2011 we issued a warrant for 2,785,516 with an exercise price of 35.9 cents per share. The warrant expires in 2016. The warrant was issued to an investor who purchased an asset in the company in the amount of $1,750,000. The offering and sale of the securities did not involve a public offering. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

During July 2012, we sold an aggregate of 4,100,000 shares of restricted common stock at a purchase price of $0.20 per share to 13 investors and issued a note in the principal amount of $120,000 which was secured by a pledge of 600,000 shares of our common stock. In connection with this offering, we issued a warrant to purchase an aggregate of 4,100,000 shares of common stock. The warrants expire three years after issuance and are exercisable at prices ranging from $0.25 to $0.40 per share. This offering was done with no general solicitation or advertising by us. In addition, these investors had the necessary investment intent as required by Section 4(2) since they agreed to, and received, securities bearing a legend stating that such securities are restricted.

ITEM 11. DESCRIPTION OF REGISTRANT’S SECURITIES TO BE REGISTERED

Common stock

We are authorized to issue up to 600,000,000 shares of common stock, par value $0.001. As of December 31, 2012 there are 389,599,848 shares of common stock issued and outstanding.

The holders of common stock are entitled to one vote per share on each matter submitted to a vote of stockholders. In the event of liquidation, holders of common stock are entitled to share ratably in the distribution of assets remaining after payment of liabilities, if any. Holders of common stock have no cumulative voting rights, and, accordingly, the holders of a majority of the outstanding shares have the ability to elect all of the directors, subject to preferred stock voting rights below. Holders of common stock have no preemptive or other rights to subscribe for shares. Holders of common stock are entitled to such dividends as may be declared by the board of directors out of funds legally available.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our directors and officers are indemnified as provided by the Delaware General Corporation Law and our Certificate of Incorporation. Section 145 of the Delaware General Corporation Law provides that a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his capacity as a director or officer unless it is proven that (1) his act or failure to act constituted a breach of his fiduciary duties as a director or officer and (2) his breach of those duties involved intentional misconduct, fraud or a knowing violation of law. Our Certificate of Incorporation provides for indemnification of our directors and officers to the fullest extent permitted by Section 145 of the Delaware General Corporation Law.

This provision is intended to afford directors and officers protection against and to limit their potential liability for monetary damages resulting from suits alleging a breach of the duty of care by a director or officer. As a consequence of this provision, stockholders of our company will be unable to recover monetary damages against directors or officers for action taken by them that may constitute negligence or gross negligence in performance of their duties unless such conduct falls within one of the foregoing exceptions. The provision, however, does not alter the applicable standards governing a director’s or officer’s fiduciary duty and does not eliminate or limit the right of our company or any stockholder to obtain an injunction or any other type of non-monetary relief in the event of a breach of fiduciary duty.
Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of AL International, Inc. appear at the end of this report beginning with the Index to Financial Statements on page F-1.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

(a) List of all financial statements filed as part of the registration statement.

<table>
<thead>
<tr>
<th>Financial Statement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report of Independent Registered Public Accounting Firm</td>
<td>F-2</td>
</tr>
<tr>
<td>Consolidated Balance Sheets as of December 31, 2012 and 2011</td>
<td>F-3</td>
</tr>
<tr>
<td>Consolidated Statements of Operations for the years ended December 31, 2012 and 2011</td>
<td>F-4</td>
</tr>
<tr>
<td>Consolidated Statements of Comprehensive Loss for the years ended December 31, 2012 and 2011</td>
<td>F-5</td>
</tr>
<tr>
<td>Consolidated Statements of Stockholders' Equity for the years ended December 31, 2012 and 2011</td>
<td>F-6</td>
</tr>
<tr>
<td>Consolidated Statements of Cash Flows for the years ended December 31, 2012 and 2011</td>
<td>F-7</td>
</tr>
<tr>
<td>Notes to Consolidated Financial Statements</td>
<td>F-8</td>
</tr>
</tbody>
</table>
The following documents are included as exhibits to this report:

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Title of Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Certificate of Incorporation Dated July 15, 2011*</td>
</tr>
<tr>
<td>3.2</td>
<td>Bylaws*</td>
</tr>
<tr>
<td>4.1</td>
<td>Specimen Common Stock certificate.*</td>
</tr>
<tr>
<td>4.2</td>
<td>Warrant for Common Stock issued to David Briskie*</td>
</tr>
<tr>
<td>4.3</td>
<td>Stock Option issued to Stephan Wallach*</td>
</tr>
<tr>
<td>4.4</td>
<td>Stock Option issued to Michelle Wallach*</td>
</tr>
<tr>
<td>4.5</td>
<td>Stock Option issued to David Briskie*</td>
</tr>
<tr>
<td>4.6</td>
<td>Stock Option issued to William Andreoli*</td>
</tr>
<tr>
<td>4.7</td>
<td>Stock Option issued to Richard Renton*</td>
</tr>
<tr>
<td>4.8</td>
<td>Stock Option issued to John Rochon*</td>
</tr>
<tr>
<td>10.1</td>
<td>Purchase Agreement with M2C Global, Inc. dated March 9, 2007*</td>
</tr>
<tr>
<td>10.2</td>
<td>First Amendment to Purchase Agreement with M2C Global, Inc. dated September 7, 2008*</td>
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<tr>
<td>10.3</td>
<td>Asset Purchase Agreement with MLM Holdings, Inc. dated June 10, 2010*</td>
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<tr>
<td>10.4</td>
<td>Agreement of Purchase and Sale with Price Plus, Inc. dated September 21, 2010*</td>
</tr>
<tr>
<td>10.5</td>
<td>Amended and Restated Agreement and Plan of Reorganization of Javalution Coffee Company, YGY Merge, Inc. dated July 11, 2011*</td>
</tr>
<tr>
<td>10.6</td>
<td>Asset Purchase Agreement with R-Garden Inc. dated July 11, 2011*</td>
</tr>
<tr>
<td>10.7</td>
<td>Re-Purchase Agreement with R-Garden dated September 12, 2012*</td>
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<tr>
<td>10.8</td>
<td>Agreement and Plan of Reorganization with Javalution dated July 18, 2011*</td>
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<td>10.9</td>
<td>Asset Purchase Agreement with Adaptogenix, LLC dated August 22, 2011*</td>
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<td>10.10</td>
<td>Amended Asset Purchase Agreement with Adaptogenix, LLC dated January 27, 2012*</td>
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<td>10.11</td>
<td>Asset Purchase Agreement with Prosperity Group, Inc. dated October 10, 2011*</td>
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<tr>
<td>10.12</td>
<td>Amended and Restated Equity Purchase Agreement with Financial Destination, Inc., FDI Management Co., Inc., FDI Realty, LLC, and MoneyTRAX, LLC dated October 25, 2011*</td>
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<tr>
<td>10.13</td>
<td>Exclusive License/Marketing Agreement with GLIE, LLC dba True2Life dated March 20, 2012*</td>
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<tr>
<td>10.14</td>
<td>Bill of Sale with Livinity, Inc. dated July 10, 2012*</td>
</tr>
<tr>
<td>10.15</td>
<td>Consulting Agreement with Livinity, Inc. dated July 10, 2012*</td>
</tr>
<tr>
<td>10.16</td>
<td>Employment Agreement with William Andreoli dated October 25, 2011*</td>
</tr>
<tr>
<td>10.17</td>
<td>Promissory Note with 2400 Boswell LLC dated July 15, 2012*</td>
</tr>
<tr>
<td>10.18</td>
<td>Promissory Note with William Andreoli dated July 1, 2012*</td>
</tr>
<tr>
<td>10.19</td>
<td>2012 Stock Option Plan*</td>
</tr>
<tr>
<td>10.20</td>
<td>Form of Stock Option*</td>
</tr>
<tr>
<td>10.21</td>
<td>Lease with 2400 Boswell LLC dated May 1, 2001*</td>
</tr>
<tr>
<td>10.22</td>
<td>Lease with FDI Realty LLC dated July 29, 2008*</td>
</tr>
<tr>
<td>10.23</td>
<td>First Amendment to Lease with FDI Realty LLC dated October 25, 2011*</td>
</tr>
<tr>
<td>10.24</td>
<td>Lease with Perc Enterprises dated February 6, 2008*</td>
</tr>
<tr>
<td>10.25</td>
<td>Lease with Perc Enterprises dated September 25, 2012*</td>
</tr>
<tr>
<td>10.26</td>
<td>Factoring Agreement with Crestmark Bank dated February 12, 2010*</td>
</tr>
<tr>
<td>10.27</td>
<td>First Amendment to Factoring Agreement with Crestmark Bank dated April 6, 2011*</td>
</tr>
<tr>
<td>10.28</td>
<td>Second Amendment to Factoring Agreement with Crestmark Bank dated February 1, 2013*</td>
</tr>
<tr>
<td>10.29</td>
<td>Lease with Perc Enterprises dated March 19, 2013*</td>
</tr>
<tr>
<td>10.30</td>
<td>Purchase Agreement with Ma Lan Wallach dated March 15, 2013*</td>
</tr>
<tr>
<td>10.31</td>
<td>Promissory Note with Plaza Bank dated March 14, 2013*</td>
</tr>
<tr>
<td>21.1</td>
<td>Subsidiaries of AL International, Inc.*</td>
</tr>
</tbody>
</table>

*Filed herewith.
Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

AL INTERNATIONAL, INC
(Registrant)

Dated: April 23, 2013
By: /s/ Stephan Wallach
Chief Executive Officer
<table>
<thead>
<tr>
<th>Report of Independent Registered Public Accounting Firm</th>
<th>F-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Balance Sheets as of December 31, 2012 and 2011</td>
<td>F-3</td>
</tr>
<tr>
<td>Consolidated Statements of Operations for the years ended December 31, 2012 and 2011</td>
<td>F-4</td>
</tr>
<tr>
<td>Consolidated Statements of Comprehensive Loss for the years ended December 31, 2012 and 2011</td>
<td>F-5</td>
</tr>
<tr>
<td>Consolidated Statements of Stockholders' Equity for the years ended December 31, 2012 and 2011</td>
<td>F-6</td>
</tr>
<tr>
<td>Consolidated Statements of Cash Flows for the years ended December 31, 2012 and 2011</td>
<td>F-7</td>
</tr>
<tr>
<td>Notes to Consolidated Financial Statements</td>
<td>F-8</td>
</tr>
</tbody>
</table>
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
AL International, Inc.
Chula Vista, California

We have audited the accompanying consolidated balance sheets of AL International, Inc. (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive loss, stockholders’ equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AL International, Inc. as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Mayer Hoffman McCann P.C.
San Diego, California
April 1, 2013

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### ASSETS

**Current Assets:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,025</td>
<td>$1,390</td>
</tr>
<tr>
<td>Accounts receivable, due from factoring company</td>
<td>836</td>
<td>937</td>
</tr>
<tr>
<td>Notes receivable, related party</td>
<td>330</td>
<td>-</td>
</tr>
<tr>
<td>Inventory</td>
<td>4,675</td>
<td>4,981</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>430</td>
<td>591</td>
</tr>
<tr>
<td>Total current assets</td>
<td>9,296</td>
<td>7,899</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>1,343</td>
<td>916</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>9,114</td>
<td>10,398</td>
</tr>
<tr>
<td>Goodwill</td>
<td>5,154</td>
<td>5,154</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$24,907</strong></td>
<td><strong>$24,367</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current Liabilities:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$2,144</td>
<td>$2,948</td>
</tr>
<tr>
<td>Accrued distributor compensation</td>
<td>2,992</td>
<td>2,195</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,426</td>
<td>653</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>238</td>
<td>424</td>
</tr>
<tr>
<td>Due to factoring company</td>
<td>-</td>
<td>743</td>
</tr>
<tr>
<td>Capital lease payable, current portion</td>
<td>71</td>
<td>-</td>
</tr>
<tr>
<td>Notes payable, current portion</td>
<td>366</td>
<td>712</td>
</tr>
<tr>
<td>Contingent acquisition debt, current portion</td>
<td>619</td>
<td>325</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>7,856</strong></td>
<td><strong>8,000</strong></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>75</td>
<td>138</td>
</tr>
<tr>
<td>Capital lease payable, less current portion</td>
<td>101</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>742</td>
<td>716</td>
</tr>
<tr>
<td>Notes payable, less current portion</td>
<td>1,189</td>
<td>2,090</td>
</tr>
<tr>
<td>Contingent acquisition debt, less current portion</td>
<td>5,065</td>
<td>4,345</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>15,028</strong></td>
<td><strong>15,289</strong></td>
</tr>
</tbody>
</table>

**Commitments and contingencies (Note 10)**

**Equity:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL International, Inc., stockholders' equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible Preferred Stock, $0.001 par value:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>100,000,000 shares authorized, 211,135 and 271,135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>shares issued and outstanding at December 31, 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>respectively</td>
<td>389</td>
<td>385</td>
</tr>
<tr>
<td>Common Stock, $0.001 par value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>600,000,000 shares authorized, 389,599,848 and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>385,237,309 shares issued and outstanding at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 and 2011, respectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note receivable for stock purchase</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>165,017</td>
<td>163,384</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(155,266)</td>
<td>(154,841)</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(123)</td>
<td>(113)</td>
</tr>
<tr>
<td>Total AL International, Inc. stockholders' equity</td>
<td>9,935</td>
<td>9,015</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>9,879</td>
<td>9,078</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>$24,907</strong></td>
<td><strong>$24,367</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.

F-3
### AL International, Inc. and Subsidiaries

#### Consolidated Statements of Operations

(In thousands, except share and per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Revenues</td>
<td>$75,004</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>$31,179</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$43,825</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
</tr>
<tr>
<td>Distributor compensation</td>
<td>$30,526</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>$3,259</td>
</tr>
<tr>
<td>General and administrative</td>
<td>$10,321</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$44,106</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$(281)</td>
</tr>
<tr>
<td>Other income</td>
<td>$917</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>$(1,004)</td>
</tr>
<tr>
<td>Total other expense</td>
<td>$(1,004)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>$(368)</td>
</tr>
<tr>
<td>Income tax provision</td>
<td>$196</td>
</tr>
<tr>
<td>Net loss</td>
<td>$17</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interest</td>
<td>$129</td>
</tr>
<tr>
<td>Net loss attributable to AL International, Inc.</td>
<td>$(425)</td>
</tr>
<tr>
<td>Preferred stock dividends</td>
<td>$17</td>
</tr>
<tr>
<td>Net loss available to common stockholders</td>
<td>$(442)</td>
</tr>
<tr>
<td>Net loss per share, basic and diluted</td>
<td>$(0.00)</td>
</tr>
<tr>
<td>Weighted average shares outstanding, basic and diluted</td>
<td>387,392,118</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### AL International, Inc. and Subsidiaries
#### Consolidated Statements of Comprehensive Loss

(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(564)</td>
<td>$(152,195)</td>
</tr>
<tr>
<td>Other comprehensive loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(10)</td>
<td>(7)</td>
</tr>
<tr>
<td>Total other comprehensive loss</td>
<td>(10)</td>
<td>(7)</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>$(574)</td>
<td>$(152,202)</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
### AL International, Inc. and Subsidiaries
### Consolidated Statements of Stockholders' Equity

#### (In thousands, except share amounts)

<table>
<thead>
<tr>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
<th>Interest</th>
<th>Capital</th>
<th>Purchase</th>
<th>Note Receivable for Stock</th>
<th>Other Comprehensive</th>
<th>Accumulated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at December 31, 2010</strong></td>
<td>$280,000,000</td>
<td>$280</td>
<td>$42</td>
<td>$106</td>
<td>(2,586)</td>
<td>(2,370)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Issuance of preferred and common stock in connection with the reverse merger: 401,135 shares at $102,640,775.
- Debt forgiveness: related party, $2,792.
- Fair value of warrants issued: $620.
- Issuance of common stock pursuant to the exercise of stock warrants: 2,065,000 shares at $95.
- Issuance of common stock pursuant to the conversion of convertible preferred stock and accrued dividends: (130,000) shares at $185,770.
- Net loss: $152,255.

**Balance at December 31, 2011**

<table>
<thead>
<tr>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
<th>Interest</th>
<th>Capital</th>
<th>Purchase</th>
<th>Note Receivable for Stock</th>
<th>Other Comprehensive</th>
<th>Accumulated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at December 31, 2012</strong></td>
<td>$389,399,848</td>
<td>$389</td>
<td>$76</td>
<td>$62</td>
<td>(122)</td>
<td>(189,266)</td>
<td>$9,879</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Amount rounds to less than $1.

See accompanying notes to consolidated financial statements.

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### AL International, Inc. and Subsidiaries

#### Consolidated Statements of Cash Flows

(In thousands, except share amounts)

See accompanying notes to consolidated financial statements.

<table>
<thead>
<tr>
<th>Years Ended December 31</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(564)</td>
<td>$(152,195)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,905</td>
<td>1,064</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>-</td>
<td>151,798</td>
</tr>
<tr>
<td>Stock based compensation expense</td>
<td>629</td>
<td>-</td>
</tr>
<tr>
<td>Increase in fair value of contingent acquisition debt</td>
<td>-</td>
<td>1,130</td>
</tr>
<tr>
<td>Fair value of warrants issued</td>
<td>-</td>
<td>620</td>
</tr>
<tr>
<td>Amortization of debt discount</td>
<td>75</td>
<td>100</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>56</td>
<td>-</td>
</tr>
<tr>
<td>Interest income accrued on note receivable, related party</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities net of effect from business combinations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>101</td>
<td>375</td>
</tr>
<tr>
<td>Inventories</td>
<td>306</td>
<td>(2,439)</td>
</tr>
<tr>
<td>Prepaid expense and other current assets</td>
<td>161</td>
<td>(120)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(804)</td>
<td>1,101</td>
</tr>
<tr>
<td>Accrued distributor compensation</td>
<td>797</td>
<td>(1,033)</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>527</td>
<td>1,955</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>3,646</td>
<td>520</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities:** |        |        |
| Purchases of property and equipment | (529) | (248) |
| Cash acquired in business combinations, net of cash paid | - | 661 |
| Net Cash (Used in) Provided by Investing Activities | (529) | 413 |

| **Cash Flows from Financing Activities:** |        |        |
| Proceeds from the sale of common stock, net | 700 | - |
| Payments (to) from factoring company, net | (743) | 411 |
| Payments of notes payable, net | (652) | (458) |
| Payments for note receivable, related parties, net | (283) | - |
| Payments of contingent acquisition debt | (461) | (188) |
| Payments of capital leases | (60) | - |
| Repurchase of common stock | (13) | - |
| Net Cash Used in Financing Activities | (1,472) | (135) |

| Foreign Currency Effect on cash | 413 | 791 |

| Cash and Cash Equivalents, beginning of period | 1,390 | 599 |
| Cash and Cash Equivalents, end of period | $3,025 | $1,390 |

Cash paid during the period for:

| Interest | $951 | $84 |
| Income taxes | $259 | $113 |

Non cash financing activities:

- Forgiveness of related party debt and accrued interest recognized as a capital contribution | $ - | $2,792 |
- Common stock issued for note receivable | $120 | - |
- Capital lease for manufacturing equipment | $272 | - |
- Acquisition of intangible assets in exchange for contingent acquisition debt and note payable | $368 | $4,304 |

Issued 102,640,775 shares of common stock at $1.56 per share in connection with the Reverse Merger in 2011
Sale of approximately $578 of intangible assets for forgiveness of $524 of contingent acquisition debt in 2012
Issued 155,770 shares of common stock for conversion of 60,000 shares of preferred stock and payment of approximately $19 of accrued dividends on preferred stock during 2012, of which approximately $1 was accrued in 2012
Issued 260,000 shares of common stock for conversion of 60,000 shares of preferred stock and 271,534 shares of common stock in payment of approximately $35 of accrued dividends on preferred stock, of which approximately $7 was accrued in 2011

See accompanying notes to consolidated financial statements.

F-7
Nature of Operations

AL International, Inc. (the “Company”) develops and distributes health and nutrition related products through its global independent direct selling network, also known as multi-level marketing, and manufactures coffee products which are sold to commercial customers. The Company operates in two business segments; its direct selling segment where products are offered through a global distribution network of preferred customers and distributors and its commercial coffee segment where products are sold directly to businesses. In the following text, the terms “we,” “us,” and “our” may refer, as the context requires, to the Company or collectively to the Company and its subsidiaries.

The Company operates through the following domestic wholly-owned subsidiaries: CLR Roasters, LLC, our commercial coffee business; AL Global Corporation, Financial Destination, Inc., FDI Management, Inc., and MoneyTrax, LLC, in our direct selling operation, and the following wholly-owned foreign subsidiaries: Youngevity Australia Pty. Ltd. and Youngevity NZ, Ltd., in our direct selling operation. The Company also consolidates AL Corporation Holding Pte. Ltd. and DrinkACT Southeast Asia, Inc. (collectively “DrinkACT SEA”) in our direct selling operation, which are non-controlled variable interest entities that are consolidated for financial accounting reporting purposes. AL Global Corporation, which does business under the assumed name of Youngevity® Essential Life Sciences, was originally formed in the State of California under the name Wellness Lifestyles, Inc. in 1996. Activities for all entities other than CLR Roasters, LLC, are operating under AL Global Corporation. The transfer of these activities, which occurred subsequent to our acquiring or forming the related subsidiaries, did not have any accounting impact to the financial statements.

Basis of Presentation

The Company consolidates all majority owned subsidiaries, investments in entities in which we have controlling influence, and variable interest entities where we have been determined to be the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Certain reclassifications have been made to conform to the current year presentation. These reclassifications had no effect on reported results of operations or stockholders' equity.

Segment Information

Beginning with the Reverse Acquisition in July 2011, the Company has two reporting segments: direct selling and commercial coffee. The direct selling segment develops and distributes health and wellness products through its global independent direct selling network also known as multi-level marketing. The commercial coffee segment is a coffee roasting and distribution company specializing in the gourmet coffee category and the owner of the direct selling brand Javafit, as well as the brands Café La Rica, Josie’s Java House and the Javalution family of brands which are marketed in the commercial coffee segment. The determination that the Company has two reportable segments is based upon the guidance set forth in Accounting Standards Codification (“ASC”) 280, “Segment Reporting”.

1. ORGANIZATION

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are used in accounting for, among other things, allowances for doubtful accounts, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of options granted under our stock based compensation plan, fair value of assets and liabilities acquired in business combinations, capital leases, asset impairments, estimates of future cash flows used to evaluate impairments, useful lives of property, equipment and intangible assets, value of contingent acquisition debt, inventory obsolescence, and sales returns.

Actual results may differ from previously estimated amounts and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected prospectively in the period they occur.

Cash and Cash Equivalents

The Company considers only its monetary liquid assets with original maturities of three months or less as cash and cash equivalents.

Accounts Receivable

Accounts receivable are recorded net of an allowance for doubtful accounts. Accounts receivable are considered delinquent when the due date on the invoice has passed. The Company records its allowance for doubtful accounts based upon its assessment of various factors including past experience, the age of the accounts receivable balances, the credit quality of its customers, current economic conditions and other factors that may affect customers’ ability to pay. Accounts receivable are written off against the allowance for doubtful accounts when all collection efforts by the Company have been unsuccessful. Certain accounts receivable are financed as part of a factoring agreement. There was no allowance for doubtful accounts recorded as of December 31, 2012 or 2011.

Inventory and Cost of Sales

Inventory is stated at the lower of cost or market value. Cost is determined using the first-in, first-out method. The Company records an inventory reserve for estimated excess and obsolete inventory based upon historical turnover, market conditions and assumptions about future demand for its products. When applicable, expiration dates of certain inventory items with a definite life are taken into consideration.

Inventories consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$1,213</td>
<td>$3,327</td>
</tr>
<tr>
<td>Raw materials</td>
<td>1,828</td>
<td>1,970</td>
</tr>
<tr>
<td>Reserve for excess and obsolete</td>
<td>(366)</td>
<td>(316)</td>
</tr>
<tr>
<td>Inventory, net</td>
<td>$4,675</td>
<td>$4,981</td>
</tr>
</tbody>
</table>

Inventory, net
A summary of the reserve for obsolete and excess inventory is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1</td>
<td>(316)</td>
<td>(216)</td>
</tr>
<tr>
<td>Addition to provision</td>
<td>50</td>
<td>(100)</td>
</tr>
<tr>
<td>Write-off of obsolete inventory</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as of December 31</td>
<td>(366)</td>
<td>(316)</td>
</tr>
</tbody>
</table>

Cost of revenues includes the cost of inventory, shipping and handling costs incurred by the Company in connection with shipments to customers, royalties associated with certain products, transaction banking costs and depreciation on certain assets.

The Company analyzes its firm purchase commitments, which currently consist primarily of commitments to purchase green coffee, at each period end. When necessary, provisions are made in each reporting period if the amounts to be realized from the disposition of the inventory items are not adequately protected by firm sales contracts of such inventory items. In that situation, a loss would be recorded for the inventory cost in excess of the saleable market value.

### Property and Equipment

Property and equipment are recorded at historical cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over the estimated useful lives of the related assets. The straight-line method of depreciation and amortization is followed for financial statement purposes. Leasehold improvements are amortized over the shorter of the life of the respective lease or the useful life of the improvements. Estimated service lives range from three to ten years. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in operations in the period of disposal. The cost of normal maintenance and repairs is charged to expense as incurred. Significant expenditures that increase the useful life of an asset are capitalized and depreciated over the estimated useful life of the asset.

Property and equipment are considered long-lived assets and are evaluated for impairment whenever events or changes in circumstances indicate their net book value may not be recoverable. Management has determined that no impairment of its property and equipment occurred as of December 31, 2012 or 2011.

### Property and Equipment Consist of the Following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>205</td>
<td>200</td>
</tr>
<tr>
<td>Computer software</td>
<td>673</td>
<td>427</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>820</td>
<td>785</td>
</tr>
<tr>
<td>Manufacturing equipment</td>
<td>1,012</td>
<td>610</td>
</tr>
<tr>
<td>Vehicles</td>
<td>53</td>
<td>-</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>835</td>
<td>820</td>
</tr>
<tr>
<td></td>
<td>3,578</td>
<td>2,842</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(2,255)</td>
<td>(1,926)</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>$ 1,343</td>
<td>$ 916</td>
</tr>
</tbody>
</table>

Depreciation expense totaled approximately $332,000 and $175,000 for the years ended December 31, 2012 and 2011, respectively.
Business Combinations

The Company accounts for business combinations under the acquisition method and allocates the total purchase price for acquired businesses to the tangible and identified intangible assets acquired and liabilities assumed, based on their estimated fair values. When a business combination includes the exchange of the Company’s common stock, the value of the common stock is determined using the closing market price as of the date such shares were tendered to the selling parties. The fair values assigned to tangible and identified intangible assets acquired and liabilities assumed are based on management or third party estimates and assumptions that utilize established valuation techniques appropriate for the Company’s industry and each acquired business. Goodwill is recorded as the excess, if any, of the aggregate fair value of consideration exchanged for an acquired business over the fair value (measured as of the acquisition date) of total net tangible and identified intangible assets acquired. A liability for contingent consideration, if applicable, is recorded at fair value as of the acquisition date. In determining the fair value of such contingent consideration, management estimates the amount to be paid based on probable outcomes and expectations on financial performance of the related acquired business. The fair value of contingent consideration is reassessed quarterly, with any change in the estimated value charged to operations in the period of the change. Increases or decreases in the fair value of the contingent consideration obligations can result from changes in actual or estimated revenue streams, discount periods, discount rates and probabilities that contingencies will be met.

Intangible Assets and Goodwill

Intangible assets are comprised of distributor organizations, customer relationships and trademarks. The Company’s acquired intangible assets, which are subject to amortization over their estimated useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset exceeds its fair value. The Company reviewed the carrying value of its intangible assets as of the years ended December 31, 2012 and 2011 and concluded that the customer relationship from the Bellamora business combination was impaired. The impairment of approximately $48,000 was recorded as amortization expense in 2012.

Intangible assets consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Amount</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Distributor organizations</td>
<td>$6,825</td>
<td>($3,157)</td>
</tr>
<tr>
<td>Trademarks</td>
<td>2,741</td>
<td>(66)</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>3,500</td>
<td>(729)</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>(20)</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>$13,086</td>
<td>($3,972)</td>
</tr>
</tbody>
</table>

Amortization expense related to intangible assets was approximately $1,573,000 and $889,000 for the years ended December 31, 2012 and 2011, respectively.
As of December 31, 2012, future expected amortization expense related to definite lived intangible assets for the next five years is as follows (in thousands):

<table>
<thead>
<tr>
<th>Years ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 1,515</td>
</tr>
<tr>
<td>2014</td>
<td>1,224</td>
</tr>
<tr>
<td>2015</td>
<td>1,095</td>
</tr>
<tr>
<td>2016</td>
<td>1,095</td>
</tr>
<tr>
<td>2017</td>
<td>1,024</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,953</td>
</tr>
</tbody>
</table>

As of December 31, 2012, the weighted-average remaining amortization period for intangibles assets was approximately 5.5 years.

Trade names, which do not have legal, regulatory, contractual, competitive, economic, or other factors that limit the useful lives are considered indefinite lived assets and are not amortized but are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Approximately $800,000 of trademarks related to the Reverse Acquisition and approximately $1,467,000 in trademarks from business combinations entered into prior to the year ended December 31, 2010 have been identified as having indefinite lives. The Company has determined that no impairment occurred for the year ended December 31, 2012.

Goodwill is recorded as the excess, if any, of the aggregate fair value of consideration exchanged for an acquired business over the fair value (measured as of the acquisition date) of total net tangible and identified intangible assets acquired. In accordance with ASC 350, “Intangibles — Goodwill and Other”, goodwill and other intangible assets with indefinite lives are not amortized but are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The Company conducts annual reviews for goodwill and indefinite-lived intangible assets in the fourth quarter or whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable.

The Company first assesses qualitative factors to determine whether it is more likely than not (a likelihood of more than 50%) that goodwill is impaired. After considering the totality of events and circumstances, the Company determines whether it is more likely than not that goodwill is not impaired. If an impairment is indicated, then the Company conducts the two-step impairment testing process. The first step compares the Company’s fair value to its net book value. If the fair value is less than the net book value, the second step of the test compares the implied fair value of the Company’s goodwill to its carrying amount. If the carrying amount of goodwill exceeds its implied fair value, the Company would recognize an impairment loss equal to that excess amount. The testing is generally performed at the “reporting unit” level. A reporting unit is the operating segment, or a business one level below that operating segment (referred to as a component) if discrete financial information is prepared and regularly reviewed by management at the component level. The Company has determined that its reporting units for goodwill impairment testing are the Company’s reportable segments. As such, the Company analyzed its goodwill balances separately for the commercial coffee reporting unit and the direct selling reporting unit.

In the third quarter of 2011, immediately following the Reverse Acquisition with Javalution, the Company determined that the goodwill recorded in that transaction was impaired. As a result, the Company recorded an estimated non-cash impairment charge of approximately $151,432,000 to reduce the carrying amount of goodwill to $3,933,000. During the fourth quarter of 2011, the Company also determined that its goodwill related to the Adaptogenix acquisition was impaired and recorded a non-cash impairment charge of approximately $366,000, ultimately reducing the related goodwill balance to $0 (See Note 3). The Company has determined that no impairment of its goodwill occurred for the year ended December 31, 2012.
Goodwill activity for the years ended December 31, 2012 and 2011 by reportable segment consists of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Direct selling</th>
<th>Commercial Coffee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2010</td>
<td>$ -</td>
<td>$ 2,206</td>
<td>$ 154,746</td>
</tr>
<tr>
<td>Goodwill recognized</td>
<td></td>
<td></td>
<td>(366) (151,432)</td>
</tr>
<tr>
<td>Goodwill impaired</td>
<td></td>
<td></td>
<td>(151,798)</td>
</tr>
<tr>
<td>Balance at December 31, 2011</td>
<td>$ 1,840</td>
<td>$ -</td>
<td>$ 3,314</td>
</tr>
<tr>
<td>Goodwill recognized</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Goodwill impaired</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Balance at December 31, 2012</td>
<td>$ 1,840</td>
<td>$ -</td>
<td>$ 3,314</td>
</tr>
</tbody>
</table>

The Company recognizes revenue from product sales when the following four criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured. The Company ships the majority of its direct selling segment products directly to the distributors via UPS or USPS and receives substantially all payments for these sales in the form of credit card transactions. The Company regularly monitors its use of credit card or merchant services to ensure that its financial risk related to credit quality and credit concentrations is actively managed. Revenue is recognized upon passage of title and risk of loss to customers when product is shipped from the fulfillment facility. The Company ships the majority of its coffee segment products via common carrier and invoices its customer for the products. Revenue is recognized when the title and risk of loss is passed to the customer under the terms of the shipping arrangement, typically, FOB shipping point.

The Company also charges fees to become a distributor, and earn a position in the network genealogy, which are recognized as revenue in the period received. The standard fee to become a distributor is $10.00, for a welcome kit that consists of forms, policy and procedures, selling aids, and access to our distributor website and a genealogy position with no down line distributors. The Company recognized related revenue of $210,000 and $105,000 for the years ended December 31, 2012 and 2011, respectively. During 2011, the Company also sold three specific genealogy positions with existing down line distributors and issued 2,785,516 warrants to purchase the Company’s common stock. The Company accounted for the transactions by recording net revenue of $1,130,000 (See Note 8).

Sales revenue and a reserve for estimated returns are recorded when product is shipped. Revenue from product sales is recorded net of sales taxes.

Product Return Policy

All products, except food products and commercial coffee products are subject to a full refund within the first 30 days of receipt by the customer, subject to an advance return authorization procedure. Returned product must be in unopened resalable condition. Commercial coffee products are returnable only if defective. The Company establishes product return reserves based on historical experience. As of December 31, 2012 and 2011, the Company’s reserve balance for returns was approximately $75,000 and $47,000, respectively, which is recorded in other current liabilities in the consolidated balance sheets.

Shipping and Handling

Shipping and handling costs associated with inbound freight and freight to customers, including independent distributors, are included in cost of sales. Shipping and handling fees charged to all customers are included in sales. Shipping expense was approximately $2,851,000 and $3,367,000 for the years ended December 31, 2012 and 2011, respectively.
Distributor Compensation

In the direct selling segment, the Company utilizes a network of independent distributors, each of whom has signed an agreement with the Company, enabling them to purchase products at wholesale prices, enroll new distributors for their down-line and earn compensation on product purchases made by those down-line distributors.

The payments made under the compensation plans are the only form of compensation paid to the distributors. Each product has a point value, which may or may not correlate to the wholesale selling price of a product. A distributor must qualify each month to participate in the compensation plan by making a specified amount of product purchases, achieving specified point levels. Once qualified, the distributor will receive payments based on a percentage of the point value of products sold by the distributor’s down-line. The payment percentage varies depending on the qualification level of the distributor and the number of levels of down-line distributors. There are also additional incentives paid upon achieving predefined activity and or down-line point value levels. There can be multiple levels of independent distributors earning incentives from the sales efforts of a single distributor. Due to the multi-layer independent sales approach, distributor incentives are a significant component of the Company’s cost structure. The Company accrues all distributor compensation expense in the month earned and pays the compensation the following month.

Advertising Expense

Advertising costs are expensed in the period incurred and are not material to the results of operations in any of the periods presented. Advertising expense for the years ended December 31, 2012 and 2011 was approximately $75,000 and $10,000, respectively.

Earnings Per Share

Basic earnings per common share (“EPS”) is based on the weighted-average number of common shares that were outstanding during each period. Diluted earnings per common share include the effect of potentially dilutive common shares, which include conversion of preferred shares and outstanding warrants for preferred and common shares that have not been exercised.

For the period of time prior to the Reverse Acquisition, the weighted-average number of common shares outstanding are based on the shares outstanding for AL Global, retroactively adjusted for the Reverse Acquisition and the reverse stock split. The weighted-average number of shares outstanding after the Reverse Acquisition is based on the shares outstanding for the Company during that period of time.

Since the Company has a net loss for all periods presented, common stock equivalents are not included in the weighted-average calculation since their effect would be anti-dilutive. The Company has excluded the following securities from the calculation of diluted loss per share, as their effect would have been antidilutive:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible preferred stock</td>
<td>422,270</td>
<td>542,270</td>
</tr>
<tr>
<td>Warrants - Common stock</td>
<td>20,158,823</td>
<td>16,745,634</td>
</tr>
<tr>
<td>Warrants - Preferred stock</td>
<td>261,830</td>
<td>261,830</td>
</tr>
<tr>
<td>Options - Common stock</td>
<td>13,728,000</td>
<td>-</td>
</tr>
<tr>
<td>Total potential dilutive securities</td>
<td>34,570,923</td>
<td>17,548,734</td>
</tr>
</tbody>
</table>
Foreign Currency Translation

The financial position and results of operations of the Company’s foreign subsidiaries are measured using the foreign subsidiary’s local currency as the functional currency. Revenues and expenses of such subsidiaries have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component of shareholders’ equity, unless there is a sale or complete liquidation of the underlying foreign investments. The Company translates the foreign currencies of its Australian and New Zealand subsidiaries as well as the operations of its Philippine variable interest entity. Translation gains or losses resulting from transactions in currencies other than the respective entities functional currency are included in the determination of income and are not considered significant to the Company for 2012 and 2011.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net gains and losses affecting stockholders’ deficit that, under generally accepted accounting principles, are excluded from net loss. For the Company, the only items are the cumulative foreign currency translation and net loss.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes," under the asset and liability method which includes the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this approach, deferred taxes are recorded for the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial statement and tax basis of assets and liabilities, and are adjusted for changes in tax rates and tax laws when changes are enacted. The effects of future changes in income tax laws or rates are not anticipated.

The Company is subject to income taxes in the United States and certain foreign jurisdictions. The calculation of the Company’s tax provision involves the application of complex tax laws and requires significant judgment and estimates. The Company evaluates the realizability of its deferred tax assets for each jurisdiction in which it operates at each reporting date and establishes a valuation allowance when it is more likely than not that all or a portion of its deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the same character and in the same jurisdiction. The Company considers all available positive and negative evidence in making this assessment, including, but not limited to, the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. In circumstances where there is sufficient negative evidence indicating that deferred tax assets are not more likely than not realizable, the Company will establish a valuation allowance.

The Company applies ASC 740 in the accounting for uncertainty in income taxes recognized in its financial statements. ASC 740 requires that all tax positions be evaluated using a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Differences between tax positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred taxes, or both. The Company believes that its accruals for uncertain tax positions are adequate for all open audit years based on its assessment of many factors including past experience and interpretation of tax law. To the extent that new information becomes available, which causes the Company to change its judgment about the adequacy of its accruals for uncertain tax positions, such changes will impact income tax expense in the period such determination is made. The Company’s policy is to include interest and penalties related to unrecognized income tax benefits as a component of income tax expense.
Stock Based Compensation

The Company accounts for stock based compensation in accordance with ASC 718, "Compensation – Stock Compensation", which establishes accounting for equity instruments exchanged for employee services. Under such provisions, stock based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense, under the straight-line method, over the vesting period of the equity grant.

The Company accounts for equity instruments issued to non-employees in accordance with authoritative guidance for equity based payments to non-employees. Stock options issued to non-employees are accounted for at their estimated fair value, determined using the Black-Scholes option-pricing model. The fair value of options granted to non-employees is re-measured as they vest, and the resulting increase in value, if any, is recognized as expense during the period the related services are rendered.

Other Income

In April 2012, the Company received approximately $227,000 in proceeds from a claim related to the government shutdown of a product supplier which occurred in 2003. During the fourth quarter of 2012, the Company reduced the carrying amount of a note payable by approximately $690,000 (See Note 6). These are recorded as other income in the 2012 consolidated statement of operations.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by FASB, or other standard setting bodies, which are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company’s management believes that the impact of recently issued standards that are not yet effective will not have a material impact on the Company’s consolidated financial statements upon adoption.

Comprehensive Income (Topic 220)—Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. In February 2013, the FASB issued ASU 2013-02, Comprehensive Income (Topic 220)—Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. ASU 2013-02 amends prior guidance by requiring an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. ASU 2013-02 is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2012. Early adoption is permitted. The Company does not expect the adoption of this pronouncement to have a material impact on its consolidated financial statements.

Foreign Currency Matters (Topic 830)—Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. In March 2013, the FASB issued ASU 2013-05, Foreign Currency Matters (Topic 830)—Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (“ASU 2013-05”). ASU 2013-05 provides guidance on releasing cumulative translation adjustments when a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or a business within a foreign entity. ASU 2013-05 is effective on a prospective basis for fiscal years and interim reporting periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company is evaluating the impact this may have on the Company’s consolidated financial statements.

3. BUSINESS COMBINATIONS

During 2012 and 2011, the Company entered into a number of business and asset acquisitions, which are detailed below. All of the acquisitions were conducted in an effort to expand the Company’s distributor network, enhance and expand its product portfolio, and diversify its product mix. As such, the major purpose for all of the business combinations was to increase revenue. In most cases, the acquisitions were structured as asset purchases which resulted in the recognition of certain intangible assets.
We have accounted for all of our business combinations using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill.

**Livinity**

In July 2012, the Company acquired certain assets of Livinity, Inc., a Kansas corporation (“Livinity”). Livinity develops and distributes nutritional supplements through its distributorship organization of independent authorized agents. The transaction was accounted for as a business combination. The contingent consideration to be paid in cash by the Company is based on a percentage of sales by the seller’s distributor organization of which the Company has estimated the fair value at the date of acquisition to be approximately $641,000, as determined by management using a discounted cash flow methodology.

The assets acquired were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for Livinity is (in thousands):

| Intangible assets - Distributor organization | $555 |
| Intangible assets - Trademarks              | $36  |
| Total purchase price                       | $641 |

The fair value of intangible assets acquired in the amount of approximately $641,000 was determined through use of a discounted cash flow methodology. Specifically, the intangibles identified in the acquisition were trademarks and the distributor organization. The intangible assets are being amortized over their estimated useful life of seven and ten years for the distributor organization and trademarks, respectively, using the straight-line method which is believed to approximate the time-line with which the economic benefit of the underlying intangible asset will be realized.

Consideration paid was approximately $108,000, of which approximately $21,000 was recorded as interest expense for the year ended December 31, 2012. During the fourth quarter of 2012 the Company revalued the contingent acquisition debt for Livinity due to higher than forecasted revenues, recording $370,000 as an increase to contingent acquisition debt and general and administrative expense. The revenue included in the consolidated statements of operations for the year ended December 31, 2012 was approximately $871,000. The costs related to the acquisition of Livinity were expensed as incurred and were not considered significant.

**True2Life**

In March 2012, the Company acquired certain assets of GLIE, LLC, a California limited liability corporation conducting the majority of its business under the trade name True2Life. True2Life is a developer and distributor of nutritional supplements, including vitamin and mineral supplements, and has developed a distributorship organization of independent authorized agents for the sale of its products. The transaction was accounted for as a business combination. The contingent consideration to be paid in cash by the Company is based on a percentage of revenue derived from sales through the True2Life distributor organization and sales of the True2Life products over a 7 year period. The Company has estimated the fair value at the date of acquisition to be approximately $227,000, as determined by management using a discounted cash flow methodology.

The assets acquired were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for True2Life is (in thousands):

| Intangible assets - Distributor organization | $200 |
| Intangible assets - Trademarks              | $27  |
| Total purchase price                       | $227 |
The fair value of intangible assets acquired in the amount of approximately $227,000 was determined through use of a discounted cash flow methodology. Specifically, the intangibles identified in the acquisition were trademarks and the distributor organization. The intangible assets are being amortized over their estimated useful life of seven and ten years for the distributor organization and trademarks, respectively, using the straight-line method which is believed to approximate the time-line with which the economic benefit of the underlying intangible asset will be realized.

Consideration paid for the year ended December 31, 2012 was approximately $49,000, of which approximately $11,000 was recorded as interest expense. During the fourth quarter of 2012 the Company revalued the contingent acquisition debt for True2Life due to higher than forecasted revenues, recording $656,000 as an increase to contingent acquisition debt and general and administrative expense. The revenue included in the consolidated statements of operations was approximately $448,000 for the year ended December 31, 2012. The costs related to the acquisition of True2Life were expensed as incurred and were not considered significant.

Financial Destination, Inc.

In October 2011, the Company agreed to acquire all outstanding stock of Financial Destination, Inc., a New Hampshire corporation, and its related entities, FDI Management, Inc., a New Hampshire corporation, and MoneyTrax, LLC, a Nevada limited liability corporation (collectively “FDI”), a direct marketer of telecom products and other services, and FDI Realty, LLC, a New Hampshire limited liability company (“FDI Realty”). In October 2011, the Company completed the acquisition of FDI; however the acquisition of FDI Realty was postponed, subject to the seller obtaining consent to assignment of its mortgages. The Company has agreed to assume outstanding liabilities of approximately $2,160,000 in full consideration for FDI Realty upon seller’s receipt of consent to assignment from the lenders. As of December 31, 2012, FDI Realty had not been acquired. The consideration to be paid for FDI by the Company is payable in cash, and is contingent, based on a percentage of revenue generated by the Company. The Company estimated the fair value of the liability at the date of acquisition to be approximately $3,260,000, which is included in contingent acquisition debt in the consolidated balance sheet.

The assets acquired and liabilities assumed were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for FDI was (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$77</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>202</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>51</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,221</td>
</tr>
<tr>
<td>Intangible assets - Distributor organization</td>
<td>2,200</td>
</tr>
<tr>
<td>Intangible assets - Trademarks</td>
<td>130</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(119)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(602)</td>
</tr>
<tr>
<td><strong>Total purchase price</strong></td>
<td><strong>3,260</strong></td>
</tr>
</tbody>
</table>

The consideration of approximately $3,260,000 was determined based on the Earn-Out Consideration, which is equal to 1% of the Company’s net sales, payable monthly for a period of ten years up to a maximum of approximately $20,000,000. In accordance with the terms of the agreement, the seller is also entitled to: 1) Residual Consideration, which is equal to 1% of the Company’s net sales, payable monthly beginning the earlier of the full payment of the Earn-Out Consideration or October 21, 2021, up to approximately $1,000,000 per year for an indefinite period, and 2) Contingent Consideration of approximately $2,300,000 to be payable in equal monthly installments over ten years. The Earn-Out, Residual and Contingent Consideration are terminable in the event of the seller’s death or if the seller engages in any employment, business or other activity that is in any way competitive with the Company. The Earn-Out and Residual Consideration may be reduced upon conclusion of seller’s employment with the Company, and are being accounted for as compensation for post-acquisition services. The Residual Consideration is subject to certain buy-out provisions, based on a formula, at the request of the Company. The Contingent Consideration will be reduced in the event that the distributor network included in the assets of FDI does not achieve approximately $8,500,000 in gross sales per year.
Goodwill of $1,221,000 was recognized in the direct selling segment as the excess purchase price over the acquisition-date fair value of net assets acquired. Goodwill is estimated to represent the synergistic values expected to be realized from the combination of the two businesses. The goodwill is not expected to be deductible for tax purposes.

The fair value of intangible assets acquired in the amount of approximately $2,330,000 was determined through the use of a third party valuation firm using various income and market approach methodologies. Specifically, the intangibles identified in the acquisition were trademarks and the distributor organization. The intangible assets are being amortized over their estimated useful life of seven and ten years for the distributor organization and trademarks, respectively, using the straight-line method which is believed to approximate the time-line with which the economic benefit of the underlying intangible asset will be realized.

The costs related to the acquisition of FDI totaled approximately $48,000, which included, advisory, legal, valuation and other professional fees. These costs were expensed as incurred in the periods in which services were received and recognized in the consolidated statements of operations in general and administrative expenses.

During the years ended December 31, 2012 and 2011, consideration paid was approximately $663,000 and $77,000, respectively, and imputed interest of $639,000 and $99,000, was recorded as interest expense, respectively. During the fourth quarter of 2012 the Company revalued the contingent acquisition debt for FDI due to higher than forecasted revenues, recording $150,000 as an increase to contingent acquisition debt and general and administrative expense. The revenue included in the consolidated statements of operations was approximately $6,733,000 and $3,218,000 for the years ended December 31, 2012 and 2011, respectively.

**Adaptogenix**

In August 2011, the Company acquired substantially all the assets of Adaptogenix, LLC, a Utah limited liability company (“Adaptogenix”), a seller of botanical derived products, including a health line, wellness beverages and energy drinks and has developed a distributorship organization of independent authorized agents for the sale of its products. The purchase price was initially determined to be approximately $1,300,000 based on $400,000 in cash payments and a promissory note payable of approximately $900,000. Subsequent to the initial purchase agreement, during the measurement period, the note payable was renegotiated and ultimately reduced to approximately $314,000. Accordingly, the purchase price has been decreased to $714,000 resulting from a decrease in the note payable and a corresponding decrease to goodwill. The promissory note bears interest at a rate of less than 1% per annum and is due in monthly payments of $25,000 for the first 3 months and $10,000 commencing on January 1, 2012 and continuing on a monthly basis until the note is paid in full.

The assets acquired were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for Adaptogenix is (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory, net</td>
<td>$270</td>
</tr>
<tr>
<td>Goodwill</td>
<td>366</td>
</tr>
<tr>
<td>Intangible assets - Distributor organization</td>
<td>66</td>
</tr>
<tr>
<td>Intangible assets - Trademarks</td>
<td>12</td>
</tr>
<tr>
<td>Total purchase price</td>
<td>$714</td>
</tr>
</tbody>
</table>

The revenue included in the consolidated statements of operations was approximately $438,000 and $91,000 for the years ended December 31, 2012 and 2011, respectively. The costs related to the acquisition of Adaptogenix were expensed as incurred and were not considered significant.
On July 11, 2011, AL Global Corporation ("AL Global"), a privately held California corporation, merged with and into a wholly-owned subsidiary of Javalution Coffee Company, a publicly traded Florida corporation ("Javalution"). For accounting purposes, this business combination has been treated as a reverse acquisition ("Reverse Acquisition") with AL Global as the accounting acquirer. Under the terms of the Reverse Acquisition, Javalution issued approximately 560,000,000 shares of its common stock (280,000,000 shares after giving effect of the Second Merger) in exchange for all the issued and outstanding common stock of AL Global which totaled 220 shares. The exchange ratio was 2,545,454 shares of Javalution common stock for each share of AL Global stock. As a result, AL Global became a wholly-owned subsidiary of Javalution. To effect the transaction, Javalution amended its articles of incorporation to increase its authorized shares of common stock to 1,000,000,000 and preferred stock to 100,000,000.

Subsequent to the Reverse Acquisition and as a result of the Second Merger, effective August 6, 2011, Javalution merged with and into the Company. Each issued and outstanding share of no par value common stock of Javalution was converted into and became one-half of one validly issued, fully paid and non-assessable share of common stock, $0.001 par value, of the Company, and each issued and outstanding share of Series A preferred stock, no par value, of Javalution was converted into and became one validly issued, fully paid and non-assessable share of Series A preferred stock, par value $0.001 per share, of the Company.

The transaction is being treated as a reverse merger and accounted for as a Reverse Acquisition in which AL Global is deemed to be the accounting “acquirer” and Javalution is deemed to be the accounting “acquiree”. Consequently, the assets and liabilities and the historical operations reflected in the accompanying consolidated financial statements prior to the Reverse Acquisition are those of AL Global and are recorded at their historical cost basis. The consolidated financial statements after completion of the Reverse Acquisition include the assets and liabilities of AL Global and the acquiree and the historical operations of AL Global and the acquiree after the closing date of the Reverse Acquisition.

The assets acquired and liabilities assumed were recorded at their estimated fair values as of the date of the Reverse Acquisition. The purchase price allocation for the acquiree is (in thousands):

<table>
<thead>
<tr>
<th>Asset category</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$684</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>443</td>
</tr>
<tr>
<td>Inventory</td>
<td>401</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>23</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>394</td>
</tr>
<tr>
<td>Goodwill</td>
<td>155,365</td>
</tr>
<tr>
<td>Intangible assets - Customer relationships</td>
<td>3,500</td>
</tr>
<tr>
<td>Intangible assets - Trademarks</td>
<td>900</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(742)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(109)</td>
</tr>
<tr>
<td>Due to factoring company</td>
<td>(311)</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>(313)</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>(286)</td>
</tr>
<tr>
<td><strong>Total purchase price</strong></td>
<td><strong>$160,119</strong></td>
</tr>
</tbody>
</table>

The consideration of approximately $160,119,000 was determined based on the closing price of Javalution’s common stock the day before the closing of the Reverse Acquisition. The closing price on that day of $1.56 was multiplied by the total common shares outstanding of 102,640,610 shares.
The Company utilized the services of a third party valuation firm to determine the purchase price allocation. As part of that valuation, the total enterprise value of the acquired business was determined to be approximately $9,000,000. As a result, the carrying amount of the goodwill, recorded in the commercial coffee segment, substantially exceeded its implied fair value; therefore, the Company recorded an impairment of approximately $151,432,000 in the third quarter of 2011, resulting in a net goodwill value of approximately $3,933,000. The goodwill is not expected to be deductible for tax purposes.

The intangible assets identified in the acquisition were customer relationships and trademarks. Approximately $800,000 of the intangible assets was determined to have indefinite lives and therefore not subject to amortization. The definite lived intangible assets are being amortized over their estimated useful life of seven and ten years for the customer relationships and trademarks, respectively, using the straight-line method which is believed to approximate the time-line with which the economic benefit of the underlying intangible asset will be realized.

The revenue and loss for commercial coffee included in the consolidated statement of operations were approximately $7,680,000 and $891,000, respectively for the year ended December 31, 2012 and $2,886,000 and $270,000, respectively for the year ended December 31, 2011. The revenue for direct selling included in the consolidated statement of operations was approximately $657,000 and $124,000 for the years ended December 31, 2012 and 2011, respectively.

The costs related to the acquisition of Javalution totaled approximately $46,000, which included; advisory, legal, valuation and other professional fees. These costs were expensed as incurred in the periods in which services were received and recognized in the consolidated statements of operations in general and administrative expenses.

R-Garden

In July 2011, the Company acquired certain assets of R-Garden, Inc., a Washington corporation (“R-Garden”), a developer and distributor of nutritional supplements, including vitamin, mineral and unique plant enzyme supplements and has developed a distributorship organization of independent authorized agents for the sale of its products. The consideration to be paid by the Company was based on a percentage of revenue the sales of R-Garden products generate over a 5 year period, which the Company had estimated its fair value at the acquisition date to be approximately $681,000.

The assets acquired were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for R-Garden was (in thousands):

| Intangible assets - Distributor organization | $ 475 |
| Intangible assets - Trademarks | $ 206 |
| **Total purchase price** | **$ 681** |

The costs related to the acquisition of R-Garden were expensed as incurred and were not considered significant.

Consideration paid for the years ended December 31, 2012 and 2011, was approximately $123,000 and $84,000, respectively, of which approximately $27,000 and $23,000, respectively, was recorded as interest expense. The revenue included in the consolidated statements of operations was approximately $1,234,000 and $841,000 for the years ended December 31, 2012 and 2011, respectively.

During September 2012, the Company entered into an agreement that modified the terms of its business combination agreement, transferring the ownership of the intangible assets and trademarks to R-Garden in exchange for forgiveness of the contingent consideration. The Company became a reseller authorized to sell certain R-Garden products. The Company has no further payment obligation to R-Garden. The Company recorded a loss on the disposition of assets of approximately $54,000 for the year ended December 31, 2012, which is reported in general and administrative expense.
Bellamora

In June 2011, the Company acquired certain assets of Bellamora, Inc., a Washington corporation (“Bellamora”). Bellamora markets and sells its own brand of skin care products and has developed a distributorship organization of independent authorized agents for the sale of its products. The transaction was accounted for as a business combination. The consideration to be paid in cash by the Company is contingent, based on the quantity of Bellamora products sold plus a percentage of sales made by the Bellamora distributor organization over a 5 year period, which the Company has estimated the combined fair value at the acquisition date to be approximately $49,000. Consideration paid for the year ended December 31, 2012 and 2011 is immaterial.

The assets acquired were recorded at estimated fair values as of the date of the acquisition. The purchase price allocation for Bellamora is (in thousands):

| Intangible assets - Trademarks | $ 49 |
| Total purchase price          | $ 49 |

The costs related to the acquisition of Bellamora were expensed as incurred and were not considered significant.

During the fourth quarter of 2012 the Company determined that there had been a material change in the business of Bellamora, and recognized an impairment loss for the remaining intangible asset of approximately $46,000. The Company also revalued the contingent acquisition debt for Bellamora due to lower than forecasted revenues, recording $46,000 as a decrease to contingent acquisition debt and general and administrative expense. In addition, the Company recorded approximately $41,000 of additional amortization expense reducing the carrying value of the trademarks.

Pro-Forma Information

The following table presents the approximate pro-forma effect assuming the Reverse Acquisition with Javalution as well as the business combinations discussed above had occurred at the beginning of the Company’s fiscal year for each respective year and includes pro-forma adjustments for revenue, intangible amortization, property and equipment depreciation and interest expense, as applicable (in thousands). The pro-forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisitions had taken place at the beginning of each fiscal period or of results that may occur in the future.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 75,605</td>
<td>$ 50,315</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>$ (189)</td>
<td>$ (153,224)</td>
</tr>
</tbody>
</table>

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4. ARRANGEMENTS WITH VARIABLE INTEREST ENTITIES

The Company consolidates all variable interest entities in which it holds a variable interest and is the primary beneficiary of the entity. Generally, a variable interest entity ("VIE") is a legal entity with one or more of the following characteristics: (a) the total at risk equity investment is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties; (b) as a group the holders of the equity investment at risk lack any one of the following characteristics: (i) the power, through voting or similar rights, to direct the activities of the entity that most significantly impact its economic performance, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) some equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. The primary beneficiary of a VIE is required to consolidate the VIE and is the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

In determining whether it is the primary beneficiary of a VIE, the Company considers qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party has the power to direct such activities; the amount and characteristics of Company's interests and other involvements in the VIE; the obligation or likelihood for the Company or other investors to provide financial support to the VIE; and the similarity with and significance to the business activities of Company and the other investors. Significant judgments related to these determinations include estimates about the current and future fair values and performance of these VIEs and general market conditions.

FDI Realty, LLC

FDI Realty is the owner and lessor of the building occupied by the Company for its sales office in Windham, NH. The Company is the lessee and currently one of three tenants. An officer of the Company is the single member of FDI Realty. The Company and FDI Realty are co-guarantors of FDI Realty’s mortgages on the leased building and has an agreement to purchase FDI Realty in connection with the acquisition of FDI. The Company determined that the fair value of the guarantees is not significant and therefore did not record a related liability. The first mortgage is due on August 13, 2018 and the second mortgage is due on August 13, 2028. The Company’s maximum exposure to loss as a result of its involvement with the unconsolidated VIE is approximately $2,142,000 and $2,210,000 as of December 31, 2012 and 2011, respectively. The Company may be subject to additional losses to the extent of any financial support that it voluntarily provides in the future. During the year ended December 31, 2012, the Company provided financial support it was not previously contractually required to provide in the form of additional rent of approximately $58,000 to assist FDI Realty with its working capital needs. The Company has no intent to provide such support in the future.

At December 31, 2012, the Company holds a variable interest in FDI Realty, for which the Company is not deemed to be the primary beneficiary. The Company has concluded, based on its qualitative consideration of the lease agreement, and the role of the single member of FDI Realty, that the single member is the primary beneficiary of FDI Realty. In making these determinations, the Company considered that the single member conducts and manages the business of FDI Realty, is authorized to borrow funds on behalf of FDI Realty, is the sole person authorized and responsible for conducting the business of FDI Realty, and is obligated to fund the obligations of FDI Realty. As a result of this determination, the financial position and results of operations of FDI Realty have not been included in the consolidated financial statements of the Company.

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2400 Boswell, LLC ("2400 Boswell") is the owner and lessor of the building occupied by the Company for its corporate office and warehouse in Chula Vista, CA. The Company is the lessee and currently the sole tenant. An immediate family member of a greater than 5% shareholder of the Company is the single member of 2400 Boswell. The Company is involved as a co-guarantor of the 2400 Boswell mortgage on the leased building. The mortgage is due June 1, 2013. During July 2012, the Company provided financial support it was not previously contractually required to provide in the form of a loan of approximately $323,000, in exchange for a promissory note bearing interest at 5% due June 1, 2013. This support was provided to assist 2400 Boswell to obtain a mortgage due date extension. The Company’s maximum exposure to loss as a result of its involvement with the unconsolidated VIE is approximately $3,976,000 and $3,900,000 as of December 31, 2012 and December 31, 2011, respectively. The Company may be subject to additional losses to the extent of any financial support that it voluntarily provides in the future. The Company has no intent to provide such support in the future, except that the Company has provided a guarantee for the mortgage refinancing completed by 2400 Boswell in March 2013.

At December 31, 2012 and 2011, the Company holds a variable interest in 2400 Boswell, for which the Company is not deemed to be the primary beneficiary. The Company has concluded, based on its qualitative consideration of the lease agreement, and the role of the single member of 2400 Boswell, that the single member is the primary beneficiary of 2400 Boswell. In making these determinations, the Company considered that the single member conducts and manages the business of 2400 Boswell, is authorized to borrow funds on behalf of 2400 Boswell, is the sole person authorized and responsible for conducting the business of 2400 Boswell, and is obligated to fund obligations of 2400 Boswell. As a result of this determination, the financial position and results of operations of 2400 Boswell have not been included in the consolidated financial statements of the Company.

Subsequent to December 31, 2012, the Company acquired 2400 Boswell (See Note 13).

AL Corporation Holding Pte. Ltd. and DrinkAct Southeast Asia, Inc.

The Company has concluded that it holds variable interests in AL Corporation Holding Pte. Ltd. ("DrinkACT Singapore") and DrinkAct Southeast Asia, Inc. ("DrinkACT Philippines"). DrinkACT Philippines and DrinkACT Singapore were established during the year ended December 31, 2011, as vehicles to distribute the Company’s product in the Southeast Asia region. The VIE's serve to exclusively market and distribute the Company’s product. Although the Company does not have any legal ownership of the businesses themselves, it does exert a level of control over the activities undertaken by each business and bears the risk of loss and the benefit of profits, to the extent that profits can be repatriated to the United States. Also, the nature of the relationship between the VIE’s and the Company have created an obligation for the Company to absorb certain losses if either VIE failed. Considering the nature of the relationship between the VIE’s and the Company, and that the Company is obligated to absorb losses, if any, the Company has determined that it is the primary beneficiary in the relationship and, therefore, the results of operations and non-controlling interests are included in the consolidated financial statements. The Company’s assets and liabilities used in operations, used to fund initial operations or used to collateralize the relationship for each VIE are not considered significant. The Company’s maximum exposure to loss is deemed to be the value of inventory on hand at either VIE at any given time. The Company ended its relationship with DrinkACT Singapore during 2012.

The following table summarizes the amounts included in the consolidated financial statements related to the operations of the VIE’s (in thousands):

<table>
<thead>
<tr>
<th>Years ended December 31</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$446</td>
<td>$487</td>
</tr>
<tr>
<td>Operating income</td>
<td>$(136)</td>
<td>$73</td>
</tr>
<tr>
<td>As of December 31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$169</td>
<td>$97</td>
</tr>
</tbody>
</table>
5. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value measurements are performed in accordance with the guidance provided by ASC 820, “Fair Value Measurements and Disclosures.” ASC 820 defines fair value as the price that would be received from selling an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities recorded at fair value in the financial statements are categorized based upon the hierarchy of levels of judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

- **Level 1** – Quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Unobservable inputs that are supportable by little or no market activity and that are significant to the fair value of the asset or liability.

The carrying amounts of the Company’s financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate their fair values based on their short-term nature. The carrying amount of the Company’s long term notes payable approximates its fair value based on interest rates available to the Company for similar debt instruments and similar remaining maturities. The estimated fair value of the contingent consideration related to the Company’s business combinations is recorded using significant unobservable measures and other fair value inputs and is therefore classified as a Level 3 financial instrument.

The following table details the fair value measurement within the three levels of the value hierarchy of the Company’s financial instruments, which includes the Level 3 liabilities related to contingent consideration on acquisitions (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent acquisition debt</td>
<td>$5,684</td>
<td>-</td>
<td>-</td>
<td>$5,684</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$5,684</td>
<td>-</td>
<td>-</td>
<td>$5,684</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent acquisition debt</td>
<td>$4,670</td>
<td>-</td>
<td>-</td>
<td>$4,670</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$4,670</td>
<td>-</td>
<td>-</td>
<td>$4,670</td>
</tr>
</tbody>
</table>
The following table reflects the activity for the Company’s contingent acquisition liabilities measured at fair value using Level 3 inputs (in thousands):

<table>
<thead>
<tr>
<th>Contingent Consideration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2010</td>
<td>$ 867</td>
</tr>
<tr>
<td>Level 3 liabilities acquired</td>
<td>3,991</td>
</tr>
<tr>
<td>Level 3 liabilities settled</td>
<td>(188)</td>
</tr>
<tr>
<td>Adjustments to liabilities included in earnings</td>
<td>4,670</td>
</tr>
<tr>
<td>Balance at December 31, 2011</td>
<td></td>
</tr>
<tr>
<td>Level 3 liabilities acquired</td>
<td>868</td>
</tr>
<tr>
<td>Level 3 liabilities settled</td>
<td>(984)</td>
</tr>
<tr>
<td>Adjustments to liabilities included in earnings</td>
<td>1,130</td>
</tr>
<tr>
<td>Balance at December 31, 2012</td>
<td>$ 5,684</td>
</tr>
</tbody>
</table>

The contingent acquisition liabilities are remeasured to fair value each reporting period using projected revenues, discount rates, and projected timing of revenues. Projected contingent payment amounts are discounted back to the current period using a discount rate. Projected revenues are based on the Company’s most recent internal operational budgets and long-range strategic plans. In some cases, there is no maximum amount of contingent consideration that can be earned by the sellers. Increases in projected revenues will result in higher fair value measurements. Increases in discount rates and the time to payment will result in lower fair value measurements. Increases (decreases) in any of those inputs in isolation may result in a significantly lower (higher) fair value measurement.

The weighted-average of the discount rates used was 15% and 14.0% as of December 31, 2012 and 2011, respectively. The projected year of payment ranges from 2013 to 2021.

6. NOTES PAYABLE AND OTHER DEBT

In November 2006, the Company entered into a $1,944,000 unsecured note payable to 2400 Boswell to fund the Company’s working capital needs. The note did not specify repayment terms. The note bears interest at 5.25% per annum. The note and all accrued unpaid interest was forgiven by 2400 Boswell in June 2011 and recognized as a capital contribution.

In April 2007, the Company entered into a $130,000 unsecured note payable to Dr. Joel Wallach, a family member of the Company’s Chief Executive Officer and Company founder, to fund the Company’s working capital needs. The note did not specify repayment terms. The note bears interest at 5.00% per annum. The note and all accrued unpaid interest was forgiven by Dr. Joel Wallach in June 2011 and recognized as a capital contribution.

In December 2007, the Company entered into a $156,000 unsecured note payable to Stephan Wallach, the Company’s CEO, in lieu of compensation. The note did not specify repayment terms. The note bears interest at 5.25% per annum. The note and all accrued unpaid interest was forgiven by Stephan Wallach in June 2011 and recognized as a capital contribution.

In October 2011, the Company assumed, with its acquisition of FDI, an unsecured line of credit held by Sovereign Bank, a Federal Savings Bank. The line of credit is payable on demand. The line of credit bears interest at the rate of the Sovereign Bank Prime Rate plus 1.00% and has a maximum borrowing limit of $150,000. The balance outstanding and the interest rate on the line was $145,000 and 4.25%, respectively, for the year ended December 31, 2011 and until it was repaid in October 2012. The Company has no further borrowing availability under this line of credit as of December 31, 2012.
In October 2011, the Company assumed, with its acquisition of FDI, an unsecured note payable to Rose Arraj. The note bears interest at 12.6% per annum. As of December 31, 2011, the amount outstanding on the note was approximately $29,000. The note was paid in full in February 2012.

In March 2007, the Company entered into an agreement to purchase certain assets of M2C Global, Inc., a Nevada corporation, for $4,500,000. The agreement required payments totaling $500,000 in three installments during 2007, followed by monthly payments in the amount of 10% of the sales related to the acquired assets until the entire note balance is paid. The Company has imputed interest at the rate of 7% per annum. During 2008, the Company alleged that one of the principals of M2C committed a breach of the agreement, at which time the Company discontinued a portion of its payments under this agreement. During the fourth quarter of 2012, the Company reduced the carrying amount of the liability by approximately $690,000, as the statutory time limit to bring action for non-payment against the Company expired. This amount was recognized as other income in the consolidated statement of operations. As of December 31, 2012 and 2011, the carrying value of the liability was approximately $1,365,000 and $2,419,000, respectively, net of an unamortized discount of $79,000 and $154,000, respectively. Imputed interest recorded on the note was approximately $75,000 and $100,000 for the years ended December 31, 2012 and 2011, respectively.

In August 2011, the Company entered into a $900,000 unsecured note payable to Adaptogenix, LLC in relation to the purchase of certain business assets. The note was subsequently renegotiated and reduced to approximately $314,000. The note is payable in monthly payments of $25,000 for the first 3 months and $10,000 per month commencing January 1, 2012 and continuing to maturity in March 2014. The note bears interest at less than 1.0% per annum. As of December 31, 2012 and 2011, the amounts outstanding on the note were approximately $150,000 and $239,000, respectively.

The following summarizes the maturities of notes payable (in thousands):

<table>
<thead>
<tr>
<th>Years ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 366</td>
</tr>
<tr>
<td>2014</td>
<td>283</td>
</tr>
<tr>
<td>2015</td>
<td>278</td>
</tr>
<tr>
<td>2016</td>
<td>284</td>
</tr>
<tr>
<td>2017</td>
<td>287</td>
</tr>
<tr>
<td>Thereafter</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,555</td>
</tr>
</tbody>
</table>

Capital Lease

The Company leases certain manufacturing equipment under a non-cancelable capital lease, which was included in fixed assets as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing equipment</td>
<td>$ 232</td>
<td>$ -</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(21)</td>
<td>-</td>
</tr>
<tr>
<td>Total manufacturing equipment</td>
<td>$ 211</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Depreciation expense related to the capitalized lease obligation was approximately $21,000 for the year ended December 31, 2012.
Future minimum lease payments at December 31, 2012 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years ending December 31</th>
<th>$</th>
<th>Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 96</td>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
<td>16</td>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>2018</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Amount representing interest</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Present value of minimum lease payments</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>Less current portion</td>
<td>(71)</td>
<td></td>
</tr>
<tr>
<td>Long term portion</td>
<td>$ 101</td>
<td></td>
</tr>
</tbody>
</table>

**Factoring Agreement**

The Company has a factoring agreement (“Factoring Agreement”) with Crestmark Bank (“Crestmark”) related to the Company’s accounts receivable resulting from sales of certain products within its commercial coffee reportable segment. Under the terms of the Factoring Agreement, the Company effectively sold all of its accounts receivable to Crestmark with non-credit related recourse. The Company continues to be responsible for the servicing and administration of the receivables. The terms of the Factoring Agreement require that it stay in effect until February 1, 2014 at which time it will automatically renew for successive one year periods unless proper notice of termination is given. During January 2013, the Company extended its Factoring Agreement through February 1, 2016, and modified certain of the terms (See Note 13).

The Factoring Agreement provides for the Company to receive advances against the purchase price of its receivables at the rate of 85% of the aggregate purchase price of the receivable outstanding at any time less: receivables that are in dispute, receivables that are not credit approved within the terms of the Factoring Agreement, and any fees or estimated fees related to the Factoring Agreement. Interest is accrued on all outstanding advances at the greater of 5.25% per annum or the Prime Rate (as identified by the Wall Street Journal) plus an applicable margin. The margin is based on the magnitude of the total outstanding advances and ranges from 2.50% to 5.00%. In addition to the interest accrued on the outstanding balance, Crestmark charges a factoring commission for each invoice factored, which is calculated as the greater of $5.00 or 1.50% of the gross invoice amount and is recorded as interest expense. The minimum factoring commission payable to the bank as of December 31, 2012 was $30,000 during each consecutive 12-month period.

The outstanding liability related to the Factoring Agreement was approximately $0 and $743,000 as of December 31, 2012 and 2011, respectively. Fees and interest paid pursuant to this agreement were approximately $150,000 and $54,000 for the years ended December 31, 2012 and 2011, respectively, which were recorded as interest expense. Trade receivables of approximately $7,392,000 and $2,447,000 were sold under the terms of the Factoring Agreement for the years ended December 31, 2012 and 2011, respectively.

The Company accounts for the sale of receivables under the Factoring Agreement as secured borrowing with a pledge of the subject receivables as well as all bank deposits as collateral, in accordance with the authoritative guidance for accounting for transfers and servicing of financial assets and extinguishments of liabilities. The caption “Accounts receivable, due from factoring company” on the accompanying consolidated balance sheet in the amount of approximately $836,000 and $937,000 as of December 31, 2012 and 2011, respectively, reflects the related collateralized accounts.

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An immediate family member of a greater than 5% shareholder of the Company is the single member of 2400 Boswell. 2400 Boswell is the owner and lessor of the building occupied by the Company for its corporate office and warehouse. The Company is the lessee and currently the sole tenant. The lease expires on April 30, 2021. The Company is a co-guarantor of 2400 Boswell’s mortgage on the leased building. During July 2012, the Company loaned 2400 Boswell $323,000 in exchange for a promissory note bearing interest at 5% due June 1, 2013. As of December 31, 2012 the Company had recorded approximately $7,000 in accrued interest under the terms of the note. The Company’s maximum exposure to loss is approximately $3,976,000 and $3,900,000 as of December 31, 2012 and 2011, respectively. As of December 31, 2012, the mortgage was due June 1, 2013. The rent expense was approximately $342,000 for each of the years ended December 31, 2012 and 2011. On March 15, 2013, 2400 Boswell refinanced its mortgage on the building, and the Company acquired 2400 Boswell from the single member (See Note 13).

A member of the Board of Directors appointed in 2012 owns and operates WVNP, Inc., a supplier of certain inventory items. The Company made purchases of approximately $2,254,000 from this supplier for the year ended December 31, 2012.

On July 1, 2012, the President of the Company was issued a loan to purchase stock in the Company in the amount $120,000. The loan is to be repaid within one year and carries an interest rate of 4.0%. As of December 31, 2012, $60,000 has been repaid under the terms of the note and a minimal amount has been recorded as interest income for the year ending December 31, 2012.

The President of the Company is the single member of FDI Realty. FDI Realty is the owner and lessor of the building occupied by the Company for its sales office in New Hampshire. The Company is the lessee and currently one of three tenants. The lease expires July 31, 2014 with five 3-year renewal options. The Company is a co-guarantor of FDI Realty’s mortgages on the leased building and has an agreement to purchase FDI Realty in connection with the acquisition of FDI. The Company determined that the fair value of the guarantees is not significant and therefore did not record a related liability. The Company’s maximum exposure to loss is approximately $2,142,000 and $2,210,000 as of December 31, 2012 and 2011, respectively. The first mortgage is due in August 2018 and the second mortgage is due in August 2028. The rent expense was approximately $261,000 and $34,000 for years ended December 31, 2012 and 2011, respectively.

7. RELATED PARTIES

The Company’s Articles of Incorporation, as amended, authorize the issuance of two classes of stock to be designated “Common Stock” and “Preferred Stock”.

Convertible Preferred Stock

The Company had 211,135 and 271,135 shares of Series A Convertible Preferred Stock (“Series A Preferred”) outstanding as of December 31, 2012 and 2011, respectively. The holders of the Series A Preferred stock are entitled to receive a cumulative dividend at a rate of 8.0% per year, payable annually either in cash or shares of the Company’s common stock at the Company’s election. Shares of common stock paid as accrued dividends are valued at $0.50 per share. At December 31, 2012 and 2011 the Company had cumulative dividends of approximately $77,000 and $79,000, respectively. Each share of Series A Preferred is convertible into two shares of the Company's common stock. The holders of Series A Preferred are entitled to receive payments upon liquidation, dissolution or winding up of the Company before any amount is paid to the holders of common stock. Effective August 8, 2011, there was a one for two reverse split of the Company’s common stock. As a result, the conversion rate for the Series A Preferred was adjusted from four shares to one to two shares to one. The holders of Series A Preferred shall have no voting rights, except as required by law.

During 2012, there were 60,000 shares of Series A Preferred and accrued dividends of approximately $19,000 converted into 155,770 shares of common stock. During 2011, there were 130,000 shares of Series A Preferred and accrued dividends of approximately $35,000 converted into 531,534 shares of common stock.
Common Stock

The holders of common stock are entitled to one vote per share on matters brought before the shareholders.

On July 11, 2011, the Company issued 560,000,000 shares of common (pre-split) stock, or 280,000,000 post-split, in connection with the acquisition of AL Global with shareholders of AL Global becoming the majority shareholders of Javalution.

Effective August 8, 2011, there was a reverse split of the common stock where two shares became one share. The conversion rate of the Series A Preferred was adjusted from four shares to one to two shares to one. The historical results of the Company have been retroactively adjusted to affect the reverse stock split.

During 2011, the Company issued 2,065,000 shares of common stock as the result of the exercise of 2,200,000 warrants in a cashless exercise and another 265,000 warrants with an average exercise price of approximately $0.37 for proceeds of $97,500.

During July 2012, the Company sold an aggregate of 4,100,000 shares of the Company’s common stock at a purchase price of $0.20 per share, for aggregate proceeds of $700,000 and a note receivable of $120,000. All sales were to key distributors, officers and directors of the Company, and members of their families. As part of this transaction, the Company also issued warrants to purchase an aggregate of 4,100,000 shares of common stock at exercise prices ranging from $0.25 to $0.40 per share. These warrants expire in 2015, three years after the closing dates. The Company determined that the warrants are equity instruments and do not represent derivative instruments. Also during 2012, the Company issued 180,769 shares of common stock as a result of the cashless exercise of 250,000 warrants to purchase common stock and issued 1,000 shares of common stock as a result of the exercise of 1,000 stock options.

The following table summarizes the common stock activity for the following periods:

| Shares outstanding at December 31, 2010 | 280,000,000 |
| Shares issued in connection with Reverse Acquisition | 102,640,775 |
| Shares issued pursuant to warrants exercised for cash | 265,000 |
| Shares issued pursuant to cashless warrant exercises | 1,800,000 |
| Conversion of preferred stock into common | 531,534 |
| Shares outstanding at December 31, 2011 | 385,237,309 |
| Shares issued pursuant to cashless warrant exercises | 380,769 |
| Conversion of preferred stock into common | 155,770 |
| Shares issued pursuant to exercise of stock options | 1,000 |
| Shares issued for cash and note receivable | 4,100,000 |
| Shares repurchased | (75,000) |
| Shares outstanding at December 31, 2012 | 389,999,848 |

Warrants to Purchase Preferred Stock

The following table summarizes preferred stock warrant activity for the following periods:

| Balance at December 31, 2010 | 130,915 |
| Granted | - |
| Expired / cancelled | - |
| Exercised | - |
| Balance at December 31, 2011 | 130,915 |
| Granted | - |
| Expired / cancelled | - |
| Exercised | - |
| Balance at December 31, 2012 | 130,915 |
As of December 31, 2012, warrants to purchase 130,915 shares of preferred stock at a price of $1.00 were outstanding. All warrants are exercisable as of December 31, 2012 and expire at various dates through November 2013. The 130,915 warrants were issued to replace similar instruments outstanding from the Javalution business.

Warrants to Purchase Common Stock

The following table summarizes common stock warrant activity for the following periods:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted</td>
<td>19,240,634</td>
<td>16,745,634</td>
<td>20,158,823</td>
</tr>
<tr>
<td>Expired / cancelled</td>
<td>-30,000</td>
<td>(436,811)</td>
<td>(250,000)</td>
</tr>
<tr>
<td>Exercised</td>
<td>(2,465,000)</td>
<td>(2,465,000)</td>
<td>(2,465,000)</td>
</tr>
</tbody>
</table>

As of December 31, 2012, warrants to purchase 20,158,823 shares of common stock at prices ranging from $0.10 to $1.00 were outstanding. All warrants are exercisable as of December 31, 2012 and expire at various dates through May 2017.

During 2012, the Company issued 4,100,000 warrants in connection with the sale of common stock discussed above. During 2012, the Company issued 180,769 shares of common stock pursuant to the cashless exercise of 250,000 warrants.

During 2011, 16,455,118 warrants were issued to replace similar instruments outstanding prior to the Javalution Reverse Merger. The remaining 2,785,516 warrants issued in 2011 were issued in connection with an asset purchase agreement whereby the Company sold three specific genealogy positions for $1,750,000. The warrants were valued at $620,000, using the Black Scholes valuation model, based on a number of assumptions including the common stock trading price on the date of grant, an estimated 5 year life, volatility of 75% and a risk-free interest rate of 2.18%. The Company accounted for the transactions by recording net revenue of $1,130,000.

Repurchase of Common Stock

On December 11, 2012, the Company authorized a share repurchase program to repurchase up to 15 million of the Company's issued and outstanding common shares from time to time on the open market or via private transactions through block trades. Under this program, as of December 31, 2012, the Company repurchased a total of 75,000 shares at a weighted-average cost of $0.17 per share. The remaining number of shares authorized for repurchase under the plan as of December 31, 2012 is 14,925,000.

Earnings Per Share

Basic earnings per share are based on the weighted-average number of shares outstanding for each period. Shares that are included in the diluted earnings per share calculations under the treasury stock method include equity awards that are in-the-money but have not yet been exercised. As a result of the Company's loss position, diluted EPS is the same as basic EPS for all periods.
On May 16, 2012, the Company established the 2012 Stock Option Plan (“Plan”) authorizing the granting of options for up to 40,000,000 shares of common stock. The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people and consultants with incentives to improve stockholder value and to contribute to the growth and financial success of the Corporation and (ii) enabling the Corporation to attract, retain and reward the best available persons for positions of substantial responsibility. The Plan permits the granting of stock options, including non-qualified stock options and incentive stock options qualifying under Section 422 of the Code, in any combination (collectively, “Options”).

The Company uses the Black-Scholes option-pricing model (“Black-Scholes model”) to estimate the fair value of stock option grants. The use of a valuation model requires the Company to make certain assumptions with respect to selected model inputs. Expected volatility is calculated based on the historical volatility of the Company’s stock price over the contractual term of the option. The expected life is based on the contractual term of the option and expected employee exercise and post-vesting employment termination behavior. Currently it is based on the simplified approach provided by SAB 110. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of the grant. The following were the factors used in the Black-Scholes model to calculate the compensation cost:

<table>
<thead>
<tr>
<th>Stock price volatility</th>
<th>84% - 110%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate of return</td>
<td>0.22% - 0.35%</td>
</tr>
<tr>
<td>Annual dividend yield</td>
<td>0%</td>
</tr>
<tr>
<td>Expected life</td>
<td>1.5 - 5.0 years</td>
</tr>
</tbody>
</table>

A summary of the Plan Options for the year ended December 31, 2012, is presented in the following table:

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Weighted Average Exercise Price</th>
<th>Aggregate Intrinsic Value (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding December 31, 2011</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Granted</td>
<td>13,729,000</td>
<td>0.22</td>
</tr>
<tr>
<td>Exercised</td>
<td>(1,000)</td>
<td>0.22</td>
</tr>
<tr>
<td>Outstanding December 31, 2012</td>
<td>13,728,000</td>
<td>$0.22</td>
</tr>
<tr>
<td>Exercisable December 31, 2012</td>
<td>1,528,000</td>
<td>$0.21</td>
</tr>
</tbody>
</table>

The weighted-average fair value per share of the granted options for the year ended December 31, 2012, was $0.11.
At December 31, 2012, the Company had 26,272,000 shares of common stock available for issuance under the Plan.

Total stock based compensation expense included in the consolidated statements of operations was charged as follows in thousands:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenues</td>
<td>$ -</td>
<td>$ 4</td>
</tr>
<tr>
<td>Distributor compensation</td>
<td>-</td>
<td>165</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>General and administrative</td>
<td>451</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 620</td>
<td>$ -</td>
</tr>
</tbody>
</table>

As of December 31, 2012, there was approximately $880,000 of total unrecognized compensation expense related to unvested share-based compensation arrangements granted under the Plan. The expense is expected to be recognized over a weighted-average period of 1.43 years.

10. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

The Company maintains cash balances at various financial institutions primarily located in San Diego, California. Accounts at the U.S. institutions are secured, up to certain limits, by the Federal Deposit Insurance Corporation. At times, balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk with respect to its cash and cash equivalent balances.

The Company has entered into a number of operating leases related to office and warehouse space as well as equipment used in operations. The future minimum lease payments under our non-cancelable agreements as of December 31, 2012 are approximately (in thousands):

<table>
<thead>
<tr>
<th>Years ending December 31,</th>
<th>Related Party</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 509</td>
<td>$ 272</td>
<td>$ 781</td>
</tr>
<tr>
<td>2014</td>
<td>509</td>
<td>217</td>
<td>726</td>
</tr>
<tr>
<td>2015</td>
<td>509</td>
<td>25</td>
<td>534</td>
</tr>
<tr>
<td>2016</td>
<td>509</td>
<td>-</td>
<td>509</td>
</tr>
<tr>
<td>2017</td>
<td>509</td>
<td>-</td>
<td>509</td>
</tr>
<tr>
<td>Thereafter</td>
<td>3,079</td>
<td>-</td>
<td>3,079</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,624</td>
<td>$ 514</td>
<td>$ 6,138</td>
</tr>
</tbody>
</table>

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Future minimum lease payments include minimum payments that will be required if the Company elects to exercise all renewal options on the facility leases where the Company is a co-guarantor on the mortgage (See Notes 4 and 7).

The Company has entered into a number of business combinations in recent years. In many of those transactions, the Company has recorded a liability for contingent consideration as part of the purchase price. All contingent consideration amounts are based on management’s best estimates utilizing all known information at the time of the calculation. The fair value of the contingent consideration arrangements were generally estimated by applying the income approach. That measure is based on significant inputs that are unobservable in the market, which is a Level 3 input. Key assumptions include discount rates ranging from 7.0% to 17.0% and probability-adjusted levels of annual revenues. In some cases, there is no maximum amount of contingent consideration that can be earned by the sellers. The Company performs a quarterly revaluation of contingent consideration and records the change as a component of operating income. There were approximately $1,130,000 of adjustments to the estimated contingent acquisition liabilities recognized during the year ended December 31, 2012 and no adjustments recognized during the year ended December 31, 2011.

2400 Boswell is the owner and lessor of the building occupied by the Company for its corporate office and warehouse in Chula Vista, CA. The Company is the lessee and currently the sole tenant. A family member of a greater than 5% shareholder of the Company is the single member of 2400 Boswell. The Company is a guarantor of the 2400 Boswell mortgage on the leased building. As of December 31, 2012, the total remaining lease payments under the lease are $2,850,000. Subsequent to December 31, 2012, the Company acquired 2400 Boswell (See Note 13).

As part of the agreement to acquire FDI and FDI Realty, in October, 2011, the Company completed the acquisition of FDI, but postponed the acquisition of FDI Realty subject to the seller obtaining consent regarding assignment of certain mortgages. If the transaction with FDI Realty closes the Company will assume outstanding liabilities of approximately $2,160,000 in full consideration for FDI Realty. No other consideration will be due to the seller with respect to the acquisition of FDI Realty. FDI is a co-guarantor of the mortgage guarantee obligations of FDI Realty, which houses the Windham, New Hampshire office.

The Company purchases its inventory from multiple third-party suppliers at competitive prices. For the year ended December 31, 2012 the Company made purchases from four vendors that individually comprised more than 10% of total purchases and in aggregate approximated 53% of total purchases. For the year ended December 31, 2011 the Company made purchases from two vendors that individually comprised more than 10% of total purchases and in aggregate approximated 21% of total purchases. The Company does not believe it is substantially dependent upon nor exposed to any significant concentration risk related to purchases from any single vendor, given the availability of alternative sources from which the Company may purchase inventory.

The Company has entered into a number of purchase commitments for the purchase of green or unroasted coffee to be used in the Company’s commercial coffee segment. Each individual contract requires the Company to purchase and take delivery of certain quantities at agreed upon prices and delivery dates. The contracts as of December 31, 2012, have minimum future purchase commitments of approximately $6,864,000, which are to be delivered in 2013. The contracts contain provisions whereby any delays in taking delivery of the purchased product will result in additional charges related to the extended warehousing of the coffee product. The fees average approximately $0.01 per pound for every month of delay. As of December 31, 2012, the Company was adequately protected by firm sales contracts and has not recognized a provision for losses.
11. INCOME TAXES

The income tax provision contains the following components (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 44</td>
<td>$ 22</td>
</tr>
<tr>
<td>State</td>
<td>126</td>
<td>179</td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td>135</td>
<td>201</td>
</tr>
<tr>
<td><strong>Total current</strong></td>
<td>196</td>
<td>246</td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 24</td>
<td>$ 33</td>
</tr>
<tr>
<td>State</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total deferred</strong></td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 196</td>
<td>$ 246</td>
</tr>
</tbody>
</table>

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income (loss) as a result of the following differences:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>(129)</td>
<td>(53,182)</td>
</tr>
<tr>
<td>Adjustments for tax effects of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign rate differential</td>
<td>19</td>
<td>76</td>
</tr>
<tr>
<td>Goodwill impairment</td>
<td></td>
<td>53,002</td>
</tr>
<tr>
<td>Non-deductible interest expense</td>
<td>-</td>
<td>61</td>
</tr>
<tr>
<td>Other non-deductible items</td>
<td>359</td>
<td>441</td>
</tr>
<tr>
<td>Rate change</td>
<td>(21)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(486)</td>
<td>(122)</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>476</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 196</td>
<td>$ 246</td>
</tr>
</tbody>
</table>

Significant components of the Company's deferred tax assets and liabilities are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortizable assets</td>
<td>$ 468</td>
<td>$ 285</td>
</tr>
<tr>
<td>Inventory</td>
<td>371</td>
<td>362</td>
</tr>
<tr>
<td>Accruals and reserves</td>
<td>92</td>
<td>58</td>
</tr>
<tr>
<td>Net operating loss carry-forward</td>
<td>6,474</td>
<td>6,197</td>
</tr>
<tr>
<td>Credit carry-forward</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,511</td>
<td>6,902</td>
</tr>
<tr>
<td>Deferred tax liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indefinite lived intangibles</td>
<td>(742)</td>
<td>(716)</td>
</tr>
<tr>
<td>Depreciable assets</td>
<td>(133)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(875)</td>
<td>(716)</td>
</tr>
<tr>
<td>Net deferred tax asset</td>
<td>6,836</td>
<td>6,236</td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(7,378)</td>
<td>(6,902)</td>
</tr>
<tr>
<td><strong>Net deferred tax liabilities</strong></td>
<td>$ (742)</td>
<td>(716)</td>
</tr>
</tbody>
</table>
A valuation allowance has been recognized to offset the net deferred tax assets as the realization of such assets is uncertain as of December 31, 2012 and 2011. The change in valuation allowance was an increase of approximately $476,000 for the year ended December 31, 2012. For the year ended December 31, 2011, there was an increase in the valuation allowance of approximately $5,597,000 which is comprised of an increase of approximately $5,719,000 that was recorded as part of the purchase accounting in connection with the Javalution merger and did not impact income tax expense, offset by an approximate $122,000 decrease in the valuation allowance that did impact income tax expense.

At December 31, 2012, the Company had approximately $14,137,000 in federal net operating loss carryforwards, which begin to expire in 2023, and approximately $18,840,000 in net operating loss carryforwards from various states. The Company had approximately $1,436,000 in net operating losses in foreign jurisdictions.

Pursuant to Internal Revenue Code ("IRC") Section 382, use of net operating loss and credit carryforwards may be limited if the Company experiences a cumulative change in ownership of greater than 50% in a moving three-year period. Ownership changes could impact the Company's ability to utilize the net operating loss and credit carryforwards remaining at an ownership change date. The Company has not completed its Section 382 study.

The Company has analyzed the impact of repatriating earnings from its foreign subsidiaries and has determined that the impact is immaterial.

Based upon the Company's evaluation of its tax positions, there were no significant uncertain tax positions requiring recognition in the accompanying consolidated financial statements. The evaluation was performed for the periods from December 31, 2008 through December 31, 2012, the tax periods that remain subject to examination by major tax jurisdictions as of December 31, 2012. The Company records interest and penalties on uncertain tax positions in income tax expense.

The Company offers a wide variety of products including; nutritional and health, sports and energy drinks, gourmet coffee, skincare and cosmetics, lifestyle, pharmaceutical discount card and pet related. In addition, the Company offers health and wellness services. Beginning in July 2011 with the Reverse Acquisition, the Company’s business is classified by management into two reportable segments: direct selling and commercial coffee. Prior to the Reverse Acquisition, the Company had one operating and one reportable segment.

The Company’s segments reflect the manner in which the business is managed and how the Company allocates resources and assesses performance. The Company’s chief operating decision maker is the Chief Executive Officer. The Company’s chief operating decision maker evaluates segment performance primarily based on revenue and segment operating income. The principal measures and factors the Company considered in determining the number of reportable segments were revenue, gross margin percentage, sales channel, customer type and competitive risks. In addition, each reporting segment has similar products and customers, similar methods of marketing and distribution and a similar regulatory environment.

The accounting policies of the segments are consistent with those described in the summary of significant accounting policies. Segment revenue excludes intercompany revenue eliminated in the consolidation. The following tables present certain financial information for each segment (in thousands):
The Company conducts its operations in the U.S., Canada, New Zealand, Philippines and Singapore. The following table displays revenues attributable to the geographic location of the customer (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Direct selling</td>
<td>$ 67,324</td>
<td>$ 37,784</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>7,680</td>
<td>2,866</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 75,004</td>
<td>$ 40,670</td>
</tr>
</tbody>
</table>

Gross margin

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Direct selling</td>
<td>$ 42,963</td>
<td>$ 24,222</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>862</td>
<td>486</td>
</tr>
<tr>
<td>Total gross margin</td>
<td>$ 43,825</td>
<td>$ 24,708</td>
</tr>
</tbody>
</table>

Net loss

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Direct selling</td>
<td>$ 327</td>
<td>(151,925)</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>(891)</td>
<td>(270)</td>
</tr>
<tr>
<td>Total net loss</td>
<td>$ (564)</td>
<td>(152,195)</td>
</tr>
</tbody>
</table>

Capital expenditures

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Direct selling</td>
<td>$ 481</td>
<td>125</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>280</td>
<td>123</td>
</tr>
<tr>
<td>Total capital expenditures</td>
<td>$ 761</td>
<td>248</td>
</tr>
</tbody>
</table>

Total assets

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Direct selling</td>
<td>$ 17,403</td>
<td>$ 14,621</td>
</tr>
<tr>
<td>Commercial coffee</td>
<td>7,504</td>
<td>9,746</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 24,907</td>
<td>$ 24,367</td>
</tr>
</tbody>
</table>

The Company conducts its operations in the U.S., Canada, New Zealand, Philippines and Singapore. The following table displays revenues attributable to the geographic location of the customer (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>United States</td>
<td>$ 68,425</td>
<td>$ 36,315</td>
</tr>
<tr>
<td>International</td>
<td>6,579</td>
<td>4,355</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 75,004</td>
<td>$ 40,670</td>
</tr>
</tbody>
</table>

Total tangible assets located outside the United States are not significant.
13. SUBSEQUENT EVENTS

During January 2013, the Company extended its Factoring Agreement through February 1, 2016, and modified certain of the terms. The Factoring Agreement provides for the Company to receive advances against the purchase price of its receivables at a rate up to 100% of the aggregate purchase price of the receivable outstanding at any time less: receivables that are in dispute, receivables that are not credit approved within the terms of the Factoring Agreement and any fees or estimated fees related to the Factoring Agreement. Interest is accrued on all outstanding advances at the greater of 5.25% per annum or the Prime Rate (as identified by the Wall Street Journal) plus an applicable margin. The margin is based on the magnitude of the total outstanding advances and ranges from 2.50% to 5.00%. In addition to the interest accrued on the outstanding balance, the factor charges a factoring commission for each invoice factored which is calculated as the greater of $5.00 or 0.875% to 1.00% of the gross invoice amount and is recorded as interest expense. The minimum factoring commission payable to the bank is $90,000 during each consecutive 12-month period.

During the first quarter of 2013, the Company issued 82,500 Options with exercise prices ranging from $0.18 to $0.30, vesting immediately with a contractual life of three years (See Note 9).

During the first quarter of 2013, the Company repurchased 305,500 shares of common stock at a weighted-average cost of $0.19 per share (See Note 8).

On March 19, 2013, the Company renegotiated its lease for its coffee roasting plant and distribution facility located in Miami, Florida, expanding the leased space to approximately 39,500 square feet and extended the term of the lease by 10 years through approximately May 2023, depending on occupancy date. The average annual lease payment is approximately $351,000 and the total obligation under this lease is approximately $3,511,000.

On March 15, 2013, 2400 Boswell refinanced its mortgage on the building occupied by the Company for its corporate office and warehouse in Chula Vista, CA. The Company, Stephan Wallach, and Michelle Wallach provided co-guarantees for the mortgage. The mortgage is for $3,625,000. Also on March 15, 2013, the Company acquired 2400 Boswell from an immediate family member of a greater than 5% shareholder of the Company for approximately $975,000 and assumed the mortgage. The Company paid approximately $248,000 in cash, forgave a note receivable and accrued interest of approximately $334,000, and issued a promissory note of approximately $393,000, which is payable in equal payments over 5 years and bears interest at 5%.

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CERTIFICATE OF INCORPORATION  
OF  
AL INTERNATIONAL, INC.  

AL International, Inc. (the “Corporation”), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of the Corporation is AL International, Inc.

SECOND: The address of its registered office in the State of Delaware is to be located at The Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock that the Corporation is authorized to issue is SIX HUNDRED MILLION (600,000,000) shares of common stock, par value $.001 per share (the “Common Stock”), and ONE HUNDRED MILLION (100,000,000) shares of preferred stock, par value $.001 per share (the “Preferred Stock”).

The Preferred Stock may be issued by the Board of Directors of the Corporation in one or more classes or one or more series within any class and such classes or series shall have such voting powers, full or limited, or no voting powers, and such designations, preferences, limitations or restrictions as the Board of Directors of the Corporation may determine, from time to time.

Shares of stock may be issued from time to time as the Board of Directors shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

FIFTH: Series A Convertible Preferred Stock. Holders of our Series A Convertible Preferred Stock (“Series A Convertible Preferred”) shall be entitled to receive a cumulative dividend at a rate of 8.0% per year, payable annually, in cash or shares of the Corporation’s common stock at the Corporation’s election. Each share of Series A Convertible Preferred shall be convertible into two shares of the Corporation’s common stock at this conversion rate of $.50 per share.

1. Dividends
   
   (a) Regular Dividends. Each holder (a “Holder” and collectively, the “Holders”) of the Series A Convertible Preferred shall be entitled to receive dividends at the specified rate. Such dividends shall be cumulative from (and including) such Series A Convertible Preferred’s issuance date and shall accrue daily, whether or not earned or declared, thereafter until paid and be calculated on the basis of a 360 day year. Dividends shall be payable in cash; provided, however, that in lieu of paying such dividends in cash, the Corporation may, at its option, pay any or all of such dividends by delivery of a number of shares Corporation common stock valued at $.50 per share subject to adjustment as set forth herein.

   (b) Participating Dividends. In the event any dividend or other distribution payable in cash or other property is declared on the Common Stock, such Holder on the record date for such dividend or distribution shall be entitled to receive per Series A Convertible Preferred share on the date of payment or distribution of such dividend or other distribution the amount of cash or property that would be received by the Holders of the number of shares of Common Stock into which such Series A Convertible Preferred share would be converted pursuant to this Section 1(b) immediately prior to such record date.
(c) **Holders Conversion Right.** Subject to the terms and conditions set forth herein, and any time or times on or after the issuance date, any Holder of Series A Convertible Preferred shall be entitled to convert any whole number of Series A Convertible Preferred shares into two (2) fully paid and nonassessable shares of Common Stock. The Corporation shall not issue any fractional shares of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one Series A Convertible Preferred share by a Holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall round such fraction of a share of Common Stock up to the nearest whole share.

(d) **Taxes.** The Corporation shall pay any and all taxes that may be payable with respect to the issuance and delivery of Common Stock upon the conversion of Series A Convertible Preferred shares.

(e) **Adjustments to Conversion Price and Number of Shares to be Received.** The share conversion for the holders of the Series A Convertible Preferred will be subject to adjustment from time to time as provided in this Section.

   (i) **Adjustment in Number of Shares to be received upon Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into the greater number of shares, the conversion ratios will be adjusted proportionately increased. If the Corporation at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior to such combination will be proportionately increased.

(2) **Reservation of Shares.**

   (a) **Authorized and Reserved Amount.** The Corporation shall, at all times so long as any of the Preferred Shares are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series A Convertible Preferred, such number of shares (the “Reserved Amount”) of Common Stock as shall from time to time be sufficient to effect the conversion of all the Series A Convertible Preferred. The initial number of shares of Common Stock reserved for conversion of the Series A Convertible Preferred shares and each increase in the number of shares so reserved shall be allocated pro rata among the Holders of the Series A Convertible Preferred shares based on the number of Series A Convertible Preferred shares held by each Holder at the time of issuance of the Series A Convertible Preferred shares or increase in the number of reserved shares, as the case may be. In the event a Holder shall sell or otherwise transfer any of such Holder’s Series A Convertible Preferred shares, each transferee shall be allocated a pro rata portion of the number of reserved shares of the Common Stock reserved for such transferor. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Series A Convertible Preferred shares shall be allocated to the remaining Holders of Series A Convertible Preferred, pro rata based on the number of Series A Convertible Preferred shares then held by such Holders.

   (3) **Voting Rights.**

   Holders of our Series A Convertible Preferred shall have no voting rights, except as required by law, including but not limited to the General Corporation Law of the State of Delaware and as expressly provided herein.

(4) **Liquidation, Dissolution, Winding-up.**

   In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Convertible Preferred shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of the Common Stock.

---

(c) Holders Conversion Right. Subject to the terms and conditions set forth herein, and any time or times on or after the issuance date, any Holder of Series A Convertible Preferred shall be entitled to convert any whole number of Series A Convertible Preferred shares into two (2) fully paid and nonassessable shares of Common Stock. The Corporation shall not issue any fractional shares of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one Series A Convertible Preferred share by a Holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall round such fraction of a share of Common Stock up to the nearest whole share.

(d) Taxes. The Corporation shall pay any and all taxes that may be payable with respect to the issuance and delivery of Common Stock upon the conversion of Series A Convertible Preferred shares.

(e) Adjustments to Conversion Price and Number of Shares to be Received. The share conversion for the holders of the Series A Convertible Preferred will be subject to adjustment from time to time as provided in this Section.

   (i) Adjustment in Number of Shares to be received upon Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into the greater number of shares, the conversion ratios will be adjusted proportionately increased. If the Corporation at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior to such combination will be proportionately increased.

(2) Reservation of Shares.

   (a) Authorized and Reserved Amount. The Corporation shall, at all times so long as any of the Preferred Shares are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series A Convertible Preferred, such number of shares (the “Reserved Amount”) of Common Stock as shall from time to time be sufficient to effect the conversion of all the Series A Convertible Preferred. The initial number of shares of Common Stock reserved for conversion of the Series A Convertible Preferred shares and each increase in the number of shares so reserved shall be allocated pro rata among the Holders of the Series A Convertible Preferred shares based on the number of Series A Convertible Preferred shares held by each Holder at the time of issuance of the Series A Convertible Preferred shares or increase in the number of reserved shares, as the case may be. In the event a Holder shall sell or otherwise transfer any of such Holder’s Series A Convertible Preferred shares, each transferee shall be allocated a pro rata portion of the number of reserved shares of the Common Stock reserved for such transferor. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Series A Convertible Preferred shares shall be allocated to the remaining Holders of Series A Convertible Preferred, pro rata based on the number of Series A Convertible Preferred shares then held by such Holders.

   (3) Voting Rights.

   Holders of our Series A Convertible Preferred shall have no voting rights, except as required by law, including but not limited to the General Corporation Law of the State of Delaware and as expressly provided herein.

(4) Liquidation, Dissolution, Winding-up.

   In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Convertible Preferred shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of the Common Stock.
All shares of Common Stock shall be junior rank to all Series A Convertible Preferred shares in respect of the preferences as to distribution and payments upon the liquidation, dissolution and winding up of the Corporation. The rights of the shares of Common Stock shall be subject to the preferences and relative rights of the Series A Convertible Preferred shares.

No holder of any shares of the Corporation of any class now or in the future authorized shall have any preemptive right as such holder (other than such right, any, as the board of directors in its discretion may determine), to purchase or subscribe for any additional issues of shares of the Corporation of any class now or in the future authorized.

The name and mailing address of the sole incorporator is as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>MAILING ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie Marlow</td>
<td>c/o Gracin &amp; Marlow, LLP</td>
</tr>
<tr>
<td></td>
<td>The Chrysler Building</td>
</tr>
<tr>
<td></td>
<td>405 Lexington Avenue, 26th Floor</td>
</tr>
<tr>
<td></td>
<td>New York, New York 10174</td>
</tr>
</tbody>
</table>

The Corporation may not amend this Certificate of Incorporation, or participate in any reorganization, sale or transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith use its best efforts, and assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the shares of preferred stock set forth hereinabove.

Meetings of stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the Corporation may be kept (subject to any provisions contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Corporation’s Board of Directors or in the bylaws of the Corporation. Elections of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of section 291 of Title 8 of the Delaware General Corporation Law order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

The Corporation shall to the fullest extent permitted by section 145 of the Delaware General Corporation Law, as the same may be amended or supplemented, or by any successor thereto, indemnify and reimburse any and all persons whom it shall have the power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in, or covered by said section. Notwithstanding the foregoing, the indemnification provided for in this Article Seventh shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any bylaw of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.
No director of the Corporation shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of a fiduciary duty as a director, except for liability: (i) for any breach of a director’s duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under section 174 of the Delaware General Corporation Law as the same exists or hereafter may be amended; or (iv) for any transaction from which the director derived an improper benefit. If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then liability of a director of the Corporation, in addition to limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. Any repeal or modification of this Article Eighth by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of directors of the Corporation existing at the time of such repeal or modification.

This Certificate of Incorporation is being signed on July 14, 2011.

/s/ Leslie Marlow
Leslie Marlow, Sole Incorporator
BY-LAWS
OF
AL INTERNATIONAL, INC.

ARTICLE I
STOCKHOLDERS

Section 1.1 Annual Meetings. An annual meeting of stockholders shall be held for the election of Directors at such date, time and place either within or without the State of Delaware as may be designated by the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2 Special Meetings. Special meetings of stockholders may be called by the Chairman of the Board, if any, the Vice Chairman of the Board, if any, or the President to be held at such date, time and place either within or without the State of Delaware as may be stated in the notice of the meeting. A special meeting of stockholders shall be called by the Secretary upon the written request, stating the purpose of the meeting, of stockholders who together own of record a majority of the outstanding shares of each class of stock entitled to vote at such meeting.

Section 1.3 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 1.4 Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5 Quorum. At each meeting of stockholders, except where otherwise provided by law or the certificate of incorporation or these by-laws, the holders of a majority of the outstanding shares of each class of stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting. In the absence of a quorum the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided by Section 1.4 of these by-laws until a quorum shall attend. Shares of its own capital stock belonging on the record date for the meeting to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes, provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.
Section 1.6 Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the absence of the Chairman of the Board by the Vice Chairman of the Board, if any, or in the absence of the Vice Chairman of the Board by the President, or in the absence of the President by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary, or in the absence of the Secretary an Assistant Secretary, shall act as secretary of the meeting, but in the absence of the Secretary and any Assistant Secretary the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7 Voting; Proxies. Unless otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. If the certificate of incorporation provides for more or less than one vote for any share on any matter, every reference in these by-laws to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. Voting at meetings of stockholders need not be by written ballot and need not be conducted by inspectors unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. With respect to other matters, unless otherwise provided by law or by the certificate of incorporation or these by-laws, the affirmative vote of the holders of a majority of the shares of all classes of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, provided that (except as otherwise required by law or by the certificate of incorporation) the Board of Directors may require a larger vote upon any such matter. Where a separate vote by class is required, the affirmative vote of the holders of a majority of the shares of each class present in person or represented by proxy at the meeting shall be the act of such class, except as otherwise provided by law or by the certificate of incorporation or these by-laws.

Section 1.8 Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 1.9 List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present.
Section 1.10  Consent of Stockholders in Lieu of Meeting. Any action required by law to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1  Powers; Number; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by law or in the certificate of incorporation. The Board shall consist of one or more members, the number thereof to be determined from time to time by the Board. Directors need not be stockholders.

Section 2.2  Election; Term of Office; Resignation; Removal; Vacancies. Each director shall hold office until the annual meeting of stockholders next succeeding his or her election and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon written notice to the Board of Directors or to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; except that, if the certificate of incorporation provides for cumulative voting and less than the entire Board is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire Board, or, if there be classes of directors, at an election of the class of directors of which he or she is a part. Whenever the holders of any class or series of stock are entitled to elect one or more directors by the provisions of the certificate of incorporation, the provisions of the preceding sentence shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Unless otherwise provided in the certificate of incorporation or these by-laws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class or from any other cause may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by the sole remaining director so elected.

Section 2.3  Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board may from time to time determine, and if so determined notice thereof need not be given.

Section 2.4  Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairman of the Board, if any, by the Vice Chairman of the Board, if any, by the President or by any two directors. Reasonable notice thereof shall be given by the person or persons calling the meeting.
Section 2.5 Participation in Meetings by Conference Telephone Permitted. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or of such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6 Quorum: Vote Required for Action. At all meetings of the Board of Directors one-third of the entire Board shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board unless the certificate of incorporation or these by-laws shall require a vote of a greater number. In case at any meeting of the Board a quorum shall not be present, the members of the Board present may adjourn the meeting from time to time until a quorum shall attend.

Section 2.7 Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in the absence of the Chairman of the Board by the Vice Chairman of the Board, if any, or in the absence of the Vice Chairman of the Board by the President, or in their absence by a chairman chosen at the meeting. The Secretary, or in the absence of the Secretary an Assistant Secretary, shall act as secretary of the meeting, but in the absence of the Secretary and any Assistant Secretary the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8 Action by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 2.9 Compensation of Directors. The Board of Directors shall have the authority to fix the compensation of directors.

ARTICLE III

COMMITTEES

Section 3.1 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of dissolution, removing or indemnifying directors or amending these by-laws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

Section 3.2 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board or a provision in the rules of such committee to the contrary, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, the vote of a majority of the members present at a meeting at the time of such vote if a quorum is then present shall be the act of such committee, and in other respects each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II of these by-laws.
ARTICLE IV

OFFICERS

Section 4.1 Officers; Election. As soon as practicable after the annual meeting of stockholders in each year, the Board of Directors shall elect a President and a Secretary, and it may, if it so determines, elect from among its members a Chairman of the Board and a Vice Chairman of the Board. The Board may also elect one or more Vice Presidents, one or more Assistant Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers and such other officers as the Board may deem desirable or appropriate and may give any of them such further designations or alternate titles as it considers desirable. Any number of offices may be held by the same person.

Section 4.2 Term of Office; Resignation; Removal; Vacancies. Except as otherwise provided in the resolution of the Board of Directors electing any officer, each officer shall hold office until the first meeting of the Board after the annual meeting of stockholders next succeeding his or her election, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Board or to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. The Board may remove any officer with or without cause at any time. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, but the election of an officer shall not of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board at any regular or special meeting.

Section 4.3 Chairman of the Board. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present and shall have and may exercise such powers as may, from time to time, be assigned to him or her by the Board and as may be provided by law.

Section 4.4 Vice Chairman of the Board. In the absence of the Chairman of the Board, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present and shall have and may exercise such powers as may, from time to time, be assigned to him or her by the Board and as may be provided by law.

Section 4.5 President. In the absence of the Chairman of the Board and Vice Chairman of the Board, the President shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. The President shall be the chief executive officer and shall have general charge and supervision of the business of the Corporation and, in general, shall perform all duties incident to the office of president of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or as may be provided by law.

Section 4.6 Vice Presidents. The Vice President or Vice Presidents, at the request or in the absence of the President or during the President's inability to act, shall perform the duties of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties; or if such determination is not made by the Board, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties. The Vice President or Vice Presidents shall have such other powers and shall perform such other duties as may, from time to time, be assigned to him or her or them by the Board or the President or as may be provided by law.

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Section 4.7  Secretary. The Secretary shall have the duty to record the proceedings of the meetings of the stockholders, the Board of Directors and any committees in a book to be kept for that purpose, shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, shall be custodian of the records of the Corporation, may affix the corporate seal to any document the execution of which, on behalf of the Corporation, is duly authorized, and when so affixed may attest the same, and, in general, shall perform all duties incident to the office of secretary of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or the President or as may be provided by law.

Section 4.8  Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation and shall deposit or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by or under authority of the Board of Directors. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties, with such surety or sureties as the Board may determine. The Treasurer shall keep or cause to be kept full and accurate records of all receipts and disbursements in books of the Corporation, shall render to the President and to the Board, whenever requested, an account of the financial condition of the Corporation, and, in general, shall perform all the duties incident to the office of treasurer of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or the President or as may be provided by law.

Section 4.9  Other Officers. The other officers, if any, of the Corporation shall have such powers and duties in the management of the Corporation as shall be stated in a resolution of the Board of Directors which is not inconsistent with these by-laws and, to the extent not so stated, as generally pertain to their respective offices, subject to the control of the Board. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties.

ARTICLE V

STOCK

Section 5.1  Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such certificate is manually signed by one officer or manually countersigned by a transfer agent or by a registrar, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 5.2  Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner’s legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI

MISCELLANEOUS

Section 6.1  Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.
Section 6.2 Seal. The Corporation may have a corporate seal which shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors. The corporate seal may be used by causation thereof to be impressed or affixed or in any other manner reproduced.

Section 6.3 Waiver of Notice of Meetings of Stockholders, Directors and Committees. Whenever notice is required to be given by law or under any provision of the certificate of incorporation or these by-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the certificate of incorporation or these by-laws.

Section 6.4 Indemnification of Directors, Officers and Employees. The Corporation shall indemnify to the full extent authorized by law any person made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation or serves or served at the request of the Corporation any other enterprise as a director, officer or employee. For purposes of this by-law, the term "Corporation" shall include any predecessor of the Corporation and any constituent corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger. The term "other enterprise" shall include any corporation, partnership, joint venture, trust or employee benefit plan, service "at the request of the Corporation" shall include service as a director, officer or employee of the Corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants or beneficiaries. Any excise taxes assessed on a person with respect to an employee benefit plan shall be deemed to be indemnifiable expenses; and action by a person with respect to an employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation.

Section 6.5 Interested Directors or Officers; Quorum. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or her votes are counted for such purpose, if: (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

Section 6.6 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.
Section 6.7 Amendment of By-Laws. These by-laws may be amended or repealed, and new by-laws adopted, by the Board of Directors, but the stockholders entitled to vote may adopt additional by-laws and may amend or repeal any by-law whether or not adopted by them.
WARRANT AGREEMENT

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND NEITHER THE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION UNDER SUCH ACT AND THE RULES AND REGULATIONS THEREUNDER.

WARRANT CERTIFICATE REPRESENTING WARRANTS TO PURCHASE COMMON STOCK OF JAVALUTION COFFEE COMPANY.

FOR VALUE RECEIVED, Javalution Coffee Company, a corporation organized and existing under the laws of the State of Florida (the "Company"), hereby certifies that David S. Briskie ("Holder"), is the holder of these Warrants (the "Warrants"), and each Holder shall have the right to purchase one (1) share of common stock of the Company (the "Common Stock") for each whole warrant, subject to the terms set forth below, at any time on or after the date of issuance of this Warrant (the "Commencement Date"), or from time to time thereafter, to purchase from the Company at such Holder's option Five Hundred Thousand (500,000) of fully paid and nonassessable shares of Common Stock. These Warrants shall be subject to the following terms and conditions:

SECTION 1. EXERCISE OF WARRANTS; EXERCISE PRICE; ADJUSTMENTS RELATIVE TO EXERCISE OF WARRANTS

1A. Exercise of Warrants

(a) Subject to the conditions of this Section 1, the holder of the Warrants at the holder's option may exercise such holder's rights under all or any part of the Warrants to purchase one (1) share of Common Stock (the "Warrant Shares") for each Warrant at a price equal to .045 per share the "Exercise Price" at any time on or after the Commencement Date and prior to 12/31/2014 (the "Termination Date").

1B. Liquidating Dividends; Purchase Rights

(a) In case at any time after the date hereof the Company shall declare a dividend upon the shares of Common Stock of any class payable otherwise than in shares of Common Stock or securities convertible into Common Stock ("Convertible Securities"), otherwise than out of consolidated earnings or consolidated earned surplus (determined in accordance with United States generally accepted accounting principles, including the making of appropriate deductions for minority interests, if any, in subsidiaries), and otherwise than in the securities to which the provisions of clause (b) below apply, and provided that such dividend shall not otherwise result in an adjustment of the number of shares of Common Stock purchasable upon exercise of each Warrant pursuant to any other provision hereof, the Company shall pay over to each holder of Warrants, upon exercise thereof on or after the dividend payment date, the securities and other property (including cash) which such holder would have received (together with all distributions thereon) if such holder had exercised the Warrants held by it on the record date fixed in connection with such dividend, and the Company shall take whatever steps are necessary or appropriate to keep in reserve at all times such securities and other property as shall be required to fulfill its obligations hereunder in respect of the shares issuable upon the exercise of all the Warrants.
(b) If at any time or from time to time on or after the date hereof but prior to the Termination Date the Company shall grant, issue or sell any options or rights (other than Convertible Securities) to purchase stock, warrants, securities or other property pro rata to the holders of Common Stock of all classes ("Purchase Rights"), each holder of Warrants shall be entitled to acquire (whether or not such holder's Warrants shall have been converted), upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such holder could have acquired if such holder had held the number of shares of Common Stock issuable upon exercise of such Warrants, immediately prior to the time or times at which the Company granted, issued or sold such Purchase Rights.

1C. Subdivision or Combination of Stock

(a) In case the Company shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares, the number of shares of Common Stock purchasable upon exercise of each Warrant immediately prior to such subdivision shall be proportionately increased, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined into a smaller number of shares, the number of shares of Common Stock purchasable upon exercise of each Warrant immediately prior to such combination shall be proportionately decreased.

1D. Changes in Common Stock

(a) If any capital reorganization or reclassification of the capital stock of the Company, or consolidation or merger of the Company with another corporation or other entity, or sale, transfer or other disposition of all or substantially all of its properties to another corporation or other entity, shall be effected, then, as a condition of such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition, lawful and adequate provision shall be made whereby each holder of Warrants shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions herein specified and in lieu of the shares of the Common Stock of the Company immediately theretofore issuable upon exercise of the Warrants, such shares of stock, securities or properties, if any, as may be issuable or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore issuable upon exercise of the Warrants had such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of each holder of Warrants to the end that the provisions hereof (including without limitation provisions for adjustment of the number of shares of Common Stock purchasable upon exercise of each Warrant) shall thereafter be applicable, as nearly equivalent as may be practicable in relation to any shares of stock, securities or properties thereafter deliverable upon the exercise thereof.

The Company shall not effect any such consolidation, merger, sale, transfer or other disposition, unless prior to or simultaneously with the consummation thereof the successor corporation (if other than the Company) resulting from such consolidation or merger or the corporation purchasing or otherwise acquiring such properties shall assume, by written instrument executed and mailed or delivered to the holders of the Warrants at the last address of such holders appearing on the books of the Company, the obligation to deliver to such holders such shares of stock, securities or properties as, in accordance with the foregoing provisions, such holders may be entitled to acquire. The above provisions of this subparagraph shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers, or other dispositions.

1E. Notice of Adjustment

(a) Upon any adjustment of the number of shares of Common Stock or other stock or property purchasable upon the exercise of each Warrant as provided herein, then and in each such case the Company shall within ten days following such adjustment deliver to each holder of Warrants a certificate of the Chief Financial Officer of the Company setting forth the number of shares of Common Stock or other stock or property purchasable upon exercise of each Warrant resulting from such adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Each holder of Warrants shall have the right, during the succeeding five (5) Business Days, to dispute the results set forth in such certificate by notifying the Company of the nature of such dispute in writing in reasonable detail, including the amount and nature of any
difference from the result determined by the Company. If no holder delivers such written notice of its objections within such five Business Day period, the determination set forth in the certificate of the Chief Financial Officer shall be deemed to have been accepted by the holders of the Warrants. The Company and such holder shall attempt to resolve any such objections within ten (10) Business Days following the receipt by the Company of such holder's objections. If the Company and such holder are unable to resolve such dispute, the Company shall promptly obtain the opinion of a firm of independent certified public accountants (which may be the regular auditors of the Company) of recognized national standing selected by the Company's Board of Directors, which opinion shall state the number of shares of Common Stock or other stock or property purchasable upon exercise of each Warrant resulting from such adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. The Company shall promptly mail a copy of such accountants' opinion to the holder of Warrants.

1F. Certain Events

(a) If any event occurs as to which in the opinion of the Board of Directors of the Company the other provisions of Section 1 hereof are not strictly applicable or if strictly applicable would not fairly protect the conversion rights of the holders of the Warrants in accordance with the essential intent and principles of such provisions, then such Board of Directors shall appoint a firm of independent certified public accountants (which may be the regular auditors of the Company) of recognized national standing, which shall give their opinion upon the adjustment, if any, on a basis consistent with such essential intent and principles, necessary to preserve, without dilution, the rights of the holders of the Warrants. Upon receipt of such opinion by the Board of Directors, the Company shall forthwith make the adjustments described therein; provided, however, that no such adjustment pursuant to this Section 1F shall have the effect of decreasing the number of shares of Common Stock purchasable upon the exercise of each Warrant as otherwise determined pursuant to Section 1 hereof except in the event of a combination of shares of the type contemplated in Section 1D and then in no event to a number of shares of Common Stock lesser than as adjusted pursuant to Section 1D.

1G. Prohibition of Certain Actions

(a) The Company will not take any action which would result in any adjustment to the number of shares of Common Stock purchasable upon exercise of any Warrant if the total number of shares of Common Stock issuable after such action upon exercise of all of the Warrants would exceed the total number of shares of Common Stock then authorized by the Company's Articles of Incorporation.

1H. Stock to be Reserved

(a) The Company will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon the exercise of Warrants as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of all outstanding Warrants, and the Company will maintain at all times all other rights and privileges sufficient to enable it to fulfill all its obligations hereunder. The Company covenants that all shares of Common Stock which shall be so issuable shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, free from preemptive or similar rights on the part of the holders of any shares of capital stock or securities of the Company, and free from all liens and charges with respect to the issue thereof. The Company will take all such action as may be necessary to assure that such shares of Common Stock may be so issued without violation by the Company of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock may be listed.

1I. Issue Tax

(a) The issuance of certificates for shares of Common Stock upon exercise of Warrants shall be made without charge to the holders of the Warrants exercised for any issuance tax in respect thereof.
1J. Closing of Books
   (a) The Company will at no time close its transfer books against the transfer of any Warrant or of any shares of Common Stock issued or issuable upon the exercise of any Warrant in any manner which interferes with the timely exercise of such Warrant.

1K. No Rights or Liabilities as Shareholders
   (a) No Warrant shall entitle any holder thereof to any of the rights of a shareholder of the Company. No provision of this Warrant, in the absence of the actual exercise of such Warrant or any part thereof by the holder thereof into Common Stock issuable upon such exercise, shall give rise to any liability on the part of such holder as a shareholder of the Company, whether such liability shall be asserted by the Company or by creditors of the Company.

1L. Fractional Shares
   (a) The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall make an adjustment thereof in cash on the basis of the "last sale price" (as defined below) of the Company’s Common Stock on the trading day immediately prior to the date of exercise. For purposes of the Section 1L, "last sale price" means, (i) if the Common Stock is listed on a national securities exchange or quoted on the Nasdaq National Market, Nasdaq SmallCap Market or NASD OTC Bulletin Board (or successor such as the Bulletin Board Exchange), the last sale price of the Common Stock in the principal trading market for the Common Stock as reported by the exchange, Nasdaq or the NASD, as the case may be, (ii) if the Common Stock is traded in the residual over-the-counter market, the closing bid price for the Common Stock on the last trading day preceding the date in question for which such quotations are reported by the Pink Sheets, LLC or similar publisher of such quotations, and (iii) if the fair market value of the Common Stock cannot be determined pursuant to clause (i) or (ii) above, such price as the Board of Directors of the Company shall determine, in good faith.

1M. Notice of Corporate Action
   (a) If at any time the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right, or
   (b) there shall be any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger of the Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another corporation, or
   (c) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company; then, in any one or more of such cases, the Company shall give to Holder (i) at least 20 days' prior written notice of the date on which a record date shall be selected for such dividend, distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least 20 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation and winding up. Each such written notice shall be sufficiently given if addressed to Holder at the last address of Holder appearing on the books of the Company.
SECTION 2. METHOD OF EXERCISE OF WARRANTS

(a) The Warrants may be exercised by the surrender of this Certificate, with the Form of Subscription attached hereto duly executed by the holder, to the Company at its principal office, accompanied by payment of the Exercise Price(s) for the number of shares of Common Stock specified. The Warrants may be exercised for less than the full number of shares of Common Stock called for hereby by surrender of this Certificate in the manner and at the place provided above, accompanied by payment for the number of shares of Common Stock being purchased. If the Warrants should be exercised in part only, the Company shall, upon surrender of this Warrant Certificate for cancellation, execute and deliver a new Warrant Certificate evidencing the right of the holder to purchase the balance of the shares purchasable hereunder. Upon receipt by the Company of this Warrant Certificate at the office of the Company, in proper form for exercise, accompanied by the full Exercise Price(s) in cash or certified or bank cashier’s check, the holder shall be deemed to be the holder of record of the shares of Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Common Stock shall not then be actually delivered to the holder.

(b) This Warrant may also be exercised at such time by means of a cashless exercise. In such event, the Holder shall surrender this Warrant, or any portion thereof, to the Company, together with a notice of cashless exercise, and the Company shall issue to the Holder the number of Warrant Shares determined as follows:

\[ X = \frac{Y (A-B)}{A} \]

where:

- \( X \) = the number of Warrant Shares to be issued to the Holder.
- \( Y \) = the number of Warrant Shares with respect to which this Warrant is being exercised as outlined on the Form of Election to Purchase, Schedule A.
- \( A \) = the closing bid price of the Common Stock immediately prior to the Date of Exercise.
- \( B \) = the Exercise Price.

SECTION 3. MUTILATED OR MISSING WARRANT CERTIFICATES

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant Certificate, and (in the case of loss, theft or destruction) of indemnification reasonably satisfactory to the Company and upon surrender and cancellation of this Warrant Certificate, if mutilated, the Company will execute and deliver a new Warrant Certificate of like tenor and date.

SECTION 4. MISCELLANEOUS

4A. Remedies

(a) Each holder of Warrants and Warrant Shares, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.
4B. **Successors and Assigns**

   (a) This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all holders from time to time of this Warrant and shall be enforceable by any such holder or holder of Warrant Shares.

4C. **Amendment**

   (a) This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

4D. **Severability**

   (a) Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

4E. **Headings**

   (a) The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

4F. **Governing Law**

   (a) This Warrant shall be governed by the laws of the State of Florida, without regard to the provisions thereof to conflict of laws.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed, as of the day and year first above written.

**JAVALUTION COFFEE COMPANY**

By /s/ Scott Pumper  
Scott Pumper  
President
Notice of Exercise
To Be Executed by the Warrant Holder
In Order to Exercise Warrants

The undersigned Warrant Holder hereby irrevocably elects to:

☐ exercise _____________ Warrants represented by this Warrant, and to purchase thereunder, _____________ full shares of Common Stock issuable upon the exercise of such Warrants, by delivery of $ _____________ (exercise price) ; or

☐ exercise _____________ Warrants represented by this Warrant, and to purchase thereunder, such number of full shares of Common Stock issuable upon the net issue exercise of such Warrants in accordance with the cashless exercise provisions of this Warrant.

The undersigned Warrant Holder requests that certificates for such shares of Common Stock shall be issued in the name of:

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

(please print or type name and address)

and be delivered to

(please print or type name and address)

and if such number of Warrants shall not be all the Warrants evidenced by this Warrant, that a new Warrant for the balance of such Warrants be registered in the name of, and delivered to, the registered Warrant Holder at the address stated above.

The undersigned hereby represents and warrants to the Company that it is an “Accredited Investor” within the meaning of Rule 501(c) of the Securities Act of 1933, as amended (the “Securities Act”), and is acquiring these securities for its own account and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same. The undersigned further represents that it does not have any contract, agreement, understanding or arrangement with any person to sell, transfer or grant the shares of Common Stock issuable under this Warrant. The undersigned understands that the shares it will be receiving are “restricted securities” under Federal securities laws inasmuch as they are being acquired from JAVALUTION COFFEE COMPANY, in transactions not including any public offering and that under such laws, such shares may only be sold pursuant to an effective and current registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act and any other applicable restrictions including the requirements of state securities and “blue sky” laws, in which event a legend or legends will be placed upon the certificate(s) representing the Common Stock issuable under this Warrant denoting such restrictions. The undersigned understands and acknowledges that the Company will rely on the accuracy of these representations and warranties in issuing the securities underlying the Warrant.

Dated: ____________________________

(Signature of Registered Holder)
ASSIGNMENT FORM
To be executed by the Warrant Holder
In order to Assign Warrants

FOR VALUE RECEIVED, __________________________ hereby sell, assigns and transfer unto:

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

___________________________________________________ _______________________________________
(Please print or type assignee name and address)

___________________________________________________ _______________________________________

___________________________________________________ _______________________________________

______________________________ of the Warrants represented by this Warrant, and hereby irrevocably constitutes and appoints ________________________ Attorney to transfer this Warrant on the books of the Company, with full power of substitution in the premises.

Dated: ______________________
(Signature of Registered Holder)

(Signature Guaranteed)

THE SIGNATURE MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS WARRANT IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A BANK, BROKER OR ANY OTHER ELIGIBLE GUARANTOR INSTITUTION THAT IS AUTHORIZED TO DO SO UNDER THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM (STAMP) UNDER RULES PROMULGATED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.
INCENTIVE STOCK OPTION AGREEMENT

Steve Wallach
Name of Option Holder
No. 1059

2,500,000
Total Number of Shares Subject to Option

$ .22
Exercise Price Per Share

5/31/12
Date

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option

Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

50% 1/1/13
50% 1/1/14

This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered

Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:

-1-
3. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

6. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.
The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

7. **Non-transferability of Option.**

   This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.

8. **Changes in Stock.**

   In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

   In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.

9. **Continuance of Employment.**

   This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. **Retirement.**

   If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. **Disability.**

   In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

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12. Death

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. Provisions of the Plan and Section 422A of the Internal Revenue Code

This certificate incorporates by reference the terms of the Plan and Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. Provisions of the Plan

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

IN WITNESS WHEREOF, AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________
          Member of the Board of Directors
<table>
<thead>
<tr>
<th>NUMBER OF SHARES PURCHASED UNDER OPTION</th>
<th>DATE OF EXERCISE</th>
<th>OFFICIAL SIGNATURE</th>
</tr>
</thead>
</table>

Please do not write in these spaces. Entries will be made by the Company upon partial exercise.
INCENTIVE STOCK OPTION AGREEMENT

Michelle Wallach

Name of Option Holder

2,500,000

Total Number of Shares Subject to Option

$0.22

Exercise Price Per Share

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option.

Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

50% 1/1/13
50% 1/1/14

This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered.

Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:
3. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

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7. **Non-transferability of Option**

   This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.

8. **Changes in Stock**

   In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

   In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.

9. **Continuance of Employment**

   This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. **Retirement**

    If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. **Disability**

    In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.
12. **Death**

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. **Provisions of the Plan and Section 422A of the Internal Revenue Code**

This certificate incorporates by reference the terms of the Plan and of Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. **Provisions of the Plan**

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

**IN WITNESS WHEREOF,** AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________
Member of the Board of Directors
RECORD OF PARTIAL EXERCISE

Please do not write in these spaces. Entries will be made by the Company upon partial exercise.

<table>
<thead>
<tr>
<th>NUMBER OF SHARES PURCHASED UNDER OPTION</th>
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</table>
INCENTIVE STOCK OPTION AGREEMENT

Dave Briskie

Name of Option Holder

5,000,000

Total Number of Shares Subject to Option

$ .22

Exercise Price Per Share

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option.

Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

- 50% 1/1/13
- 25% 1/1/14
- 25% 1/1/15

This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered.

Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:

-1-
3. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or persons to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or persons exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or persons to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or persons exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

6. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.
The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

7. Non-transferability of Option.

This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.


In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.


This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. Retirement.

If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. Disability.

In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.
12. **Death**

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. **Provisions of the Plan and Section 422A of the Internal Revenue Code.**

This certificate incorporates by reference the terms of the Plan and Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. **Provisions of the Plan.**

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

**IN WITNESS WHEREOF,** AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________
Member of the Board of Directors
Please do not write in these spaces. Entries will be made by the Company upon partial exercise.

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INCENTIVE STOCK OPTION AGREEMENT

William Andreoli
Name of Option Holder

400,000
Total Number of Shares Subject to Option

$ .22
Exercise Price Per Share

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option

Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

- 50% 1/1/13
- 25% 1/1/14
- 25% 1/1/15

This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered

Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:

(Blank)

-1-
3. **Exercise of Option**

   Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.  

   In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. **Payment for and Delivery of Stock**

   Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.  

   The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. **Exercise of Option**

   Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.  

   In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

6. **Payment for and Delivery of Stock**

   Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.
The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

7. **Non-transferability of Option.**

   This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee’s lifetime this option may be exercised only by him.

8. **Changes in Stock.**

   In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

   In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.

9. **Continuance of Employment.**

   This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. **Retirement.**

    If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. **Disability.**

    In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.
12. **Death**

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date the option is granted.

13. **Provisions of the Plan and Section 422A of the Internal Revenue Code.**

This certificate incorporates by reference the terms of the Plan and Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. **Provisions of the Plan.**

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

**IN WITNESS WHEREOF,** AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________

Member of the Board of Directors
RECORD OF PARTIAL EXERCISE

Please do not write in these spaces. Entries will be made by the Company upon partial exercise.

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INCENTIVE STOCK OPTION AGREEMENT

Richard Renton...

No. 1074

Name of Option Holder

50,000

Total Number of Shares Subject to Option

Date: 5/31/12

$ .22

Exercise Price Per Share

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. **Grant, Vesting and Expiration of Option**

   Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

   This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

   - Immediately vests

   This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. **Stock to be Delivered**

   Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

   The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

   Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the " Securities Act"), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:
3. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

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7. Non-transferability of Option.

This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.


In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.


This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. Retirement.

If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90\textsuperscript{th}) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. Disability.

In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.
12. **Death.**

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. **Provisions of the Plan and Section 422A of the Internal Revenue Code.**

This certificate incorporates by reference the terms of the Plan and Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. **Provisions of the Plan.**

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

IN WITNESS WHEREOF, AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________

                      Member of the Board of Directors
Please do not write in these spaces. Entries will be made by the Company upon partial exercise.

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INCENTIVE STOCK OPTION AGREEMENT

John Rochon
Name of Option Holder

50,000
Total Number of Shares Subject to Option

$ .22
Exercise Price Per Share

INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the “Company”) to the above-named option holder (the “Optionee”) an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the “Plan”), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option

   Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the “Common Stock”) set forth above, at an exercise price per share as set forth above.

   This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

   Immediately vests

   This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered

   Stock to be delivered upon the exercise of this option may consist of an original issue of authorized stock or may consist of treasury stock.

   The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

   Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), prior to such exercise, each notice of the exercise of the Option shall include a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:
3. **Exercise of Option**

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. **Payment for and Delivery of Stock**

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. **Exercise of Option**

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or person to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or person exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

6. **Payment for and Delivery of Stock**

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.
The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

7. Non-transferability of Option.

This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.


In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.


This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. Retirement.

If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. Disability.

In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

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12. **Death**

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. **Provisions of the Plan and Section 422A of the Internal Revenue Code**

This certificate incorporates by reference the terms of the Plan and Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. **Provisions of the Plan**

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

**IN WITNESS WHEREOF**, AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________
    Member of the Board of Directors
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This Purchase Agreement ("Agreement") is made and entered into this 9th day of March, 2007, by and between M2C Global, Inc. (A Nevada Corporation, referred to herein as “Seller”), and AL Global, Inc. (A California Corporation, referred to herein as "Buyer") DBA Youngevity. Whereas Seller is an established corporation in the marketing and sale of products related to Nutritional products and has developed a distributor organization of Independent authorized agents for the sale of its products, including the M2C product line and ACT product brand. Whereas Purchaser wishes to acquire and seller wishes to sell / transfer, among other things, its Distributor / Customer organization and the M2C product line and ACT product brand, this Agreement is to witness the following:

WITNESSETH:

1. SALE OF BUSINESS ASSETS. Seller shall sell / transfer to the Purchaser and Purchaser shall purchase from the Seller free from all liabilities and encumbrances except as hereinafter set forth, subject to the terms and conditions set forth in this Agreement, the following described property: Certain business assets and properties owned or utilized by Seller including but not limited to: Seller's Distributorship / Customer organization, rights, intellectual property (including websites, and URLs), trademarks, and tradenames associated with the M2C product line and ACT brand, and product line, M2C Product Inventory (To be held on consignment), as well as other assets and rights listed on the attached Schedule of Property which has been prepared and initialed by the Seller and the Purchaser and which is attached hereto and fully incorporated herein ("Schedule of Property").

2. Purchase Price. The purchase price for the business assets and properties shall be $4,500,000.00 (US$) (Four million, Five Hundred Thousand Dollars and No Cents)

3. $100,000.00 (US$) One Hundred Thousand Dollars to be paid upon signing of this agreement. To be REFUNDABLE within 120 days of April 30th, if for whatever reason the 250,000.00(US$) dollar payment due by April 30th 2007 is not made.

4. $250,000.00(US$) Two Hundred and Fifty Thousand Dollars to be paid by April 30th, 2007. If this payment is not made, the previous $100,000.00(US$) dollar payment is to be refunded with in 120 days of April 30th, 2007.

5. $150,000.00(US$) One Hundred and Fifty Thousand Dollars to be paid within 90 days of the closing of this agreement.

6. The Balance of $4,000,000.00(US$) (Four Million Dollars) to be paid at the monthly rate of 10% of Net Product Sales of the M2C Global Distributor Group regardless of what products are purchased. (These could be any Youngevity Group Products, i.e., Youngevity, SupraLife, Tidal Wave, NuVANTE, Ancient Legacy, or M2C products) Example: If the M2C Downline Produces a product sales volume of $500,000.00(US$) for a given month, regardless of what commissionable products are purchased, this would produce a payment to the current shareholders of M2C of $50,000.00(US$) (Fifty Thousand Dollars) for that month's sales, which would be deducted from the balance of $4,000,000.00(US$).

7. Ten Per Cent of Net Product Sales to the M2C Distributor Organization. (Net product sales shall mean gross product sales less returns and adjustments). To be paid until the balance is paid in full.

8. Certain Bonus Payments to be paid to Sellers are:

   a. $1,000,000.00(US$) (One Million Dollars) in additional payments to be made to the Sellers by the Purchaser if the sales of the M2C organization reach 24 Million Dollars on an annualized basis. To be determined by sales of the M2C Distributor Sales Organization achieving $2,000,000.00(US$) (Two Million Dollars) of Product sales per month, excluding shipping, taxes and non commissionable sales aids, for a 3 month period. The additional purchase I bonus payment would then be due from purchasers to sellers.
b. $1,000,000.00(US$) (One Million) in additional payments to Sellers by Purchaser if sales of $48,000,000.00(US$) (Forty Eight Million) are achieved annually. To be determined by sales of the M2C Distributor Sales Organization achieving $4,000,000.00(US$) (Two Million Dollars) of Product sales per month, excluding shipping, taxes and non commissionable sales aids, for a 3 month period. The additional purchase / bonus payment would then be due from purchasers to sellers.

c. $2,000,000.00(US$) (TWO Million Dollars) In additional payments to Sellers by Purchaser if sales of $72,000,000.00(US$) (Seventy Two Million) dollars are achieved annually. To be determined by sales of the M2C Distributor Sales Organization achieving $6,000,000.00(US$) (Six Million Dollars) of Product sales per month, excluding shipping, taxes and non commissionable sales aids, for a 3 month period. The additional purchase / bonus payment would then be due from purchasers to sellers.

d. $1,000,000.00(US$) (One Million) to be paid to Sellers by Purchaser if sales reach $108,000,000.00(US$) (One Hundred Twenty Million Dollars) are achieved annually. To be determined by sales of the M2C Distributor Sales Organization achieving $8,333,000.00(US$) (Eight Million Dollars) of Product sales per month, excluding shipping, taxes and non commissionable sales aids, for a 3 month period. The additional purchase / bonus payment would then be due from purchasers to sellers.

The total payments possible under this bonus plan are $5,000,000.00(US$) (Five Million Dollars). If sales of the M2C Distributor Organization do not reach these sales objectives, the Bonus Payments will not be due or payable.

9. PAYMENT OF PURCHASE PRICE. The purchase price, as provided in Paragraph 2, shall be paid by the Purchaser in the following manner:

A) Fifteen days after the end of each calendar month commencing with the month of April, 2007 Purchaser shall pay Seller Ten Percent (10%) of such prior month's Net Product Sales attributable to the M2C Sales Organization. Payments shall be made until the balance of $4,000,000.00(US$) (Four Million Dollars) is paid in full with no interest. Any such payment shall be past due if not received by Seller before the 20th day of such month.

B) The "Bonus Payments" described in paragraph 8 are in addition to the $4,000,000.00(US$) (Four Million dollar "Purchase Price").

C) With respect to the inventory, Seller shall ship its remaining M2C inventory to Purchaser on consignment, along with a list of such inventory shipped and the inventory cost. Fifteen days after the end of each calendar month commencing with the month of May, 2007, Purchaser shall pay Seller the cost, as listed on the inventory provided to Purchaser, of all inventory sold the prior month. Each month, Purchaser shall also provide a monthly report of inventory sold and inventory remaining on hand.

10. Closing. Seller agrees to close this transaction no later than April 2nd, 2007. (the "Closing Date").

11. POST CLOSING OBLIGATIONS OF SELLER I PURCHASER.

A) Seller agrees to use its best efforts in assisting with the transition transfer of the Seller's Distributor / Customer Organization and records to Purchaser. After Closing, Seller agrees to refer all order and inquiries related to the subject matter of this Agreement to Purchaser. Seller further agrees to allow reasonable access to historical financial information as necessary.
B.) Purchaser agrees to allow Seller reasonable access to its books and records for audit purposes of the gross product sales attributable to the M2C Distributor Organization sold by Purchaser. Purchaser agrees further to reasonably cooperate with Seller's requests for information. Seller shall notify Purchaser no less than three (3) business days prior to the date of its intended inspection of books and records. Such information shall be confidential and Seller shall not disseminate such information and may only use it for audit purposes.

C.) Purchaser agrees to use its best efforts to maintain and increase the sales of the Distributor / Customer organization acquired from Seller. Purchaser further agrees not to materially alter, transfer, assign, or otherwise dispose of such distributor organization until payment in full and the maturity of this agreement (The total of $4,500,000.00(USS)).

D.) Purchaser shall use its best efforts to sell the inventory acquired from Seller and to prioritize the sale of such inventory.

E.) Purchaser and Seller acknowledge that the Distributor / Customer organization, Inventory, and the other M2C listed assets constitute valuable assets of Seller's. Purchaser and Seller therefore agree that during the term of this Agreement and for one (1) year period after payment in full of the Purchase agreement, Sellers shall not contract with, utilize or attempt to utilize whether directly or indirectly, any portion of the Distributor organization of seller, if such action could have the effect of re-directing the resources and skills of such Distributor or Distributor organization.

12. COVENANTS OF SELLER. Seller covenants to Purchaser that Seller has good and marketable title in and to the assets being sold, free of all debts, liens and encumbrances, except as is expressly provided for herein.

13. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller represents and warrants to Purchaser the following matters as of the date hereof each of which shall also be true and complete as of the Closing as if made on the date of Closing, and each shall be deemed to be independently material:

A.) That Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Nevada. That all signatures to this Agreement have full corporate power to carry on the business as it is now being conducted and to enter into this Agreement on behalf of Seller and to bind Seller to the terms thereof.

B.) That the execution of this Agreement by Seller and its delivery to Purchaser have been duly authorized by Seller's Board of Directors and such Agreement and the execution and delivery thereof have been duly approved by all the holders of Seller's outstanding shares; and no further corporate action is necessary on Seller's part to make this Agreement valid and binding upon it in accordance with its terms.

C.) That the assets being sold to Purchaser are free from all security interests, mortgages, liens, claims, defects of title, and encumbrances, save and except set out on the Schedule of Contracts and Liabilities appended hereto.

D.) That Seller is neither a foreign corporation, foreign person nor intermediary for a foreign corporation or foreign person, subject to withholding requirements of the Internal Revenue Service.

14. BREACH OF REPRESENTATIONS AND WARRANTIES. In the event that any of the above representations or warranties are breached, then Purchaser shall have the right to recover its damages from Seller.
15. REPRESENTATIONS AND WARRANTIES OF PURCHASER. Purchaser represents and warrants as follows, to wit:

A.) That Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the state of California and has full corporate power to carry on its business as it is now being conducted and to enter into and fully perform its obligations under the terms of this Agreement.

B.) That the proprietary information relating to the Distributor/Customer organization made the subject of this Agreement shall remain confidential and neither Purchaser nor Seller shall release or otherwise disclose, except as required by law, such information without the prior written consent of the other party.

16. DEFAULT. If Purchaser fails to timely pay or fails to perform any of Purchaser’s obligations or breaches any of Purchaser’s representations or warranties, Seller may recover its damages, elect to rescind this Agreement and/or seek any and all equitable or legal remedies available.

17. OTHER DOCUMENTS. Seller further agrees to execute and deliver to Purchaser all deeds, assignments, documents of title and other instruments which may be necessary to effect the transfer of the assets and properties described in this Agreement.

18. NOTICES. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except for those required to be delivered at Closing, shall be in writing and shall be deemed to be delivered upon the earlier of actual receipt (whether by hand delivery or delivery service) or upon deposit with the U.S. Postal Service, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:
Global Gold International, Inc. Attn: Scott McKnight
1270 Champion Circle #100
Carrollton, Texas 75006

If to Purchaser:
Youngevity
Attn: Steve Wallach
2400 Boswell Rd.
Chula Vista, Ca 91914

19. GOVERNING LAW / JURISDICTION. This Agreement is being executed and delivered, and is intended to be performed, in the State of California, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement unless otherwise specified herein.

20. ENTIRETY AND AMENDMENTS. This Agreement and the Exhibits attached hereto embody the entire agreement between the parties and supersede all prior agreements and understandings, if any, relating to the Subject Property and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. Further, the prevailing party in any litigation between the parties shall be entitled to recover, as a part of its judgment reasonable attorney’s fees.

21. INVALID PROVISIONS. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.
22. PARTIES BOUND. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, personal representatives, successors and assigns.

23. FURTHER ACTS. In addition to the acts recited in this Agreement to be performed by Seller and Purchaser, Purchaser and Seller agree to perform or cause to be performed at or after Closing any and all such further acts as may be reasonably necessary to consummate the sale contemplated hereby.

24. THIRD PARTY BENEFICIARIES. The rights, privileges, benefits and obligations arising under or created by this Agreement are intended to apply to and shall only apply to Purchaser and Seller and no other persons or entities.

25. PURCHASER'S AUTHORITY. The person executing this Agreement on behalf of Purchaser warrants to Seller that he has the Authority to execute this Agreement on behalf of Purchaser and to bind Purchaser pursuant to the terms hereof.

26. EFFECTIVE DATE. The effective date of this Agreement shall be the date this Agreement is executed by both Seller and Purchaser. References to "Date of Agreement" are to the effective date.

27. CAPTIONS. The captions herein contained are for the purpose of identification only and shall not be considered in construing this Agreement.

28. TIME IS OF ESSENCE. Time is of the essence of this Agreement and each and every provision hereof

29. ASSIGNMENT. Purchaser may not assign its right, title and interest in and to the Agreement or any of its terms hereof.

30. ARBITRATION / ATTORNEY'S FEES. Any controversy or claim arising out of or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), but not administered by the AAA, before a panel of three Arbitrators whose compensation therefore shall be set by agreement of the parties should such proceeding become necessary. The panel shall be selected by each party selecting one neutral arbitrator and the persons thus selected shall select a third arbitrator who may not be a person suggested by either party. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof Any Arbitration shall be conducted in San Diego, California. The non-prevailing party in any cause of action brought hereunder, pursuant hereto, or in connection herewith, inclusive without limitation of an action for declaratory or equitable relief, shall be liable for the reasonable attorney's fees, expenses and costs of suit incurred by the prevailing party therein.
EXECUTED by Seller this 9th day of March, 2007

Seller

M2C Global, Inc.

By: /s/ Scott McKnight
Scott McKnight, Authorized Agent

/s/ Mark McKnight
Mark McKnight, Authorized Agent

EXECUTED by Purchaser this 12th day of March 2007

Purchaser:

AL Global, Inc. DBA Youngevity

By: /s/ Steve Wallach
Steve Wallach, Authorized Agent
FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

This First Amendment to Agreement of Purchase and Sale (the "Amendment") is dated as of September 7, 2008 by the undersigned.

Recitals

A. Pursuant to that certain Agreement of Purchase and Sale dated March 10, 2007, by and between M2C Global and AL Global, AL Global purchased certain assets (the "Assets") of M2C Global (the "Original Agreement").

B. In consideration for the purchase of the Assets, AL Global agreed to pay M2C Global the Purchase Price of $4,500,000 (the "Purchase Price") and certain bonus payments based on the M2C Distributor Sales Organization achieving certain levels of product sales pursuant to the terms of the Purchase Agreement.

C. Gravette, is a shareholder of M2C Global, and, as a result of such ownership, is entitled to 22% of the Purchase Price (the "Original Buy Out Amount") and 50% of the Bonus Payments (the "Gravette Bonus Amount").

D. Pursuant to this Amendment, the parties agree that remaining outstanding amount of the Original Buy Out Amount (the "Buy Out Amount") and the Gravette Bonus Amount shall be paid directly by AL Global to Gravette.

Agreement

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which hereby is acknowledged, the undersigned hereby enter into this Amendment and agree as follows:

1. Amendment. Section 9 of Original Agreement shall be amended to provide that notwithstanding anything to the contrary contained in the Original Agreement, M2C Global directly shall pay Paul Gravette the Buy Out Amount and the Gravette Bonus Amount.

2. Continuation of Original Agreement. As amended hereby, the Original Agreement remains in full force and effect according to its terms and at no time have the liabilities or obligations arising pursuant to the Original Agreement been suspended or discontinued, either temporarily or permanently. Gravette shall not be construed as making (and expressly disclaims) any representations made by Seller in the Original Agreement by virtue of his execution of this Amendment.

3. Future References to the Original Agreement. From and after the date hereof, all references to the Original Agreement in any and all agreements, instruments, mortgages, conveyances, documents, notes, certifications or writings of any kind or character shall be deemed to include this Amendment.

4. Conflict. To the extent any provision of the Original Agreement conflicts with any provision of this Amendment, the provisions of this Amendment will prevail.

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5. Agreement to Pay the Buy Out Amount and Gravette Bonus Amount. Except as otherwise provided for in and subject to the terms of the Original Agreement, the agreement to pay the Buy Out Amount is an absolute obligation of AL Global and may not be terminated or waived for any reason, including, without limitation, a default under or termination of the Letter of Agreement between Paul Gravette and AL Global, Inc.

6. Binding Effect. This Amendment shall be binding upon, and shall enure to the benefit of, the parties hereto and their respective successors and assigns.

7. Execution in Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

8. Capitalized Terms. All initially capitalized terms not defined in the Amendment shall have the meaning given to such terms in the Original Agreement.

IN WITNESS WHEREOF, this Amendment has been duly executed by the undersigned effective as of the date first above written.

AL GLOBAL, INC.
By: /s/ Steve Wallach
    Steve Wallach

M2C GLOBAL, INC.
By: Scott McKnight

and

By: Mark McKnight

/s/ Paul Gravette
Paul Gravette
This Asset Purchase Agreement ("Agreement") is made and entered into this 9th day of June, 2010, by and between MLM Holdings, Inc., a Michigan Corporation, (referred to herein as “Seller”), and AL Global Corporation, a California Corporation, DBA Youngevity (referred to herein as “Buyer”). Whereas Seller is an established corporation in the marketing and sale of products related to Nutritional products and has developed a Distributorship Organization of Independent Business Owners (IBO) or independent authorized agents for the sale of its products, including the Makaila Morgan, My Escape Vacations, Xymetri, Digital Discounts product brands. Whereas Buyer wishes to acquire and seller wishes to sell I transfer, among other things, its Distributorship Organization and the Makaila Morgan, My Escape Vacations, Xymetri, Digital Discounts product lines and this Agreement is to witness the following:

WITNESSETH:

A.) Royalties. Seller shall receive ten percent (10%), of the Net Sales from all members of Seller’s Distributorship Organization for the first forty-eight (48) months. Thereafter, Seller shall receive four percent (4%), of the Net Sales from all members of Seller's Distributorship Organization. Net Sales shall mean the gross invoiced sales price for all Products, Consignment Inventory and/or future manufactured products sold by Purchaser and its affiliates to third parties, less the following amounts: (1) credits or allowances actually given or made for rejection of, and for uncollectible amounts on, or return of previously sold Products; (2) any charges for freight, freight insurance, shipping, and other transportation costs; (3) any tax, tariff, duty or governmental charge; and (4) any import or export duties or their equivalent borne by the seller.

B.) Cash Bonus. Purchaser shall pay Seller a one-time bonus, to be paid upon achieving certain sales objectives within a 48 month time frame.

i. If sales volumes are at least $1,000,000 for 3 months, an additional $75,000 cash bonus will be payable.

ii. If sales volumes are at least $2,500,000 for 3 months, an additional $150,000 cash bonus will be payable.

iii. If sales volumes are at least $3,000,000 for 3 months, a New Corvette or cash equivalent bonus will be payable.

iv. If sales volumes are at least $5,000,000 for 3 months, an additional $1,000,000 cash bonus will be payable.

v. If sales volumes are at least $6,000,000 for 3 months, a New Ferrari or cash equivalent bonus will be payable.
C. Pre-payment for Inventory. Purchaser shall purchase one hundred and twenty-five thousand dollars ($125,000) worth of the remaining inventory from Seller. Within one hundred and twenty (120) days after the date of the first commercial sale of the Products, Purchaser shall pay Seller twenty-five thousand dollars ($25,000) for additional inventory. This specific payment shall be for second group of purchased Product identified in the Schedule of Property. Any sales shall first come from the pre-paid inventory and then from the rest of the inventory, which shall be on consignment at Seller's warehouse.

D. Grandfather Provision. Seller shall be incorporated into the genealogy system for determining commissions within Purchaser's systems. Two Seller representatives (David Rutz and Travis Bagget) will be placed at the Fiji Double Diamond level. (Seller shall not be able to obtain any dream bonuses because of this Grandfather Provision. If Seller built out the structure to qualify for the dream bonuses, without the benefit of this Grandfather Provision, such bonuses would be available to Seller.) This will enable Seller to receive regular commissions on the sales of distributors in Seller's downlines along with all distributors coming over as part of this Agreement. Each distributor will be in a like position as they were in the Escape International structure. Commissions will be calculated using Purchaser's regular commission structure and at regular intervals.

3. Payment of Purchase Price. The purchase price, as provided in Paragraph 2, shall be paid by the Purchaser in the following manner:
   A. Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Purchaser shall pay Seller the described percentage of such prior month's product sales attributable to Seller's distributor organization. Any such payment shall be past due if not received by Seller before the 301 day of such month.
   B. Cash Bonus will be analyzed at the end of each three month period. If Seller has achieved any level described in Paragraph 2, such amount associated with that level shall be paid to Seller within 30 days after the end of the three month block.
   C. With respect to the inventory, the Schedule of Property shall list out which products will be purchased for the amount noted in paragraph 2 above. This amount shall be paid by wire transfer, by Purchaser shortly after the Closing Date upon confirmation that such inventory is being shipped to Purchaser. Seller shall ship this inventory and the entire remaining inventory to Purchaser on consignment, along with a list of such inventory shipped and the inventory cost. Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Purchaser shall pay Seller the cost, as listed on the inventory provided to Purchaser, of all inventory sold the prior month which was on consignment. Each month, Purchaser shall also provide a monthly report of inventory sold and inventory remaining on hand.
   D. Commission payments shall follow Purchaser's regular business cycle, which currently is payment of commissions once per month on the fifteenth (15th) of each month or next business day.

4. Term. The nature of this Agreement is to last for the life of Seller. However, the following issues may termination this Agreement if not cured within thirty (30) days and such cure must meet the approval of the offended party.
   A. If Seller materially breaches paragraphs 6, 7, 8, and/or 9, and is not cured to the approval of Purchaser, Purchaser shall be able to terminate this Agreement and completely retain the rights to Seller's products, inventory, distributor organization and other assets described within this Agreement.
   B. If Purchaser materially breaches paragraphs 6, 10, and/or 11, and is not cured to the approval of Seller, Seller shall be able to terminate this Agreement and recover such damages as described in this Agreement, including the ability to terminate this Agreement and completely retain the rights to Seller's products, inventory, distributor organization and other assets described within this Agreement.
5. Closing. Seller agrees to close this transaction no later than June 18, 2010. (the "Closing Date").

6. Post-Closing Obligations of Seller/Purchaser.

   A.) Seller agrees to use its best efforts in assisting with the transition / transfer of the Seller's distributor/customer organization and records to Purchaser. After Closing, Seller agrees to refer all order and inquiries related to the subject matter of this Agreement to Purchaser. Seller further agrees to allow reasonable access to historic financial information as necessary.

   B.) Purchaser agrees to allow Seller reasonable access to its books and records for audit purposes of the net product sales attributable to the Seller's distributor organization. Purchaser agrees further to reasonably cooperate with Seller's request for information. Seller shall notify Purchaser no less than ten (10) business days prior to the date of its intended inspection of books and records. Such information shall be confidential and Seller shall not disseminate such information and may only use it for audit purposes.

   C.) Purchaser agrees to use its best efforts to maintain and increase the sales of the Seller's distributor organization exclusively licensed from Seller. Purchaser further agrees not to materially alter, transfer, assign, or otherwise dispose of such distributor organization until payment in full and the maturity of this agreement.

   D.) Purchaser shall use its best efforts to sell the inventory acquired from Seller and to prioritize the sale of such inventory.

   E.) Purchaser and Seller acknowledge that Seller's Distributorship Organization, inventory, and the other assets constitute valuable assets to Purchaser. Purchaser and Seller therefore agree that during the term of this Agreement and for two (2) year period after this Agreement, Sellers shall not contract, utilize or attempt to utilize whether directly or indirectly, any portion of the either Seller's and/or Purchaser's Distributorship Organizations, if such action could have the effect of re-directing the resources and skills of such Distributors or Distributorship Organizations. Such action would have serious and undeterminable financial ramifications that Seller could be held responsible for.

7. Covenants of Seller. Seller covenants that the assets being purchased by Purchaser can be legally acquired.

8. Seller's Representations and Warranties. Seller represents and warrants to Purchaser the following matters as of the date hereof, each of which shall also be true and complete as of the Closing Date as if made on the date of Closing, and each shall be deemed to be independently material:

   A.) That Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Michigan. That all signatures to this Agreement have full corporate power to carry on the business as it is now being conducted and to enter into this Agreement on behalf of Seller and to bind Seller to the terms thereof.

   B.) That the execution of this Agreement by Seller and its delivery to Purchaser have been duly authorized by Seller's Board of Directors and such Agreement and the execution and delivery thereof have been duly approved by all the holders of Seller's outstanding shares; and no further corporate action is necessary on Seller's part to make this Agreement valid and binding upon it in accordance with its terms.

   C.) That Seller is neither a foreign corporation, foreign person, nor intermediary for a foreign corporation or foreign person, subject to withholding requirements of the Internal Revenue Service.

9. Breach of Representations and Warranties. In the event that any of the above representations or warranties are breached, then Purchaser shall have the right to recover its damages from Seller.
10. Purchaser's Representations and Warranties. Purchaser represents and warrants as follow, to:

A.) That Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the state of California and has full corporate power to carry on its business as it is now being conducted and to enter into and fully perform its obligations under the term of this Agreement.

B.) That the proprietary information relating to the distributor organization made the subject of this Agreement shall remain confidential and neither Purchaser nor Seller shall release or otherwise disclose, except as required by law, such information without the prior written consent of the other party.

11. Default. If Purchaser fails to timely pay or fails to perform any of Purchaser's obligations or breaches any of Purchaser's representations or warranties, Seller may recover its damages, elect to rescind this Agreement and/or seek any and all equitable or legal remedies available.

12. Other Documents. Seller further agrees to execute and deliver to Purchaser all deeds, assignments, documents of title, and other instruments which may be necessary to effect the transfer of the assets and properties described in this Agreement.

13. Notices. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except for those required to be delivered at Closing, shall be in writing and shall be deemed to be delivered upon the earlier of actual-receipt (whether by hand delivery or delivery service) or upon deposit with the U.S. Postal Service, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:
MLM Holdings, INC
Attn: David Rutz
1015 Troon
Highland, MI 48357

If to Purchaser:
Youngevity
Attn: Steve Wallach
2400 Boswell Rd.
Chula Vista, CA 91914

14. Governing Law / Jurisdiction. This Agreement is being executed and delivered, and is intended to be performed, in the State of California, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement unless otherwise specified herein.

15. Entirety and Amendments. This Agreement and the Exhibits attached hereto embody the entire agreement between the parties and supersede all prior agreements and understandings, if any, relating to the Subject Property and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. Further, the prevailing party in any litigation between the parties shall be entitled to recover, as a part of its judgment reasonable attorney's fees.

16. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.
17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, personal representatives, successors and assigns.

18. Further Acts. In addition to the acts recited in this Agreement to be performed by Seller and Purchaser, Purchaser and Seller agree to perform or cause to be performed at or after Closing any and all such further acts as may be reasonably necessary to consummate the sale contemplated hereby.

19. Third Party Beneficiaries. The rights, privileges, benefits and obligations arising under or created by this Agreement are intended to apply to and shall only apply to Purchaser and Seller and no other persons or entities.

20. Purchaser's Authority. The person executing this Agreement on behalf of Purchaser warrants to Seller that he has the Authority to execute this Agreement on behalf of Purchaser and to bind Purchaser pursuant to the terms hereof.

21. Effective Date. The effective date of this Agreement shall be the date this Agreement is executed by both Seller and Purchaser. References to "Date of Agreement" are to the effective date.

22. Captions. The captions herein contained are for the purpose of identification only and shall not be considered in construing this Agreement.

23. Time is of Essence. Time is of the essence of this Agreement and each and every provision hereof.

24. Survivability. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, legal representatives, successors, and assigns. In the event of change of ownership or management of either party, this Agreement will remain in full force and effect upon the successors of either Purchaser and/or Seller.

25. Assignment. Purchaser may assign its right, title and interest in and to the agreement to any person or entity, upon approval of Seller.

26. Arbitration / Attorney’s fees. Any controversy or claim arising out of or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), but not administered by the AAA, before a panel of three Arbitrators whose compensation therefore shall be set by agreement of the parties should such proceeding become necessary. The panel shall be selected by each party selecting one neutral arbitrator and the persons thus selected shall select a third arbitrator who may not be a person suggested by either party. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Any Arbitration shall be conducted in San Diego, California. The non-prevailing party in any cause of action brought hereunder, pursuant hereto, or in connection herewith, inclusive without limitation of an action for declaratory or equitable relief, shall be liable for the reasonable attorney’s fees, expenses and costs of suit incurred by the prevailing party therein.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

BUYER:  AL Global Corporation,
      DBA Youngevity,
      a California corporation
      By:   /s/ Steve Wallach
      Name: Steve Wallach
      Title: General Manager

SELLER:  MLM Holdings, Inc.
      A Michigan Corporation
      By:   /s/ David Rutz
      Name: David Rutz
      Title: CEO
The Parties agree to Amend the Asset Purchase Agreement, originally dated June 9, 2010, by adding the following terms:

3. 

E.) Seller has agreed to advance money to Buyer to cover commission checks “Commission Loan”. As the form of repayment, Buyer shall withhold twenty five percent (25%) of all “Royalties” discussed on page 1 of the Asset Purchase Agreement until such time as Commission Loan is repaid in full. Whether Buyer pays directly out of its own bank account for the Commission Loan to Seller or Buyer forwards funds directly to Seller for the Commission Loan, Buyer shall be entitled to recuperate such advances or payments from Seller's Royalties. It is not the intent of this recuperation to take years to repay. As such, if Seller can make additional payments from the closing of subsequent agreements with other companies, Seller will demonstrate best effort to make additional payments to bring the balance of the repayment down or pay it off completely. Buyer shall give Seller a regular monthly reconciliation of amounts outstanding and Seller shall give Buyer copies of its bank statements to ensure that funds given to Seller are being used for payment of distributor's regular commission checks (“Rep. Checks”).

If the Parties agree to this Amendment, they shall sign below. The effective date of this Amendment shall be August 13, 2010.

All other terms of the original Agreement remain in full effect.
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed on the date and year first above written.

BUYER:  AL Global Corporation,  
DBA Youngevity,  
a California corporation  
By:   /s/ Chris Nelson  
Name:  Chris Nelson  
Title:  CFO

SELLER:  MLM Holdings, Inc.  
a Michigan corporation  
By:   /s/ David Rutz  
Name:  David Rutz  
Title:  CEO
This Purchase Agreement (“Agreement”) is made and entered into this 21st day of September 2010, by and between Preferred Price Plus, Inc. (a Delaware Corporation, referred to herein as “Seller”), and AL Global, Inc. (a California Corporation, referred to herein as “Buyer”) d/b/a Youngevity. Whereas Seller is an established corporation in the marketing and sale of products related to Nutritional products and has developed a distributor organization of Independent authorized agents for the sale of its products, including the Healing America product brands. Whereas Buyer wishes to acquire and seller wishes to sell / transfer, among other things, its Distributor / Customer organization and the Healing America product line and this Agreement is to witness the following:

WITNESSETH:

1. SALE OF BUSINESS ASSETS. Seller shall sell / transfer to the Buyer and Buyer shall purchase from the Seller free from all liabilities and encumbrances except as hereinafter set forth, subject to the terms and conditions set forth in this Agreement, the following described property: Certain business assets and properties owned or utilized by Seller including but not limited to: Seller’s Distributorship / Customer organization, rights, intellectual property (including websites, and URLs), trademarks, and tradenames associated with the Healing America brand and product line(s), Product Inventory (To be held on consignment), as well as other assets and rights listed on the attached Schedule of Property which has been prepared and initialed by the Seller and the Buyer and which is attached hereto and fully incorporated herein (“Schedule of Property”).

2. PURCHASE PRICE. The purchase price for the business assets and properties shall be paid as follows:

   A.) Standard Royalties. Seller shall receive ten percent (10%), for sixty (60) months, of the Net Sales of the Seller’s distributor organization regardless of what products are purchased. Net Sales shall mean the gross invoiced sales price for any Youngevity products, sold to Seller’s distributor organization, less the following amounts: (1) credits or allowances actually given or made for rejection of, and for uncollectible amounts on, or return of previously sold Products; (2) any charges for freight, freight insurance, shipping, and other transportation costs; (3) any tax, tariff, duty or governmental charge; and (4) any import or export duties or their equivalent borne by the Seller. Net Sales shall not include sales or transfers between affiliates, unless the product is consumed by such affiliate. Example: If the Seller’s distributor organization generates sales volume of five hundred thousand dollars ($500,000) for a given month, regardless of what commissionable products are purchased, this would produce a payment of fifty thousand dollars ($50,000) for that month’s sales.

   B.) Excess Volume Royalty. Seller shall receive six percent (6%) of Net Sales of Seller’s product line(s) that exceed the sales volume generated by Seller’s distributor organization. Example: In a calendar month, the entire Buyer’s distributor organization (including Seller’s distributor organization) purchases two hundred thousand dollars ($200,000) of Seller’s product line(s). In that same month, the Seller’s distributor organization generates eighty thousand dollars ($80,000) in total product purchases. Seller would receive six percent (6%) of the one hundred and twenty thousand dollars ($120,000) difference or seven thousand two hundred dollars ($7,200). This additional compensation would be paid for 60 months, also.

3. PAYMENT OF PURCHASE PRICE. The purchase price, as provided in Paragraph 2, shall be paid by Buyer in the following manner:

   A.) Fifteen (15) days after the end of each calendar month commencing with the month of November, 2010, Buyer shall pay Seller the Standard Royalties and Excess Volume Royalties.
B.) With respect to the inventory, Seller shall ship its remaining inventory to Buyer on consignment, along with a list of such inventory shipped and the inventory cost. Fifteen (15) days after the end of each calendar month commencing with the month of November (for October’s Sales), 2010, Buyer shall pay Seller the cost, as listed on the inventory provided, of all inventory sold the prior month. Each month, Buyer shall also provide a monthly report of inventory sold and inventory remaining on hand.

4. **CLOSING.** Seller agrees to close this transaction no later than September 30, 2010. (the “Closing Date”).

5. **POST CLOSING OBLIGATIONS OF SELLER / BUYER.**

   A.) Seller agrees to use its best efforts in assisting with the transition / transfer of the Seller’s Distributor / Customer Organization and records to Buyer. After Closing, Seller agrees to refer all order and inquiries related to the subject matter of this Agreement to Buyer. Seller further agrees to allow reasonable access to historical financial information as necessary.

   B.) Buyer agrees to allow Seller reasonable access to its books and records for audit purposes of the gross product sales attributable to the Healing America Distributor Organization sold by Buyer. Buyer agrees further to reasonably cooperate with Seller’s requests for information. Seller shall notify Buyer no less than three (3) business days prior to the date of its intended inspection of books and records. Such information shall be confidential and Seller shall not disseminate such information and may only use it for audit purposes.

   C.) Buyer agrees to use its best efforts to maintain and increase the sales of the Distributor / Customer organization acquired from Seller. Buyer further agrees not to materially alter, transfer, assign, or otherwise dispose of such distributor organization until payment in full and the maturity of this agreement.

   D.) Buyer shall use its best efforts to sell the inventory acquired from Seller and to prioritize the sale of such inventory.

   E.) Buyer and Seller acknowledge that the Distributor / Customer organization, Inventory, and the other Healing America listed assets constitute valuable assets of Seller’s. Buyer and Seller therefore agree that during the term of this Agreement and for one (1) year period after payment in full of the Purchase agreement, Sellers shall not contract with, utilize or attempt to utilize whether directly or indirectly, any portion of the Distributor organization of seller, if such action could have the effect of re-directing the resources and skills of such Distributor or Distributor organization.

   F.) Buyer Agrees Seller shall have the right to purchase any products carried by Buyer at cost. Such products shall not be for resale and not to exceed 1,000 dollars per month without written consent from Buyer.

   G.) Buyer and Seller Agree the website URL www.HealingAmerica.com to be licensed to Youngevity for a period of 24 months after closing, but ownership to be retained by Healing America. Seller Agrees said website URL will not be utilized or sold for the purposes of Network Marketing in the future by Seller. Seller reserves the right to sell said URL for non-Network Marketing / MLM purposes.
6. **COVENANTS OF SELLER.** Seller covenants to Buyer that Seller has good and marketable title in and to the assets being sold, free of all debts, liens and encumbrances, except as is expressly provided for herein.

7. **SELLER’S REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Buyer the following matters as of the date hereof, each of which shall also be true and complete as of the Closing as if made on the date of Closing, and each shall be deemed to be independently material:

   A.) That Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware. That all signatures to this Agreement have full corporate power to carry on the business as it is now being conducted and to enter into this Agreement on behalf of Seller and to bind Seller to the terms thereof.

   B.) That the execution of this Agreement by Seller and its delivery to Buyer have been duly authorized by Seller’s Board of Directors and such Agreement and the execution and delivery thereof have been duly approved by all the holders of Seller’s outstanding shares; and no further corporate action is necessary on Seller’s part to make this Agreement valid and binding upon it in accordance with its terms.

   C.) That the assets being sold to Buyer are free from all security interests, mortgages, liens, claims, defects of title, and encumbrances, save and except set out on the Schedule of Contracts and Liabilities appended hereto.

   D.) That Seller is neither a foreign corporation, foreign person nor intermediary for a foreign corporation or foreign person, subject to withholding requirements of the Internal Revenue Service.

8. **BREACH OF REPRESENTATIONS AND WARRANTIES.** In the event that any of the above representations or warranties are breached, then Buyer shall have the right to recover its damages from Seller.

9. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer represents and warrants as follow, to wit:

   A.) That Buyer is a corporation duly organized, validly existing and in good standing under the laws of the state of California and has full corporate power to carry on its business as it is now being conducted and to enter into and fully perform its obligations under the term of this Agreement.

   B.) That the proprietary information relating to the Distributor / Customer organization made the subject of this Agreement shall remain confidential and neither Buyer nor Seller shall release or otherwise disclose, except as required by law, such information without the prior written consent of the other party.

10. **DEFAULT.** If Buyer fails to timely pay or fails to perform any of Buyer’s obligations or breaches any of Buyer’s representations or warranties, Seller may recover its damages, elect to rescind this Agreement and / or seek any and all equitable or legal remedies available.

11. **OTHER DOCUMENTS.** Seller further agrees to execute and deliver to Buyer all deeds, assignments, documents of title, and other instruments which may be necessary to effect the transfer of the assets and properties described in this Agreement.
12. NOTICES. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except for those required to be delivered at Closing, shall be in writing and shall be deemed to be delivered upon the earlier of actual receipt (whether by hand delivery or delivery service) or upon deposit with the U.S. Postal Service, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

If to Seller:
Preferred Price Plus, Inc.
Attn: Angela Leonard
102 W 9th St.
Owensboro, KY 42303

If to Buyer:
Youngevity
Attn: Steve Wallach
2400 Boswell Rd.
Chula Vista, Ca 91914

13. GOVERNING LAW / JURISDICTION. This Agreement is being executed and delivered, and is intended to be performed, in the State of California, and the laws of such State Shall govern the validity, construction, enforcement and interpretation of this Agreement unless otherwise specified herein.

14. ENTIRETY AND AMENDMENTS. This Agreement and the Exhibits attached hereto embody the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Subject Property and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. Further, the prevailing party in any litigation between the parties shall be entitled to recover, as a part of its judgment reasonable attorney’s fees.

15. INVALID PROVISIONS. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.

16. PARTIES BOUND. This Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

17. FURTHER ACTS. In addition to the acts recited in this Agreement to be performed by Seller and Buyer, Buyer and Seller agree to perform or cause to be performed at or after Closing any and all such further acts as may be reasonably necessary to consummate the sale contemplated hereby.

18. THIRD PARTY BENEFICIARIES. The rights, privileges, benefits and obligations arising under or created by this Agreement are intended to apply to and shall only apply to Buyer and Seller and no other persons or entities.

19. BUYER’S AUTHORITY. The person executing this Agreement on behalf of Buyer warrants to Seller that he has the Authority to execute this Agreement on behalf of Buyer and to bind Buyer pursuant to the terms hereof.
20. **EFFECTIVE DATE.** The effective date of this Agreement shall be the date this Agreement is executed by both Seller and Buyer. References to “Date of Agreement” are to the effective date.

21. **CAPTIONS.** The captions herein contained are for the purpose of identification only and shall not be considered in construing this Agreement.

22. **TIME IS OF ESSENCE.** Time is of the essence of this Agreement and each and every provision hereof.

23. **ASSIGNMENT.** Buyer may not assign its right, title and interest in and to the agreement to any person or entity.

24. **ARBITRATION / ATTORNEY’S FEES.** Any controversy or claim arising out of or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”), but not administered by the AAA, before a panel of three Arbitrators whose compensation therefore shall be set by agreement of the parties should such proceeding become necessary. The panel shall be selected by each party selecting one neutral arbitrator and the persons thus selected shall select a third arbitrator who may not be a person suggested by either party. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Any Arbitration shall be conducted in San Diego, California. The non-prevailing party in any cause of action brought hereunder, pursuant hereto, or in connection herewith, inclusive without limitation of an action for declaratory or equitable relief, shall be liable for the reasonable attorney’s fees, expenses and costs of suit incurred by the prevailing party therein.

EXECUTED by Seller this 21st day of September, 2010

Seller

Preferred Price Plus, Inc.

By: /s/ Angela Leonard, Secretary

Angela Leonard, Secretary

EXECUTED by Buyer this 21st day of September, 2010

Buyer:

AL Global, Inc. DBA Youngevity

By: /s/ Chris Nelson

Chris Nelson, CFO
THIS AMENDED AND RESTATED AGREEMENT AND PLAN OF REORGANIZATION is dated July 11, 2011 (this “Agreement”), and is between AL Global Corporation d/b/a Younevity, a California corporation (“YGY”), Javalution Coffee Company, a Florida corporation (“JCOF”), and YGY Merge, Inc., a California corporation and wholly owned subsidiary of JCOF (“Merger Sub”).

WHEREAS, the parties entered into that certain Agreement and Plan of Reorganization, dated as of June 16, 2011 (the “Original Agreement”), pursuant to which the parties agreed that Merger Sub would merge with and into YGY with YGY being the surviving entity as a wholly owned subsidiary of JCOF, all on the terms and subject to the conditions set forth in the Original Agreement;

WHEREAS, the parties wish to clarify and amend certain portions of the Original Agreement through the execution and delivery of this Agreement;

WHEREAS, the respective Boards of Directors of YGY, Merger Sub and JCOF have approved and deem it in the best interest of their respective shareholders to consummate the business combination transaction provided for herein and in the Original Agreement;

WHEREAS, such merger shall take place pursuant to a plan of merger in the form set forth in the Certificate of Merger attached hereto as Exhibit A, (the “Merger”);

WHEREAS, following the Merger, YGY will be a wholly owned subsidiary of JCOF;

WHEREAS, the Board of Directors of YGY, Merger Sub and JCOF and the shareholders of YGY and Merger Sub have approved the Merger and the execution of the Certificate of Merger;

WHEREAS, the laws of the States of California permit the Merger and the parties hereto wish to merge under and pursuant to the provisions of such laws; and

WHEREAS, for Federal income tax purposes it is intended that the Merger qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the “Code”), and this Agreement be a “plan of reorganization” within the meaning of the regulations promulgated under Section 368 of the Code.

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
THE MERGER

1.1 The Merger. At the Effective Time, as defined in Section 1.2, the Merger shall be effected by merging the Merger Sub with and into YGY, upon the terms and subject to the conditions set forth in this Agreement and in accordance with the 2009 California Corporations Code (the “CA Code”), whereupon: (i) the separate corporate existence of Merger Sub shall cease and (ii) YGY shall continue as the surviving company and a wholly owned subsidiary of JCOF.

1.2 Effective Time. On the Closing Date, as defined in Article II, the parties shall file a Certificate of Merger with the Secretary of State of the State of California and make all other filings or recordings required by the CA Code in connection with the Merger. The Merger shall become effective at the time as the Certificate of Merger is duly filed and accepted with the Secretary of State of the State of California, or at such later time as the parties agree and specify in the Certificate of Merger (the time the Merger becomes effective, being the “Effective Time”).  

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1.3 **Effects of the Merger.** At the Effective Time, the Merger shall have the effects set forth in this Agreement and the GA Code. Without limiting the foregoing, and subject thereto, at the Effective Time: (i) all of the property, rights, powers, privileges and franchises of Merger Sub shall be vested in YGY, and (ii) all of the debts, liabilities and duties of Merger Sub shall become the debts, liabilities and duties of YGY.

1.4 **Articles of Incorporation and By-Laws.** The articles of incorporation and the by-laws of YGY as in effect immediately prior to the Effective Time shall remain the articles of incorporation and by-laws of YGY until thereafter amended as provided therein or by applicable law.

1.5 **Officers and Directors.** The officers and directors of YGY immediately prior to the Effective Time shall remain the officers and directors of YGY, and shall hold office in accordance with the articles of incorporation and by-laws of YGY until the earlier of the applicable officer’s or director’s resignation or removal or until his or her respective successor is duly elected and qualified, as the case may be.

1.6 **Conversion of Shares.** At the Effective Time, by virtue of the Merger and without any action on the part of the shareholders of JCOF or YGY: (i) all issued and outstanding share of common stock, $.001 par value, of YGY shall be converted into and become 560,000,000 share(s) of common stock no par value, of JCOF; and (ii) each issued and outstanding share of common stock, no par value, of Merger Sub held by JCOF shall be converted into one (1) share of common stock, $.001 par value, of YGY. Following the Merger, the shareholders of YGY immediately prior to the Closing shall own seventy percent (70%) of JCOF on a fully diluted basis, the shareholders of JCOF immediately prior to the Closing shall own thirty percent (30%) of JCOF on a fully diluted basis and YGY shall be a wholly owned subsidiary of JCOF.

1.7 **No Further Ownership Rights in Shares.** From and after the Effective Time, the holders of certificates evidencing ownership of YGY shares of common stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such YGY shares, other than the right to receive shares of common stock of JCOF as provided in this Agreement, and as such will automatically be cancelled.

1.8 **Board and Shareholders.** Prior to the Effective Time: (i) JCOF’s Board of Directors shall approve this Agreement and the Merger, on its own behalf and as the sole shareholder of Merger Sub; (ii) Merger Sub’s Board of Directors shall approve this Agreement and the Merger and obtain JCOF’s approval; and (iii) YGY’s Board of Directors shall approve this Agreement and the Merger and obtain shareholder approval.

**ARTICLE II
CONDITIONS TO CLOSING**

2.1 **Closing.** The parties shall hold the closing of the transactions contemplated by this Agreement (the “**Closing**”) at Gracin & Marlow, LLP in Boca Raton, Florida at 10:00 A.M. on July 11, 2011 or at such other time and place as the parties agree (the date of the Closing, the “**Closing Date**”).

2.2 **Conditions to JCOF’s and Merger Sub’s Obligations.** JCOF’s and Merger Sub’s obligations hereunder to effect the Merger are subject to the satisfaction, on or before the Closing, of the following conditions, any of which may be waived, in whole or in part, by JCOF in its sole discretion, and YGY shall use its commercially reasonable means to cause such conditions to be fulfilled:

(a) **Due Diligence Review.** JCOF and its counsel shall have completed their due diligence review of YGY’s business and operations to their respective satisfaction.

(b) **Representations and Warranties Correct; Performance.** The representations and warranties of YGY contained in this Agreement (including the exhibits and schedules hereto, including the investment representations and warranties set forth in Exhibit B hereto) that are qualified by materiality shall be true, complete and accurate in all material respects when made and on and as of the Closing. YGY shall have duly and properly performed, complied with and observed each of its covenants, agreements and obligations contained in this Agreement to be performed, complied with and observed on or before the Closing.
(c) **Merger Permitted by Applicable Laws.** The Merger shall not be prohibited by any applicable law or governmental regulation.

(d) **Proceedings; Receipt of Documents.** All corporate and other proceedings taken or required to be taken by YGY in connection with the transactions contemplated hereby and all documents incident thereto shall have been taken and shall be reasonably satisfactory in form and substance to JCOF and its counsel, and JCOF and its counsel shall have received all such information and such counterpart originals or certified or other copies of such documents as JCOF or its counsel may reasonably request.

(e) **Delivery of Documents.** YGY shall have delivered, or caused to be delivered, to JCOF and Merger Sub the following:

   (i) a certificate of an appropriate officer of YGY, certifying as to the resolutions of the Board of Directors and shareholders of YGY, authorizing the transactions contemplated herein and the incumbency of officers of YGY and any such entity executing any document or instrument delivered in connection with such transactions and certifying as to the items set forth in paragraph (b) of this Section 2.2;

   (ii) corporate certificates of good standing or legal existence of YGY from the respective jurisdictions in which YGY is formed or transacts business;

   (iii) a certified copy of the Articles of Incorporation and By-Laws of YGY;

   (iv) all other consents, agreements, schedules, documents and exhibits required by this Agreement to be delivered by YGY at or before the Closing; and

   (v) the investment representations and warranties, in substantially the form attached hereto as Exhibit B, executed by each shareholder of YGY.

(f) **No Adverse Decision.** There shall be no action, suit, investigation or proceeding pending or threatened by or before any court, arbitrator or administrative or governmental body which seeks to restrain, enjoin, prevent the consummation of or otherwise affect the transactions contemplated by this Agreement or questions the validity or legality of any such transactions or seeks to recover damages or to obtain other relief in connection with any such transactions.

(g) **Approvals and Consents.** YGY shall have obtained all authorizations, consents, rulings, approvals, licenses, franchises, permits and certificates, or exemptions therefrom, by or of all applicable federal, state and local governmental authorities and non-governmental administrative or regulatory agencies having jurisdiction over the parties hereto, this Agreement or the transactions contemplated hereby, including, without limitation, all third parties pursuant to existing agreements or instruments by which YGY may be bound, which are required for the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and all thereof shall be in full force and effect at the time of the Closing except where the failure to obtain such authorizations, consents rulings, approvals, licenses, franchises, permits and certificates, or exemptions therefrom would not have a Material Adverse Effect (as defined below) with respect to YGY.

2.3 **Conditions to the Obligation of YGY.** The obligation of YGY to consummate the transactions contemplated hereby is subject to the fulfillment of the following conditions on or prior to the Closing, any of which may be waived, in whole or in part, by YGY and JCOF and Merger Sub shall use their commercially reasonable to cause such conditions to be fulfilled:

(a) **Due Diligence Review.** YGY and its counsel shall have completed their due diligence review of JCOF’s business and operations to its their respective satisfaction.
(b) **Representations and Warranties Correct; Performance.** The representations and warranties of JCOF and Merger Sub contained in this Agreement (including the exhibits and schedules hereto) that are qualified by materiality shall be true, complete and accurate when made and on and as of the Closing and representations and warranties of JCOF and Merger Sub contained in this Agreement (including the exhibits and schedules hereto) that are not qualified by materiality shall be true, complete and accurate in all material respects when made and on and as of the Closing. JCOF and Merger Sub shall have duly and properly performed, complied with and observed each of their respective covenants, agreements and obligations contained in this Agreement to be performed, complied with and observed on or before the Closing.

(c) **Merger Permitted by Applicable Laws.** The Merger shall not be prohibited by any applicable law or governmental regulation.

(d) **Proceedings; Receipt of Documents.** All corporate and other proceedings taken or required to be taken by JCOF and Merger Sub in connection with the transactions contemplated hereby and all documents incident thereto shall have been taken and shall be reasonably satisfactory in form and substance to YGY and its counsel, and YGY and its counsel shall have received all such information and such counterpart originals or certified or other copies of such documents as YGY or its counsel may reasonably request except where the failure to obtain such authorizations, consents rulings, approvals, licenses, franchises, permits and certificates, or exemptions therefrom would not have a Material Adverse Effect with respect to Merger Sub or JCOF.

(e) **Delivery of Documents.** JCOF and Merger Sub shall have delivered, or caused to be delivered, to YGY the following:

   (i) a certificate of an appropriate officer of each of JCOF and Merger Sub, certifying as to the resolutions of the Board of Directors of JCOF and Merger Sub and JCOF as the sole shareholder of Merger Sub, respectively, authorizing the transactions contemplated herein and the incumbency of officers of each of JCOF and Merger Sub and any such entity executing any document or instrument delivered in connection with such transactions and certifying as to the items set forth in paragraph (b) of this Section 2.3;

   (ii) corporate certificates of good standing or legal existence of each of JCOF and Merger Sub from the respective jurisdictions in which JCOF and Merger Sub are formed or transact business;

   (iii) a certified copy of the Articles of Incorporation and By-Laws of JCOF and a certified copy of the Articles of Incorporation and By-Laws of Merger Sub;

   (iv) evidence of (x) the termination of all JCOF employment agreements and (y) the execution of employment agreements between JCOF and each of Scott Pumper and Dave Briskie will be provided prior to closing;

   (v) evidence that all liabilities of JCOF to its employees, in the form of accrued but unpaid dividends, bonuses, compensation or the like has been satisfied or forgiven, such that those liabilities will no longer be due to those individuals;

   (vi) evidence that all dividends payable have been settled out and removed from JCOF’s balance sheet; and

   (vii) all other consents, agreements, schedules, documents and exhibits required by this Agreement to be delivered by YGY at or before the Closing.
(f) Proceedings; Receipt of Documents. All corporate and other proceedings taken or required to be taken by JCOF or Merger Sub in connection with the transactions contemplated hereby and all documents incident thereto shall have been taken and shall be reasonably satisfactory in form and substance to YGY, and YGY shall have received all such information and such counterpart originals or certified or other copies of such documents as YGY may reasonably request.

(g) No Adverse Decision. There shall be no action, suit, investigation or proceeding pending or threatened by or before any court, arbitrator or administrative or governmental body which seeks to restrain, enjoin, prevent the consummation of or otherwise affect the transactions contemplated by this Agreement or questions the validity or legality of any such transactions or seeks to recover damages or to obtain other relief in connection with any such transactions.

ARTICLE III

YGY REPRESENTATIONS

YGY represents to JCOF and Merger Sub as of the date of this Agreement and as of the Closing Date as follows:

3.1 Organization and Good Standing. YGY is validly existing, and in good standing under the laws of the state of California, with all power and authority necessary to own or use its assets and conduct its business as it is now being conducted. YGY is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each state or other jurisdiction in which the failure to be so qualified or in good standing would have a material adverse effect on: (i) its ability to perform its obligations under this Agreement or (ii) its assets, financial position, or results of operations (a “Material Adverse Effect”). Except as set forth in Schedule 3.1, YGY does not own any interest in any other entity or person.

3.2 Authority. YGY has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Execution and delivery of this Agreement and performance by YGY of its obligations hereunder have been duly authorized by the shareholders of YGY and the board of directors of YGY and no other proceedings on the part of either is necessary with respect thereto.

3.3 Enforceability. This Agreement constitutes the valid and binding obligation of YGY, enforceable in accordance with its terms, except as enforceability is limited by: (i) any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors’ rights generally or (ii) general principles of equity, whether considered in a proceeding in equity or at law.

3.4 Consents. YGY is not required to obtain the consent of any person, including the consent of any party to any contract to which either is party, in connection with execution and delivery of this Agreement and performance of its obligations hereunder, except where the failure to obtain such consent would not have a Material Adverse Effect with respect to YGY.

3.5 No Violations. The execution and delivery of the agreement by YGY and the performance of its obligations hereunder does not: (i) violate any provision of its organizational documents as currently in effect; (ii) conflict with, result in a breach of (or an event that, with notice or lapse of time or both, would constitute a default under), accelerate the performance required by, result in the creation of any lien on any of its material properties or material assets under, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any material contract to which it is a party or by which any of its material properties or material assets is bound; or (iii) to the knowledge of YGY, contravene, conflict with, or violate any law or order to which it is subject.
3.6 **Capitalization.** The authorized capital stock of YGY consists of 1,000,000 shares of common stock, $.001 par value, of which 220 shares are issued and outstanding. All of the shares of common stock outstanding of YGY have been duly authorized and validly issued in compliance with the Securities Exchange Act of 1934, as amended (the "Exchange Act") and applicable state securities laws and are fully paid and non-assessable. There are no outstanding preemptive, conversion or other rights, options, warrants or agreements granted or issued by or binding upon YGY for the purchase or acquisition of any equity interests of YGY and there are no agreements for the registration of any outstanding shares of capital stock of YGY.

3.7 **Liabilities.** Other than as disclosed on Schedule 3.7, neither YGY nor any of the entities listed on Schedule 3.1 (the "YGY Subs") has any actual or accrued debts, liabilities or obligations and there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by YGY or the YGY Subs directly or indirectly in relation to YGY, the YGY Subs or any of its respective businesses that may survive the Merger in excess of $25,000 in the aggregate.

3.8 **Litigation.** There are no actions, suits, proceedings or investigations pending or to the knowledge of YGY threatened against or affecting the businesses or properties of YGY whether at law or in equity or admiralty or before or by any governmental department, commission, board, agency, court or instrumentality, domestic or foreign, nor is YGY operating under, subject to, in violation of or in default with respect to, any judgment, order, writ, injunction or degree of any court or other governmental department, commission, board, agency or instrumentality, domestic or foreign. No written inquiries have been made directly to the officers of YGY by any governmental agency which might form the basis of any such action, suit, proceeding or investigation, or which might require YGY to undertake a course of action which would involve any expense. No filings have been made by any present or former employee of YGY with the Equal Employment Opportunity Commission or any governmental agency, asserting any claim based on alleged race, gender (including, without limitation, sexual harassment), age or other type of discrimination on the part of YGY.

3.9 **Transactions with Affiliates.** Other than as disclosed on Schedule 3.9, there are no loans, leases, royalty agreements, employment contracts, webmaster agreements or any other agreement or arrangement, oral or written, between YGY, on the one hand, and any past or present shareholder or director of YGY, on the other hand.

3.10 **Books and Records.** The books of account, minute books, stock record books, and other records of YGY, all of which have been made available to JCOF, are accurate and complete in all material respects.

3.11 **Taxes.** Except as set forth in Schedule 3.11, YGY has made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to which such returns, reports or declarations apply.

3.12 **Compliance with Law.** YGY is not in violation of any laws, governmental orders, rules or regulations, whether federal, state or local, to which it or any of its properties are subject, which may have a Material Adverse Effect on YGY. YGY has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect with respect to YGY.

3.13 **Absence of Certain Changes.** Since June 30, 2011, there has been no material adverse change and no material adverse development in the business, properties, operations, financial condition, or results of operations of YGY. No order or application for winding up, dissolution, reconstruction or reorganization (including an appointment of a provisional liquidator) has been made or presented in or before any court or other governmental authority and no meeting convened for the purpose of considering a resolution for the voluntary or involuntary (whether by members or creditors) winding up of YGY or for the appointment of any provisional liquidator.

3.14 **Brokers.** There has been no broker or finder or similar person involved in any manner in the negotiations leading up to the execution of this Agreement or the consummation of any transactions contemplated hereby, and YGY agrees to indemnify each of JCOF and Merger Sub against and hold each of them harmless from any and all damages, costs, expenses (including without limitation reasonable attorneys’ fees), losses and liabilities in connection with any claim for any brokers’, finders’ or similar fees in respect of the transactions contemplated hereby by any person claiming the same against JCOF or Merger Sub.
3.15 No Untrue Representation or Warranty. No representation or warranty made by YGY or its shareholders contained in this Agreement or any attachment, statement, schedule, exhibit, certificate or instrument furnished or to be furnished to JCOF pursuant hereto, or otherwise furnished in writing by in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements contained herein or therein not misleading.

3.16 Patents, Trademarks, Etc. To the knowledge of YGY, the present conduct of the business of YGY does not infringe upon or violate any patents, trademarks, tradenames, trade secrets or copyrights of anyone, nor has YGY received any notice of any infringement thereof. YGY owns or has license to all inventions, patents, patent applications, trademarks, and copyrights necessary to conduct its business as currently operated.

3.17 Financial Statements of YGY.

(a) Attached hereto as Schedule 3.17 is a consolidated balance sheet of YGY and the YGY Subs as of December 31, 2010 and a consolidated income statement of YGY and the YGY Subs for the twelve (12) months ended December 31, 2010 and the six (6) month stub period ended June 30, 2011 for each (the “Financial Statements”), prepared in accordance with generally accepted accounting principles, consistently applied with past practices (“GAAP”). The Financial Statements have been prepared in accordance with the books and records of YGY and the YGY Subs, are complete and correct, have been prepared in accordance with GAAP, consistently applied, and fairly present the financial position and results of operation of YGY and the YGY Subs for the periods covered thereby (subject to normal recurring changes resulting from year-end adjustments). The books and records maintained by YGY and the YGY Subs upon which the Financial Statements are based are true and correct in all material respects and accurately reflect the business of YGY and the YGY Subs. The Financial Statements are consolidated with and include the relevant financial information relating to each of the YGY Subs in accordance with GAAP. With the exception of Youngevity NZ Limited that had annual revenue of $400,000, none of the YGY Subs had any annual revenue.

(b) Except to the extent reflected or reserved against in the balance sheet as at June 30, 2011, included in the Financial Statements, neither YGY nor any YGY Sub has no material liability of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due, including without limitation any liability for taxes for any period prior to such date.

3.18 Full Disclosure. There is no fact known to YGY or the YGY Subs (other than general economic conditions known to the public generally) that has not been disclosed in writing to JCOF that: (i) would reasonably be expected to have a material adverse effect on the business or financial condition of YGY or the YGY Subs; or (ii) would reasonably be expected to materially and adversely affect the ability of YGY or the YGY Subs to perform its obligations pursuant to this Agreement.

ARTICLE IV
JCOF AND MERGER SUB REPRESENTATIONS

JCOF and Merger Sub represent to YGY as of the date of this Agreement and as of the Closing Date as follows:

4.1 Organization and Good Standing.

(a) JCOF is validly existing, and in good standing under the laws of the state of Florida and Merger Sub is organized, validly existing, and in good standing under the laws of the State of California, with all power and authority necessary to own or use their respective assets and conduct each of their respective businesses as they are now being conducted. Each of JCOF and Merger Sub is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each state or other jurisdiction in which the failure to be so qualified or in good standing would have a Material Adverse Effect with respect to JCOF or Merger Sub. The Common Stock is quoted on the over the counter securities market of OTC Markets Group, Inc. (the “Pink Sheets”). JCOF is not in violation of any rule, regulation or policy of the Pink Sheets, is in compliance with all requirements for the trading of its securities thereon, including the timely filing of all required reports and disclosures, and does not have any reason to believe that the stock will be delisted in the future. No filing with or consent of the Pink Sheets is required in connection with this Agreement or the transactions contemplated hereby.
(b) Other than CLR Roasters LLC (" CLR ") and Merger Sub, JCOF does not own any interest in any other entity or person. JCOF owns and has sole voting authority with regards to all of the equity interests of CLR. CLR is organized, validly existing and in good standing under the laws of the state of Florida, with all power and authority necessary to own or use its assets and conduct its business as it is now being conducted. CLR is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each state or other jurisdiction in which the failure to be so qualified or in good standing would have a Material Adverse Effect with respect to CLR.  

4.2 Authority. Each of JCOF and Merger Sub has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Execution and delivery of this Agreement and performance by JCOF and Merger Sub of their respective obligations hereunder have been duly authorized by the shareholders of Merger Sub and the board of directors of JCOF and Merger Sub and no other proceedings on the part of either is necessary with respect thereto.  

4.3 Enforceability. This Agreement constitutes the valid and binding obligation of each of JCOF and Merger Sub, enforceable in accordance with its terms, except as enforceability is limited by: (i) any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally or (ii) general principles of equity, whether considered in a proceeding in equity or at law.  

4.4 Consents. Neither JCOF, CLR nor Merger Sub is required to obtain the consent of any person, including the consent of any party to any contract to which either is party, in connection with execution and delivery of this Agreement and performance of its obligations hereunder except where the failure to obtain such consent would not have a Material Adverse Effect with respect to JCOF, CLR or Merger Sub.  

4.5 No Violations. The execution and delivery of the agreement by each of JCOF and Merger Sub and the performance of each of its obligations hereunder does not: (i) violate any provision of its organizational documents or the organization documents of CLR as currently in effect; (ii) conflict with, result in a breach of, constitute a default under (or an event that, with notice or lapse of time or both, would constitute a default under), accelerate the performance required by, result in the creation of any lien on any of the material properties or material assets of JCOF, CLR or Merger Sub under, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any material contract to which JCOF, CLR or Merger Sub is a party or by which any material properties or material assets of JCOF, CLR or Merger Sub is bound; or (iii) to the knowledge of JCOF or Merger Sub, contravene, conflict with, or violate any law or order to which JCOF, CLR or Merger Sub is subject.  

4.6 Capitalization. The authorized capital stock of JCOF consists of 1,000,000,000 shares of common stock, no par value, and 100,000,000 shares of preferred stock, no par value. On a fully diluted and as-converted basis, assuming the conversion of all securities convertible into and the exercise of all securities exercisable for Common Stock, 240,000,000 shares of Common Stock of JCOF are issued and outstanding. The authorized capital stock of Merger Sub consists of 1,000 shares of common stock, no par value, of which 1,000 shares are issued and outstanding and all of the issued and outstanding shares are owned by JCOF. All of the shares of common stock outstanding of each of JCOF and Merger Sub have been duly authorized and validly issued in compliance with the Exchange Act and applicable state securities laws and are fully paid and non-assessable. Schedule 4.6 hereto sets forth a true and complete copy of the transfer agent’s stock records of the outstanding shares of JCOF as of July 7, 2011. There are no securities of JCOF or Merger Sub outstanding that contain anti-dilution or similar provisions that will be triggered by the Merger or sale of the shares. There are no outstanding preemptive, conversion or other rights, options, warrants or agreements granted or issued by or binding upon JCOF, CLR or Merger Sub for the purchase or acquisition of any equity interests of such entities other than the warrants and options set forth on Schedule 4.6 hereto. There are no agreements for the registration of any outstanding shares of capital stock of JCOF, CLR or Merger Sub. None of JCOF, CLR or Merger Sub has a stock option plan.  

4.7 Liabilities. Other than debt and liabilities incurred in the normal course of business and those set forth on the May 31, 2011 balance sheet, neither JCOF, CLR, Merger Sub nor any other subsidiary of JCOF will have any actual or accrued debts as of the Closing Date, and there are no outstanding guarantees, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by JCOF, CLR, Merger Sub or any other subsidiary of JCOF directly or indirectly in relation to their respective business or that may survive the Closing, except as disclosed on Schedule 4.7.
4.8 Litigation. There are no actions, suits, proceedings or investigations pending or to the knowledge of JFOC threatened against or affecting the businesses or properties of JCOF, Merger Sub, CLR or any other subsidiary of JCOF whether at law or in equity or admiralty or before or by any governmental department, commission, board, agency, court or instrumentality, domestic or foreign; provided, however, JFOC is a party to a lawsuit it initiated against Michael’s Gourmet Coffee; nor is JCOF, CLR, Merger Sub or any other subsidiary of JCOF operating under, subject to, in violation of or in default with respect to, any judgment, order, writ, injunction or degree of any court or other governmental department, commission, board, agency or instrumentality, domestic or foreign. No written inquiries or oral inquiries have been made directly to the officers of JCOF, CLR, Merger Sub or any other subsidiary of JCOF by any governmental agency which might form the basis of any such action, suit, proceeding or investigation, or which might require JCOF, CLR, Merger Sub or any other subsidiary of JCOF to undertake a course of action which would involve any expense. No filings have been made by any present or former employee of either JCOF, CLR or Merger Sub with the Equal Employment Opportunity Commission or any governmental agency, asserting any claim based on alleged race, gender (including, without limitation, sexual harassment), age or other type of discrimination on the part of JCOF or Merger Sub.

4.9 Employees. Schedule 4.9 hereto lists the current employees, officers and independent contractors of JCOF, including their title, state of residency, total compensation (including any bonuses during the last 12 months), any employment or independent contractor agreements to which each employee or independent contractor, respectively, is party and exempt or non-exempt status. Each of Merger Sub and CLR has never had any employees or independent contractors. Neither JCOF, CLR nor Merger Sub is a party or subject to any collective bargaining agreement, national or general labor agreement, works council or any other similar agreement with a labor union, board or similar group or organization covering or representing any employees. The officers of JCOF are not aware that any of its employees, officers or independent contractors is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to the Company. Except as set forth in Schedule 4.9, JCOF is not a party to or bound by any currently effective written or oral employment contract, deferred compensation arrangement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation plan or agreement.

4.10 Transactions with Affiliates. Schedule 4.10 sets forth all loans, leases, royalty agreements, employment contracts, webmaster agreements or any other agreement or arrangement, oral or written, between JCOF, CLR, Merger Sub, or any other subsidiary of JCOF on the one hand, and any past or present shareholder or director of JCOF, CLR, Merger Sub or any other subsidiary of JCOF, on the other hand.

4.11 No untrue representation or warranty. No representation or warranty made by JCOF or Merger Sub contained in this Agreement or any attachment, statement, schedule, exhibit, certificate or instrument furnished or to be furnished to YGY by pursuant hereto, or otherwise furnished in writing in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements contained herein or therein not misleading.

4.12 Books and Records. The books of account, minute books, stock record books, and other records of JCOF, CLR, Merger Sub, and all other subsidiaries of JCOF, all of which have been made available to YGY, are accurate and complete in all material respects. A complete list of all bank accounts and safe deposit boxes, if any, maintained by JCOF, CLR and Merger Sub and all persons entitled to draw thereon or with access thereto is set forth in Schedule 4.12.

4.13 Taxes. JCOF, CLR, Merger Sub and all other subsidiaries of JCOF have each made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and has paid all taxes and other governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except the tax return for the fiscal year ended December 31, 2010, for which an extension has been requested, and those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to which such returns, reports or declarations apply.

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4.14 Patent, Trademarks, Etc. Except as disclosed on Schedule 4.14, there are no inventions, licenses, patents, patent applications, trademarks, copyrights, trademark or copyright applications or registrations, pending or existing, owned by or registered in the name of JCOF, CLR, Merger Sub or any other subsidiary of JCOF. To the knowledge of JCOF, the present conduct of the business of JCOF, CLR, Merger Sub and all other subsidiaries of JCOF does not infringe upon or violate any patents, trademarks, tradenames, trade secrets or copyrights of anyone, nor has JCOF, CLR, Merger Sub or any other subsidiary of JCOF received any notice of any infringement thereof. Each of JCOF, CLR, Merger Sub and each other subsidiary of JCOF own or have license to all inventions, patents, patent applications, trademarks, and copyrights necessary to conduct its business as currently operated.

4.15 Compliance with Law. Neither JCOF, CLR, Merger Sub or any other subsidiary of JCOF is in violation of any laws, governmental orders, rules or regulations, whether federal, state or local, to which it or any of its properties are subject, which may have a material adverse affect as to JCOF, Merger Sub or any other subsidiary of JCOF either of their assets. Each of JCOF, CLR, Merger Sub or any other subsidiary of JCOF has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect with respect to such entities.

4.16 Financial Statements of JCOF.
(a) Attached hereto as Schedule 4.16 is a consolidated balance sheet of JCOF and CLR as of December 31, 2010 and a consolidated income statement of JCOF and CLR for the twelve (12) months ended December 31, 2010 and the five (5) month stub period ended May 31, 2011 for each (the “Financial Statements”), compiled by independent certified public accountants in accordance with generally accepted accounting principles, consistently applied with past practices (“GAAP”); provided, however, that the consolidation was not performed in accordance with GAAP. The Financial Statements have been prepared in accordance with the books and records of JCOF and CLR, are complete and correct, have been prepared in accordance with GAAP, consistently applied, and fairly present the financial position and results of operation of JCOF and CLR for the periods covered thereby (subject to normal recurring changes resulting from year-end adjustments). The books and records maintained by JCOF upon which the Financial Statements are based are true and correct in all material respects and accurately reflect the business of JCOF and CLR.

(b) Except to the extent reflected or reserved against in the balance sheet as at May 31, 2011, included in the Financial Statements or as set forth in Section 4.7 or Schedule 4.7, neither JCOF nor CLR has any material liability of any nature, whether absolute, accrued, contingent or otherwise, and whether due or to become due, including without limitation any liability for taxes for any period prior to such date.

4.17 Absence of Certain Changes. Since December 31, 2010, there has been no material adverse change and no material adverse development in the business, properties, operations, financial condition, or results of operations of JCOF, CLR, Merger Sub or any other subsidiary of JCOF. No order or application for winding up, dissolution, reconstruction or reorganization (including an appointment of a provisional liquidator) has been made or presented in or before any court or other governmental authority and no meeting convened for the purpose of considering a resolution for the voluntary or involuntary (whether by members or creditors) winding up of JCOF, CLR or Merger Sub or for the appointment of any provisional liquidator.

4.18 Full Disclosure. There is no fact known to JCOF, CLR or Merger Sub (other than general economic conditions known to the public generally) that has not been disclosed in writing to YGY that: (i) would reasonably be expected to have a material adverse effect on the business or financial condition of JCOF, CLR, Merger Sub or any other subsidiary of JCOF; or (ii) would reasonably be expected to materially and adversely affect the ability of JCOF, CLR, Merger Sub or any other subsidiary of JCOF to perform its obligations pursuant to this Agreement.

4.19 Brokers. There has been no broker or finder or similar person involved in any manner in the negotiations leading up to the execution of this Agreement or the consummation of any transactions contemplated hereby, and JCOF and Merger Sub, jointly and severally, agree to indemnify YGY against and hold YGY harmless from any and all damages, costs, expenses (including without limitation reasonable attorneys’ fees), losses and liabilities in connection with any claim for any brokers’, finders’ or similar fees in respect of the transactions contemplated hereby by any person claiming the same against YGY.
ARTICLE V
COVENANTS OF THE PARTIES

5.1 Further Assurances. Each of the parties agrees that, at any time after the Closing, upon the request of the other party each will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acknowledgments, consents and assurances as may reasonably be required for the consummation of the transactions contemplated hereby.

5.2 Cooperation. The parties shall cooperate with each other fully with respect to actions required or requested to be undertaken with respect to tax audits, administrative actions or proceedings, litigation and any other matters that may occur after the Closing, and each party shall maintain and make available to the other party upon request all corporate, tax and other records required or requested in connection with such matters.

5.3 Publicity. The parties will advise and consult with each other prior to the issuance of any public announcements concerning the transactions contemplated hereby; and no such announcement shall be issued by YGY without the prior written consent of JCOF, which shall not be unreasonably withheld.

5.4 The parties further agree that on or before the Closing, a sales commission plan will be put into place for each of Scott Pumper and Dave Briskie, with terms and provisions in substantially the form incorporated in the Consulting Agreement and Employment Agreement attached hereto as Exhibit C and Exhibit D, respectively.

ARTICLE VI
TERMINATION

6.1 Termination. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time:

(a) by mutual written consent of YGY, Merger Sub, and JCOF;

(b) by either YGY or JCOF if the Closing has not taken place on or before June 30, 2011 (the “Outside Date”); provided, however, that the right to terminate this Agreement pursuant to this Section 6.1(b) shall not be available to any party whose material breach of any provision of this Agreement results in the failure of the Closing to occur by such time;

(c) by JCOF and Merger Sub if YGY or any of its shareholders materially breaches or fails to perform or comply in all material respects with any of its representations, warranties, agreements or covenants contained in this Agreement, which breach or failure to perform or comply cannot be cured by the Outside Date (provided that JCOF or Merger Sub is not then in material breach of any representation, warranty, agreement or covenant contained in this Agreement); or

(d) by YGY, if JCOF or Merger Sub materially breaches or fails to perform or comply in all material respects with any of their respective representations, warranties, agreements or covenants contained in this Agreement, which breach or failure to perform or comply cannot be cured by the Outside Date (provided that YGY is not then in material breach of any representation, warranty, agreement or covenant contained in this Agreement).

(e) A terminating party shall provide written notice of termination to the other parties specifying with particularity the reason for such termination. If more than one provision of this Section 6.1 is available to a terminating party in connection with a termination, a terminating party may rely on any and all available provisions in this Section 6.1 for any such termination.
6.2 **Effect of Termination.** If this Agreement is terminated pursuant to Section 6.1, this Agreement shall become void and of no effect with no liability on the part of any party (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other parties hereto, provided, however, that if such termination shall result from the (i) failure of a party to fulfill a condition to the performance of the obligations of another party or (ii) failure of a party to perform an agreement or covenant hereof, such party shall not be relieved of any liability to the other party or parties as a result of such failure or breach.

**ARTICLE VII**

**MISCELLANEOUS**

7.1 **Reasonable Efforts.** Subject to the conditions of this Agreement, each of the parties shall use the efforts that a reasonable person would make so as to achieve that goal as expeditiously as possible to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or advisable under applicable laws to consummate the transactions contemplated by this Agreement as promptly as practicable including but not limited to: (i) taking such actions as are necessary to obtain any required approval, consent, ratification, filing, declaration, registration, waiver, or other authorization and (ii) satisfying all conditions to Closing at the earliest possible time.

7.2 **Transaction Costs.** Each party shall pay its own fees and expenses (including without limitation the fees and expenses of its representatives, attorneys, and accountants) incurred in connection with negotiation, drafting, execution, and delivery of this Agreement.

7.3 **Assignment.** No party may assign any of its rights or delegate any performance under this Agreement except with the prior written consent of the other party.

7.4 **Binding.** This Agreement binds, and inures to the benefit of, the parties and their respective permitted successors and assigns.

7.5 **Governing Law; Consent to Jurisdiction; Waiver of Jury Trial.** The laws of the State of California (without giving effect to its conflict of laws principles) govern all matters arising out of this Agreement, including without limitation tort claims. Each party to this Agreement hereby agrees to submit to the jurisdiction of the state courts of California and the United States District Court for the Southern District of California in connection with any suit, action or proceeding arising under this Agreement. The parties agree that the San Diego County Superior Court and the United States District Court for the Southern District of California shall be the sole and exclusive forum for the resolution of any disputes arising under or relating to this Agreement. Each of the parties hereto hereby waives any right to a jury trial in connection with any suit, action or proceeding arising under or relating to this Agreement.

7.6 **Indemnification.** Scott Pumper and Dave Briskie, on a joint and several basis, shall indemnify, exonerate and hold harmless YGY, its stockholders, officers, directors, employees and agents and their respective successors, predecessors and permitted assigns (each an “Indemnitee”) from and against any and all actions, causes of action, suit, suits, losses, liabilities, damages and expenses, including, without limitation, reasonable attorneys’ fees and disbursements (“Damages”), incurred by any Indemnitee as a result of or relating to liabilities of JCOF relating to (i) its employees, including without limitation accrued but unpaid dividends, bonuses, compensation, benefits or similar claims that are not satisfied, forgiven or discharged prior to the Closing, (ii) accrued but unpaid dividends to its shareholders other than dividends accrued with respect to shares of JCOF’s Preferred Stock that have not converted into shares of JCOF’s Common Stock on or prior to the Closing that are not satisfied, forgiven or discharged prior to the Closing. The obligations of each party under this Section 7.6 shall survive the execution and delivery of this Agreement and shall terminate once the statute of limitations expires for any such claim.

7.7 **Cancellation of Shares.** In the event that the issued and outstanding shares of Common Stock of JCOF, on a fully-diluted and as-converted into Common Stock basis, is more than 240,000 shares, Scott Pumper and Dave Briskie, on a joint and several basis, shall deliver to JCOF for cancellation, and JCOF will promptly cancel, such number of shares held by Scott Pumper and David Briskie as are necessary to reduce the outstanding shares of Common Stock held by shareholders of JCOF in the aggregate immediately prior to the Closing to be 240,000.
7.8 **Entirety of Agreement.** This Agreement constitute the entire agreement of the parties concerning the subject matter hereof and supersedes all prior agreements, if any.

7.9 **Further Assurances.** Each of ICOF and YGY shall execute and deliver such additional documents and instruments and perform such additional acts as the other party may reasonably request to effectuate or carry out and perform all the terms of this Agreement and the transactions contemplated hereby, and to effectuate the intent of this Agreement.

7.10 **References to Time.** All references to a time of day in this Agreement are references to the time in the State of California.

7.11 **Amendment.** This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

7.12 **Counterparts.** This Agreement may be executed in several counterparts, each of which is an original and all of which together constitute one and the same instrument.

7.13 **No Third-Party Rights.** Nothing expressed or referred to in this Agreement gives any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, and this Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns. The undersigned are signing this Agreement on the date stated in the introductory clause.

7.14 **Severability.** If any provision or provisions of this Agreement or of any of the documents or instruments delivered pursuant hereto, or any portion of any provision hereof or thereof, shall be deemed invalid or unenforceable pursuant to a final determination of an arbitrator or court of competent jurisdiction or as a result of future legislative action, such determination or action shall be construed so as not to affect the validity or enforceability hereof or thereof and shall not affect the validity or effect of any other portion hereof or thereof.

7.15 **Notices.** Any notice, demand or other communication required or permitted to be given pursuant to this Agreement shall have been sufficiently given for all purposes (a) if delivered personally to the party or to an executive officer of the party to whom such notice, demand or other communication is directed on the date of such personal delivery; or (b) if sent by registered or certified mail, postage prepaid, addressed to the party to whom such notice, demand or other communication is directed at its address set forth below on the fifth business day after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail; or (c) if sent by facsimile transmission, on the date of such transmission, if confirmed as received that day by the receiving party, and the original notice is sent that day by first class mail, postage prepaid.

If to YGY:
Youngevity
2400 Boswell Rd
San Diego, CA 92114
Attn: Steve Wallace

with a copy to:
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Attn: Eddie Rodrigues
3580 Carmel Mountain Rd.
Suite 300
San Diego, CA 92130
IN WITNESS WHEREOF, the parties hereto have duly executed this Amended and Restated Agreement and Plan of Reorganization the day and date first above written.

AL GLOBAL CORPORATION D/B/A YOUNGEVITY
By: /s/ Stephan Wallach
   Name: Stephan Wallach
   Title: President

JAVALUTION COFFEE COMPANY
By: /s/ Scott Pumper
   Name: Scott Pumper
   Title: President

GY MERGE, INC.
By: /s/ David Briskie
   Name: David Briskie
   Title: CEO

Acknowledged and agreed as to Sections 7.6 and 7.7:

SCOTT PUMPER
   /s/ Scott Pumper

DAVE BRISKIE
   /s/ David Briskie
EXHIBIT B

Investor representations and warranties

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EXHIBIT D

Dave Briskie Sales Compensation Plan
This Asset Purchase Agreement (“Agreement”) is made and entered into this 1st day of July, 2011, by and between R Garden Inc., a Washington Corporation, (referred to herein as “Seller”), and AL Global Corporation, a California Corporation, DBA Youngevity (referred to herein as “Purchaser”). Whereas Seller is an established corporation in the marketing and sale of products related to Nutritional products and has developed a Distributorship Organization of independent authorized agents for the sale of its products, including the R Garden product brands. Whereas Purchaser wishes to acquire and seller wishes to sell / transfer, among other things, its Distributorship Organization and the R Garden product lines and this Agreement is to witness the following:

WITNESSETH:

1. **Sale of Business Assets.** Seller shall sell, transfer, convey, assign and deliver to the Purchaser and Purchaser shall purchase from the Seller subject to the terms and conditions set forth in this Agreement, the following Described Property: Certain business assets and properties owned or utilized by Seller including but not limited to: Seller’s Distributorship/Customer Organization, rights, and usage of intellectual property (including websites, and URLs), trademarks, and tradenames associated with the R Garden brands and product lines, certain product inventory (transferred to Purchaser to be held and sold on consignment) all of which are required to represent itself as carrying on the Business in succession to Seller and the right to use any words indicating that the Business is so carried on.

2. **Purchase Price.** Seller shall receive from Purchaser certain fees as described below for the purchase of the Described Property.
   
   A.) **Royalties.** Seller shall receive ten percent (10%) of the Net Sales from all the R Garden products for sixty (60) months. Net Sales shall mean the gross invoiced sales price for all Products, Consignment Inventory and/or future manufactured products sold by Purchaser and its affiliates to third parties, less the following amounts: (1) credits or allowances actually given or made for rejection of, and for uncollectible amounts on, or return of previously sold Products, (2) any charges for freight, freight insurance, shipping, and other transportation costs; (3) any tax, tariff, duty or governmental charge; and (4) any import or export duties or their equivalent borne by the seller.
   
   B.) **Commissions.** Seller shall be incorporated into the genealogy system for determining commissions within Purchaser’s Network Marketing systems. This will enable Seller to receive regular commissions on the sales of distributors in Seller’s downlines along with all distributors coming over as part of this Agreement. Commissions will be calculated using Purchaser’s regular commission structure and at regular intervals.
   
   C.) **Remaining Inventory.** Seller shall be paid the cost of the existing inventory when it is sold. Seller shall ship the remaining inventory to Purchaser. Seller shall provide to Purchaser 1) a list of the remaining inventory being shipped to Purchaser and 2) a list of the cost of the remaining inventory. As Purchaser will need to have the products produced in the future, Seller shall provide Purchase with the appropriate contact information, pricing and terms, for reordering additional products. Purchaser will hold that inventory on consignment for Seller.

3. **Payment of Purchase Price.** The purchase price, as provided in Paragraph 2, shall be paid by the Purchaser in the following manner:
   
   A.) **Royalties.** Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Purchaser shall pay Seller the described percentage of such prior month’s product sales. Any such payment shall be past due if not received by Seller before the 30th day of such month.
B.) **Commissions.** Commission payments shall follow Purchaser’s regular business cycle, which currently is payment of commissions once per month on the fifteenth (15th) of each month or next business day.

C.) **Remaining Inventory.** Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Purchaser shall provide Seller a listing of the number of remaining inventory products sold, and shall pay Seller the cost of those products of such prior month’s sales. Any such payment shall be past due if not received by Seller before the 30th day of such month.

4. **Term.** The term of this Agreement is sixty (60) months. Upon completion of the term, the complete purchase price for this Agreement will have been completed and the assets shall transfer to Purchaser. However, the following issues may terminate this Agreement if not cured within thirty (30) days and such cure must meet the approval of the offended party.

A.) If Seller materially breaches paragraphs 6, 7, 8, and/or 9, and is not cured to the approval of Purchaser, Purchaser shall be able to terminate this Agreement and completely own Seller’s products, inventory, distributor organization and other assets described within this Agreement.

B.) If Purchaser materially breaches paragraphs 6, 10, and/or 11, and is not cured to the approval of Seller, Seller shall be able to terminate this Agreement and recover such damages as described in this Agreement, including the ability to terminate this Agreement and completely retain Seller’s products, inventory, distributor organization and other assets described within this Agreement.

5. **Closing.** Seller agrees to close this transaction no later than July 1, 2011. (the “Closing Date”).

6. **Post-Closing Obligations of Seller/Purchaser.**

A.) Seller agrees to use its best efforts in assisting with the transition / transfer of the Seller’s distributor/customer organization and records to Purchaser. After Closing, Seller agrees to refer all order and inquiries related to the subject matter of this Agreement to Purchaser. Seller further agrees to allow reasonable access to historical financial information as necessary.

B.) Purchaser agrees to allow Seller reasonable access to its books and records for audit purposes of the net product sales attributable to the Seller’s distributor organization. Purchaser agrees further to reasonably cooperate with Seller’s requests for information. Seller shall notify Purchaser no less than ten (10) business days prior to the date of its intended inspection of books and records. Such information shall be confidential and Seller shall not disseminate such information and may only use it for audit purposes.

C.) Purchaser agrees to use its best efforts to maintain and increase the sales of the Seller’s distributor organization exclusively licensed from Seller. Purchaser further agrees not to materially alter, transfer, assign, or otherwise dispose of such distributor organization until payment in full and the maturity of this Agreement.

D.) Purchaser shall use its best efforts to sell the inventory acquired from Seller and to prioritize the sale of such inventory.

E.) Purchaser and Seller acknowledge that Seller’s Distributorship Organization, inventory, and the other assets constitute valuable assets to Purchaser. Purchaser and Seller therefore agree that during the term of this Agreement and for two (2) year period after this Agreement, Seller shall not contract, utilize or attempt to utilize whether directly or indirectly, any portion of the either Seller’s and/or Purchaser’s Distributorship Organizations, if such action could have the effect of re-directing the resources and skills of such Distributors or Distributorship Organizations. Such action would have serious and undeterminable financial ramifications that Seller could be held responsible for.
7. Covenants of Seller. Licensor covenants to Licensee that Licensor has good and marketable title in and to the assets being licensed and/or sold, free of all debts, liens and encumbrances, except as is expressly provided for herein.

8. Seller’s Representations and Warranties. Seller represents and warrants to Purchaser the following matters as of the date hereof, each of which shall also be true and complete as of the Closing Date as if made on the date of Closing, and each shall be deemed to be independently material:

A.) That Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Washington. That all signatures to this Agreement have full corporate power to carry on the business as it is now being conducted and to enter into this Agreement on behalf of Seller and to bind Seller to the terms thereof.

B.) That the execution of this Agreement by Seller and its delivery to Purchaser have been duly authorized by Seller’s Board of Directors and such Agreement and the execution and delivery thereof have been duly approved by all the holders of Seller’s outstanding shares; and no further corporate action is necessary on Seller’s part to make this Agreement valid and binding upon it in accordance with its terms.

C.) That Seller is neither a foreign corporation, foreign person nor intermediary for a foreign corporation or foreign person, subject to withholding requirements of the Internal Revenue Service.

9. Breach of Representations and Warranties. In the event that any of the above representations or warranties are breached, then Purchaser shall have the right to recover its damages from Seller.

10. Purchaser’s Representations and Warranties. Purchaser represents and warrants as follows, to wit:

A.) That Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the state of California and has full corporate power to carry on its business as it is now being conducted and to enter into and fully perform its obligations under the terms of this Agreement.

B.) That the proprietary information relating to the distributor organization made the subject of this Agreement shall remain confidential and neither Purchaser nor Seller shall release or otherwise disclose, except as required by law, such information without the prior written consent of the other party.

11. Default. If Purchaser fails to timely pay or fails to perform any of Purchaser’s obligations or breaches any of Purchaser’s representations or warranties, Seller may recover its damages, elect to rescind this Agreement and/or seek any and all equitable or legal remedies available.

12. Other Documents. Seller further agrees to execute and deliver to Purchaser all deeds, assignments, documents of title, and other instruments which may be necessary to effect the transfer of the assets and properties described in this Agreement.

13. Notices. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except for those required to be delivered at Closing, shall be in writing and shall be deemed to be delivered upon the earlier of actual receipt (whether by hand delivery or delivery service) or upon deposit with the U.S. Postal Service, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:
If to Seller:

Don Smyth
P.O. Box 417
14 Enzyme Lane
Kettle Falls, WA 99141

If to Purchaser:

Youngevity
Attn: Steve Wallach
2400 Boswell Rd.
Chula Vista, CA 91914

14. Governing Law / Jurisdiction. This Agreement is being executed and delivered, and is intended to be performed, in the State of California, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement unless otherwise specified herein.

15. Entirety and Amendments. This Agreement and the Exhibits attached hereto embody the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Subject Property and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. Further, the prevailing party in any litigation between the parties shall be entitled to recover, as a part of its judgment, reasonable attorney’s fees.

16. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.

17. Parties Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, personal representatives, successors and assigns.

18. Further Acts. In addition to the acts recited in this Agreement to be performed by Seller and Purchaser, Purchaser and Seller agree to perform or cause to be performed at or after Closing any and all such further acts as may be reasonably necessary to consummate the sale contemplated hereby.

19. Third Party Beneficiaries. The rights, privileges, benefits and obligations arising under or created by this Agreement are intended to apply to and shall only apply to Purchaser and Seller and no other persons or entities.

20. Purchaser’s Authority. The person executing this Agreement on behalf of Purchaser warrants to Seller that he has the Authority to execute this Agreement on behalf of Purchaser and to bind Purchaser pursuant to the terms hereof.

21. Effective Date. The effective date of this Agreement shall be the date this Agreement is executed by both Seller and Purchaser. References to “Date of Agreement” are to the effective date.

22. Captions. The captions herein contained are for the purpose of identification only and shall not be considered in construing this Agreement.
23. **Time is of Essence.** Time is of the essence of this Agreement and each and every provision hereof.

24. **Survivability.** This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective heirs, legal representatives, successors, and assigns. In the event of change of ownership or management of either party, this Agreement will remain in full force and effect upon the successors of either Purchaser and/or Seller.

25. **Assignment.** Purchaser may assign its right, title and interest in and to the agreement to any person or entity, upon approval of Seller.

26. **Arbitration / Attorney’s fees.** Any controversy or claim arising out of or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”), but not administered by the AAA, before a panel of three Arbitrators whose compensation therefore shall be set by agreement of the parties should such proceeding become necessary. The panel shall be selected by each party selecting one neutral arbitrator and the persons thus selected shall select a third arbitrator who may not be a person suggested by either party. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Any Arbitration shall be conducted in San Diego, California. The non-prevailing party in any cause of action brought hereunder, pursuant hereto, or in connection herewith, inclusive without limitation of an action for declaratory or equitable relief, shall be liable for the reasonable attorney’s fees, expenses and costs of suit incurred by the prevailing party therein.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

PURCHASER:  
AL Global Corporation, 
DBA Youngevity, a California corporation 
By: 
Name: 
Title:

SELLER:  
R Garden Inc. 
a Washington corporation 
By: 
Name: 
Title:
Re-Purchase Agreement

This Re-Purchase Agreement, hereinafter referred to as “Agreement”, is made and entered into this 12th day of September, 2012, by and between AL International, Inc. and R Garden, Inc., hereinafter referred to as “ALI” and “RGI”, respectively, and collectively referred to as the “Parties”. Whereas RGI wishes to acquire, and ALI wishes to transfer, among other things, R Garden branded product, website URL(s), and other intellectual property, the undersigned mutually agree to the following:

1. Sole Agreement. This agreement is the sole agreement between RGI and ALI and supersedes and summarily replaces any and all other agreements; including, but not limited to Asset Purchase Agreement dated 1July, 2011 between RGI and AL Global Corporation and any other consignment, royalty, commission, or inventory purchase agreements entered into between the Parties prior to the execution and commencement of this Agreement. The only exception to be any Associate Agreement entered into personally by the undersigned, Don Smyth which is, and shall remain separate from this agreement.

2. Sale of Business Assets. ALI shall sell, transfer, convey, or otherwise assign to RGI and prepare for shipment, any and all mutually agreed upon assets for a mutually agreed upon price. Assets include, but may not be limited to, the following: R Garden Products, which include both previously consigned merchandise as well as ALI owned merchandise purchased subsequent to and within the terms of previous Asset Purchase Agreement, Website domain names (URL’s), telephone number(s), and other intellectual property. Products shall be shipped back to RGI on September 17th, 2012 to the following address: R-Garden Inc., c/o Shawna Pelts, 19940 190th Ave. NE, Woodinville, WA 98077.
   a. Products previously consigned have been, and shall be owned by RGI, and as such will be returned to RGI upon execution of this agreement.
   b. Products purchased by ALI from Manufacturers (i.e., Summit Lake Labs) for the purposes of resale will be purchased by RGI from ALI at their original purchase price, with the exception as stated herein.
   c. RGI will retain $5,000 from purchase price as a retainer for the contingency of any discrepancies. Upon acceptance of Products by RGI, inventory records will be reconciled and any and all discrepancies will be brought forth within 7 calendar days, after which time, all products and quantities of same will be considered as agreed upon by the parties, and the $5,000 balance will be due and payable. In the event of a discrepancy, the final balance due will be adjusted by mutual agreement, and any remaining balance will be due and payable 7 calendar days upon receipt of product.

3. Transfer of Ownership and Liability. Upon execution of this Agreement, ALI shall make no claims to the R Garden name, its products (except as stated herein), or exclusive marketing rights to same. In addition, RGI shall assume all ownership to name, product formulation(s), marketing rights, as well as claims and or product liabilities. ALI shall transfer ownership rights of said assets to RGI and RGI shall assume all liabilities for sales of products made by RGI and claims made by RGI after this agreement is signed from ALI immediately upon receipt of payment for same.

4. Retention of Product for Resale. ALI, of its choosing, shall retain a limited quantity of a limited selection of R Garden Products for continued resale to ALI customers. The price of the products which are kept by ALI that were on consignment from RGI will be deducted from the total Purchase Price owed by RGI. As part of this Agreement, ALI shall assume, and RGI shall grant reseller status to ALI for R Garden products. Pricing shall be at RGI current wholesale price without specification of minimum and or maximum quantities to purchase. Thereafter, product(s) will be purchased by ALI from RGI on an as needed basis.

5. Cessation of Royalties. Any and all Royalties paid by ALI to RGI under any other agreements shall immediately cease upon execution of this agreement. Any and all payments, royalties, due under the terms of this agreement are outlined herein, and shall not be construed otherwise. (There were no Commissions paid by ALI to RGI.)
6. Payment. Initial payment shall be made immediately by RGI to ALI upon execution of this agreement. This initial payment shall be for the mutually agreed upon price of R Garden Product Inventory to be re-purchased estimated to be $135,537.91 and or otherwise returned to RGI by ALI less Consignment products kept by ALI estimated to be $25,028.16. As outlined in section 2c, RGI shall retain $5,000 in the event of any inventory discrepancies. Therefore initial payment is to be $103,509.75.

7. RGI has full marketing rights of R Garden products to those people in Don Smyth's personal downline, G2345. ALI receives no commission for sales of R-Garden products by RGI.

8. Covenants of the Parties. ALI covenants to RGI that ALI has good and marketable title to all of the assets being licensed and or sold under the terms of this agreement, and that all are free of any encumbrances and or liens, except as stated herein. The undersigned mutually represent and warrant that they, themselves, are duly authorized to enter into this agreement as stated herein.

9. Notices. Any and all communication leading to, or arising out of this Agreement, including demands, instructions, alterations, or any other material matters are to be delivered in writing, and shall be deemed delivered on the earlier date and time of either actual receipt (by hand delivery or courier) or upon deposit with the U.S. Postal Service registered/certified mail, or other national delivery service where a signature is required, to the following addresses:

If to ALI
Youngevity
Attn: Steve Wallach
2400 Boswell Rd. Chula Vista, CA 91914

If to RGI
Don Smyth
14 Enzyme Lane
Kettle Falls, WA 99141

10. Governing Law/Jurisdiction. This Agreement is being executed and delivered, and is intended to be performed in the State of California, and the laws of such State shall govern the validity, construction, enforcement, and interpretation of this Agreement unless otherwise specified herein.

11. Arbitration/Attorney's Fees. Any controversy or claim arising out of, or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, but not administered by same, before an arbiter mutually agreed upon by the undersigned or assigns thereof. Judgment upon the award rendered by the arbiter shall be binding and considerate of all damages and expenses, including Attorney fees. The total amount of any judgment shall not exceed the full consideration of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

AL International, Inc.
DBA Youngevity
By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

R Garden, Inc.
By: __________
Name: Don Smyth
Title: President
Re-Purchase Agreement

This Re-Purchase Agreement, hereinafter referred to as “Agreement”, is made and entered into this 12th day of September, 2012, by and between AL International, Inc. and R Garden, Inc., hereinafter referred to as "ALI" and "RGI", respectively, and collectively referred to as the "Parties". Whereas RGI wishes to acquire, and ALI wishes to transfer, among other things, R Garden branded product, website URL(s), and other intellectual property, the undersigned mutually agree to the following:

1. Sole Agreement. This agreement is the sole agreement between RGI and ALI and supersedes and summarily replaces any and all other agreements; including, but not limited to Asset Purchase Agreement dated 1July, 2011 between RGI and AL Global Corporation and any other consignment, royalty, commission, or inventory purchase agreements entered into between the Parties prior to the execution and commencement of this Agreement. The only exception to be any Associate Agreement entered into personally by the undersigned, Don Smyth which is, and shall remain separate from this agreement.

2. Sale of Business Assets. ALI shall sell, transfer, convey, or otherwise assign to RGI and prepare for shipment, any and all mutually agreed upon assets for a mutually agreed upon price. Assets include, but may not be limited to, the following: R Garden Products, which include both previously consigned merchandise as well as ALI owned merchandise purchased subsequent to and within the terms of previous Asset Purchase Agreement, Website domain names (URL’s), telephone number(s), and other intellectual property. Products shall be shipped back to RGI on September 17th, 2012 to the following address: R-Garden Inc., c/o Shawna Peltz, 19940 190th Ave. NE, Woodinville, WA 98077.

   a. Products previously consigned have been, and shall be owned by RGI, and as such will be returned to RGI upon execution of this agreement.

   b. Products purchased by ALI from Manufacturers (i.e., Summit Lake Labs) for the purposes of resale will be purchased by RGI from ALI at their original purchase price, with the exception as stated here.

   c. RGI will retain $5,000 from purchase price as a retainer for the contingency of any discrepancies. Upon acceptance of Products by RGI, Inventory records will be reconciled and any and all discrepancies will be brought forth within 7 calendar days, after which time, all products and quantities of same will be considered as agreed upon by the parties, and the $5,000 balance will be due and payable. In the event of a discrepancy, the final balance due will be adjusted by mutual agreement, and any remaining balance will be due and payable 7 calendar days upon receipt of product.

3. Transfer of Ownership and liability. Upon execution of this Agreement, ALI shall make no claims to the R Garden name, its products (except as stated herein), or exclusive marketing rights to same. In addition, RGI shall assume all ownership to name, product formulation(s), marketing rights, as well as claims and or product liabilities. ALI shall transfer ownership rights of said assets to RGI and RGI shall assume all liabilities for sales of products made by RGI and claims made by RGI after this agreement is signed from ALI immediately upon receipt of payment for same.

4. Retention of Product for Resale. ALI, at its choosing, shall retain a limited quantity of a limited selection of R Garden Products for continued resale to ALI customers. The price of the products which are kept by ALI that were on consignment from RGI will be deducted from the total Purchase Price owed by RGI. As part of this Agreement, ALI shall assume, and RGI shall grant reseller status to ALI for R Garden products. Pricing shall be at RGI current wholesale price without specification of minimum and or maximum quantities to purchase. Thereafter, product(s) will be purchased by ALI from RGI on an as needed basis.

5. Cessation of Royalties. Any and all Royalties paid by ALI to RGI under any other agreements shall immediately cease upon execution of this agreement. Any and all payments, royalties, due under the terms of this agreement are outlined herein, and shall not be construed otherwise. (There were no Commissions paid by ALI to RGI.)

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6. Payment. Initial payment shall be made immediately by RGI to ALI upon execution of this agreement. This initial payment shall be for the mutually agreed upon price of R Garden Product Inventory to be re-purchased estimated to be $133,537.91 and or otherwise returned to RGI by All less Consignment products kept by All estimated to be $25,028.16. As outlined in section 2c, RGI shall retain $5,000 in the event of any inventory discrepancies. Therefore initial payment is to be $103,509.75.

7. RGI has full marketing rights of R-Garden products to those people in Don Smyth's personal downline, G2345. ALI receives no commission for sales of R-Garden products by RGI.

8. Covenants of the Parties. ALI covenants to RGI that ALI has good and marketable title to all of the assets being licensed and or sold under the terms of this agreement, and that all are free of any encumbrances and or liens, except as stated herein. The undersigned mutually represent and warrant that they, themselves, are duly authorized to enter into this agreement as stated herein.

9. Notices. Any and all communication leading to, or arising out of this Agreement, including demands, Instructions, alterations, or any other material matters are to be delivered in writing, and shall be deemed delivered on the earlier date and time of either actual receipt (by hand delivery or courier) or upon deposit with the U.S. Postal Service registered/certified mail, or other national delivery service where a signature is required, to the following addresses:

If to ALI
Youngevity
Attn: Steve Wallach
2400 Boswell Rd. Chula Vista, CA 91914

If to RGI

Don Smyth
14 Enzyme Lane
Kettle Falls, WA 99141

10. Governing Law/Jurisdiction. This Agreement is being executed and delivered, and is intended to be performed in the State of California, and the laws of such State shall govern the validity, construction, enforcement, and interpretation of this Agreement unless otherwise specified herein.

11. Arbitration/Attorney's Fees. Any controversy or claim arising out of, or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, but not administered by same, before an arbiter mutually agreed upon by the undersigned or assigns thereof. Judgment upon the award rendered by the arbiter shall be binding and considerate of all damages and expenses, including Attorney fees. The total amount of any judgment shall not exceed the full consideration of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

AL International, Inc.
DBA Youngevity
By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

R Garden, Inc.
By: /s/ Don Smyth
Name: Don Smyth
Title: President
THIS AGREEMENT AND PLAN OF REORGANIZATION is dated as of July 18, 2011 (this “Agreement”), and is between Javalution Coffee Company, a Florida corporation (“JCOF”), and AL International, Inc., a Delaware corporation and wholly owned subsidiary (“AL International”).

WHEREAS, JCOF has caused AL International to be formed in the State of Delaware for the purpose of effecting a reincorporation of JCOF in Delaware through a reincorporation merger;

WHEREAS, the respective boards of directors of JCOF and AL International have approved and deem it in the best interest of their respective shareholders to consummate the business combination transaction provided for herein in which JCOF will merge with and into AL International, with AL International being the surviving entity, all on the terms and subject to the conditions set forth in this Agreement (the “Merger”);

WHEREAS, such merger shall take place pursuant to a plan of merger as set forth in the Delaware Certificate of Merger attached hereto as Exhibit A and Florida Articles of Merger attached hereto as Exhibit B (the “Merger Certificates”);

WHEREAS, the boards of directors of JCOF and AL International and the shareholders of JCOF and AL International have approved the Merger and the execution of the Merger Certificates;

WHEREAS, the laws of the States of Delaware and Florida permit the Merger and the parties hereto wish to merge under and pursuant to the provisions of such laws; and

WHEREAS, for Federal income tax purposes it is intended that the Merger qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the “Code”), and this Agreement be a “plan of reorganization” within the meaning of the regulations promulgated under Section 368 of the Code.

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger. At the Effective Time, as defined in Section 1.2, the Merger shall be effected by merging JCOF with and into AL International, upon the terms and subject to the conditions set forth in this Agreement and in accordance with the Florida Business Corporation Act (“FBCA”) and Delaware General Corporation Law (“DGCL”). AL International shall continue as the surviving company in that merger and the separate existence of JCOF shall cease.

1.2 Effective Time. On the Closing Date, as defined in Article II, the parties shall file a Certificate of Merger with the Secretary of State of the State of Delaware and Articles of Merger with the Secretary of State of the State of Florida and make all other filings or recordings required by the FBCA and DGCL in connection with the Merger. The Merger shall become effective on August 1, 2011 (the “Effective Time”).

1.3 Effects of the Merger. At the Effective Time, the Merger shall have the effects set forth in this Agreement, the FBCA and the DGCL. Without limiting the foregoing, and subject thereto, at the Effective Time all of the property, rights, powers, privileges and franchises of JCOF shall be vested in AL International, and all of the debts, liabilities and duties of JCOF shall become the debts, liabilities and duties of AL International.

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1.4 **Certificate of Incorporation and By-Laws.** The certificate of incorporation and the by-laws of AL International as in effect immediately prior to the Effective Time shall remain the certificate of incorporation and by-laws of AL International until thereafter amended as provided therein or by applicable law.

1.5 **Officers and Directors.** The officers and directors of AL International immediately prior to the Effective Time shall remain the officers and directors of AL International, and shall hold office in accordance with the certificate of incorporation and by-laws of AL International until the earlier of the applicable officer’s or director’s resignation or removal or until his or her respective successor is duly elected and qualified, as the case may be.

1.6 **Conversion of Shares.** At the Effective Time, by virtue of the Merger and without any action on the part of the shareholders of AL International or JCOF, (i) each issued and outstanding share of common stock, no par value, of JCOF shall be converted into and become one-half (0.5) validly issued, fully paid and non-assessable share of common stock, $.001 par value, of AL International, and (ii) each issued and outstanding share of Series A preferred stock, no par value, of JCOF shall be converted into and become one (1) validly issued, fully paid and non-assessable share of Series A preferred stock, par value $.001 per share, of AL International.

1.7 **No Further Ownership Rights in Shares.** From and after the Effective Time, the holders of certificates evidencing ownership of JCOF shares of common stock and preferred stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such JCOF shares, and as such will automatically be cancelled. Each share of AL International issued and outstanding immediately before the Effective Time and held by JCOF shall be canceled without any consideration being issued or paid therefor.

1.8 **Subsequent Actions.** If, at any time after the Effective Time, JCOF shall determine, in its sole discretion, or shall be advised, that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in JCOF its right, title or interest in, to or under any of the property, rights, powers, privileges, franchises or other assets of JCOF as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, then the officers of JCOF as appropriate shall be authorized to execute and deliver, and shall execute and deliver, in the name and on behalf of JCOF or AL International all such deeds, bills of sale, assignments, assurances, and to take and do, in the name and on behalf of each such corporation or otherwise, all such other actions and things as may be necessary or desirable, to vest, perfect or confirm any and all right, title or interest in, to and under such property, rights, powers, privileges, franchises or other assets in JCOF or otherwise to carry out the transactions contemplated by this Agreement.

**ARTICLE II**

**THE CLOSING**

2.1 **Closing.** The parties shall hold the closing of the transactions contemplated by this Agreement (the “Closing”) at Gracin & Marlow, LLP in New York, New York at 10:00 A.M. on July 18, 2011 or at such other time and place as the parties agree (the date of the Closing, the “Closing Date”).

**ARTICLE III**

**MISCELLANEOUS**

3.1 **Reasonable Efforts.** Subject to the conditions of this Agreement, each of the parties shall use the efforts that a reasonable person would make so as to achieve that goal as expeditiously as possible (“Reasonable Efforts”) to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or advisable under applicable laws to consummate the transactions contemplated by this Agreement as promptly as practicable including but not limited to (1) taking such actions as are necessary to obtain any required approval, consent, ratification, filing, declaration, registration, waiver, or other authorization (“Consents”) and (2) satisfying all conditions to Closing at the earliest possible time.

3.2 **Transaction Costs.** Each party shall pay its own fees and expenses (including without limitation the fees and expenses of its representatives, attorneys, and accountants) incurred in connection with negotiation, drafting, execution, and delivery of this Agreement.
3.3 Assignment. No party may assign any of its rights or delegate any performance under this Agreement except with the prior written consent of the other party.

3.4 Binding. This Agreement binds, and inures to the benefit of, the parties and their respective permitted successors and assigns.

3.5 Governing Law. The laws of the State of Delaware (without giving effect to its conflict of laws principles) govern all matters arising out of this Agreement, including without limitation tort claims.

3.6 Entirety of Agreement. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof and supersedes all prior agreements, if any.

3.7 Further Assurances. Each of AL International and COF shall execute and deliver such additional documents and instruments and perform such additional acts as the other party may reasonably request to effectuate or carry out and perform all the terms of this Agreement and the transactions contemplated hereby, and to effectuate the intent of this Agreement.

3.9 Notices. Every notice or other communication required or contemplated by this Agreement must be in writing and sent by one of the following methods:

(1) personal delivery, in which case delivery will be deemed to occur the day of delivery;
(2) certified or registered mail, postage prepaid, return receipt requested, in which case delivery will be deemed to occur the day it is officially recorded by the U.S. Postal Service as delivered to the intended recipient; or
(3) next-day delivery to a U.S. address by recognized overnight delivery service such as Federal Express, in which case delivery will be deemed to occur upon receipt.

In each case, a notice or other communication sent to a party must be directed to the address for that party set forth below, or to another address designated by that party by written notice to: Chris Nelson, AL International, 2400 Boswell Rd., San Diego, CA 92114.

3.10 References to Time. All references to a time of day in this Agreement are references to the time in the State of New York.

3.11 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

3.12 Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which together constitute one and the same instrument.

3.13 No Third-Party Rights. Nothing expressed or referred to in this Agreement gives any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, and this Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns. The undersigned are signing this Agreement on the date stated in the introductory clause.

JAVALUTION COFFEE COMPANY

By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

AL INTERNATIONAL, INC.

By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO
This ASSET PURCHASE AGREEMENT (this “Agreement”) is entered into as of August 22, 2011 by and between ADAPTOGENIX, LLC, a Utah limited liability company (the “Seller”), and AL INTERNATIONAL, Inc. a Delaware corporation ("Purchaser"). Seller and Purchaser are referred to collectively herein as the “Parties.”

WHEREAS, the Seller is engaged in the business of direct marketing or multi-level marketing with sales of various products and services (the “Business”) and has developed a distributorship organization of independent authorized agents (the “Distributor Organization”) for the sale of its products and services set forth on Schedule A attached hereto, including, without limitations, Renu IQ, Tazza Di Vita, and Pure3x brands (collectively, the “Products”);

WHEREAS, the Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, substantially all of the assets of the Seller used in or relating to the Business, and the Purchaser is willing to assume certain liabilities of the Seller relating to the Business, all upon the terms and conditions set forth herein; and

WHEREAS, concurrently with the execution of this Agreement, the Seller shall enter into a Consulting Agreement (the “Consulting Agreement”) and a Proprietary Information and Inventions Agreement (the “Proprietary Information and Inventions Agreement”), substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the respective meanings set forth below:

“Action” means any claim, demand, action, cause of action, chose in action, right of recovery, right of set-off, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” means, with respect to a specified Person, any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

“Ancillary Agreements” means the bill of sale and the assignment and assumption agreement delivered at the Closing.

“Business Day” means any day other than a Saturday, Sunday or other day on which banks are required or authorized to be closed in the city of San Diego, California.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Contract” means any contract, plan, undertaking, understanding, agreement, license, lease, note, mortgage or other binding commitment, whether written or oral.

“Court” means any court or arbitration tribunal of the United States, any domestic state, or any foreign country, and any political subdivision thereof.

“Copyrights” mean all copyrights (registered or otherwise) and registrations and applications for registration thereof, and all rights therein provided by multinational treaties or conventions.
“Database” means all data and other information recorded, stored, transmitted and retrieved in electronic form.

“Documents” means this Agreement together with the Note, Ancillary Agreements, the Schedules and Exhibits hereto and thereto and the Disclosure Schedule and the other agreements, documents and instruments executed in connection herewith.


“GAAP” means United States generally accepted accounting principles and practices in effect from time to time consistently applied.

“Governmental Authorities” means any governmental, or legislative agency or authority (other than a Court) of the United States, any domestic state, or any foreign country, and any political subdivision or agency thereof, and includes any authority having governmental or quasi-governmental powers, including any administrative agency or commission.

“Hardware” means all mainframes, midrange computers, personal computers, notebooks, servers, switches, printers, modems, drives, peripherals and any component of any of the foregoing.

“Indebtedness” means, with respect to any Person, all indebtedness or similar obligation of such Person, whether or not contingent, including, without limitation, any Indebtedness of others guaranteed directly or indirectly in any manner by such Person.

“Information System” means any combination of Hardware, Software and/or Database(s) employed primarily for the creation, manipulation, storage, retrieval, display and use of information in electronic form or media.

“Intellectual Property” means (a) inventions, whether or not patentable, whether or not reduced to practice or whether or not yet made the subject of a pending Patent application or applications, (b) ideas and conceptions of potentially patentable subject matter, including, without limitation, any patent disclosures, whether or not reduced to practice and whether or not yet made the subject of a pending Patent application or applications, (c) Patents, (d) Trademarks, (e) Copyrights, (f) Software, (g) trade secrets and confidential technical or business information (including ideas, formulas, compositions, inventions, and conceptions of inventions whether patentable or unpatentable and whether or not reduced to practice), (h) whether or not confidential, technology (including know-how and show-how), manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, (i) copies and tangible embodiments of all the foregoing, in whatever form or medium, (k) all rights to obtain and rights to apply for Patents, and to register Trademarks and Copyrights, (l) all rights under the License Agreements and any licenses, registered user agreements, technology or materials, transfer agreements, and other agreements or instruments with respect to items in (a) to (k) above; and (m) all rights to sue and recover and retain damages and costs and attorneys’ fees for present and past infringement of any of the Intellectual Property rights hereinabove set out.

“Law” means all laws, statutes, ordinances and Regulations of any Governmental Authority including all decisions of Courts having the effect of law in each such jurisdiction.

“Liabilities” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, those arising under any Law (including without limitation, any environmental Law), Action or Order, Liabilities for Taxes and those Liabilities arising under any Contract.
"Licensed Intellectual Property" means all Intellectual Property licensed or sublicensed by the Seller from a third Party, including the License Agreements.

"Liens“ means any mortgage, pledge, security interest, attachment, encumbrance, lien (statutory or otherwise), option, conditional sale agreement, right of first refusal, first offer, termination, participation or purchase, or charge of any kind (including any agreement to give any of the foregoing).

"Litigation“ means any suit, action, arbitration, cause of action, claim, complaint, criminal prosecution, investigation, inquiry, demand letter, governmental or other administrative proceeding, whether at law or at equity, before or by any Court, Governmental Authority, arbitrator or other tribunal.

"Order” shall mean any judgment, order, writ, injunction, determination, award or decree of or by, or any settlement under the jurisdiction of, any Court or Governmental Authority.

"Owned Intellectual Property“ means all Intellectual Property in and to which the Seller has, or has a right to hold, right, title and interest.

"Patents“ mean all national (including the United States) and multinational statutory invention registrations, patents, patent registrations and patent applications, including all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations, and all rights therein provided by multinational treaties or conventions and all improvements to the inventions disclosed in each such registration, patent or application.

"Permits” means any licenses, permits, pending applications, consents, certificates, registrations, approvals and authorizations.

"Person“ means any natural person, corporation, limited liability company, unincorporated organization, partnership, association, joint stock company, joint venture, trust or any other entity.

"Receivables“ means any and all accounts receivable, notes, book debts and other amounts due or accruing due to the Seller in connection with the Business, whether or not in the ordinary course, together with any unpaid financing charges accrued thereon and the benefit of all security for such accounts, notes and debts.

"Regulation“ shall mean any rule or regulation of any Governmental Authority.


"Software“ means any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, (d) the technology supporting any Internet site(s) operated by or on behalf of Seller and (e) all documentation, including user manuals and training materials, relating to any of the foregoing.

"Tax“ or "Taxes“ means any and all federal, state, local, or foreign taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority or other taxing authority, including, without limitation: taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, disability, social security, workers’ compensation, unemployment compensation, or net worth; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes; license, registration and documentation fees; and customs’ duties, tariffs, and similar charges, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.
“Trademarks” mean all trademarks, service marks, trade dress, logos, trade names and corporate names, whether or not registered, including all common law rights, and registrations and applications for registration thereof, including, but not limited to, all marks registered in the United States Patent and Trademark Office, the Trademark Offices of the States and Territories of the United States of America, and the Trademark Offices of other nations throughout the world, and all rights therein provided by multinational treaties or conventions.

ARTICLE II
PURCHASE AND SALE

2.1 Purchased Assets. Upon the terms and subject to the conditions set forth in this Agreement at the Closing, the Seller will sell, convey, transfer, assign and deliver to the Purchaser, and the Purchaser will purchase from the Seller, all of the rights, title and interests of the Seller into and under all of the assets that are used or useful in connection with the Business (other than the Excluded Assets (as defined below)), including, without limitation, the following assets, free and clear of all Liens (collectively, the "Purchased Assets"): (a) Machinery, Equipment and Furniture. All furniture, fixtures, equipment, machinery and other tangible personal property used or held for use by the Seller at the locations at which the Business is conducted, or otherwise owned or held by the Seller at the Closing Date for use in the conduct of the Business, including, without limitation, the furniture, fixtures, equipment, machinery and tangible personal property listed in Schedule 2.1(a); (b) Inventory. All inventory, including, without limitation, merchandise, raw materials, work-in-process, finished goods, replacement parts, related to the Business, maintained, held or stored by or for the Seller at any location whatsoever and any prepaid deposits for any of the same (the "Purchased Inventory"); (c) Accounts Receivable. All Receivables; (d) Books and Records. All books and records (other than those required by law to be retained by the Seller, copies of which will be made available to the Purchaser) including, without limitation, customer lists, sales records, price lists and catalogues, sales literature, advertising material, manufacturing data, production records, employee manuals, personnel records, supply records, inventory records and correspondence files (together with, in the case of any such information which is stored electronically, the media on which the same is stored); (e) Goodwill. The goodwill of the Seller relating to the Business together with the exclusive right for the Purchaser to represent itself as carrying on the Business in succession to the Seller and the right to use any words indicating that the Business is so carried on; (f) Intellectual Property. All the Seller’s right, title and interest in, to and under the Licensed Intellectual Property and the Owned Intellectual Property of the Seller related to the Business, including, without limitation, including, without limitation, the Licensed Intellectual Property and Owned Intellectual Property listed on Schedule 2.1(f) (the "Purchased Intellectual Property"); (g) Claims and Causes of Action. All Actions of any kind (including rights to insurance proceeds and rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) pertaining to or arising out of the Business, and inuring to the benefit of the Seller, together with any and all Liens granted or otherwise available to Seller as security for collection of any of the foregoing; (h) Prepaid Expenses. All prepaid expenses of the Seller related to the Business; (i) Contracts. All rights under Contracts of or relating to the Business together with all of the Seller’s claims or rights of action now existing or hereafter arising thereunder, including, without limitation, those listed in Schedule 2.1(i); and ...
2.2 **Excluded Assets.** Notwithstanding the provisions of Section 2.1, the Purchased Assets shall not include any of the following property and assets of the Seller (collectively, the "Excluded Assets"): 

(a) All cash and cash equivalents (including marketable securities and short-term investments) on hand or in banks or other depositories held by the Seller in the following bank accounts: [described]; and 

(b) All corporate records, including, but not limited to, the Seller’s minute book and stock record book (but not including records of the Business relating to operation of the Business described in Section 2.1(d)).

2.3 **Assumed Liabilities.** Upon the terms and subject to the conditions set forth in this Agreement at the Closing, the Purchaser shall assume and agree to pay, perform and discharge only (a) the Liabilities of the Seller arising under the Contracts included in the Purchased Assets from and after the Closing Date (other than liabilities or obligations attributable to any failure by the Seller to comply with the terms thereof) and (b) certain commissions set forth on Schedule 2.3 (the "Assumed Liabilities").

2.4 **Excluded Liabilities.** The Seller shall retain, and shall be responsible for paying, performing and discharging when due, and the Purchaser shall not assume or have any responsibility for, any and all Liabilities of the Seller other than the Assumed Liabilities (the "Excluded Liabilities").

**ARTICLE III**

**PURCHASE PRICE**

3.1 **Purchase Price.** As consideration for the purchase of the Purchased Assets, upon the terms and subject to the conditions set forth in this Agreement, the Purchaser will pay to the Seller (i) the aggregate purchase price of One Million Two Hundred and Fifty Thousand ($1,250,000) (the "Purchase Price") payable in accordance with Section 3.2 below, and (ii) assume the Assumed Liabilities. As part of its assumption of the Assumed Liabilities, the Purchaser will assume and pay for commissions owed to members of the Distributor Network (defined below) through August 31, 2011, but the Seller shall pay the Purchaser the pro rata amount of such commissions attributable to the portion of August 2011 prior to the date of Closing, based on revenue collected through the date of Closing. –

3.2 **Payment of Purchase Price.** The Purchaser shall pay, or cause to be paid, to the Seller the Purchase Price at the Closing as follows:

(a) Payment to the Seller of $300,000 in cash by wire transfer, bank check or certified check (this amount shall be wire transferred to Seller’s account no later than August 22, 2011);

(b) Payment to the Seller of $500,000 in cash by wire transfer, bank check or certified check if the Purchaser is able to obtain bank financing for this payment (this amount shall be wire transferred to Seller’s account no later than September 22, 2011 if the Purchaser is able to obtain bank financing for this payment). If the Purchaser is unable to obtain bank financing for this payment, the Purchaser shall pay Seller $100,000 in cash by wire transfer, bank check or certified check, which payment shall be wire transferred to Seller’s account no later than September 22, 2011; and

(c) Deliver to the Seller a Promissory Note in substantially the form attached hereto as Exhibit C (the "Note"). The principal amount and payment terms of the Note shall vary depending on whether the Purchaser is able to obtain bank financing for the payments described in Section 3.2(b) above.

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(i) If the Seller is able to obtain such bank financing, the principal amount of the Note will be $450,000 ($1,250,000 less the cash payments of $300,000 and $500,000), and payments in the amount of $12,500 per month will be due until all principal and interest owed under the Note have been paid.

(ii) If the Seller is unable to obtain such bank financing, the Purchase Price will increase by $50,000 and the principal amount of the Note will be $900,000 ($1,250,000 less the cash payments of $300,000 and $100,000 plus $50,000), and payments in the amount of $25,000 per month will be due until all principal and interest owed under the Note have been paid.

(d) Regardless of the principal amount and payment terms of the Note, the Note will bear interest at the rate of ___% per annum, compounded monthly, and monthly payments under the Note will begin and will be due and payable starting on October 1, 2011.

3.3 Closing

(a) Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 3580 Carmel Mountain Road, Suite 300, San Diego, California, or at another location mutually agreeable to Seller and Purchaser, at a time and date to be mutually agreed between the Purchaser and the Seller (the day on which the Closing takes place being the “Closing Date”). Seller shall be entitled to terminate this Agreement, in Seller’s sole discretion, through the delivery of a written notice to the Purchaser if the Closing Date has not occurred for any reason on or before August 24, 2011.

(b) At the Closing:

(i) the Purchaser shall execute and deliver the Note and pay, or cause to be paid, to the Seller that portion of the Purchase Price to be paid at the Closing;

(ii) the Purchaser and the Seller shall execute and deliver such documents as are reasonably necessary, as determined by the Purchaser and Seller, to effectuate the transfer of the Purchased Assets, including, without limitation, an assignment and assumption agreement and a bill of sale, in forms reasonably acceptable to the Purchaser and the Seller; and

(iii) the Seller shall execute and deliver the Consulting Agreement and the Proprietary Information and Inventions Agreement.

3.4 Transfer Taxes. The Seller shall be liable for and shall pay all federal and state sales Taxes (including any retail sales Taxes and land transfer Taxes) and all other Taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets by the Seller to the Purchaser.

3.5 Allocation of Purchase Price. At the Closing, the Parties shall sign and deliver to each other a completed IRS Form 8594, Asset Acquisition Statement Under Section 1060, which shall allocate the Purchase Price among the Purchased Assets. The Parties shall file their respective state and federal income taxes in a manner that is consistent with information in the Form 8594.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE SELLER

In order to induce the Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller represents and warrants to the Purchaser:

4.1 Qualification. The Seller is duly licensed or qualified to transact business in each of the jurisdictions in which the Seller operates the Business.
4.2 Authorization; Enforceability. The Seller has the power and authority to own, hold, lease and operate its properties and assets and to carry on the Business. The Seller has the power and authority to execute, deliver and perform this Agreement and the other Documents. This Agreement and each of the other Documents to be executed and delivered by the Seller have been duly executed and delivered by, and constitute the legal, valid and binding obligations of, the Seller, enforceable against the Seller in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

4.3 No Violation or Conflict. None of (a) the execution and delivery by the Seller of this Agreement and the other Documents to be executed and delivered by the Seller, (b) consummation by the Seller of the transactions contemplated by this Agreement and the other Documents, or (c) the performance of this Agreement and the other Documents required by this Agreement to be executed and delivered by the Seller at the Closing, will (i) conflict with or violate any Law, Order or Permit applicable to the Seller or by which the Seller’s properties are bound or affected, or (ii) result in any breach or violation of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the Seller’s rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien on any of the properties or assets of the Seller pursuant to, any Contract or other instrument or obligation to which the Seller is a party or by which the Seller or its properties are bound or affected.

4.4 Litigation. There is no Litigation or investigation pending or, to the knowledge of the Seller, threatened against, or otherwise adversely affecting, the Business or the properties, assets (including the Purchased Assets) or rights of Seller relating thereto, before any Court or Governmental Authority, nor does there exist any reasonable basis for any such Litigation. The Seller is not subject to any outstanding Litigation or Order, which, individually or in the aggregate, would prevent, hinder or delay the Seller from consummating the transactions contemplated by this Agreement. There is no Litigation pending or threatened that might call into question the validity of this Agreement or any of the other Documents or any action taken or to be taken pursuant hereto or thereto, nor does there exist any reasonable basis for any such Litigation. There is no action by the Seller pending or threatened against any third party with respect to the Business or any of the Purchased Assets.

4.5 Brokers. The Seller has not employed any financial advisor, broker or finder, and Seller has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement.

4.6 Compliance with Law. To Seller’s knowledge, the Seller is, and has conducted and continues to conduct the Business, in compliance with, and is not in default or violation of, all Laws, Orders and other requirements applicable to it or by which any of its assets or properties are bound or affected including, without limitation, those relating to (i) the development, manufacture, packaging, distribution and marketing of products, (ii) employment, safety and health, and (iii) building, zoning and land use. The Seller is not subject to any Order that adversely affects, individually or in the aggregate, the Business, or its operations, properties, assets or condition (financial or otherwise). The Seller has not received any notice or other communication (whether written or oral from any Governmental Authority or other Person regarding any actual, alleged, possible or potential breach, violation of or non-compliance with any Order to which the Seller, the Business or any of the Purchased Assets is or has been subject. To Seller’s knowledge, there is no existing Law or Order, and the Seller is not aware of any proposed Law or Order, which would prohibit or materially restrict the Purchaser from, or otherwise materially adversely affect the Purchaser in, conducting the Business in any jurisdiction in which such business is now conducted.

4.7 Governmental Consents and Approvals. To Seller’s knowledge, the execution, delivery and performance of this Agreement and the other Documents by the Seller and do not and will not require any consent, approval, authorization, Permit or other order of, action by, filing with or notification to, any Governmental Authority.
4.8 **No Other Agreements to Purchase.** No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from the Seller of any of the Purchased Assets, other than purchase orders for inventory accepted by the Seller in the ordinary course of business, consistent with past practice.

4.9 **Indebtedness.** There is no Indebtedness related to the Business.

4.10 **Personal Property.** Schedule 4.1(a) lists all items or distinct groups of machinery, equipment, tools, supplies, furniture, fixtures, vehicles, rolling stock and other tangible personal property used in the Business and owned or leased by the Seller. All Tangible Personal Property is adequate and usable for the use and purposes for which it is currently used, is in good operating condition, reasonable wear and tear excepted, and has been maintained and repaired in accordance with good business practice.

4.11 **Purchased Assets.**

   (a) The Seller (i) owns, leases or has the legal right to use all the properties and assets, including, without limitation, the Owned Intellectual Property, the Licensed Intellectual Property and the Tangible Personal Property, used, intended to be used in the conduct of the Business, and (ii) with respect to contractual rights, is a Party to and enjoys the right to the benefits of all Contracts, all of which properties, assets and rights constitute Purchased Assets, except for the Excluded Assets. The Seller has good and marketable title to, or, in the case of leased or subleased Purchased Assets, valid and subsisting leasehold interests in, all the Purchased Assets, free and clear of all Liens.

   (b) The Purchased Assets constitute (i) all of the properties, assets and rights, used, held or intended to be used in the Business, and (ii) all such properties, assets and rights as are necessary or useful in the conduct of the Business. At all times, the Seller has caused the Purchased Assets to be maintained, in all material respects, in accordance with good business practice, and all the Purchased Assets are in good operating condition and repair, reasonable wear and tear excepted, and are suitable for the purposes for which they are used and intended to be used.

   (c) The Seller has the complete and unrestricted power and unqualified right to sell, assign, transfer, convey and deliver the Purchased Assets to the Purchaser without penalty or other adverse consequences to Seller. Following the consummation of the transactions contemplated by this Agreement and the execution of the instruments of transfer contemplated by this Agreement, the Purchaser will have received from Seller good, valid and marketable title, or lease, under valid and subsisting leases, or otherwise will have acquired the interests of the Seller in the Purchased Assets, free and clear of all Liens, and without incurring any penalty or other adverse consequence, including, without limitation, any increase in rentals, royalties, or license or other fees imposed as a result of, or arising from, the consummation of the transactions contemplated by this Agreement.

4.12 **Permits.** Schedule 4.12(j) lists all Permits used in or otherwise necessary for the conduct of the Business, each of which will be duly and validly transferred to the Purchaser in connection with the consummation of the transactions contemplated hereby. The Seller is, and at all times has been, in compliance with all conditions and requirements imposed by the Permits and the Seller has not received any notice of, and has no reason to believe, that any appropriate authority intends to cancel or terminate any of the Permits or that valid grounds for such cancellation or termination exist. The Seller owns or has the right to use the Permits in accordance with the terms thereof without any conflict or alleged conflict or infringement with the rights of any other Person. Each of the Permits is valid and in full force and effect and, none of the Permits will be terminated or adversely affected by the transactions contemplated hereby.
4.13 Intellectual Property

(a) Status. As of the Closing, the Seller has or will have as a result of the Closing full title and ownership of, or will be duly licensed under or otherwise authorized to use, all Intellectual Property necessary to enable it to carry on the Business free and clear of any Liens, and, to Seller’s knowledge, without any conflict with or infringement upon the rights of others. As of the Closing, the Purchased Intellectual Property is sufficient for the conduct of the Business as currently conducted and as contemplated to be conducted. The Seller has not transferred ownership of, or agreed to transfer ownership of, any Intellectual Property related to the Business to any third Party. To the Seller’s knowledge, no third party has any ownership right, title, interest, claim in or lien on any of the Intellectual Property related to the Business, and there is no unauthorized use, unauthorized disclosure, infringement or misappropriation of any Intellectual Property related to the Business by any third party. The Seller has taken all necessary steps to prosecute, maintain, and preserve the legal rights and ownership interests in all Intellectual Property related to the Business.

(b) License Agreements. Schedule 4.13(b) contains a complete and accurate list of all license agreements granting any right to use or practice any rights under any Intellectual Property, whether the Seller is the licensee or licensor thereunder, and any assignments, consents, term, forbearances to sue, judgments, Governmental Orders, settlements or similar obligations relating to any Intellectual Property to which the Seller is a party or otherwise bound (collectively, the “License Agreements”). The License Agreements are valid and binding obligations of Seller, enforceable in accordance with their terms, and there exists no event or condition that will result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default by the Seller under any such License Agreement. None of the execution, delivery or performance of this Agreement by the Seller, the consummation by it of its obligations hereunder, or compliance by it with any of the provisions of this Agreement will conflict with or result in any breach of any provision contained in any of the Licensed Agreements.

(c) Royalties. No royalties, honoraria or other fees are payable to any third parties for the use of or right to use any Owned Intellectual Property except pursuant to the License Agreements set forth in Schedule 2.1.

(d) Invention Assignment and Confidentiality Agreement. The Seller has secured from all consultants, advisors, employees and independent contractors who independently or jointly contributed to or participated in the conception, reduction to practice, creation or development of any Owned Intellectual Property for the Seller (each an “Author”), unencumbered and unrestricted exclusive ownership of, all of the Authors’ Intellectual Property rights in such contribution that the Seller does not already own by operation of law and has obtained the waiver of all non-assignable rights. No Author has retained any rights, licenses, claims or interest whatsoever with respect to any Owned Intellectual Property developed by the Author for the Seller. Without limiting the foregoing, the Seller has obtained written and enforceable proprietary information and invention disclosure and Intellectual Property rights assignments from all current and former Authors.

(e) Third Party Infringement. To the best of the Seller’s knowledge, the conduct of the Business as currently conducted and as contemplated to be conducted does not infringe upon any Intellectual Property rights of any third party. The Seller has not been notified by any third party of any allegation that Seller’s activities or the conduct of the Business infringes upon, violates or constitutes the unauthorized use of the Intellectual Property rights of any third party. No third party has notified the Seller that (i) any of such third party’s Intellectual Property rights are infringed or (b) the Seller requires a license to any of such third party’s Intellectual Property rights. Further, the Seller has not been offered a license to any of such third party’s Intellectual Property rights.

(f) Confidential Information. The Seller has taken all necessary steps in to protect the Seller’s rights in confidential information and trade secrets of the Seller. Without limiting the foregoing, the Seller has and enforces a policy of requiring each employee, consultant, contractor and potential business partner or investor to execute proprietary information, confidentiality and assignment agreements. Except under confidentiality obligations, there has been no material disclosure of any Seller confidential information or trade secrets.
In order to induce the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Purchaser represents and warrants to the Seller as follows:

5.1 Organization and Qualification. The Purchaser is a corporation duly organized validly existing and in good standing under the laws of the State of Delaware.

5.2 Authorization; Enforceability. The Purchaser has the corporate power and authority to execute, deliver and perform this Agreement and the other Documents. The execution, delivery and performance of this Agreement and the other Documents and the consummation of the transactions contemplated herein and therein have been duly authorized and approved by the Purchaser, and no other action on the part of the Purchaser is necessary in order to give effect thereto. This Agreement and each of the other Documents to be executed and delivered by the Purchaser have been duly executed and delivered by, and constitute the legal, valid and binding obligations of, the Purchaser, enforceable against the Purchaser, in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

4.3 No Violation or Conflict. None of (a) the execution and delivery by the Purchaser of this Agreement and the other Documents to be executed and delivered by the Purchaser, (b) consummation by the Purchaser of the transactions contemplated by this Agreement and the other Documents, or (c) the performance of this Agreement and the other Documents required by this Agreement to be executed and delivered by the Purchaser at the Closing, will (i) conflict with or violate any Law, Order or Permit applicable to the Purchaser or by which the Purchaser’s properties are bound or affected, or (ii) result in any breach or violation of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the Purchaser’s rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien on any of the properties or assets of the Purchaser pursuant to, any Contract or other instrument or obligation to which the Purchaser is a party or by which the Purchaser or its properties are bound or affected.

ARTICLE VI
COVENANTS

6.1 Regulatory and Other Authorizations; Notices and Consents.

(a) The Seller will use its best efforts to obtain all authorizations, consents, orders and approvals of all Governmental Authorities and officials that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and the other Documents and will cooperate fully with the Purchaser in promptly seeking to obtain all such authorizations, consents, orders and approvals.

(b) After the Closing, the Seller shall give promptly such notices to third parties and use its best efforts to obtain such third party consents and estoppel certificates as the Purchaser may in its sole and absolute discretion deem necessary or desirable in connection with the consummation of the transactions contemplated by this Agreement and the other Documents.
(c) Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of the Purchaser or the Seller thereunder. The Seller will use its best efforts to obtain the consent of the other parties to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment thereof to the Purchaser as the Purchaser may reasonably request. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of the Seller thereunder so that the Purchaser would not in fact receive all such rights, the Seller and the Purchaser will cooperate in a mutually agreeable arrangement under which the Purchaser would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including subcontracting, sub-licensing, or sub-leasing to the Purchaser, or under which the Seller would enforce for the benefit of the Purchaser, with the Purchaser assuming the Seller’s obligations, any and all rights of the Seller against a third party thereto. The Seller will promptly pay to the Purchaser when received all monies received by the Seller under any Purchased Asset or any claim or right or any benefit arising thereunder, except to the extent the same represents an Excluded Asset. In such event, the Seller and the Purchaser shall, to the extent the benefits and obligations of any Purchased Asset have not been provided to the Purchaser by alternative arrangements satisfactory to the Purchaser and Seller, negotiate in good faith an adjustment in the Purchase Price.

6.2 Access

(a) In order to facilitate the resolution of any claims made against or incurred by the Seller prior to the Closing, for a period of three years after the Closing, the Purchaser shall (i) retain the books and records of the Seller which are transferred to the Purchaser pursuant to this Agreement relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of the Seller and (ii) upon reasonable notice, afford the officers, employees and authorized agents and representatives of the Seller reasonable access (including the right to make, at the Seller’s expense, photocopies), during normal business hours, to such books and records.

(b) In order to facilitate the resolution of any claims made by or against or incurred by the Purchaser after the Closing or for any other reasonable purpose, for a period of three years following the Closing, the Seller shall (i) retain all books and records of the Seller which are not transferred to the Purchaser pursuant to this Agreement and which relate to the Seller, its operations or the Business for periods prior to the Closing and which shall not otherwise have been delivered to the Purchaser; and (ii) upon reasonable notice, afford the officers, employees and authorized agents and representatives of the Purchaser, reasonable access (including the right to make photocopies at the expense of the Purchaser), during normal business hours, in such books and records.

6.3 Confidentiality, Non-competition and Non-solicitation

(a) In partial consideration of the payment of the Purchase Price, as set forth in Section 3.1, the Seller and the Purchaser agree that, for a period of one year after the Closing (the “Restricted Period”), the Seller shall not engage, directly or indirectly, in any business anywhere in the world (other than solely in the Seller’s capacity as an employee of the Purchaser) that manufactures, produces or supplies products or services of the kind manufactured, produced or supplied by the Business or the Seller as of the Closing Date or, without the prior written consent of the Purchaser, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as a partner, member, stockholder, consultant, director, officer, agent, employee or otherwise, any Person that competes with the Purchaser or the Business in manufacturing, producing or supplying products or services of the kind manufactured, produced or supplied by the Business or the Seller as of the Closing; provided, however, that, for the purposes of this Section 6.3, ownership of securities having no more than one percent (1%) of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 6.3 so long as the Person owning such securities has no other connection or relationship with such competitor.
(b) As a separate and independent covenant, the Seller agrees with the Purchaser that, during the Restricted Period, the Seller will not in any way, directly or indirectly, for the purpose of conducting or engaging in any business that manufactures, produces or supplies products or services of the kind manufactured, produced or supplied by the Business or the Seller, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Business or the Seller with whom the Business or the Seller had any dealings prior to the Closing Date, or take away or interfere or attempt to interfere with any custom, trade, business or patronage of the Purchaser or the Business, or interfere with or attempt to interfere with any officers, employees, representatives or agents of the Purchaser or the Business, or induce or attempt to induce any of them to leave the employ of the Purchaser or violate the terms of their contracts, or any employment arrangements, with the Purchaser.

(c) The Seller agrees to, and will cause its agents, representatives, Affiliates, employees, officers and directors to: (i) treat and hold as confidential (and not disclose or provide access to any Person to) all information relating to trade secrets, processes, patent or trademark applications, product development, price, customer and supplier lists, pricing and marketing plans, policies and strategies, operations methods, product development techniques, business acquisition plans, new personnel acquisition plans and any other confidential information with respect to the Business or the Seller, (ii) in the event that the Seller or any such agent, representative, Affiliate, employee, officer or director becomes legally compelled to disclose any such information, provide the Purchaser with prompt written notice of such requirement so that the Purchaser may seek a protective order or other remedy or waive compliance with this Section 6.3(c), (iii) in the event that such protective order or other remedy is not obtained, or the Purchaser waives compliance with this Section 6.3(c), furnish only that portion of such confidential information which is legally required to be provided and exercise its best efforts to obtain assurances that confidential treatment will be accorded such information, and (iv) promptly furnish (prior to, at, or as soon as practicable following, the Closing) to the Purchaser any and all copies (in whatever form or medium) of all such confidential information then in the possession of the Seller or any of its agents, representatives, Affiliates, employees, officers and directors and destroy any and all additional copies then in the possession of the Seller or any of its agents, representatives, Affiliates, employees, officers and directors of such information and of any analyses, compilations, studies or other documents prepared, in whole or in part, on the basis thereof; provided, however, that this sentence shall not apply to any information that, at the time of disclosure, is available publicly and was not disclosed in breach of this Agreement by the Seller, its agents, representatives, Affiliates, employees, officers or directors; provided further that specific information shall not be deemed to be within the foregoing exception merely because it is embraced in general disclosures in the public domain. In addition, any combination of features shall not be deemed to be within the foregoing exception merely because the individual features are in the public domain unless the combination itself and its principle of operation are in the public domain.

(d) The Seller acknowledges that the restrictions set forth in this Section 6.3 are considered by the parties to be reasonable for the purposes of protecting the value of the business and goodwill of the Purchaser, including, after the Closing, the Business. The Seller acknowledges that the Purchaser would be irreparably harmed and that monetary damages would not provide an adequate remedy to the Purchaser in the event the covenants contained in this Section 6.3 were not complied with in accordance with their terms. Accordingly, the Seller agrees that any breach or threatened breach by it of any provision of this Section 6.3 shall entitle the Purchaser to injunctive and other equitable relief to secure the enforcement of these provisions, in addition to any other remedies (including damages) which may be available to the Purchaser. If Seller breaches the covenants set forth in Sections 6.3(a) or (b), the Restricted Period shall be extended for a period equal to that for which such breach continues.

(e) It is the desire and intent of the parties that the provisions of this Section 6.3 be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provisions of this Section 6.3 relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, as the case may be, the time period, scope of activities or geographic area shall be reduced to the maximum which such court deems enforceable. If any provisions of this Section 6.3 other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties. In addition, if any party brings an action to enforce this Section 6.3 hereof or to obtain damages for a breach thereof, the prevailing party in such action shall be entitled to recover from the non-prevailing Party all attorney’s fees and expenses incurred by the prevailing party in such action.
Use of Intellectual Property

(a) From and after the Closing, the Seller shall not use any of the Owned Intellectual Property or the Licensed Intellectual Property except as permitted as an employee of the Purchaser or any Affiliate thereof.

(b) As promptly as practicable following the Closing, the Seller shall remove any Owned Intellectual Property or Licensed Intellectual Property from letterheads and other materials remaining in its possession or under its control, and the Seller shall not use, put into use, or purport to authorize any other Person to use, after the Closing any materials that bear any trademark, service mark, trade dress, logo, trade name or corporate name contained in the Owned Intellectual Property or the Licensed Intellectual Property or any trademark, service mark, trade dress, logo, trade name or corporate name similar or related thereto.

ARTICLE VII
INDEMNIFICATION; MILESTONE PAYMENTS

7.1 Survival of Representations and Warranties. The representations and warranties of the Seller and the Purchaser contained in this Agreement (and the indemnification obligations of the Company relating thereto) shall survive the Closing.

7.2 Indemnification.

(a) Subject to the limitations and exceptions set forth in this Article VII, the Seller shall indemnify and hold harmless the Purchaser, its affiliates and each of their respective officers, directors, agents and employees, and each Person, if any, who controls or may control the Seller within the meaning of the Securities Act, and the Purchaser shall indemnify and hold harmless the Seller, its affiliates and each of their respective officers, directors, agents and employees, and each Person, if any, who controls or may control the Seller within the meaning of the Securities Act (each of the foregoing being referred to individually as an "Indemnified Person" and collectively as the "Indemnified Persons") from and against any and all losses, liabilities, damages, fees, costs and expenses, including costs of investigation and defense and reasonable fees and expenses of lawyers, experts and other professionals (collectively, "Indemnifiable Damages") directly or indirectly, whether or not due to a third-party claim, arising out of, resulting from or in connection with (i) any failure of any representation or warranty made by the Seller or Purchaser, as the case may be, in this Agreement to be true and correct, (ii) any breach of or default in connection with any of the covenants or agreements made by the Seller or the Purchaser, as the case may be, in this Agreement, (iii) any failure of the Seller to have good and valid title to the Purchased Assets and (iv) any failure of the Seller to timely fulfill or discharge any of the Excluded Liabilities.

(b) With respect to indemnification by the Seller, materiality standards or qualifications in any representation, warranty or covenant made by the Seller shall only be taken into account in determining whether a breach of or default in connection with such representation, warranty or covenant (or failure of any representation or warranty to be true and correct) exists, and shall not be taken into account in determining the amount of any Indemnifiable Damages with respect to such breach, default or failure to be true and correct. Any indemnity payments made under this Agreement shall be treated as purchase price adjustments for federal and state income tax purposes and may, at the discretion of the Purchaser, take the form of a reduction in the principal amount outstanding under the Note.

(c) With respect to indemnification by any Party, materiality standards or qualifications in any representation, warranty or covenant made by such Party shall only be taken into account in determining whether a breach of or default in connection with such representation, warranty or covenant (or failure of any representation or warranty to be true and correct) exists, and shall not be taken into account in determining the amount of any Indemnifiable Damages with respect to such breach, default or failure to be true and correct. Any indemnity payments made under this Agreement shall be treated as purchase price adjustments for federal and state income tax purposes.
7.3 Claims. With respect to claims made for Indemnifiable Damages, the Purchaser or the Seller may deliver to the other, as applicable, a certificate signed by any officer of the delivering Party (an “Officer’s Certificate”):

(a) stating that an Indemnified Person has incurred, paid, reserved or accrued, or reasonably anticipates that it may incur, pay, reserve or accrue, Indemnifiable Damages;

(b) stating the amount of such Indemnifiable Damages (which, in the case of Indemnifiable Damages not yet incurred, paid, reserved or accrued, may be the maximum amount reasonably anticipated by the Purchaser to be incurred, paid, reserved or accrued); and

(c) specifying in reasonable detail (based upon the information then possessed by the Purchaser) the individual items of such Indemnifiable Damages included in the amount so stated and the nature of the claim to which such Indemnifiable Damages are related.

No delay in providing such Officer’s Certificate shall affect an Indemnified Person’s rights hereunder, unless (and then only to the extent that) the Seller is materially prejudiced thereby.

7.4 Resolution of Objections to Claims.

(a) If the Seller or Purchaser, as applicable, objects in writing to any claim or claims by the claiming Party made in any Officer’s Certificate within such 30-day period, the Purchaser and the Seller shall attempt in good faith for forty-five (45) days after receipt of such written objection to resolve such objection. If the Purchaser and the Seller shall so agree, a memorandum setting forth such agreement shall be prepared and signed by both Parties. The Purchaser or Seller, as applicable, shall be entitled to conclusively rely on any such memorandum and the Purchaser or Seller, as applicable, shall be entitled to payment from the Seller or Purchaser in the amount specified in the memorandum.

(b) If no such agreement can be reached during the 45-day period for good faith negotiation, but in any event upon the expiration of such 45-day period, either the Purchaser or the Seller may submit the dispute to mandatory, final and binding arbitration to be held in the county of San Diego, the State of California. The dispute shall be resolved in accordance with Section 8.10 below and the decision of the arbitrator as to the validity and amount of any claim in the relevant Officer’s Certificate shall be non-appealable, binding and conclusive upon the Parties to this Agreement and the Purchaser shall be entitled to act in accordance with such decision.

(c) The non-prevailing Party to an arbitration shall pay its own expenses, the fees of the arbitrator, the administrative fee of Judicial Arbitration & Mediation Services/EnDispute or its successor (“J.A.M.S.”) and the expenses, including attorneys’ fees and costs, reasonably incurred by the other Party to the arbitration.

7.5 Third Party Claims. In the event that the Purchaser becomes aware of a third-party claim which the Purchaser believes may result in a claim against the Purchaser by or on behalf of an Indemnified Person, the Purchaser shall have the right in its sole discretion to conduct the defense of and to settle or resolve any such claim (and the costs and expenses incurred by the Purchaser in connection with such defense, settlement or resolution (including reasonable attorneys’ fees, other professionals’ and experts’ fees and court or arbitration costs) shall be included in the Indemnifiable Damages for which the Purchaser may seek indemnification pursuant to a claim made hereunder). The Seller shall have the right to receive copies of all pleadings, notices and communications with respect to the third-party claim to the extent that receipt of such documents does not affect any privilege relating to any Indemnified Person and shall be entitled, at its expense, to participate in, but not to determine or conduct, any defense of the third-party claim or settlement negotiations with respect to the third-party claim. However, except with the consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed and which shall be deemed to have been given unless the Seller shall have objected within thirty (30) days after a written request for such consent by the Purchaser, no settlement or resolution of any such claim with any third-party claimant shall be determinative of the existence of or amount of Indemnifiable Damages relating to such matter. In the event that the Seller has consented to any such settlement or resolution, the Seller shall not have any power or authority to object under Section 7.4 or any other provision of this Article VII to the amount of any claim by or on behalf of any Indemnified Person with respect to such settlement or resolution.
ARTICLE VIII
MISCELLANEOUS

8.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving Party’s address set forth below or to such other address as a Party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) sent by recognized overnight courier, or (iv) sent by certified mail, return receipt requested, postage prepaid.

If to the Purchaser to: AL International, Inc., dba Youngevity 2400 Boswell Rd Chula Vista, CA 91914 Facsimile: 619-934-5009 Attention: Steve Wallach

With a copy to: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 3580 Carmel Mountain Road, Suite 300 San Diego, CA 92130 Attn: Eddie Rodriguez

If to the Seller to: Andrew Rinehart 680 S. David Blvd. Bountiful, UT 84010

With a copy (which shall not constitute notice) to:

Mark E. Rinehart
Attorney at Law Rinehart Fetzer Simonsen & Booth P.C. 1200 Chase Tower 50 West Broadway Salt Lake City, Utah 84101
Telephone: (801) 328-0266, ext. 101 Fax: (801) 328-0269 Cell Phone: (801) 898-3116 Email: mark@rsf-law.com

All notices, requests, consents and other communications hereunder shall be deemed to have been (a) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (b) if sent by facsimile transmission, at the time receipt has been acknowledged by electronic confirmation or otherwise, (c) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (d) if sent by certified mail, on the 5th business day following the day such mailing is made.

8.2 Entire Agreement. The Documents embody the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

8.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, heirs, personal representatives, legal representatives, and permitted assigns.

8.4 Assignment. Neither this Agreement, nor any right hereunder, may be assigned by any of the Parties hereto without the prior written consent of the other Parties, except that the Purchaser may assign all or part of its rights and obligations under this Agreement to one or more direct or indirect subsidiaries or Affiliates (in which event, representations and warranties relating to the Purchaser shall be appropriately modified). No assignment by Purchaser shall relieve Purchaser of liability for the obligations of Purchaser under this Agreement.

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8.5 Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all Parties hereto.

8.6 Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the Party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent. No failure or delay by a Party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the Parties hereto, shall operate as a waiver of any such right, power or remedy of the Party. No single or partial exercise of any right, power or remedy under this Agreement by a Party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such Party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a Party hereto shall not constitute a waiver of the right of such Party to pursue other available remedies. No notice to or demand on a Party not expressly required under this Agreement shall entitle the Party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

8.7 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any Person other than the Parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

8.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

8.9 Publicity. The Seller may not make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the Purchaser.

8.10 Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the Law of the State of California without giving effect to the conflict of law principles thereof.

8.11 Jurisdiction. Except as provided in Section 7.4, any legal action or proceeding with respect to this Agreement shall be brought in the courts of San Diego, California or of the United States of America located in San Diego, California. By execution and delivery of this Agreement, each of the Parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Parties hereby irrevocably waive an objection or defense that they now or hereafter have to the assertion of personal jurisdiction by any court in any such action or to the laying of the venue of any such action in any such court, and hereby waive, to the extent not prohibited by law, and agree not to assert, by way of motion, as a defense, or otherwise, in any such proceeding, any claim that it is not subject to the jurisdiction of the above-named courts for such proceedings.

8.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

8.13 Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.
8.14 **Expenses.** Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

8.15 **Further Assurances.** At any time and from time to time after the Closing Date, at the request of the Purchaser and without further consideration, the Seller shall execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation as may be reasonably requested in order to more effectively transfer, convey and assign to the Purchaser, and to confirm the Purchaser’s title to, the Purchased Assets.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
IN WITNESS WHEREOF, the Parties hereto have each executed and delivered this Agreement as of the day and year first above written.

AL INTERNATIONAL, INC.
By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

ADAPTOGENIX, LLC
By: /s/ Andrew Rinehart
Name: Andrew Rinehart
Title: Manager
Schedule A
Products and Services Being Acquired

Renu IQ, Tazza Di Vita, Pur3x Renew, Pur3x Revolution, Pur3x Passion, all clothing and marketing materials related to the above. The inventory of the above listed in the financial statements less current sales.
Schedule 2.1(a)

Tangible Personal Property

18 foot conference table
3 office desks
25 stand alone plastic chairs
Gear including shirts, hats, bags, banners
15 conference table chairs
3 iMac computers
Schedule 2.1(f)

Intellectual Property


Patent Pending: Tazza Di Vita Coffee
Trademark Pending: Adaptogenix
I do have some contracts with my shipping center, software center and formulators but it is my understanding that you probably won't be using any of them. Most of them are just invoices and not really contracts as I've always paid cash for everything. The only other relevant contract would be the current office lease I have which is on month to month and I'll be closing.
It is my understanding that there are none. Perhaps my business license? Only good in Bountiful UT.
Schedule 2.3
Commissions

None.
EXHIBIT A

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is effective as of 8/22/11 ("Effective Date") by and between AL INTERNATIONAL, INC., a Delaware corporation having its principal place of business at 2400 Boswell Rd. Chula Vista, CA 91914 ("Company"), and ANDREW RINEHART, having his principal place of business at 680 S. Davis Blvd., Bountiful, UT 84010 ("Consultant").

In consideration of the mutual covenants and agreements hereafter set forth, the parties agree as follows:

1. Duties of Consultant.
   a. Services. Consultant shall perform the services described in Exhibit A, attached hereto (the "Work Statement"), or as may be requested from time to time by Company ("Services"). Upon request by Company, Consultant agrees to submit to Company in a timely manner and in written or other tangible form, any deliverables or results of Consultant’s work under this Agreement including, without limitation, all assigned Inventions as set forth in Section 5.c., and all documentation of work performed under this Agreement (collectively, the "Results"). At all times, Company shall have the right to examine the Results and any materials relating thereto to ensure Consultant’s compliance with the provisions of this Agreement.
   b. Designated Representatives. Consultant shall report directly to Steve Wallach, CEO of the Company or such other person designated by the Company (the "Designated Representative"), and shall provide the Services in accordance with this Agreement and further instructions of Company’s Designated Representative, and with such reasonable instructions given to Consultant by any other officer of Company.
   c. Performance. Consultant’s performance under this Agreement shall be conducted with due diligence and in full compliance with the highest professional standards of practice in the industry. Consultant shall at all times comply with all applicable laws and Company’s safety rules in the course of performing the Services. If Consultant’s work requires a license, Consultant represents that it has obtained that license, and that such license is in full force and effect and will remain in full force and effect during the term of this Agreement.
   d. Persons Providing Services. If Consultant is a corporation or other business entity, the Services shall be provided by approved representatives or such other employee(s) of Consultant who are approved by Company in writing prior to performing any of the Services. Consultant agrees that it shall be responsible for a breach of this Agreement by any of its employees, agents and/or contractors.

2. Compensation. The fees and expense reimbursements payable by Company and the payment terms of such fees and expense reimbursements shall be as set forth in the Work Statement. All fees and expense reimbursements provided for in the Work Statement are Consultant’s sole compensation for rendering the Services to Company. Consultant shall provide Company with monthly invoices detailing the applicable consulting hours and/or fees that Consultant believes are due under this Agreement, along with any applicable itemized expenses and receipts for such expenses. Company agrees to pay approved invoices within forty-five (45) days following their receipt.

3. Term/Termination. This Agreement will commence on the Effective Date and continue, unless terminated earlier pursuant to this Section 3, until the latter of (i) one year from the date first set forth above or (ii) so long as a Work Statement is in effect and has not been completed. This Agreement may be terminated by Company at any time, with or without cause, by giving written notice of termination to Consultant. In the event of such termination, Company will be obligated to pay Consultant any outstanding fees or expense reimbursements due under this Agreement only for or in connection with such Services actually completed by Consultant and reasonably acceptable to Company as of the date of Company’s termination notice.

a. Proprietary Information. Consultant understands that Company possesses and will possess Proprietary Information that is important to its business. For purposes of this Agreement, “Proprietary Information” is all information that is disclosed to Consultant or that was or will be developed, learned, created, or discovered by Consultant (or others) for or on behalf of Company, or that became or will become known by, or was or is conveyed to Company (including, without limitation, the Results) and has commercial value in Company’s business, or that is developed at Company’s facilities or with use of Company’s equipment. Proprietary Information includes, but is not limited to, information (and all tangible items in any form incorporating, embodying or containing information) relating to (a) all client/customer lists, vendor lists and all lists or other compilations containing client, customer or vendor information; (b) information about products, proposed products, research, product development; know-how, techniques, processes, costs, profits, markets, marketing plans, strategies, forecasts, sales and commissions, and unpublished information relating to technological and scientific developments; (c) plans for future development and new product concepts; (d) all manufacturing techniques or processes, documents, books, papers, drawings, schematics, models, sketches, computer programs, databases, and other data of any kind and descriptions including electronic data recorded or retrieved by any means, (e) the compensation, performance and terms of employment of Company employees or retention terms of Company consultants; (f) software in various stages of development, and any designs, drawings, schematics, specifications, techniques, models, data, source code, algorithms, object code, documentation, diagrams, flow charts, research and development, processes and procedures relating to any software; and (g) all other information that has been or will be given to Consultant in confidence by Company (or any affiliate) concerning Company’s actual or anticipated business, research or development, or that is received in confidence by or for Company from any other person or entity. Proprietary Information does not include information that Consultant demonstrates to Company’s satisfaction, by written documentation created in the ordinary course of business, (i) is in the public domain through lawful means that do not directly or indirectly result from any act or omission of Consultant in breach of its obligations hereunder or (ii) was already rightfully known to Consultant (other than in connection with this consulting arrangement) without restriction on use or disclosure at the time of Company’s disclosure to Consultant.

b. Non-Disclosure. Consultant understands that the consulting arrangement creates a relationship of confidence and trust between Consultant and Company with regard to Proprietary Information. Consultant will at all times, both during and after the term of this Agreement, keep the Proprietary Information in confidence and trust. Consultant will not, without the prior written consent of an authorized officer of Company (i) copy, use or disclose any Proprietary Information, (ii) remove any Proprietary Information from the business premises of Company, or (iii) deliver any Proprietary Information to any person or entity outside the Company. Notwithstanding the foregoing, Consultant may use the Proprietary Information (and disclose and deliver same to Consultant’s employees, if applicable, who have a need to know, provided such employees have previously entered into written agreements protecting third-party proprietary information received by Consultant and containing provisions at least as restrictive as those set forth in this Section 4) as may be necessary and appropriate in the ordinary course of performing the Services.

c. Return of Proprietary Information. Consultant agrees that upon termination of this Agreement for any reason, completion of the Services, or upon Company’s request, Consultant shall promptly deliver to Company any document or media that contains Results (and all copies thereof), and any apparatus or equipment (and other physical property or any reproduction of such property), excepting only Consultant’s copy of this Agreement.

5. Ownership and License.

a. Assignment of Proprietary Information. All Proprietary Information, and all patents, patent rights, copyrights, mask work rights, trademark rights, trade secret rights, sui generis database rights, and all other intellectual and industrial property and proprietary rights of any kind that currently exist or may exist in the future anywhere in the world (collectively, the “Rights”) in connection therewith shall be the sole property of Company. Consultant hereby irrevocably assigns to Company, without further consideration, any and all Rights that Consultant may have or acquire in the Proprietary Information.
b. **Disclosure of Inventions.** Consultant will promptly disclose in writing to Company’s Designated Representative all “Inventions” that relate to the business of the Company as of the date first set forth above (which term includes patentable or non-patentable inventions, original works of authorship, derivative works, trade secrets, technology, computer software, application programming interfaces, ideas, discoveries, algorithms, protocols, compositions, designs, formulas, processes, trademarks, service marks, patents, copyrights, techniques, know-how and data, and all improvements, rights, and claims related to the foregoing) made, conceived, reduced to practice, or developed by Consultant, either alone or jointly with others, during the term of this Agreement that relate to Company’s business, or that relate to demonstrably anticipated research or development of Company. Consultant will not disclose Inventions covered by this Section 5.b. to any person outside of Company unless requested to do so by management personnel of Company.

c. **Assignment of Inventions.** Consultant agrees to irrevocably assign to Company, without further consideration, all right, title, and interest that Consultant may presently have or acquire (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, and to each Invention requiring disclosure under Section 5.b., which shall be the sole property of Company, whether or not patentable. Without limiting the foregoing, Consultant agrees that any such Invention comprising an original work of authorship shall be deemed to be a “work made for hire” and that Company shall be deemed the author thereof under the U.S. Copyright Act (Title 17 of the U.S. Code), provided that in the event and to the extent any such work of authorship is determined not to constitute a “work made for hire” as a matter of law, Consultant hereby irrevocably assigns and transfers to Company all right, title and interest in and to any such work of authorship including, without limitation, all copyrights.

d. **Cooperation.** Consultant agrees to perform, during and after the term of this Agreement, all acts deemed necessary or desirable by Company to permit and assist it, at Consultant’s hourly rate as listed in the Work Descriptions (or, if no hourly rate is specified in the Work Descriptions, at such rate Company in its sole discretion deems reasonable), in evidencing, perfecting, obtaining, maintaining, defending and enforcing Rights and/or Consultant’s assignments herein. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. Consultant hereby irrevocably designates and appoints Company and its duly authorized officers and agents, as Consultant’s agents and attorneys-in-fact, with full power of substitution, to act for and in behalf and instead of Consultant, to execute and file any documents and to do all other lawfully permitted acts to further the above purposes with the same legal force and effect as if executed by Consultant.

e. **Moral Rights.** Any assignment of copyright hereunder (and any ownership of a copyright as a work made for hire) includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights” (collectively, “Moral Rights”). To the extent such Moral Rights cannot be assigned under applicable law and to the extent the following is allowed by the laws in the various countries where Moral Rights exist, Consultant hereby ratifies and consents to any action of Company that would violate such Moral Rights in the absence of such ratification/consent. Consultant will confirm any such ratifications and consents from time to time as requested by Company.

f. **Excluded Inventions.** Consultant has attached hereto as Exhibit B a complete list of all existing Inventions to which Consultant claims ownership as of the date of this Agreement and that Consultant desires to specifically clarify are not subject to this Agreement. Consultant represents that Exhibit B is accurate and complete. If Exhibit B contains no such Inventions, Consultant represents that Consultant has no such Inventions at the time of signing this Agreement.

g. **Post-Termination Period.** Consultant understands and acknowledges that because of the difficulty of establishing when an Invention is first conceived or developed by Consultant, or whether it results from access to Proprietary Information, Consultant agrees that any Invention conceived, developed, used, sold, exploited, or reduced to practice by Consultant or with Consultant’s aid within six (6) months after any termination of this Agreement shall be presumed to be an Invention subject to the disclosure and assignment requirements under Sections 5.b. and 5.c. (“Post-Term Inventions”). Consultant can rebut the above presumption if Consultant proves that a Post-Term Invention is not an Invention requiring disclosure and assignment as defined in Sections 5.b. and 5.c. Notwithstanding the foregoing disclosure requirement, Consultant will not be required to disclose those Post-Term Inventions conceived and developed in the course of employment for a third party where Consultant is contractually precluded from such disclosure.

h. **License.** If any Rights or Inventions assigned hereunder or any Results are based on, or incorporate, or are improvements or derivatives of, or cannot be reasonably made, used, modified, maintained, supported, reproduced and distributed or otherwise fully exploited without using or violating technology or Rights owned or licensed by Consultant and not assigned hereunder, Consultant hereby grants Company a perpetual, irrevocable, worldwide, fully paid-up, royalty-free, nonexclusive, sublicensable right and license to exploit and exercise all such technology and Rights in support of Company’s exercise or exploitation of any Results or assigned Rights or Inventions (including any modifications, improvements and derivatives works thereof).
i. **Privacy.** Consultant recognizes and agrees that it has no expectation of privacy with respect to Company’s telecommunications, networking, or information processing systems (including, without limitation, stored computer files, e-mail messages and voice messages) and that Consultant’s activity, and any files or messages, on any of those systems may be monitored at any time without notice.

k. **Employees/Agents of Consultant.** Consultant represents and warrants that any person that Consultant employs or otherwise retains to provide services under this Agreement will agree to provisions 4 and 5 of this Agreement and will execute Exhibit C to this Agreement.

6. **Independent Contractor.** (i) Consultant shall act in the capacity of an independent contractor with respect to the Company, and not as an employee or authorized agent of the Company. Consultant shall not have any authority to enter into contracts or binding commitments in the name or on behalf of the Company. Consultant will not use the Company’s logo or marks without prior written approval, and then such use shall be only for the benefit of the Company and at the direction of the Company. Consultant shall not be, nor represent itself as being, an agent of the Company, and shall not be, nor represent itself as being, authorized to bind the Company. (ii) Consultant agrees, acknowledges and understands that it shall not have the status of an employee of the Company and shall not participate in any employee benefit plans or group insurance plans or programs (including, but not limited to, salary, bonus or incentive plans, stock option or purchase plans, or plans pertaining to retirement, deferred savings, disability, medical or dental); even if it is considered eligible to participate pursuant to the terms such plans. In addition, Consultant understands and agrees that consistent with its independent contractor status, it will not apply for any government-sponsored benefits intended only for employees, including, but not limited to, unemployment benefits. (iii) Consultant understands and agrees that it shall not participate in any plans, arrangements, or distributions by the Company pertaining to or in connection with any pension, stock, bonus, profit-sharing, or other similar benefit program the Company may have for its employees, regardless of whether Consultant is classified as an employee for any other purpose or is otherwise eligible to participate in such plans. Consultant’s exclusion from benefit programs maintained by the Company is a material component of the terms of compensation negotiated by the parties, and is not premised on Consultant’s status as a non-employee with respect to the Company. To the extent that Consultant may become eligible for any benefit programs maintained by the Company (regardless of timing or reason for eligibility), Consultant hereby waives its right to participate in the programs. Consultant’s waiver is not conditioned on any representation or assumption concerning Consultant’s legal status as a contractor or employee. (iv) The Company shall issue Form 1099 records for its payments to Consultant made pursuant to this Agreement. Because Consultant is an independent contractor, it is solely responsible for all taxes, withholdings, and other similar statutory obligations including, without limitation, Workers’ Compensation Insurance, Unemployment Insurance, or State Disability Insurance. Consultant agrees to defend, indemnify and hold Company harmless from any and all claims made by any entity on account of an alleged failure by Consultant to satisfy any such tax or withholding obligations. Consultant warrants that it has sought and obtained independent advice regarding the tax consequences of the payments made pursuant to this Agreement.

7. **Representations and Warranties.** Consultant represents and warrants that, as of the Effective Date and at all times during the term of this Agreement: (i) Consultant’s performance of the Services and all terms of this Agreement will not breach any agreement that Consultant has with another party including, without limitation, any agreement to keep in confidence proprietary information acquired by Consultant in confidence or trust prior to the execution of this Agreement; (ii) Consultant is not and will not be bound by any agreement, nor has assumed or will assume any obligation, which would in any way be inconsistent with the Services to be performed by Consultant under this Agreement; (iii) in performing the Services, Consultant will not use any confidential or proprietary information of another party, or infringe the Rights of another party, nor will Consultant disclose to Company, or bring onto Company’s premises, or induce Company to use any confidential or proprietary information of any person or entity other than Company or Consultant; (iv) Consultant will abide by all applicable laws and the Company’s safety rules in the course of performing the Consulting Services; (v) Consultant will not use or retain any other individual(s) or employee(s) in performing services for the Company except with prior written approval has been obtained from the Company; (vi) in the event Consultant uses or retains any other individual(s) in performing services for the Company, Consultant hereby assumes full responsibility for all actions of all such individuals, and agrees to indemnify and hold the Company harmless from any and all claims by such individuals relating to services performed in conjunction with this Agreement; and (vii) all of Consultant’s employees and contractors, as applicable, performing any of the Services have executed written non-disclosure, assignment of rights and other appropriate agreements sufficient to protect the confidentiality of the Proprietary Information, and sufficient to allow Consultant to grant the assignments and licenses to Company as provided herein.

8. **Indemnity.** Consultant will defend, indemnify and hold Company and its affiliates (and their respective employees, directors and representatives) harmless against any and all losses, liabilities, damages, claims, demands and suits and related costs and expenses (including, without limitation, reasonable attorneys’ fees and court costs) arising or resulting, directly or indirectly, from (i) any act or omission of Consultant (its employees or independent contractors) or Consultant’s (its employees’ or independent contractors’) breach of any representation, warranty or covenant of this Agreement, or (ii) infringement of any third-party intellectual property rights by the Results, Company’s use of the Results or Consultant’s performance of the Services, and (iii) any failure (alleged or actual) by Consultant to satisfy any of the tax or withholding obligations for Consultant or any employee or individual retained by Consultant to perform services for the Company. 

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9. Limit of Liability. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER CONSULTANT NOR COMPANY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES.

10. Miscellaneous.
   a. Governing Law. Consultant agrees that any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. The sole jurisdiction and venue for actions related to the subject matter of the Agreement shall be the state and federal courts having within their jurisdiction the location of Company’s principal place of business, and both parties hereby consent to such jurisdiction and venue and waive all objections thereto. If any provision of this Agreement is held to be illegal or unenforceable, such provision shall be limited or excluded from this Agreement to the minimum extent required, and the balance of the Agreement shall be interpreted as if such provision was so limited or excluded and shall be enforceable in accordance with its terms.
   b. Assignment. This Agreement (together with all attached exhibits) shall be binding upon Consultant, and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, and personal representatives; provided, however, that Consultant shall not assign any of its rights or delegate any of its duties hereunder without Company’s prior written consent and any attempted assignment or delegation will be void.
   c. Entire Agreement. This Agreement (together with the executed Work Statement and attached exhibits) and the Asset Purchase Agreement between the Company and AdaptoGenix, LLC, and documents relating thereto contain the entire understanding of the parties regarding its subject matter and supersede any and all prior agreements regarding this consulting relationship. This Agreement may only be modified by a subsequent written agreement executed by authorized representatives of both parties.
   
   d. Notices. All notices required or given under this Agreement shall be addressed to the parties at the addresses shown in the “Notices” section of the Work Statement (or such other address as may be provided by written notice in accordance with this Section 11.d.) and shall be deemed given upon receipt (or, if not received sooner, three (3) days after deposit in the U.S. mails) when delivered by registered mail, postage pre-paid, return receipt requested, by facsimile (with a confirmation copy sent by registered mail) or by commercial overnight delivery service with tracking capabilities.
   
   e. Attorney’s Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys’ fees, court costs and necessary disbursements, in addition to any other relief to which the party may be entitled.
   
   f. Remedies. Consultant recognizes that nothing in this Agreement is intended to limit any remedy of Company under the California Uniform Trade Secrets Act and that Consultant could face possible criminal and civil actions, resulting in substantial monetary liability if Consultant misappropriates Company’s trade secrets. In addition, Consultant recognizes that a violation of this Agreement could cause Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law inadequate. Therefore, Consultant agrees that Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief Company deems appropriate without being required to post any bond or other security. This right shall be in addition to any other remedy available to Company in law or equity.
   
   g. Survival. The provisions of this Agreement that may be reasonably interpreted as surviving its termination, including the applicable provisions of Sections 3-10, shall continue in effect after termination of this Agreement. Company is entitled to communicate Consultant’s obligations under this Agreement to any future client or potential client of Consultant.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the first day above written.

“CONSULTANT”

ANDREW RINEHART

By: /s/ Andrew Rinehart
Name: Andrew Rinehart
Title: Manager

“COMPANY”

AL INTERNATIONAL, INC.

By: /s/ Steve Wallach
Steve Wallach, CEO
EXHIBIT A
WORK STATEMENT

1. General
This Work Statement defines work to be done for AL INTERNATIONAL, INC. ("Company") by Andrew Rinehart ("Consultant") under that certain Consulting Services Agreement dated 8/22/11 ("Agreement"). In the event of a conflict between any provision of this Work Statement and the Agreement, the provisions of the Agreement will control.

2. Description of Project/Services
The Services to be provided are as follows:
Consultant shall assist the Company with two (2) national weight loss campaigns.
Consultant shall assist the Company by motivating distributors and training leaders to perform.
Consultant shall assist the Company by attending and holding distributors meetings. He will hold or attend 15 meetings of at least 25 distributors.
Consultant shall attend the Company’s annual convention to support the conversion of the Companies.

3. Equipment and Resources to be Provided by Company
Company shall provide and make available to Consultant, on a loan basis only, the following materials, documentation and equipment:
Documents and equipment as needed and provided from time to time by the Company.

4. Fees
The fees applicable to the Services are as follows:
No additional fees shall be paid during this term. If additional periods or terms are to be considered to which Consultant would be paid, such agreement will be entered into at that time.

Note if Consultant fails to perform duties within this agreement, he will surrender his right to receive payment for the Note associated with this agreement.
5. Notices

Any notices required under the Agreement, shall be provided to the persons and at the addresses listed below.

To Company:
Youngevity
2400 Boswell Road
Chula Vista, CA 91914
Attention: Steve Wallach

To Consultant:
Andrew Rinehart
680 S Davis Blvd.
Attention: Steve Wallach

7. Term of Services (Subject to early termination as provided in the Agreement)

Begin: Date of Close
End: As described in Paragraph #3

COMPANY
AL INTERNATIONAL, INC.

By: /s/ Steve Wallach
Signature: Steve Wallach
Name: CEO
Date: 8/22/11

CONSULTANT

By: /s/ Andrew Rinehart
Signature: Andrew Rinehart
Name: Manager
Title: 8/2/11
Date: 8/2/11
EXHIBIT B
DISCLOSURE OF INVENTIONS

AL International Inc.
2400 Boswell Road
Chula Vista, CA  91914

The following is a complete list of inventions relevant to the performance of the Services for AL INTERNATIONAL, INC. (“Company”) that have been made or conceived or first reduced to practice by Consultant alone or jointly with others prior to the execution of that certain Consulting Services Agreement dated 8/22/1 (“Agreement”) entered into between Consultant and Company that Consultant desires to clarify are not subject to the Agreement.

X No Inventions
See below
Additional sheets attached

Consultant:
By:  /s/ Andrew Rinehart
Andrew Rinehart
Name
CEO
Title
8/22/11
Date

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EXHIBIT C
PROMISSORY NOTE

$900,000 September 22, 2011

FOR VALUE RECEIVED, AL INTERNATIONAL, INC., a Delaware corporation (the “Company”), hereby promises to pay to the order of ADAPTOGENIX, LLC, a Utah limited liability company (the “Lender”), the principal sum of Nine Hundred Thousand Dollars ($900,000), together with interest thereon. This Note shall bear simple interest commencing on the date hereof, at a rate of 0.32% per annum. This Note is issued pursuant to the terms of that certain Asset Purchase Agreement dated as of August 22, 2011 between Lender, as Seller, and the Company, as Purchaser (the “Purchase Agreement”). Capitalized terms not elsewhere defined herein shall have the meanings set forth in the Purchase Agreement.

1. Payments

1.1 All payments shall be made in lawful money of the United States of America or in shares of the Company’s capital stock as set forth in Section 2.3 below at the principal office of the Company, or at such other place as the Lender may from time to time designate in writing to the Company. The Company may repay all or any portion of the principal and accrued interest outstanding under the Notes without penalty of pre-payment.

1.2 The outstanding principal balance and unpaid accrued interest on this Note shall be due and payable in equal installments of $25,000 per month, beginning on October 1, 2011, and ending on the date when all amounts owed hereunder have been paid in full. Payment shall be credited first to the accrued interest then due and payable, and the remainder shall be applied to principal.

2. Defaults; Acceleration. The occurrence of any Event of Default shall be a default hereunder. Upon the occurrence of any Event of Default, all amounts then outstanding hereunder shall immediately become due and payable in full. The occurrence of any one or more of the following, whatever the reason therefore, shall constitute an “Event of Default” under this Note:

(a) the Company shall fail to pay on the date and by the time of day specified above, any amount due to Lender pursuant to this Note or any other document relating to the indebtedness evidenced hereby or otherwise;

(b) the Company shall fail to perform or observe any term, covenant or agreement contained in this Note or any other document relating to the indebtedness evidenced by this Note;

(c) Any representation or warranty made to Lender by the Company, orally or in writing, or contained in any document made or delivered by the Company, proves incorrect or to have been incorrect in any material respect when made;

(d) All or substantially all of the assets of the Company are sold or otherwise transferred without Lender’s written consent, or a change in control of the Company occurs; or

(e) the Company is the subject of a voluntary order for relief in any bankruptcy court, or is unable or admits or admits in writing its debts as they mature, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer (“Receiver”); or any Receiver is appointed and the appointment continues undischarged or unstayed for thirty (30) calendar days, or the Company institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the laws of any jurisdiction; or any similar proceeding is instituted and continues undismissed or unstayed for thirty (30) calendar days; or any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the real property subject to the Deed of Trust is not released, vacated or fully bonded within thirty (30) calendar days after such issue or levy; or
(f) There shall occur a material adverse change in the financial condition of the Company as determined by Lender in its reasonable discretion; or

(g) This Note ceases to be in full force and effect or is declared null and void by a court of competent jurisdiction; or the Company claims that this Note is ineffective or unenforceable, in whole or in part, or denies any or further liability or obligation under this Note or both, unless all indebtedness and obligations of the Company thereunder have been fully paid and performed.

3. Waivers. The Company hereby waives any right of offset the Company now has or may hereafter have against the Lender hereof and its successors and assigns. The Company hereby waives presentment, demand, protest, notice of protest, notice of nonpayment or dishonor and all other rights. Any delay on Lender’s part in exercising any right hereunder or under any of other documents associated with this Note shall not operate as a waiver. Lender’s acceptance of partial or delinquent payments or the failure of Lender to exercise any rights shall not waive any obligation of the Company or any right of Lender, or modify this Note, or waive any other similar default.

5. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

6. Costs of Collection. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Lender in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise.

7. Amendments. Any provision of this Note may be amended, waived or modified in a writing signed by the Lender and the Company.

8. Assignment. This Note shall be binding upon the heirs, executors, administrators, successors and assigns of the Company and inure to the benefit of the Lender and its successors, endorsees and assigns. Lender may assign its rights hereunder or obtain, sell or grant participation interests in this Note and/or the other indebtedness represented by this Note Documents at any time, and any such assignee, successor or participant shall have all rights of the Lender hereunder.

9. Usury. The Company hereby represents and agrees that the indebtedness represented by this Note is for commercial and business uses and not for personal, family or household purposes. It is the specific intent of the Company and Lender that this Note bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate herein provided for exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest theretofore collected being applied against principal or, if such principal has been fully repaid, returned to the Company upon written demand.

10. Notices. All notices to be given pursuant to this Note shall be sufficient if given by personal service, by email, by guaranteed overnight delivery services, by telex, telecopy or telegram or by being mailed postage prepaid, certified or registered mail, return receipt requested, to the described addresses of the parties hereto as provided by the Company and Lender to each other from time to time.

11. Partial Invalidity. If any section or provision of this Note is declared invalid or unenforceable by any court of competent jurisdiction, said determination shall not affect the validity or enforceability of the remaining terms hereof. No such determination in one jurisdiction shall affect any provision of this Note to the extent it is otherwise enforceable under the laws of any other applicable jurisdiction. 

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12. Further Acknowledgements. TO THE FULLEST EXTENT ALLOWED BY LAW, THE COMPANY HEREBY WAIVES AND DISCLAIMS ANY AND ALL CLAIMS, DISSENT OR OBJECTION TO THE TERMS OR ENFORCEABILITY OF THE INDEBTEDNESS REPRESENTED BY THIS NOTE ON THE GROUNDS THAT THE INDEBTEDNESS REPRESENTED BY THIS NOTE DOCUMENTS OR THE TERMS THEREOF ARE UNCONSCIONABLE, VIOLATE PUBLIC POLICY OR ARE OTHERWISE UNENFORCEABLE ACCORDING TO THEIR TERMS. BORROWER IS REPRESENTED BY LEGAL COUNSEL. THE COMPANY UNDERSTANDS THAT THE INTEREST RATE AND FEES CHARGED HEREIN EXCEED STANDARD COMMERCIAL INTEREST RATES AND FEES AND THAT THE LENDER AND THE COMPANY HAVE AGREED TO THESE RATES AND FEES DUE TO THE NATURE OF THE TRANSACTION.

13. Jury Waiver. THE COMPANY AND LENDER HEREBY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE DEEDS OF TRUST AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE COMPANY REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.
IN WITNESS WHEREOF, the Company has executed and delivered this Promissory Note on the date set forth below, to be effective as of the day and year first above written.

AL INTERNATIONAL, INC., a Delaware corporation

Date: 8/22/11

Name: Steve Wallach
Its: CEO

By: /s/ Steve Wallach
This AMENDMENT #1 TO THE ASSET PURCHASE AGREEMENT DATED August 22, 2011, by and between ADAPTOGENIX, LLC, a Utah limited liability company (the “Seller”), and AL International, Inc. a Delaware corporation (“Purchaser”), Seller and Purchaser are referred to collectively herein as the “Parties.”

WHEREAS, the Parties desire to Amend the original Agreement as referenced above; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

1. All terms shall have the same definitions as in the original Agreement dated August 22, 2011, unless modified here within.

ARTICLE II AMENDMENT OF ORIGINAL AGREEMENT

2. Parties agree that Article 3.1 shall be modified with the following language:
   Removed – (i) the aggregate purchase price of One Million Two Hundred and Fifty Thousand ($1,250,000).
   Modified with – (i) the aggregate purchase price of Seven Hundred and Fifteen Thousand ($715,000).

3. Parties agree that Article 3.2(c) shall be modified with the following language:
   Removed – Deliver to the Seller a Promissory Note in substantially the form attached hereto as Exhibit C (the “Note”). The principal amount and payment terms of the Note shall vary depending on whether the Purchaser is able to obtain bank financing for the payments described in Section 3.2(b) above.
   Modified with – Deliver to the Seller a Promissory Note in substantially the form attached hereto as Exhibit C (the “Note”). The three payments from the original Agreement are included in the total purchase price and will not be adjusted.

4. Parties agree to remove Article 3.2(c)(i), Article 3.2(c)(ii)

All other parts and terms under the Original Agreement Dated August 22, 2011, remain in effect and are like binding on this Amendment also.
IN WITNESS WHEREOF, the Parties hereto have each executed and delivered this Agreement as of the day and year first above written.

AL INTERNATIONAL, INC.
By: /s/ Chris Nelson
Name: Chris Nelson
Title: CFO
Date: 1/27/12

ADAPTOGENIX, LLC
By: /s/ Andrew Rinehart
Name: Andrew Rinehart
Title: Manager
Date: 2/7/12
FOR VALUE RECEIVED, AL INTERNATIONAL, INC., a Delaware corporation (the “Company”), hereby promises to pay to the order of ADAPTOGENIX, LLC, a Utah limited liability company (the “Lender”), the principal sum of Two Hundred Thirty-Nine Thousand Two Hundred and Sixty-Five Dollars and Thirty-Six cents ($239,265.36) together with interest thereon, making each monthly payment equal to Ten Thousand Dollars ($10,000). This Note shall bear simple interest commencing on the date hereof, at a rate of 0.32% per annum. This Note is issued pursuant to the terms of that certain Asset Purchase Agreement dated as of August 22, 2011, and specifically as Amended on January 11, 2012, between Lender, as Seller, and the Company, as Purchaser (the “Purchase Agreement”). Capitalized terms not elsewhere defined herein shall have the meanings set forth in the Purchase Agreement.

1. Payments

1.1 All payments shall be made in lawful money of the United States of America at such other place as the Lender may from time to time designate in writing to the Company. The Company may repay all or any portion of the principal and accrued interest outstanding under the Notes without penalty of pre-payment.

1.2 The outstanding principal balance and unpaid accrued interest on this Note shall be due and payable in equal installments of $10,000 per month, beginning on January 1, 2012, and ending on the date when all amounts owed hereunder have been paid in full, which shall be December 1, 2013, (24 payments) unless paid off sooner by the Company. Payment shall be credited first to the accrued interest then due and payable, and the remainder shall be applied to principal.

2. Defaults; Acceleration

The occurrence of any Event of Default shall be a default hereunder. Upon the occurrence of any Event of Default, all amounts then outstanding hereunder shall immediately become due and payable in full. The occurrence of any one or more of the following, whatever the reason therefore, shall constitute an “Event of Default” under this Note:

(a) the Company shall fail to pay on the date and by the time of day specified above, any amount due to Lender pursuant to this Note or any other document relating to the indebtedness evidenced hereby or otherwise; or

(b) the Company shall fail to perform or observe any term, covenant or agreement contained in this Note or any other document relating to the indebtedness evidenced by this Note; or

(c) Any representation or warranty made to Lender by the Company, orally or in writing, or contained in any document made or delivered by the Company, proves incorrect or to have been incorrect in any material respect when made; or

(d) All or substantially all of the assets of the Company are sold or otherwise transferred without Lender’s written consent, or a change in control of the Company occurs; or

(e) the Company is the subject of a voluntary order for relief in any bankruptcy court, or is unable or admits in writing its debts as they mature, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitation or similar officer (“Receiver”); or any Receiver is appointed and the appointment continues undischarged or unstayed for thirty (30) calendar days; or the Company institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the laws of any jurisdiction; or any similar proceeding is instituted and continues undischarged or unstayed for thirty (30) calendar days; or any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the real property subject to the Deed of Trust is not released, vacated or fully bonded within thirty (30) calendar days after such issue or levy; or
(f) There shall occur a material adverse change in the financial condition of the Company as determined by Lender in its reasonable discretion; or

(g) This Note ceases to be in full force and effect or is declared null and void by a court of competent jurisdiction; or the Company claims that this Note is ineffective or unenforceable, in whole or in part, or denies any or further liability or obligation under this Note or both, unless all indebtedness and obligations of the Company thereunder have been fully paid and performed.

3. Waivers. The Company hereby waives any right of offset the Company now has or may hereafter have against the Lender hereof and its successors and assigns. The Company hereby waives presentment, demand, protest, notice of protest, notice of nonpayment or dishonor and all other rights. Any delay on Lender’s part in exercising any right hereunder or under any of other documents associated with this Note shall not operate as a waiver. Lender’s acceptance of partial or delinquent payments or the failure of Lender to exercise any rights shall not waive any obligation of the Company or any right of Lender, or modify this Note, or waive any other similar default.

5. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

6. Costs of Collection. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Lender in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise.

7. Amendments. Any provision of this Note may be amended, waived or modified in a writing signed by the Lender and the Company.

8. Assignment. This Note shall be binding upon the heirs, executors, administrators, successors and assigns of the Company and inure to the benefit of the Lender and its successors, endorsees and assigns. Lender may assign its rights hereunder or obtain, sell or grant participation interests in this Note and/or the other indebtedness represented by this Note Documents at any time, and any such assignee, successor or participant shall have all rights of the Lender hereunder.

9. Usury. The Company hereby represents and agrees that the indebtedness represented by this Note is for commercial and business uses and not for personal, family or household purposes. It is the specific intent of the Company and Lender that this Note bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate herein provided for exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest theretofore collected being applied against principal or, if such principal has been fully repaid, returned to the Company upon written demand.

10. Notices. All notices to be given pursuant to this Note shall be sufficient if given by personal service, by email, by guaranteed overnight delivery services, by telex, telecopy or telegram or by being mailed postage prepaid, certified or registered mail, return receipt requested, to the described addresses of the parties hereto as provided by the Company and Lender to each other from time to time.

11. Partial Invalidity. If any section or provision of this Note is declared invalid or unenforceable by any court of competent jurisdiction, said determination shall not affect the validity or enforceability of the remaining terms hereof. No such determination in one jurisdiction shall affect any provision of this Note to the extent it is otherwise enforceable under the laws of any other applicable jurisdiction.
12. Further Acknowledgements. TO THE FULLEST EXTENT ALLOWED BY LAW, THE COMPANY HEREBY WAIVES AND DISCLAIMS ANY AND ALL CLAIMS, DISSENT OR OBJECTION TO THE TERMS OR ENFORCEABILITY OF THE INDEBTEDNESS REPRESENTED BY THIS NOTE ON THE GROUNDS THAT THE INDEBTEDNESS REPRESENTED BY THIS NOTE DOCUMENTS OR THE TERMS THEREOF ARE UNCONSCIONABLE, VIOLATE PUBLIC POLICY OR ARE OTHERWISE UNENFORCEABLE ACCORDING TO THEIR TERMS. BORROWER IS REPRESENTED BY LEGAL COUNSEL. THE COMPANY UNDERSTANDS THAT THE INTEREST RATE AND FEES CHARGED HEREIN EXCEED STANDARD COMMERCIAL INTEREST RATES AND FEES AND THAT THE LENDER AND THE COMPANY HAVE AGREED TO THESE RATES AND FEES DUE TO THE NATURE OF THE TRANSACTION.

13. Jury Waiver. THE COMPANY AND LENDER HEREBY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE DEEDS OF TRUST AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE COMPANY REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

IN WITNESS WHEREOF, the Company has executed and delivered this Promissory Note on the date set forth below, to be effective as of the day and year first above written.

AL INTERNATIONAL, INC.,
a Delaware corporation

Date: 1/27/12

By: /s/ Chris Nelson
Name: Chris Nelson
Its: CFO
This ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of October 10, 2011 by and between AL International, Inc., a Delaware corporation (the "Seller"), and Prosperity Group Inc., a Nevada corporation ("Purchaser"). Seller and Purchaser are referred to collectively herein as the "Parties."

WHEREAS, the Seller is engaged in the business of direct marketing or multi-level marketing with sales of various products and services (the "Business") and has developed a distributorship organization of independent authorized agents (the "Distributor Organization") for the sale of its products and services;

WHEREAS, the Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller THREE (3) specific genealogy positions within Seller's Distributor Organization (as identified in Exhibit A, attached), and the Purchaser is willing to acquire such positions within the standard business conditions (as identified in Exhibit B, attached) as any other independent authorized agent in the Distributor Organization, with certain modifications, all upon the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants, representations and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the respective meanings set forth below:

"Action" means any claim, demand, action, cause of action, chose in action, right of recovery, right of set-off, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to a specified Person, any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

"Ancillary Agreements" means the bill of sale and the assignment and assumption agreement delivered at the Closing.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are required or authorized to be closed in the city of San Diego, California.

"Contract" means any contract, plan, undertaking, understanding, agreement, license, lease, note, mortgage or other binding commitment, whether written or oral.

"Court" means any court or arbitration tribunal of the United States, any domestic state, or any foreign country, and any political subdivision thereof.

"Governmental Authority" means any governmental, or legislative agency or authority (other than a Court) of the United States, any domestic state, or any foreign country, and any political subdivision or agency thereof, and includes any authority having governmental or quasi-governmental powers, including any administrative agency or commission.

"Law" means all laws, statutes, ordinances and Regulations of any Governmental Authority including all decisions of Courts having the effect of law in each such

"Litigation" means any suit, action, arbitration, cause of action, claim, complaint, criminal prosecution, investigation, inquiry, demand letter, governmental or other administrative proceeding, whether at law or at equity, before or by any Court, Governmental Authority, arbitrator or other tribunal.
"Order" shall mean any judgment, order, writ, injunction, ruling, stipulation, determination, award or decree of or by, or any settlement under the jurisdiction of, any Court or Governmental Authority.

"Permits" means any licenses, permits, pending applications, consents, certificates, registrations, approvals and authorizations.

"Person" means any natural person, corporation, limited liability company, unincorporated organization, partnership, association, joint stock company, joint venture, trust or any other entity.

"Regulation" shall mean any rule or regulation of any Governmental Authority. "Securities Act" means the Securities Act of 1933, as amended.

**ARTICLE II**

**PURCHASE AND SALE**

2.1 **Purchased Assets.** Upon the terms and subject to the conditions set forth in this Agreement at the Closing, the Seller will sell, convey, transfer, assign and deliver to the Purchaser, and the Purchaser will purchase from the Seller, all of the rights, title and interests in the THREE (3) Distributor Positions (as described in Exhibit A) (the "Purchased Assets").

2.2 **Warrant.** Additionally and as part of this overall Agreement, upon the terms and subject to the conditions set forth in this Agreement at the Closing, the Seller will sell, issue and deliver to the Purchaser, and the Purchaser will purchase from the Seller a warrant to buy shares of the Seller's Common Stock with an exercise price equal to the closing value of such shares on the trading day immediately preceding the Closing (the "Warrant"). The Warrant will be exercisable for the number of shares equal to (x) One Million Dollars ($1,000,000) divided by (y) the exercise price of the Warrant (calculated as set forth above). (Example: If the Seller's Common Stock closed at $0.359 on the trading day immediately preceding the Closing, Purchaser will receive a warrant to purchase 2,785,516 shares of Seller stock). This warrant must be exercised within 5 years or it expires. (See Exhibit C for the Warrant Document).

(a) While the general policy of Seller is to not allow people to have more than one account, Seller will be working with Purchaser to identify individuals or entities, each of whom will have different federal ID numbers, in order to operate the Purchased Assets in full compliance with Seller's policies and procedures as soon as practicable after the Closing.

(b) Each position will be permanently force qualified at the Diamond level for the life of the business. As well as permanently force qualified at the highest possible rank if the compensation plan should ever change and there are additional percentages earned on basic unlevel pay, Infinity bonus pay, team commission pay, or generational override pay. In addition, if the core structure of the compensation plan ever changes a comparable transition in earnings and rank should be laterally transferred. Meaning if at the current rank of Diamond the pay in the current compensation plan is $20,000 per month and the compensation plan is changed to a binary where the new rank of Ambassador is comparable in earnings and status to the previously force qualified Diamond level, the position will be permanently force qualified at the new Ambassador rank. For any dream bonuses, car bonuses, global bonus pools or extra incentive bonuses those must be achieved through building according to the current Youngevity compensation plan. The established bonus volume from the forced qualified positions cannot be used towards the Dream Car Bonus. To achieve the Dream Car Bonus, it must be on new volume that was brought into the organization after this Agreement.

(c) In accordance with Seller's policies and procedures, that are applied equally to all independent authorized agents, the Purchased Assets will qualify for monthly commission payouts. Such commission payouts are dependent upon the purchasing activities of independent authorized agents under the Purchased Assets in the genealogy structure within Seller's Distributor Organization. Such commissions are also dependent upon the qualified status of the Purchased Assets. These dependent factors are not controller by the Seller, other than noted above, and therefore, no guarantee of any specific value of commission payout is given within this Agreement.

(d) If the Closing occurs before October 11, 2011, Purchaser shall be entitled to a full month's commission payout as if the Purchased Assets were active for the entire month of October (generally, commissions for any month are paid in the subsequent month on the 15th of that subsequent month). If Closing occurs after October 10, 2011, Purchaser shall be entitled to a pro-rata share of the monthly commissions based above the date of Closing. (For example, if Closing occurred on October 29, 2011, Purchaser would be entitled to 2/31st value of the commission that would regularly be paid for the month.)

2.2 **Warrant.** Additionally and as part of this overall Agreement, upon the terms and subject to the conditions set forth in this Agreement at the Closing, the Seller will sell, issue and deliver to the Purchaser, and the Purchaser will purchase from the Seller a warrant to buy shares of the Seller's Common Stock with an exercise price equal to the closing value of such shares on the trading day immediately preceding the Closing (the "Warrant"). The Warrant will be exercisable for the number of shares equal to (x) One Million Dollars ($1,000,000) divided by (y) the exercise price of the Warrant (calculated as set forth above). (Example: If the Seller's Common Stock closed at $0.359 on the trading day immediately preceding the Closing, Purchaser will receive a warrant to purchase 2,785,516 shares of Seller stock). This warrant must be exercised within 5 years or it expires. (See Exhibit C for the Warrant Document).
ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. As consideration for the purchase of the Purchased Assets, upon the terms and subject to the conditions set forth in this Agreement, the Purchaser will pay to the Seller the aggregate purchase price of One Million Seven Hundred and Fifty Thousand ($1,750,000) (the "Purchase Price") payable upon Closing.

3.2 Payment of Purchase Price. The Purchaser shall pay, or cause to be paid, to the Seller the Purchase Price at the Closing as follows:

(a) Payment to the Seller of $1,750,000 in cash by wire transfer, bank check or certified check.

3.3 Closing.

(a) Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 3580 Carmel Mountain Road, Suite 300, San Diego, California, or at another location mutually agreeable to Seller and Purchaser, at a time and date to be mutually agreed between the Purchaser and the Seller (the day on which the Closing takes place being the "Closing Date");

(b) At the Closing:

(i) the Purchaser shall pay, or cause to be paid, to the Seller the Purchase Price; and

(ii) the Purchaser and the Seller shall execute and deliver such documents as are reasonably necessary, as determined by the Purchaser and Seller, to effectuate the transfer of the Purchased Assets, including, without limitation, an
assignment and assumption agreement and a bill of sale, in forms reasonably acceptable to the Purchaser and the Seller.

3.4 Transfer Taxes. The Seller shall be liable for and shall pay all federal and state sales taxes and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets by the Seller to the Purchaser.

3.5 Allocation of Purchase Price. At the Closing, the Parties shall sign and deliver to each other a completed IRS Form 8594, Asset Acquisition Statement Under Section 1060, which shall allocate the Purchase Price among the
Purchased Assets. The Parties shall file their respective state and federal income taxes in a manner that is consistent with information in the Form 8594.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE SELLER

In order to induce the Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller represents and warrants to the Purchaser:

4.1 Qualification. The Seller is duly licensed or qualified to transact business in each of the jurisdictions in which the Seller operates the Business.
4.2 Authorization; Enforceability. The Seller has the power and authority to execute, deliver and perform this Agreement. This Agreement has been duly executed and delivered by, and constitute the legal, valid and binding obligations of, the Seller, enforceable against the Seller in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

4.3 No Violation or Conflict. None of (a) the execution and delivery by the Seller of this Agreement, (b) consummation by the Seller of the transactions contemplated by this Agreement, or (c) the performance of this Agreement, will conflict with or violate any Law, Order or Permit applicable to the Seller or by which the Seller's properties are bound or affected.

4.4 Litigation. There is no Litigation or investigation pending or, to the knowledge of the Seller, threatened against, or otherwise adversely affecting, the Business, the Purchased Assets or rights of Seller relating thereto, before any Court or Governmental Authority. The Seller is not subject to any outstanding Litigation or Order, which, individually or in the aggregate, would prevent, hinder or delay the Seller from consummating the transactions contemplated by this Agreement. There is no Litigation pending or threatened that might call into question the validity of this Agreement or any action taken or to be taken pursuant hereto, nor does there exist any reasonable basis for any such Litigation. There is no action by the Seller pending or threatened against any third party with respect to the Business or any of the Purchased Assets.

4.5 Brokers. The Seller has not employed any financial adviser, broker or finder, and Seller has not incurred and will not incur any broker's, finder's, investment banking or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement.

4.6 Governmental Consents and Approvals. To Seller's knowledge, the execution, delivery and performance of this Agreement by the Seller and does not and will not require any consent, approval, authorization, Permit or other order of, action by, filing with or notification to, any Governmental Authority.

4.7 No Other Agreements to Purchase. No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, preemptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from the Seller of any of the Purchased Assets.

4.8 Purchased Assets.

(a) The Seller is a Party to and enjoys the right to the benefits of all Contracts, all of which rights constitute Purchased Assets. The Seller has good and marketable title to all the Purchased Assets, free and clear of all Liens.

(b) The Seller has the complete and unrestricted power and unqualified right to sell, assign, transfer, convey and deliver the Purchased Assets to the Purchaser without penalty or other adverse consequences to Seller. Following the consummation of the transactions contemplated by this Agreement and the execution of the instruments of transfer contemplated by this Agreement, the Purchaser will have received from Seller the interests of the Seller in the Purchased Assets, free and clear of all Liens, and without incurring any penalty or other adverse consequence, including, without limitation, any increase in rentals, royalties, or license or other fees imposed as a result of, or arising from, the consummation of the transactions contemplated by this Agreement.

(c) Confidential Information. The Seller has taken all necessary steps in to protect the Seller's rights in confidential information and trade secrets of the Seller. Without limiting the foregoing, the Seller has and enforces a policy of requiring each employee, consultant, contractor and potential business partner or investor to execute proprietary information, confidentiality and assignment agreements. Except under confidentiality obligations, there has been no material disclosure of any Seller confidential information or trade secrets.
ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

In order to induce the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Purchaser represents and warrants to the Seller as follows:

5.1 Authorization; Enforceability. The Purchaser has the power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by the Purchaser, and no other action on the part of the Purchaser is necessary in order to give effect thereto. This Agreement has been duly executed and delivered by, and constitute the legal, valid and binding obligations of, the Purchaser, enforceable against the Purchaser, in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and except that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

5.2 No Violation or Conflict. None of (a) the execution and delivery by the Purchaser of this Agreement, (b) consummation by the Purchaser of the transactions contemplated by this Agreement, or (c) the performance of this Agreement, will conflict with or violate any Law, Order or Permit applicable to the Purchaser or by which the Purchaser's properties are bound or affected.

ARTICLE VI
COVENANTS

6.1 Regulatory and Other Authorizations; Notices and Consents.

(a) The Seller will use its best efforts to obtain all authorizations, consents, orders and approvals of all Governmental Authorities and officials that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and will reasonably cooperate with the Purchaser in promptly seeking to obtain all such authorizations, consents, orders and approvals.

(b) After the Closing, the Seller shall give promptly such notices to third parties and use its best efforts to obtain such third party consents and estoppel certificates as the Purchaser may reasonably deem necessary or desirable in connection with the consummation of the transactions contemplated by this Agreement.

(c) Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of the Purchaser or the Seller thereunder. The Seller will use its commercially reasonable efforts to obtain the consent of the other party to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment thereof to the Purchaser as the Purchaser may reasonably request. If such consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of the Seller thereunder so that the Seller would not in fact receive all such rights, the Seller and the Purchaser will cooperate in a mutually agreeable arrangement under which the Purchaser would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including subcontracting, sub-licensing, or sub-lease to the Purchaser, or under which the Seller would enforce for the benefit of the Purchaser, with the Purchaser assuming the Seller's obligations, any and all rights of the Seller against a third party thereunto. The Seller will promptly pay to the Purchaser when received all monies received by the Seller under any Purchased Asset or any claim or right or any benefit arising thereunder. In such event, the Seller and the Purchaser shall, to the extent the benefits and obligations of any Purchased Asset have not been provided to the Purchaser by alternative arrangements satisfactory to the Purchaser and Seller, negotiate in good faith an adjustment in the Purchase Price.

ARTICLE VII
INDEMNIFICATION

7.1 Survival of Representations and Warranties. The representations and warranties of the Seller and the Purchaser contained in this Agreement (and the indemnification obligations of the Company relating thereto) shall survive the Closing for a period of six (6) months.

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7.2 Indemnification

(a) Subject to the limitations and exceptions set forth in this Article VII, the Seller shall indemnify and hold harmless the Purchaser, its affiliates and each of their respective officers, directors, agents and employees, and the Purchaser shall indemnify and hold harmless the Seller, its affiliates and each of its respective officers, directors, agents and employees, and each Person, if any, who controls or may control the Seller within the meaning of the Securities Act (each of the foregoing being referred to individually as a "Indemnified Person," and collectively as "Indemnified Persons") from and against any and all losses, liabilities, damages, fees, costs and expenses, including costs of investigation and defense and reasonable fees and expenses of lawyers, experts and other professionals, but excluding consequential, special, exemplary or punitive damages (collectively, "Indemnifiable Damages") directly or indirectly, whether or not due to a third-party claim, arising out of, resulting from or in connection with (i) any failure of any representation or warranty made by the Seller or Purchaser, as the case may be, in this Agreement to be true and correct, or (ii) any breach of or default in connection with any of the covenants or agreements made by the Seller or the Purchaser, as the case may be, in this Agreement, provided, however that the maximum aggregate liability of Seller pursuant to this Section 7.2 shall be limited to $500,000.

(b) With respect to indemnification by any Party, materiality standards or qualifications in any representation, warranty or covenant made by such Party shall only be taken into account in determining whether a breach of or default in connection with such representation, warranty or covenant (or failure of any representation or warranty to be true and correct) exists, and shall not be taken into account in determining the amount of any Indemnifiable Damages with respect to such breach, default or failure to be true and correct. Any indemnity payments made under this Agreement shall be treated as purchase price adjustments for federal and state income tax purposes.

7.3 Claims. With respect to claims made for Indemnifiable Damages, the Purchaser or the Seller may deliver to the other, as applicable, a certificate signed by any officer of the delivering Party (an "Officer's Certificate")

(a) stating that an Indemnified Person has incurred, paid, reserved or accrued, or reasonably anticipates that it may incur, pay, reserve or accrue, Indemnifiable Damages;

(b) stating the amount of such Indemnifiable Damages (which, in the case of Indemnifiable Damages not yet incurred, paid, reserved or accrued, may be the maximum amount reasonably anticipated by the Purchaser to be incurred, paid, reserved or accrued); and

(c) specifying in reasonable detail (based upon the information then possessed by the Purchaser) the individual items of such Indemnifiable Damages included in the amount so stated and the nature of the claim to which such Indemnifiable Damages are related.

No delay in providing such Officer's Certificate shall affect an Indemnified Person's rights hereunder, unless (and then only to the extent that) the Seller is materially prejudiced thereby.

7.4 Resolution of Objections to Claims.

(a) If the Seller or Purchaser, as applicable, objects in writing to any claim or claims by the claiming Party made in any Officer's Certificate within thirty (30) days of receipt of such claim, the Purchaser and the Seller shall attempt in good faith for forty-five (45) days after receipt of such written objection to resolve such objection. If the Purchaser and the Seller shall agree, a memorandum setting forth such agreement shall be prepared and signed by both Parties. The Purchaser or Seller, as applicable, shall be entitled to conclusively rely on any such memorandum and the Purchaser or Seller, as applicable, shall be entitled to payment from the Seller or Purchaser in the amount specified in the memorandum.

(b) If no such agreement can be reached during the 45-day period for good faith negotiation, but in any event upon the expiration of such 45-day period, either the Purchaser or the Seller may submit the dispute to mandatory, final and binding arbitration to be held in the county of San Diego, the State of California. The dispute shall be resolved fully and finally at a location mutually agreeable to Purchaser and Seller by an arbitrator mutually agreeable to Purchaser and Seller pursuant to an arbitration governed by Judicial Arbitration & Mediation Services/EnDispute or its successor ("J.A.M.S."). Any decision of such arbitrator arbitrator as to the validity and amount of any claim in the relevant Officer's Certificate shall be non-appealable, binding and conclusive upon the Parties to this Agreement and each Party shall be entitled to act in accordance with such decision.

(c) The non-prevailing Party to an arbitration shall pay its own expenses, the fees of the arbitrator, the administrative fee of J.A.M.S. and the expenses, including attorneys' fees and costs, reasonably incurred by the other Party to the arbitration.
Third-Party Claims. In the event that the Purchaser becomes aware of a third-party claim which the Purchaser believes may result in a claim against the Purchaser by or on behalf of an Indemnified Person, the Purchaser shall have the right in its sole discretion to conduct the defense of and to settle or resolve any such claim (and the costs and expenses incurred by the Purchaser in connection with such defense, settlement or resolution (including reasonable attorneys’ fees, other professionals’ and experts’ fees and court or arbitration costs) shall be included in the Indemnifiable Damages for which the Purchaser may seek indemnification pursuant to a claim made hereunder). The Seller shall have the right to receive copies of all pleadings, notices and communications with respect to the third-party claim to the extent that receipt of such documents does not affect any privilege relating to any Indemnified Person and shall be entitled, at its expense, to participate in, but not to determine or conduct, any defense of the third-party claim or settlement negotiations with respect to the third-party claim. However, except with the consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed and which shall be deemed to have been given unless the Seller shall have objected within thirty (30) days after a written request for such consent by the Purchaser, no settlement or resolution of any such claim with any third-party claimant shall be determinative of the existence of or amount of Indemnifiable Damages relating to such matter. In the event that the Seller has consented to any such settlement or resolution, the Seller shall not have any power or authority to object under Section 7.3 or any other provision of this Article VII to the amount of any claim by or on behalf of any Indemnified Person with respect to such settlement or resolution.

ARTICLE VIII
MISCELLANEOUS

8.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving Party's address set forth below or to such other address as a Party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) sent by recognized overnight courier, or (iv) sent by certified mail, return receipt requested, postage prepaid.

If to the Purchaser to:
AL International, Inc., dba Youngevity
2400 Boswell Rd.
Chula Vista, CA 91914
Facsimile: 619-934-5009
Attention: Steve Wallach

With a copy to:
Mintz, Levin, Cohn, Ferris, Glovsky and Pepeo, P.C.
3580 Cannel Mountain Road, Suite 300
San Diego, CA 92130
Attn: Eddie Rodriguez

If to the Seller to:
Prosperity Group Inc.
5348 Vegas Drive, Suite #906
Las Vegas, NV 89108
Attn: Brian McMullen

All notices, requests, consents and other communications hereunder shall be deemed to have been (a) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (b) if sent by facsimile transmission, at the time receipt has been acknowledged by electronic confirmation or otherwise, (c) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (d) if sent by certified mail, on the 5th business day following the day such mailing is made.

8.2 Entire Agreement. This Agreement and the exhibits hereto embody the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement or the exhibits hereto shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

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8.3 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, heirs, personal representatives, legal representatives, and permitted assigns.

8.4 **Assignment.** Neither this Agreement, nor any right hereunder, may be assigned by any of the Parties hereto without the prior written consent of the other Parties, except that the Purchaser may assign all or part of its rights and obligations under this Agreement to one or more direct or indirect subsidiaries or Affiliates (in which event, representations and warranties relating to the Purchaser shall be appropriately modified). No assignment by Purchaser shall relieve Purchaser of liability for the obligations of Purchaser under this Agreement.

8.5 **Modifications and Amendments.** The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all Parties hereto.

8.6 **Waivers and Consents.** The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the Party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent. No failure or delay by a Party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the Parties hereto, shall operate as a waiver of any such right, power or remedy of the Party. No single or partial exercise of any right, power or remedy under this Agreement by a Party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such Party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a Party hereto shall not constitute a waiver of the right of such Party to pursue other available remedies. No notice to or demand on a Party not expressly required under this Agreement shall entitle the Party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

8.7 **No Third Party Beneficiaries.** Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any Person other than the Parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

8.8 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

8.9 **Publicity.** The Seller may not make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the Purchaser.

8.10 **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be construed in accordance with and governed by the Law of the State of California without giving effect to the conflict of law principles thereof.

8.11 **Jurisdiction.** Except as provided in Section 7.4, any legal action or proceeding with respect to this Agreement shall be brought in the courts of San Diego, California or of the United States of America located in San Diego, California. By execution and delivery of this Agreement, each of the Parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Parties hereby irrevocably waive any objection or defense that they now or hereafter have to the assertion of personal jurisdiction by any court in any such action or to the laying of the venue of any such action in any such court, and hereby waive, to the extent not prohibited by law, and agree not to assert, by way of motion, as a defense, or otherwise, in any such proceeding, any claim that it is not subject to the jurisdiction of the above-named courts for such proceedings.
8.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

8.13 **Headings.** The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

8.14 **Expenses.** Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

8.15 **Further Assurances.** At any time and from time to time after the Closing Date, at the request of the Purchaser and without further consideration, the Seller shall execute and deliver such other instruments of sale, transfer, conveyance, assignment, and confirmation as may be reasonably requested in order to more effectively transfer, convey, and assign to the Purchaser, and to confirm the Purchaser's title to, the Purchased Assets.

IN WITNESS WHEREOF, the Parties hereto have each executed and delivered this Agreement as of the day and year first above written.

**AL INTERNATIONAL, INC.**

By: /s/ Steve Wallach  
Name: Steve Wallach  
Title: CEO

By: /s/ Chris Nelson  
Name: Chris Nelson  
Title: CFO

**PROSPERITY GROUP, INC.**

By: /s/ Brian McMullen  
Name: Brian McMullen  
Title: President
AMENDED AND RESTATED EQUITY PURCHASE AGREEMENT

This Amended and Restated Equity Purchase Agreement (this “Agreement”) is made and entered into as of October 25, 2011 (the “Amendment Date”), by and between AL International, Inc. and its successors and assigns, a Delaware corporation (doing business as Youngevity Essential Life Sciences) (“Purchaser”), on the one hand, and Financial Destination, Inc., a New Hampshire corporation (“FDI”), FDI Management Co., Inc., a New Hampshire corporation (“FDIM”), FDI Realty, LLC, a New Hampshire limited liability company (“FDIR”) and MoneyTRAX, LLC, a Nevada limited liability company (“MoneyTRAX” and, together with FDI, FDIM and FDIR, the “FDI Entities”), and William J. Andreoli, an individual (“Seller”), on the other hand. As used in this Agreement, the term “Agreement” shall mean this Amended and Restated Equity Purchase Agreement, including all exhibits and schedules hereto, as amended from time to time in accordance with the terms hereof; “Purchaser” and “Affiliate” shall include any and all transferees, successors and assigns of Purchaser; an “Affiliate” shall include any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person; and the term “Person” shall mean any individual, corporation, limited liability company, proprietorship, firm, partnership, limited partnership, trust, association or other entity.

RECITALS

A. Each of the FDI Entities is an established company in the marketing and sale of various products and services with a focus on benefits and telecommunication products and services (collectively, the “Business”), and has developed a distributorship organization of independent authorized agents (the “Distributor Organization”) for the sale of its products and services set forth on Schedule A attached hereto, including, without limitation, the products named and understood as FDI Benefits, FDI Voice, FDI Mobile, and FDI Hands-Free brands (collectively, the “Products”);

B. Purchaser, through itself and/or its subsidiaries and Affiliates, is a network marketing company that designs, manufactures, and markets wellness lifestyle products, including but not limited to gourmet coffee, energy drinks, dietary supplements, nutritional supplements, health and personal care products and other products and services (collectively, all current and future products and services of Purchaser other than commercial sales of CLR Roaster products are referred to as “Purchaser Products”);

C. Seller desires to sell to Purchaser, and Purchaser desires to acquire from Seller, 100% of the outstanding capital stock and membership interests of each of the FDI Entities (the “Equity Interests”);

D. Purchaser, FDI, FDIM, FDIR, MoneyTRAX and Seller previously entered into an Equity Purchase Agreement (the “Prior Agreement”), dated as of August 13, 2011 (the “Execution Date”) relating to the purchase and sale of the Equity Interests, and

E. Purchaser, FDI, FDIM, FDIR, MoneyTRAX and Seller wish to amend the Prior Agreement in order to provide for a separate closing for the membership interests of FDIR.
AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE I.
PURCHASE AND SALE OF STOCK

1.1 Purchase and Sale of Equity Interests. Subject to the terms and conditions set forth in this Agreement, (a) on the Closing Date (as defined below), Seller shall sell, transfer, convey, assign and deliver to Purchaser and Purchaser shall acquire from Seller, free and clear of any mortgage, security, interest, pledge, lien, conditional sales agreement, charge and any other encumbrance except, an “Encumbrance”), except as set forth in this Agreement or Schedule and which will be waived or released prior to the Closing Date, all of the Equity Interests of the FDI Entities other than FDIR and (b) on the FDIR Closing Date (as defined below), Seller shall sell, transfer, convey, assign and deliver to Purchaser and Purchaser shall acquire from Seller, free and clear of any Encumbrance, except as set forth in this Agreement or Schedule and which will be waived or released prior to the FDIR Closing Date, all of the Equity Interests of FDIR.

1.2 Consideration.

(a) Purchase Price. Subject to the terms and conditions set forth in this Agreement, as consideration for the Equity Interests, Purchaser agrees to pay, or cause to be paid, to Seller, an aggregate purchase price equal to the following:

(i) Earn-Out Consideration. As of the Closing Date, an amount equal to up to Twenty Million Dollars ($20,000,000) (the “Earn-Out Consideration”) shall be payable and owed by Purchaser to Seller in monthly installments in an amount per month equal to one percent (1%) of the monthly Net Sales (as defined below), the “Monthly Earn-Out Payments”. For purposes of this Agreement, “Net Sales” shall mean, with respect to each full calendar month prior to the date of a Monthly Earn-Out Payment, the gross revenues actually received for any and all Products (whether sold by the Distributor Organization or otherwise) and Purchaser Products sold by Purchaser and its Affiliates to third parties, less the following amounts: (1) credits or allowances actually given or made for rejection of, and for uncollectible amounts on, or return of previously sold Products; (2) any charges for freight, freight insurance, shipping, and other transportation costs; (3) any tax, tariff, duty or governmental charge; and (4) any import or export duties or their equivalent borne by Purchaser. Furthermore, “Net Sales” shall not include sales of Products for which commissions cannot be collected within three (3) months of the corresponding sale and sales or transfers between Purchaser and its Affiliates, unless the Products are consumed by such Affiliate and are not for resale by such Affiliate.

(ii) Residual Consideration. After the first to occur of (a) payment of the entire Earn-Out Consideration (i.e., $20,000,000) or (b) the ten (10) year anniversary of the Closing Date (i.e., October 25, 2021), Purchaser shall pay to Seller monthly payments equal to one percent (1%) of the monthly Net Sales, which amount shall not exceed One Million Dollars ($1,000,000) in any fiscal year (“Residual Consideration”). The obligation to pay Residual Consideration shall continue indefinitely until terminated, if at all, as set forth in Section 1.3(b).

(iii) Contingent Consideration. As of the Closing Date, an amount equal to up to Two Million Three Hundred Thousand Dollars ($2,300,000) (the “Contingent Consideration”) shall be payable and owed by Purchaser to Seller in 120 equal monthly installments, subject to Section 1.3(d) below. Unless a DO Report (as defined below) is delivered in connection with the reduction of the Contingent Consideration as set forth in Section 1.3(d), each payment of Contingent Consideration shall be made within fifteen (15) days of the end of each calendar month following the Closing Date; provided, however, that the amount of the first such payment shall be pro-rated based on the number of days in such calendar month following the Closing Date.

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ii. The Purchaser’s obligation to pay, and the Seller’s right to receive, any unpaid portion of the Earn-Out Consideration shall terminate upon the first to occur of the following: (i) the date of the first payment of the Earn-Out Payment, which shall be in the form of a check; (ii) the date of the first payment of the Residual Consideration; (iii) the date the right of exit is triggered pursuant to Section 1.3(e); and (iv) the Competing Employment Start Date. The “Competing Employment Start Date” shall mean the date on which Seller has engaged in any employment, business or other activity of any type or kind that is in any way competitive with the Business, either directly or indirectly, or has provided material assistance to any other Person in competing with Purchaser or any of its Affiliates with respect to the Business.

b. Termination of Payment of Residual Consideration. The Purchaser’s obligation to pay, and the Seller’s right to receive, any unpaid portion of the Residual Consideration shall terminate upon the first to occur of the following: (i) the one month anniversary of the date of Seller’s death, permanent disability or voluntary termination of employment or Purchaser’s termination for Cause (as defined in the Employment Agreement) of Seller’s employment; (ii) the date of payment by Purchaser of the Buy-Out Amount (as defined below) to Seller; and (iii) the Competing Employment Start Date. For purposes of the Residual Consideration, the “Buy-Out Amount” shall be an amount equal to the average of the most recent three (3) Monthly Earn-Out Payment, multiplied by twelve (12), which amount shall constitute the “Buy-Out Payment”. The payment by Purchaser of a Buy-Out Payment shall not negate, reduce or modify any other non-Residual Consideration payment that Purchaser may owe to Seller.

c. Termination of Payment of Contingent Consideration. The Purchaser’s obligation to pay, and the Seller’s right to receive, any unpaid portion of the Contingent Consideration shall terminate upon the first to occur of the following: (i) the date of the first payment of the Residual Consideration; (ii) the ten year anniversary of the Closing Date; (iii) the one month anniversary of Seller’s death, permanent disability or voluntary termination of employment or Purchaser’s termination for Cause (as defined in the Employment Agreement) of Seller’s employment; (iv) the Competing Employment Start Date.
(d) Reduction in Contingent Consideration. On each annual anniversary of the Closing Date (the “Measurement Date”), Purchaser shall provide Seller with a report (the “DO Report”) setting forth the individuals in the Distributor Organization and the aggregate gross revenue of the Distributor Organization during the one year period immediately prior to the Measurement Date (the “Annual DO Gross Revenue”). The DO Report shall be deemed final and binding on the parties unless, within fifteen (15) days after Seller’s receipt of the DO Report, Seller delivers to Purchaser a written objection notice (the “Objection Notice”) setting forth the specific item or items of the calculation of the DO Report to which he objects and the specific basis for each such objection. Purchaser and Seller shall then use their reasonable best efforts to resolve the dispute within fifteen (15) days, and, if no resolution has been reached, then the parties will resolve the matter pursuant to Section 1.2(b)(ii) above. In the event that the Annual DO Gross Revenue for such period is less than $8,500,000 (the “Target DO Gross Revenue”) then the amount of each payment of Contingent Consideration to be made on or after the Measurement Date shall be multiplied by a fraction, the numerator of which is the Annual DO Gross Revenue and the denominator of which is the Target DO Gross Revenue.

(e) Right of Exit. Notwithstanding anything to the contrary in this Agreement or any other agreement between Purchaser and Seller, in the event that Seller’s employment with Purchaser or any of its Affiliates is terminated by Seller or Purchaser for any reason or for no reason at all, then Purchaser shall pay to Seller either (i) the “Remaining Earn-Out Consideration” (as set forth below in this Section 1.3(e)), less all amounts actually paid to Seller pursuant to Section 1.2 above, or (2) an amount representing five and one-half percent (5.5%) of Net Sales of the Products and Purchaser Products sold by Distributor Organization (on a combined basis) for the period starting as of the day of Seller’s termination of employment with Purchaser and ending on the ten (10) year anniversary of the Closing Date, provided, however, that such amount shall be not less than $4,000,000, less all amounts actually paid to Seller pursuant to Section 1.2 above. For the avoidance of doubt, the Purchaser shall determine which option it selects pursuant to this Section 1.3(e), and Seller shall have no right to select either option or both options. The payment schedule for the Remaining Earn-Out Consideration shall be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
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<tbody>
<tr>
<td>1st Year with Purchaser</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>2nd Year with Purchaser</td>
<td>$4,500,000</td>
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<tr>
<td>3rd Year with Purchaser</td>
<td>$5,000,000</td>
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<tr>
<td>4th Year with Purchaser</td>
<td>$6,000,000</td>
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<tr>
<td>5th Year with Purchaser</td>
<td>$6,500,000</td>
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<tr>
<td>6th Year with Purchaser</td>
<td>$7,000,000</td>
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<tr>
<td>7th Year with Purchaser</td>
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<tr>
<td>8th Year with Purchaser</td>
<td>$8,000,000</td>
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<tr>
<td>9th Year with Purchaser</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>10th Year with Purchaser</td>
<td>$10,000,000</td>
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</tbody>
</table>

The 1st Year shall commence on the Closing Date. Thus, for example, assuming the Closing occurs on October 25, 2011, “1st Year with Purchaser” shall mean the period from October 25, 2011 through October 25, 2012, the “2nd Year with Purchaser” shall mean the period from September 15, 2012 through October 25, 2013, and so forth. The Purchaser shall make any payment of the Remaining Earn-Out Consideration in the form of cash or equity securities of Purchaser of the same value or any combination of the two, with the mix of such consideration determined by the Purchaser in its sole discretion, provided, however, that the cash compensation component shall comprise (x) at least 50% of the Remaining Earn-Out Consideration if such Remaining Earn-out Consideration is for the 1st, 2nd or 3rd year Seller is employed by Purchaser or any of its Affiliates and (y) the first $2,250,000 of the Remaining Earn-Out Consideration for any subsequent year. (For Example: After 2 years and 9 months with Purchaser’s organization, Seller determined that he was not able to continue in this agreement, Seller would only be entitled to additional consideration on that day forward of (i) a lump sum pay-out of $5,500,000, less the amounts already paid through the Earn-Out Consideration (e.g., $1,000,000) or in this example $4,500,000, or (ii) 5.5% of Net Sales of Products and Purchaser Products sold by the Distributor Organization (on a combined basis) for the remainder of the earn-out term or 7 years and 3 months, paid monthly within 15 days after the last day of a month, (e.g., Seller’s Distributor Organization had Net Sales of $850,000 in the 2nd year 10th month, Seller would be entitled to $46,750 by the 15th of the 11th month). This would continue each month, based on the actual Net Sales for each month throughout the Earn-Out Consideration term. For the avoidance of doubt, the Remaining Earn-Out Consideration shall not be a cumulative amount of all years Seller has been employed by Purchaser.

(f) Liquidated Damages. Purchaser and Seller acknowledge and agree that the termination or reduction of payment pursuant to this Section 1.3 is intended to serve as liquidated damages, the amount of which could not be easily calculated or enforced without the provisions set forth herein.
1.4 Allocation of Purchase Price. The Purchase Price shall be allocated among the Equity Interests as set forth in Schedule 1.4, to be mutually agreed by Seller and Purchaser prior to the Closing and attached hereto. Purchaser and Seller agree (i) to report the sale of the Equity Interests for federal and state tax purposes in accordance with the allocations set forth in Schedule 1.4 and (ii) not to take any position inconsistent with such allocations on any of their respective tax returns.

1.5 Closing.

(a) Time and Place. The consummation of the purchase and sale of (i) the Equity Interests of each FDI Entity other than FDIR under this Agreement (the “Closing Date”) shall be effective at 12:00 p.m. on October 25, 2011, or such other date mutually agreed by Purchaser and Seller, in such manner and at such place as determined by the parties hereto (the “Closing Date”) and the Equity Interests of FDIR under this Agreement (the “FDIR Closing Date”) shall be effective at 12:01 a.m. on or before December 31, 2011, or such other date mutually agreed by Purchaser and Seller, in such manner and at such place as determined by the parties hereto (the “FDIR Closing Date”).

(b) The parties acknowledge and agree that the failure to Close the purchase and sale of the Equity Interests shall not cause or result in any Damages (as defined in Section 7.2) to any party, and no party shall have any recourse or cause of action against another party for not Closing the transaction.

(c) Closing Deliveries By Seller. As a condition precedent to the Closing, Seller shall deliver, or cause to be delivered to Purchaser all of the following on or prior to the Closing Date, subject to an appropriate grace period:

(i) Purchased Equity Interests. Duly executed stock certificates or other equity instruments representing the Equity Interests of the FDI Entities other than FDIR in the name of Purchaser;

(ii) Company Proprietary Information, Non-Competition and Non-Solicitation Agreement. The Proprietary Information, Non-Competition and Non-Solicitation Agreement substantially in the form of Exhibit A attached hereto (the “Company Non-Competition Agreement”), duly executed by Seller;

(iii) Third Party Consent. Any consents required by third parties or regulatory authorities in connection with the transaction;

(iv) Employment Agreement. An Employment Agreement in the form and substance set forth in Exhibit B attached hereto (the “Employment Agreement”), duly executed by Seller;

(v) Seller’s Certificate. A seller’s certificate of Seller to Purchaser, substantially in the form of Exhibit C-1 attached hereto, duly executed by Seller;

(vi) Consent of Sovereign Bank. The parties understand that Sovereign Bank, a Federal Savings Bank, may not require the consent of the parties hereto. To the extent that Sovereign Bank’s consent is required, the parties agree to work with Sovereign Bank to resolve any such consent, and the failure to have obtained Sovereign Bank’s consent shall not in any way affect the validity of this Agreement, nor shall such failure give rise to any damages or liability to any party hereto. Further, if the Sovereign Bank loan is called due for any reason, Purchaser shall solely pay the full amount of the loan out of the operating cash of the combined group;

(vii) Termination of Guarantee. Written evidence reasonably satisfactory to Purchaser terminating any guarantee of any mortgage, loan or other indebtedness of each FDI Entity other than FDIR;

(viii) Lease. The Lease and First Amendment to Lease, in substantially the forms of Exhibit D attached hereto, duly executed by the FDI Entities and FDIR;

(ix) Release. A release, in substantially the form of Exhibit E attached hereto, duly executed by Seller; and

(x) Other Documents. Such other documents as Purchaser may reasonably request for the purpose of facilitating the consummation of the transactions contemplated herein.

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(d) Closing Deliveries By Purchaser. As a condition precedent to the Closing, Purchaser shall deliver, or cause to be delivered all of the following on or prior to the Closing Date, subject to an appropriate grace period:

(i) Seller Non-Competition Agreement, duly executed by Purchaser;

(ii) The Employment Agreement, duly executed by Purchaser;

(iii) Written offers of employment to each of person set forth on Schedule 8.1 on substantially the same terms as each such person had with the FDI Entity which employed such person as of the Closing Date, duly executed by Purchaser;

(iv) An officer’s certificate of Purchaser to Seller, substantially in the form of Exhibit F-1 attached hereto, duly executed by an officer of Purchaser; and

(v) such other documents as Seller may reasonably request for the purpose of facilitating the consummation of the transactions contemplated herein.

(e) FDIR Closing Deliveries By Seller. As a condition precedent to the FDIR Closing, Seller shall deliver, or cause to be delivered to Purchaser all of the following on or prior to the FDIR Closing Date:

(i) Purchased Equity Interests. Duly executed equity instruments representing the Equity Interests of FDIR in the name of Purchaser;

(ii) Third Party Consent. Any consents required by third parties or regulatory authorities in connection with the FDIR Closing;

(iii) Seller’s Certificate. A seller’s certificate of Seller to Purchaser, substantially in the form of Exhibit C-2 attached hereto, duly executed by Seller;

(iv) Consent of Bank of New England and Community Reinvestment Fund. The written consent, duly executed by Bank of New England and Community Reinvestment Fund, respectively, approving the transactions contemplated by this Agreement and waiving any event of default under any agreement to which the FDIR Entities, Seller and such entities are parties;

(v) Financing of Real Property. Loan agreements in form and substance satisfactory to the Purchaser, pursuant to which the outstanding mortgages on the Real Property will be assumed by Purchaser and its Affiliates; and

(vi) Other Documents. Such other documents as Purchaser may reasonably request for the purpose of facilitating the consummation of the transactions contemplated herein.

(f) FDIR Closing Deliveries By Purchaser. As a condition precedent to the FDIR Closing, Purchaser shall deliver, or cause to be delivered all of the following on or prior to the FDIR Closing Date:

(i) An officer’s certificate of Purchaser to Seller, substantially in the form of Exhibit F-2 attached hereto, duly executed by an officer of Purchaser; and

(g) such other documents as Seller may reasonably request for the purpose of facilitating the consummation of the transactions contemplated herein.
ARTICLE II.
REPRESENTATIONS AND WARRANTIES OF SELLER AND FDI ENTITIES

Seller and each of the FDI Entities represents and warrants to Purchaser, as of the Closing Date unless otherwise provided herein, except as set forth in the disclosure schedule attached hereto (the “Seller Disclosure Schedule”), specifically identifying the relevant Section hereof, which exceptions shall be deemed to be representations and warranties as if made in this Article 2 (provided that the disclosure in such exceptions shall be true, complete and correct), as follows:

2.1 Organization. Each of FDI and FDIM is a corporation duly incorporated and validly existing under the laws of the State of New Hampshire and each of FDIR and MoneyTRAX is a limited liability company duly formed and validly existing under the laws of the State of New Hampshire. FDI is duly qualified to conduct business in the State of California and each FDI Entity is duly qualified to conduct business in all other states where it is currently conducting business. Each FDI Entity has the power to own its properties and to carry on its business as now conducted and to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

2.2 Power and Authority. Each of the FDI Entities and Seller has all requisite power and authority and has taken all actions necessary to enter into this Agreement and all exhibits required by this Agreement, to consummate the transactions contemplated hereby and to perform fully its obligations hereunder, and no other proceedings on the part of any FDI Entity or Seller are necessary to authorize this Agreement or any applicable ancillary agreements, or to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the performance by each FDI Entity and Seller of their respective obligations hereunder have been duly and validly authorized by all necessary action and constitute a legal, valid and binding obligation of each FDI Entity and Seller enforceable against each of them in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.3 Consents and Approvals. No Violation. No consent, approval or action of, filing with or notice to any governmental or regulatory authority or any other non-governmental third party is required in connection with the execution, delivery and performance of this Agreement, the exhibits to this Agreement or the consummation of the transactions contemplated hereby by any FDI Entity or Seller. Neither the execution and delivery of this Agreement by Seller or any FDI Entity, nor the consummation by Seller or any FDI Entity of the transactions contemplated hereby, nor compliance by Seller or any FDI Entity with any of the provisions hereof, will (a) conflict with or result in any breach of any provision of the charter, bylaws, operating agreement or other organizational documents of such FDI Entity, (b) conflict with or result in a violation or breach of any term or any law, order, permit, statute, rule or regulation applicable to Seller, any FDI Entity or any of the Equity Interests, except where such violation or breach will not result in a Material Adverse Effect (as defined below) on any FDI Entity or the Equity Interests, (c) result in a material breach of, or default under (or give rise to any right of termination, cancellation or acceleration under), any of the terms, conditions or provisions of any material agreement or instrument to which any FDI Entity or any of the Equity Interests may be bound, or (d) result in an imposition or creation of any Encumbrance on any FDI Entity or the Equity Interests. For purposes of this Agreement, “Material Adverse Effect” means for any Person, a material adverse effect whether individually or in the aggregate (i) on the business, operations, financial condition, Equity Interests or liabilities of such Person, or (ii) on the ability of such Person to consummate the transactions contemplated hereby.

2.4 Financial Statements. Each FDI Entity has previously furnished to Purchaser its financial statements for the years ended December 31, 2009 and 2010 and such financial statements for all periods after December 31, 2010, including through May 31, 2011 (collectively, the “Financial Statements”). The Financial Statements (a) have been prepared and maintained in accordance with the books and records of such FDI Entity, (b) do not reflect any transactions which are not bona fide transactions, (c) do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading, (d) are materially true, correct and complete and (e) present fairly the financial position, results of operations and retained earnings of each FDI Entity for the periods set forth therein. Notwithstanding the foregoing, the Financial Statements reflect an aggregate of approximately $286,000 in outstanding receivables of the FDI Entities from Seller and Joe Craft, which receivables shall be discharged and forgiven prior to the Closing.

2.5 Undisclosed Liabilities. Except for the liabilities disclosed in the Financial Statements, Material Contracts or set forth in this Agreement or any Schedule, neither Seller nor any FDI Entity has any liabilities or obligations (absolute, accrued, fixed, contingent, liquidated, unliquidated or otherwise) which will have a Material Adverse Effect on any FDI Entity or the Equity Interests nor any basis for any liabilities or obligations against, relating to or affecting any FDI Entity or the Equity Interests. Schedule 2.5 sets forth a complete list of all outstanding indebtedness of each FDI Entity (the “Existing Debt”) as of the Closing Date.

2.6 Contracts. Each material contract of each FDI Entity, including without limitation each contract or agreement relating to the Existing Debt, (the “Material Contracts”) is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of each party thereto, and, to each FDI Entity’s or Seller’s knowledge, no act or event has occurred which with notice or lapse of time, or both, will constitute such a default. Each FDI Entity has performed all of its required obligations under the Material Contracts in accordance with the provisions of each such Material Contract and, to FDI’s and Seller’s knowledge, is not in material violation or breach of or default under, any such contract, agreement or arrangement.
2.7 *Litigation.* There are no actions, causes of action, claims, suits, proceedings, orders, writs, investigations, injunctions or decrees pending, or, to any FDI Entity’s or Seller’s knowledge, any basis for any actions, causes of actions, claims or suits against any FDI Entity that would affect the Business, the Real Property or the Equity Interests or the consummation of the transactions contemplated herein, at law, in equity or admiralty, or before or by any court or any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

2.8 *Tax Matters.* All federal, state and local taxes (“Taxes”), fees and assessments and penalties of whatever nature upon each FDI Entity which will have a Material Adverse Effect on the Equity Interests or the Business, have been paid by such FDI Entity. To the knowledge of each FDI Entity, there are no liens for Taxes, nor any basis for any such liens, upon such FDI Entity, the Equity Interests or the Real Property.

2.9 *Personnel.* Set forth in Section 2.9 of the Disclosure Schedule is a list of the name, position, starting date of employment and rate of compensation of each of the employees and consultants employed/engaged by each FDI Entity immediately prior to the Closing.

2.10 *Title; Assets Generally.* Seller holds good and marketable title and has the complete and unrestricted power and the unqualified right to sell, assign and deliver the Equity Interests and Real Property to Purchaser. Only Seller has any right or interest in the Equity Interests and company assets (which specifically include the Real Property), including the right to grant interests in the Equity Interests to third parties. All of the assets of each FDI Entity are in good operating condition and repair, as required for their use as presently conducted and conform to all applicable laws, and no notice of any violation of any law relating to any of such assets has been received by such FDI. There is no pending or threatened claim or litigation contesting the validity, ownership or right to use, sell, license or dispose of any of the Equity Interests or any assets of any FDI Entity, nor is there any basis for any such claim.

2.11 *Compliance with Law.* Each FDI Entity is in compliance with all applicable laws, statutes, orders, ordinances and regulations, whether federal, state, local or foreign. Neither Seller nor any FDI Entity has received any written notice to the effect that, or otherwise have been advised that, it is not in compliance with any of such laws, statutes, orders, ordinances or regulations.

2.12 *Absence of Material Changes and Certain Developments.* Since December 31, 2009 and up to the Closing Date, FDI has conducted the Business only in the ordinary course of business consistent with its past practices and there has not been any material adverse change in, or any event or development which, individually or together with other such events, will result in a Material Adverse Effect on the Business or any of the Equity Interests or FDI assets.

2.13 *Customers.* Each FDI Entity has previously provided to Purchaser a true and correct list of such FDI Entity’s customers during the 2010 fiscal years. No single customer or group of customers contributing more than Ten Thousand Dollars ($10,000) per annum to the gross revenues of any FDI Entity has stopped doing business with such FDI Entity and, to the knowledge of such FDI Entity, no such customer has an intention to discontinue doing business or reduce the level of gross revenues from that in fiscal year 2010 with Purchaser after the consummation of the transactions contemplated in this Agreement.
2.14 Real Property. Except as set forth in Schedule 2.14, no FDI Entity currently owns or has ever owned, since its inception, any real property. Schedule 2.14 sets forth an accurate, correct and complete list of all real property owned (the “Real Property”) or leased by each FDI Entity (including the street address of such property and, in the name of any leases, the name of the lessor and commencement and expiration dates of such lease) and a list of contracts to which any FDI Entity or Seller is a party affecting the ownership or use of the Real Property. Except as set forth in Schedule 2.14, FDI owns good and marketable title to the Real Property, free and clear of all Encumbrances, and no FDI Entity has assigned, transferred or conveyed any interest in any Real Property. All of the documents listed on Schedule 2.14 are in full force and effect and have not been amended or modified, except as specifically set forth in Schedule 2.14, and, to FDI’s and Seller’s knowledge, there are no defaults or circumstances or events which could become a default under any of the listed documents. No consent of any lender to the transaction contemplated by this Agreement is necessary, except for the consents obtained pursuant to Section 1.5(viii) above or as otherwise set forth in this Agreement. The current use and occupancy of the Real Property and the improvements located thereon do not violate any recorded or known covenants, easements, conditions, restrictions or reservations, or any orders, governmental approvals, building codes or agreements affecting the Real Property. To the knowledge of Seller, no part of the Real Property is subject to any building or use restriction that would restrict or prevent in any respect the present use and operation of such Real Property and the Real Property is in all respects properly and duly zoned for its current use by the FIDI Entities and all existing tenants and for use in accordance with the zoning designation for the Real Property, and such current use is in all respects a conforming use by the FIDI Entities. To the knowledge of Seller, no governmental authority having jurisdiction over any Real Property has issued or, to the knowledge of Seller, threatened to issue any notice or order that adversely affects the use or operation of such Real Property or a permitted expansion of the improvements thereon, or requires, as of the date hereof or a specified date in the future, any repairs or alterations or additions or improvements thereto, or the payment or deduction of any material fee or exaction of property or threatens a condemnation of any portion of the Real Property. There are not now, and have never been, any claims relating to the water quality on the Real Property or any threatened claims relating to the water quality on the Real Property or disputes relating to water rights, and all necessary testing has been completed as required by any water easements or agreements and all permits relating to the water system are current and there exist no defaults or circumstances which could create a default as to such permits. No material construction or improvement work has been conducted on the Real Property in the twelve (12) months prior to the FDIR Closing Date and no mechanics or similar liens have been filed or threatened, nor is there any basis for the filing of such liens. All contracts relating to repair and maintenance of the Real Property have been provided to Purchaser and all such contracts are paid current as of the FDIR Closing Date. There has been no change in the title to the Real Property and no documents have been recorded against the Real Property since the date upon which the applicable FDI Entity acquired the Real Property. No items of personal property, furniture or equipment used in connection with the Real Property have been removed from the Real Property from the Execution Date through the FDIR Closing Date, including without limitation distribution systems, conduits, telephone systems, heating, ventilating and air conditioning equipment, fire sprinkler systems, security and fire detection systems, carpets, window coverings, wall coverings, building control systems or access systems (including computers that control such systems), furniture, artwork and other similar items.

2.15 Environmental. To Seller’s knowledge, the Business has been and is being conducted, and the Real Property has been owned and operated, in compliance in all material respects with all Environmental Laws. No FDI Entity has received, nor does Seller know of any issuance of proposed issuance of, any notice of violation alleging non-compliance with any Environmental Law. “Environmental Law” means any applicable law in effect on the date hereof concerning: (a) the environment, including pollution, contamination, cleanup, preservation, protection, and reclamation thereof; (b) human health or safety relating to workplace conditions, occupational safety or health, or the exposure of employees and other persons to any substance that in relevant quantity, form or concentration is listed, defined or regulated as a pollutant, contaminant, hazardous, dangerous or toxic substance, material or waste pursuant to any Environmental Law, including any explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products (including waste petroleum and petroleum products) (such substance, a “Regulated Substance”); (c) any release or threatened release of any Regulated Substance; (d) the environmental aspects of the management of any Regulated Substance, including the manufacture, generation, use, treatment, handling, storage, disposal, transportation, re-use, recycling, or reclamation of any Regulated Substance; or (e) any substance defined or included within the definition of a hazardous substance or hazardous material under any loan documents affecting the Real Property. To the knowledge of Seller, there has been no past and are no present conditions, circumstances, events, activities or practices of or at any FDI Entity or any prior owner, user or occupant of the Real Property that could or do form the basis for any claim under any Environmental Law.
2.16 Material Omissions. The representations and warranties by Seller and each FDI Entity in this Agreement and the statements contained in the schedules, certificates, exhibits and other writings furnished and to be furnished by such FDI Entity or Seller to Purchaser pursuant to this Agreement do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact necessary to make the statements herein or therein not misleading.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to each FDI Entity and Seller as of the Closing Date, as follows:

3.1 Organization. Purchaser is a corporation duly organized and validly existing under the laws of the State of Delaware. Purchaser has the corporate authority to own its properties and to carry on its business as now conducted and to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

3.2 Power and Authority. Purchaser has all requisite power and authority and has taken all actions necessary to enter into this Agreement and all exhibits required by this Agreement, to consummate the transactions contemplated hereby and to perform fully its obligations hereunder, and no other proceedings on the part of Purchaser are necessary to authorize this Agreement or any applicable ancillary agreements, or to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder have been duly and validly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Purchaser enforceable against Purchaser in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 Consents and Approvals; No Violation. No consent, approval or action of, filing with or notice to any governmental or regulatory authority or any other non-governmental third party is required in connection with the execution, delivery and performance of this Agreement, the exhibits to this Agreement or the consummation of the transactions contemplated hereby by Purchaser. Neither the execution and delivery of this Agreement by Purchaser, nor the consummation by Purchaser of the transactions contemplated hereby, nor compliance by Purchaser with any of the provisions hereof, will (a) conflict with or result in any breach of any provision of the certificate of incorporation, bylaws or other organizational documents of Purchaser, or (b) result in a material breach of, or default under (or give rise to any right of termination, cancellation or acceleration under), any of the terms, conditions or provisions of any material agreement or instrument to which Purchaser is a party, or by which any of the businesses or properties of Purchaser may be bound.

3.4 Compliance with Law. Purchaser is in compliance with all applicable laws and regulations, except where a failure to be in compliance therewith has not had, and will not have, a Material Adverse Effect on Purchaser. For purposes of this Agreement, “Knowledge of Purchaser” means the knowledge of Purchaser’s officers and directors, in each case after reasonable inquiry and investigation.

3.5 Purchase For Investment; Residence. Purchaser is acquiring the Equity Interests for investment for its own account and not with a view to the distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended (the “Securities Act”). Purchaser understands that the Equity Interests has not been registered under the Securities Act or any state securities laws and cannot be sold or transferred without such registration or an exemption therefrom. Purchaser is sufficiently experienced in financial and business matters to be capable of evaluating the risk of investment in the Equity Interests and to make an informed decision relating thereto. Purchaser has the financial capability for making the investment in the Equity Interests, can afford a complete loss of such investment, and such investment is a suitable one for Purchaser. Purchaser is an “Accredited Investor” as defined in Regulation D under the Securities Act. Prior to the execution and delivery of this Agreement, Purchaser has had the opportunity to ask questions of and receive answers from representatives of FDI.

3.6 Liabilities and Charges. There are no actions, claims, suits, arbitrations, litigation, regulatory proceedings or investigations pending or threatened against or affecting Purchaser or its Affiliates, or any of their officers, directors, controlling persons, agents or shareholders in their capacity as such, or any of its businesses, and Purchaser is not aware of any informal complaint which may give rise to any of the foregoing in each case, which would have a Material Adverse Effect on Purchaser or its Affiliates.
3.7 Licenses and Registration. Purchaser possesses all federal, state and municipal governmental registrations or licenses as necessary or required for the lawful operation, as conducted, of the business of Purchaser except where the failure to have such registrations or licenses would not have a Material Adverse Effect on Purchaser.

3.8 No Brokers. Purchaser has not entered (directly or indirectly) into any agreement with any Person, firm or corporation for the payment of any commission, brokerage or “finder’s fee” or like payment in connection with the transactions contemplated herein, and all negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by Purchaser directly with each FDI Entity and Seller and without intervention of any other Person and in such manner as not to give rise to any valid claim against any of the parties for any commission, brokerage or “finder’s fee” or like payment.

3.9 Financial Statements. Purchaser has furnished to Seller prior to the Closing Date its financial statements for the years ended December 31, 2009 and 2010 and such financial statements for all periods after December 31, 2010, including through May 31, 2011 (collectively, the “Financial Statements”). The Financial Statements (a) have been prepared and maintained in accordance with the books and records of Purchaser and its Affiliates, (b) do not reflect any transactions which are not bona fide transactions, (c) do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading, (d) are materially true, correct and complete, and (e) present fairly the financial position, results of operations and retained earnings of Purchaser and its Affiliates.

ARTICLE IV. 
CONDITIONS TO THE OBLIGATIONS OF FDI ENTITIES AND SELLER

The obligations of each FDI Entity and Seller to effect the transactions contemplated hereby are subject to the satisfaction, on or before the Execution Date and the Closing Date, as indicated, of each of the following conditions:

4.1 Representations, Warranties and Covenants. All representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Execution Date and as of the Closing Date, respectively, and Purchaser shall have performed all agreements and covenants required to be performed by it prior to or on the Closing Date.

4.2 No Actions or Proceedings. No actions or proceedings shall have been instituted or threatened as of either the Execution Date or the Closing Date which could reasonably be expected to result in Purchaser’s failure to satisfy the conditions set forth in this Article IV or which question the validity or legality of the transactions contemplated hereby.

4.3 Closing Deliveries. Purchaser shall have delivered and executed the documents required to be delivered and executed by Purchaser pursuant to Section 1.7(d) hereof.

4.4 Additional Documents. Purchaser shall furnish each FDI Entity and Seller with such other documents as they may reasonably request for the purposes of facilitating the consummation of the transactions contemplated herein.

4.5 Employment Agreement. Seller shall have received a signed Employment Agreement in the form and substance set forth in Exhibit B, and each person designated on Schedule 8.1 shall have each received offers of employment on substantially the same terms as each such person had with the FDI Entity which employed such person as of the Closing Date.
ARTICLE V.
CONDITIONS TO THE OBLIGATIONS OF PURCHASER

The obligation of Purchaser to effect the transactions contemplated hereby is subject to the satisfaction, on or before the Execution Date and the Closing Date, as indicated, of each of the following conditions:

5.1 Representations, Warranties and Covenants. All representations and warranties of Seller and each FDI Entity contained in this Agreement shall be true and correct in all material respect as of the Execution Date and as of the Closing Date, respectively, and each FDI Entity and Seller shall have performed all agreements and covenants required to be performed by it prior to or on the Closing Date.

5.2 No Material Adverse Change. There has not been any material adverse change in the Business or to the Equity Interests or Real Property or any event or development which, individually or together with other such events, could reasonably be expected to result in any FDI Entity or Seller’s failure to satisfy the conditions set forth in this Article V. All insurance required by any loan on the Real Property or actually carried with respect to the Real Property is in full force and effect and no material claim or loss under any such policy, with respect to the Real Property, has been pending in excess of the amount of the insurance maintained by Seller.

5.3 No Actions or Proceedings. No actions or proceedings shall have been instituted or threatened as of the Execution Date or the Closing Date which could reasonably be expected to result in any FDI Entity or Seller’s failure to satisfy the conditions set forth in this Article V or which question the validity or legality of the transactions contemplated hereby.

5.4 Consents. All consents, approvals, notice and waivers set forth in Section 2.3 of Seller Disclosure Schedules shall have been obtained on or before the Closing Date.

5.5 Closing Deliveries. Each FDI Entity or Seller, as applicable, shall have delivered and executed the documents required to be delivered and executed by them pursuant to Section 1.5(c) hereof.

5.6 Additional Documents. Each FDI Entity or Seller, as applicable, shall furnish Purchaser with such other documents as Purchaser may reasonably request for the purpose of facilitating the consummation of the transactions contemplated herein.

ARTICLE VI.
COVENANTS OF THE PARTIES

Purchaser, each FDI Entity and Seller covenant with the other as follows:

6.1 Maintenance of Business Prior to Closing. Except as contemplated by this Agreement, during the period from the Execution Date to the FDIR Closing Date, each FDI Entity shall conduct its business and operations in accordance with its ordinary and usual course of business consistent with its past practices and seek to preserve intact its business organizations and seek to preserve its current relationships with the customers and other Persons with whom it has business relations to the extent consistent with its ordinary course of business. Without limiting the generality of the foregoing and, except as otherwise expressly provided in this Agreement, prior to the FDIR Closing Date, without the prior written consent of Purchaser, Seller shall not sell, transfer or otherwise dispose of any of the Equity Interests or permit any Encumbrance on the Equity Interests.

6.2 Notification of Certain Matters. Each FDI Entity and Seller shall give prompt notice to Purchaser, and Purchaser shall give prompt notice to each FDI Entity and Seller of (i) the discovery of a fact or facts of which it has actual knowledge which cause it to conclude that any of the representations, warranties or statements made by another party hereto or in any exhibit, schedule or other document delivered pursuant to this Agreement, may be false or misleading or omit to state facts necessary in order to make such representations, warranties or statements not false or misleading; (ii) the occurrence, or failure to occur, of any event which occurrence or failure would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate any time from the Execution Date to the Closing Date; and (iii) any failure of Purchaser, any FDI Entity or Seller, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.2 shall not cure such breach or non-compliance, limit or otherwise affect the remedies available hereunder, or constitute an amendment of any representation, warranty or statement in this Agreement or the breaching party’s disclosure schedules. During the period from the Execution Date to the FDIR Closing Date, each FDI Entity and Seller will promptly notify Purchaser of any material change in, or outside of, the normal course of business or operations of such FDI Entity and of any governmental or regulatory authority complaints, investigative hearings, or the institution, threat (to the knowledge of such FDI Entity or Seller of such threat) or settlement of litigation, and shall keep Purchaser fully informed in reasonable detail of such events. No FDI Entity shall enter into any settlements in connection with any such litigation without the prior written consent of Purchaser.
6.3 Maintenance of Guaranty. Seller shall not do or permit any act or omission, whether voluntary or involuntary, which could result in the invalidation, breach or termination of any guaranty of any loan against the Real Property so long as the loan to which the applicable guaranty applies remains unpaid.

6.4 No Negotiation. Until this Agreement is terminated, neither Seller, nor any FDI Entity nor any of their respective affiliates will directly or indirectly solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to any unsolicited inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of all or a substantial portion of (i) any FDI Entity, the Equity Interests or any other aspect of the Business other than the sale of Purchaser Products in the ordinary course of business or (ii) any of its capital stock or any merger, consolidation, business combination or similar transaction involving any FDI Entity (each a “Proposed Acquisition Transaction”). Each FDI Entity and Seller will immediately notify Purchaser of the terms of any written proposal which it may receive in respect of any such Proposed Acquisition Transaction, including without limitation the identity of the prospective purchaser or soliciting party.

6.5 Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties hereto will use its best efforts to take, or cause to be taken, all action, or to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, obtaining all consents and approvals of all Persons and governmental or regulatory authorities and removing any injunctions or other impairments or delays or otherwise which are necessary to the consummation of the transactions contemplated by this Agreement.

6.6 Public Announcements. Except as required by applicable law or in connection with the transition of the customers, vendors, employees and other such parties in connection with the Closing, prior to the Closing none of the parties hereto will issue or cause the publication of any press release or otherwise make any public statement with respect to transactions contemplated hereby without the consent of the other party hereto. The parties expressly acknowledge that Purchaser shall issue a press release or announcement regarding the transaction on or before 9:00 AM on Saturday, August 13, 2011, and then Seller shall thereafter make an announcement regarding the transaction.

ARTICLE VII.

ACTIONS BY THE PARTIES AFTER CLOSING

7.1 Survival of Representations, Warranties, Etc. The representations, warranties and covenants of each FDI Entity, Seller and Purchaser contained in or made pursuant to this Agreement or any certificate, document or instrument delivered pursuant to or in connection with this Agreement and the transactions contemplated hereby shall survive the Closing Date and the representations and warranties shall continue in full force and effect for the period equal to twelve (12) consecutive months from the Closing Date, notwithstanding any investigation, analysis or evaluation by Purchaser or its designees of the Equity Interests, Real Property, the operations or condition (financial or otherwise) of each FDI Entity; provided, however, that, notwithstanding Sections 7.2(a) and (b) below, the representations, warranties and covenants in Sections 1.2, 2.1, 2.2, 2.3, 2.14, 2.15, 3.1, 3.2 and 3.3 (the “Fundamental Representations”) shall continue to survive indefinitely after the Closing Date.

7.2 Indemnification.

(a) Seller shall, for a period not to exceed five (5) years from the Closing Date, indemnify, defend and hold harmless Purchaser and its subsidiaries and the officers, directors, employees, agents, successors and assigns of Purchaser and its subsidiaries (the “Purchaser Group”) from and against any and all damages, costs, liabilities, losses, judgments, penalties, fines, claims and expenses, including without limitation, interest, reasonable attorneys’ fees and all reasonable amounts paid in investigation, defense or settlement of any of the foregoing (collectively, “Damages”), asserted against or incurred by Purchaser or any member of the Purchaser Group by a third party in connection with, arising out of or resulting from (i) any breach of any covenant, representation, warranty or agreement made by Seller or any FDI Entity in or pursuant to this Agreement; or (ii) any taxes resulting from the transactions contemplated in this Agreement; provided however that the maximum aggregate liability of Seller pursuant to this Section 7.2 shall be limited to $500,000.
(b) Purchaser and its Affiliates, and their successors and assigns, shall, for a period not to exceed five (5) years from the Closing Date, indemnify Seller and its respective officers, directors, employees, agents, successors and assigns (collectively, the “Selling Group”) from and against any and all Damages asserted against or incurred by Seller or the members of the Selling Group by a third party in connection with, arising out of or resulting from (i) any breach of any covenant, representation, warranty or agreement made by Purchaser in or pursuant to this Agreement; or (ii) the operation of the Business on or after the Closing.

(c) Notwithstanding anything to the contrary in this Agreement, the maximum aggregate liability of Seller with respect to claims arising out of or relating to any act of fraud by Seller or any FDI Entity or any breach of a Fundamental Representation shall not be limited as set forth in Section 7.2(a), but shall instead not exceed the aggregate amount of any Earn-Out Consideration, Residual Consideration, Contingent Consideration or Right of Exit consideration that has been paid or is actually owed under this Agreement. For the avoidance of doubt, in the event that any such consideration is no longer payable pursuant to this Agreement (for example, as a result of the termination of the obligation to pay the Earn-Out Consideration upon exercise of the Right of Exit), such amounts shall be deemed not to be payable pursuant to this Agreement for purposes of this Section 7.2(c).

7.3 Procedure for Claims By Third Parties.

(a) Any party asserting a right of indemnification provided for under this Agreement (the “Indemnified Party”) in respect of, arising out of or involving a claim or demand made by any person, firm, governmental authority or corporation against the Indemnified Party (a “Third Party Claim”), shall notify the indemnifying party (the “Indemnifying Party”) in writing of the Third Party Claim within thirty (30) Business Days (as defined below) after receipt by such Indemnified Party of written notice of the Third Party Claim. As part of such notice, the Indemnified Party shall furnish the Indemnifying Party with copies of any pleadings, correspondence or other documents relating thereto that are in the Indemnified Party’s possession. The Indemnified Party’s failure to notify the Indemnifying Party of any such matter within the time frame specified above shall not release the Indemnifying Party, in whole or in part, from its obligations under this Article VII except to the extent that the Indemnified Party’s ability to defend against such claim is actually prejudiced thereby. The Indemnifying Party agrees (and, at such time as the Indemnifying Party acknowledges its, his or her liability under this Article VII with respect to such Third Party Claim, the Indemnifying Party shall have the sole and exclusive right) to defend against, settle or compromise such Third Party Claim at the expense of such Indemnifying Party; provided, the Indemnified Party is released from liability in such settlement or compromise. The Indemnifying Party shall have the right (but not the obligation) to participate in the defense of such claim through counsel selected by it, him or her. If the Indemnifying Party has not yet acknowledged its, his or her liability under this Article VII with respect to such Third Party Claim, then the Indemnifying Party and the Indemnified Party shall cooperate in defending against such Third Party Claim at the Indemnifying Party’s expense, and neither party shall have the right, without the other’s consent, to settle or compromise any such Third Party Claim. For purposes of this Agreement, “Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of California are authorized or obligated to close.

(b) If any party becomes obligated to indemnify another party with respect to any Third Party Claim pursuant to a right of indemnification provided for under this Agreement and the amount of liability with respect thereto shall have been finally determined, the Indemnified Party shall pay such amount to the Indemnified Party in immediately available funds within ten (10) days following written demand by the Indemnified Party.

7.4 Offset. Provided that the obligation to pay the Earn-Out Consideration, Residual Consideration or the consideration payable upon exercise of the Right of Exit has not been paid in full or terminated pursuant to Section 1.3, Purchaser shall, subject to the notice period set forth below, offset against the Earn-Out Consideration, the Residual Consideration or the consideration payable upon exercise of the Right of Exit any Damages actually incurred by the Purchaser Group pursuant to Section 7.2 above, (the “Offset Amount”). At least 15 days prior to offsetting any Offset Amount against the Earn-Out Consideration or the Residual Consideration, Purchaser shall notify Seller in writing (the “Offset Notice”) by certified mail (return receipt requested) or by a nationally recognized overnight courier service (e.g., Federal Express) of the amount, nature and basis of the offset. In the event Seller disputes Purchaser’s offset, Seller shall notify Purchaser of its dispute in writing (the “Dispute Notice”) by certified mail (return receipt requested) or by a nationally recognized overnight courier service within fifteen (15) days of Seller’s receipt of the Offset Notice. If no Dispute Notice is given within such fifteen (15) day period, (a) Purchaser’s offset described in the Offset Notice shall be deemed agreed upon between the parties and (b) the Offset Amount offset against the Earn-Out Consideration, Residual Consideration or the consideration payable upon exercise of the Right of Exit shall be subtracted from any outstanding Earn-Out Consideration, Residual Consideration or the consideration payable upon exercise of the Right of Exit.

7.5 Tax Indemnification. Purchaser shall indemnify Seller for the pro rata share of any tax obligations incurred in connection with the sale of the Equity Interests pursuant to this Agreement for the period starting as of the Closing Date and ending on December 31, 2011 and, to the extent not paid by the FDI Entities prior to the Closing Date, for any taxes paid by Seller on behalf of the FDI Entities for the fiscal years ended December 31, 2010 and December 31, 2011.

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ARTICLE VIII.
OFFERS OF EMPLOYMENT

8.1 Offers of Employment. Upon Closing, Purchaser shall offer employment to certain employees of the FDI Entities, as set forth in Schedule 8.1, on substantially the same terms as each such person had with the FDI Entity employing such person as of the Closing Date; provided, however, that Purchaser shall offer employment to William Andreoli pursuant to an Employment Agreement, the form and substance of which is attached as Exhibit 8.1 hereto.

ARTICLE IX.
TERMINATION

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing, without cost, expense or any Damage to either party:

(a) at any time by written notice by Seller to Purchaser;
(b) at any time by written notice by Purchaser to Seller;
(c) by any party hereto if the Closing does not occur on or prior to October 31, 2011.

Upon any such termination, this Agreement shall become void and of no further effect, except for Sections 9.1, 10.1, 10.2, 10.6 and 10.7, which shall survive such termination pursuant to this Section 9.1.

ARTICLE X.
MISCELLANEOUS

10.1 Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE OR RESPONSIBLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO DELAY, DISRUPTION, LOST PROFITS OR LOST REVENUES), WHETHER IN CONTRACT, TORT, STRICT LIABILITY, WARRANTY OR OTHERWISE, RELATING TO OR INVOLVING THE PRODUCTS, THIS AGREEMENT OR ANY CLAIM UNDER THIS AGREEMENT, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.2 Confidentiality. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each party has had access to confidential information relating to the other party or parties. Each party shall treat such information as confidential, preserve the confidentiality thereof and not duplicate or use such information, except in connection with the transactions contemplated hereby. Each party shall use all reasonable steps to safeguard such information.

10.3 Entire Agreement. This Agreement and the exhibits and schedules delivered in connection herewith constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement and in any financial statements, schedules or exhibits delivered pursuant hereto constitute all the representations, warranties, covenants and agreements of the parties hereto and upon which the parties have relied, and except as specifically provided herein, no change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

10.4 Further Assurances. From time to time after the Closing Date, each FDI Entity, Seller and Purchaser agree to execute and deliver, or cause its affiliates to execute and deliver, such instruments of sale, transfer, conveyance, assignment and delivery, and such consents, assurances, powers of attorney and other instruments as may be reasonably requested by the other party or its counsel in order to vest in Purchaser all right, title and interest of Seller in and to the Equity Interests, and otherwise in order to carry out the purpose and intent of this Agreement.

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10.5 Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission with answer back confirmation or mailed (postage prepaid by certified or registered mail, return receipt requested) or by overnight courier to the parties at the following addresses or facsimile numbers:

If to Purchaser:
AL International, Inc., dba Youngevity
2400 Boswell Rd.
Chula Vista, CA 91914
Facsimile: 619-934-5009
Attention: Steve Wallach

If to Seller:
William J. Andreoli
81 Heritage Hill Rd.
Windham, N.H. 03087

with a copy to:
Henderson & Lyman
175 W. Jackson Blvd., Suite 240
Chicago, IL 60604
Attn: Jeffry Henderson

If to any FDI Entity:
Financial Destination, Inc.
1 Industrial Drive
Windham, NH 03087
Attention: William Andreoli

with a copy to:
Henderson & Lyman
175 W. Jackson Blvd., Suite 240
Chicago, IL 60604
Attn: Jeffry Henderson

Any party from time to time may change his, her or its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto.

10.6 Expenses. Each FDI Entity, Seller and Purchaser shall each pay their own respective costs and expenses incurred in connection with this Agreement, and the transactions contemplated hereby. Without limiting the generality of the foregoing, Seller shall pay all applicable sales, use, transfer and documentary taxes arising out of the purchase and sale of the Equity Interests. The parties agree to cooperate to minimize the taxes arising from the transactions contemplated by this Agreement.
10.7 Waivers. The terms of this Agreement may be waived only by a written instrument signed by the party waiving compliance.

10.8 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts and by facsimile or Portable Document Format (“pdf”), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.9 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

10.10 Governing Law. This Agreement shall in all respects be construed in accordance with and governed by the laws of the State of California without giving effect to its conflicts-of-laws principles (other than any provisions thereof validating the choice of the laws of the State of California in the governing law).

10.11 Assignment. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. This Agreement or any rights or obligations hereunder shall not be assignable by any party, except that Purchaser may pledge its rights hereunder to a lender as security for any financing or refinancing.

10.12 Headings. The Section and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or of any term or provision hereof.

10.13 Amendment. This Agreement may be amended, modified or supplemented, but only in writing signed by all of the parties. Notwithstanding the foregoing, the schedules to this Agreement may be amended from time to time prior to Closing by either party without the consent of the other.

10.14 Incorporation of Recitals. The parties agree that the preamble and recitals are true and correct and that the preamble and recitals, as well as the definitions set forth therein, are hereby incorporated into this Agreement by reference.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

PURCHASER: AL INTERNATIONAL, INC.
a Delaware corporation
By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

SELLER: By: /s/ William J. Andreoli
William J. Andreoli

-18-
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed on the date and year first above written.

FDI Entities

FINANCIAL DESTINATION, INC.
a New Hampshire corporation
By: /s/ William J. Andreoli
Name: William J. Andreoli
Title: President and CEO

FDI MANAGEMENT CO., INC.
a New Hampshire corporation
By: /s/ William J. Andreoli
Name: William J. Andreoli
Title: President

FDI REALITY, LLC
a New Hampshire limited liability company
By: /s/ William J. Andreoli
Name: William J. Andreoli
Title: Manager

MONEY TRAX, LLC
a Nevada limited liability company
By: /s/ William J. Andreoli
Name: William J. Andreoli
Title: Manager
This Licensing Agreement ("Agreement") is made and entered into this 20th day of March, 2012, by and between GLIE LLC DBA True2Life, a California Limited Liability Company, (referred to herein as "Licensor"), and AL International, Inc., a Delaware Corporation, DBA Youngevity and DBA DrinkACT.com (referred to herein as "Licensee").

Whereas Licensor is an established corporation in the marketing and sale of products related to dietary supplement products and has developed a distributor organization of independent authorized agents for the sale of its products, including the True Boost and other “True•• product brands. Whereas Licensee wishes to license the rights to sell Licensor's products and use Licensor's distributor organization and Licensor wishes to sell and/or transfer, among other things, its distributor organization and the True2Life product line(s) and this Agreement is to witness the following:

WITNESSETH:

1. Exclusive License of Business Assets. Licensor shall grant an exclusive license to the Licensee, free from all liabilities and encumbrances except as hereinafter set forth, subject to the terms and conditions set forth in this Agreement, the following described property: Exclusive, worldwide rights to all business assets and properties owned or utilized by Licensor used in its regular course of business including but not limited to: Licensor's distributor organization, rights, intellectual property (including websites, and URLs), trademarks, and tradenames associated with the True2Life brand(s) and product line(s), Any product inventory (product inventory not purchased, will be held on consignment), as well as other assets and rights to be able to carry on the business as if Licensor was still running the business ("Licensed Property").

2. License Fees. Licensor shall receive from Licensee a fee for the exclusive use of the Licensed Properly paid in the following ways:

A.) Royalty Fee. Licensor shall receive ten percent (10%) Royalty Fee, of the Net Sales from all members of Licensor's distributor organization (downline distributor sales) for the first forty-eight (48) months. 4% will be calculated and paid for an additional 36 months (a total of 84 License Payments). Net Sales are sales made by the distributor network (no matter which products are purchased), not including taxes of any kind and shipping and handling, and less any refunds. Example: Months 1-48 are to be calculated at 10%; Months 49-84 are to be calculated at 4%

B.) Product Royalty. Licensor shall receive five percent (5%) Royalty Fee, of Net True 2 Life Products sales outside of the True 2 Life Distributor Network, that is to anyone that is not now or in the future in the True 2 Life Distributor Group. This Royalty will be paid for 48 months, 2% for the next 36 months (a total of 84 Royalty Payments) in addition to the 10% Royalty Fee calculated and paid of the True2Life Distributor Organization sales. Example: Months 1-48 are to be calculated at 5%; Months 49-84 are to be calculated at 2%

C.) Bonus Payment. If, within twenty-four (24) months after closing, sales of the Licensed Distributor Network are $50,000 or greater for 3 consecutive months, Licensee shall receive a bonus payment of $10,000. If, within forty-eight (48) months after closing, sales of the Licensed Distributor Network are $150,000 or greater for 3 consecutive months, Licensee shall receive an additional bonus payment of $10,000. A total extra bonus potential of $20,000.
D.) Commissions in Genealogy. Dr. Luis and Evelia Arriaza shall be incorporated into the genealogy system for determining commissions within Licensee's systems just above the Aniaza distributor network that is being leased as part of this transaction. This will enable Dr. Luis and Evelia Arriaza to receive regular commissions on the sales of distributors in their downlines. Commissions will be calculated using Licensee's regular commission structure and at regular intervals.

E.) Buy out. At the end of the Royalty Fee period, described above, Licensee shall have the right to purchase the Licensed Property for One dollar ($1.00). If at the end of the Royalty Fee period, Licensee chooses not to acquire the Licensed Property, all new distributors that enlisted during the period would be Licensees.

3. Payment of Purchase Price. The purchase price, as provided in Paragraph 2, shall be paid by the Licensee in the following manner:

A.) Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Licensee shall pay Licensor the described percentage of such prior month's product sales attributable to Licensor's distributor organization. Any such payment shall be past due if not received by Licensor before the 30th day of such month.

B.) If any inventory is transferred to Licensee on a consignment basis, Licensor shall ship its entire remaining inventory to Licensee on consignment, along with a list of such inventory shipped and the inventory cost. Fifteen days after the end of each calendar month commencing with the month after the Closing Date, Licensee shall pay Licensor the cost, as listed on the inventory provided to Licensee, of all inventory sold the prior month which was on consignment. Each month, Licensee shall also provide a monthly report of inventory sold and inventory remaining on hand.

C.) Commission payments shall follow Licensee's regular business cycle, which currently is payment of commissions once per month on the fifteenth (15th) of each month.

4. Term. The nature of this Agreement is to last for the life of Licensor. However, the following issues may result in termination of this Agreement if not cured within thirty (30) days and such cure must meet the approval of the offended party.

A.) If Licensor materially breaches paragraphs 6, 7, 8, and/or 9, and is not cured to the approval of Licensee, Licensee shall be able to terminate this Agreement and completely retain the rights to Licensor's products, inventory, distributor organization and other assets described within this Agreement.

B.) If Licensee materially breaches paragraphs 6, 10, and/or 11, and is not cured to the approval of Licensor, Licensor shall be able to terminate this Agreement and recover such damages as described in this Agreement.

5. Closing. Licensor agrees to close this transaction on March 31, 2012. (the "Closing Date").

6. Post-Closing Obligations of Licensor/Licensee.

A.) Licensee agrees to use its best efforts in assisting with the transition I transfer of the Licensor's distributor/customer organization and records to Licensee. After Closing, Licensee agrees to refer all order and inquiries related to the subject matter of this Agreement to Licensee. Licensee further agrees to allow reasonable access to historical financial information as necessary.

B.) Licensee agrees to allow Liquor reasonable access to its books and records for audit purposes of the net product sales attributable to the Licensor's distributor organization. Licensee agrees further to reasonably cooperate with Licensee's requests for information. Licensor shall notify Licensee no less than ten (10) business days prior to the date of its intended inspection of books and records. Such information shall be confidential and Liquor shall not disseminate such information and may only use it for audit purposes.

C.) Licensee agrees to use its best efforts to maintain and increase the sales of the Licensor's distributor organization exclusively licensed from Licensor. Licensee further agrees not to materially alter, transfer, assign, or otherwise dispose of such distributor organization until payment in full and the maturity of this agreement.
D.) Licensee shall use its best efforts to sell the inventory acquired from Licensor and to prioritize the sale of such inventory.

E.) Licensee and Licensor acknowledge that Licensor's distributor organization, inventory, and the other assets constitute valuable assets of Licensor's. Licensee and Licensor therefore agree that during the term of this Agreement and for two (2) year period after this Agreement, Licensor shall not contract with, utilize or attempt to utilize whether directly or indirectly, any portion of the other Licensor's and/or Licensee's distributor organizations, if such action could have the effect of re-directing the resources and skills of such distributors or distributor organizations. Such action would have serious and undeterminable financial ramifications that Licensor could be held responsible for.

7. Covenants of Licensor. Licensor covenants to Licensee that Licensor has good and marketable title in and to the assets being licensed and/or sold, free of all debts, liens and encumbrances, except as is expressly provided for herein.

8. Licensor's Representations and Warranties. Licensor represents and warrants to Licensee the following matters as of the date hereof, each of which shall also be true and complete as of the Closing Date as if made on the date of Closing, and each shall be deemed to be independently material:

   A.) That Licensor is a Limited Liability Company (LLC) duly organized, validly existing and in good standing under the laws of the state of California. That all signatures to this Agreement have full and official power to carry on the business as it is now being conducted and to enter into this Agreement on behalf of Licensor and to bind Licensor to the terms thereof.

   B.) That the execution of this Agreement by Licensor and its delivery to Licensee have been duly authorized by Licensor's Board of Directors and such Agreement and the execution and delivery thereof have been duly approved by all the holders of Licensor's outstanding shares; and no further corporate action is necessary on Licensor's part to make this Agreement valid and binding upon it in accordance with its terms.

   C.) That the assets being sold to Licensee are free from all security interests, mortgages, liens, claims, defects of title, and encumbrances, save and except set out on the Schedule of Contracts and Liabilities appended hereto.

   D.) That Licensor is neither a foreign corporation, foreign person nor intermediary for a foreign corporation or foreign person, subject to withholding requirements of the Internal Revenue Service.

9. Breach of Representations and Warranties. In the event that any of the above representations or warranties are breached, then Licensee shall have the right to recover its damages from Licensor.

10. Licensee's Representations and Warranties. Licensee represents and warrants as follow:

   A.) That Licensee is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and has full corporate power to carry on its business as it is now being conducted and to enter into and fully perform its obligations under the terms of this Agreement.

   B.) That the proprietary information relating to the distributor organization made the subject of this Agreement shall remain confidential and neither Licensee nor Licensor shall release or otherwise disclose, except as required by law, such information without the prior written consent of the other party.

   C.) That Licensor will have the right to purchase True2Life product inventory of up to 500.00 per month at the product cost (cost of each item to Youngevity) for the purpose of personal use, donation, and business building activities such as sampling of the products to others. There will be no royalties or license fees paid on these items when purchased.

   D.) Licensee shall advance up to $4,000 dollars to be used to pay Licensor's software vendor for support of the Licensor's software systems.
11. **Default.** If Licensee fails to timely pay or fails to perform any of Licensees obligations or breaches any of Licensees representations or warranties, Licensor may recover its damages, elect to rescind this Agreement and/or seek any and all equitable or legal remedies available.

12. **Other Documents.** Licensor further agrees to execute and deliver to Licensee all deeds, assignments, documents of title, and other instruments which may be necessary to effect the transfer of the assets and properties described in this Agreement.

13. **Notices.** Any notice, request, demand, instruction or other communication to be given to either party herewith, except for those required to be delivered at Closing, shall be in writing and shall be deemed to be delivered upon the earlier of actual-receipt (whether by hand delivery or delivery service) or upon deposit with the U.S. Postal Service, registered or certified mail, postage prepaid, return receipt requested, and addressed as follows:

   If to Licensor:
   ___________________
   ___________________
   ___________________

   If to Licensee:
   Youngevity
   Attn: Steve Wallach
   2400 Boswell Rd.
   Chula Vista, Ca 91914

14. **Governing Law / Jurisdiction.** This Agreement is being executed and delivered, and is intended to be performed, in the State of California, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement unless otherwise specified herein.

15. **Entirety and Amendments.** This Agreement and the Exhibits attached hereto embody the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Subject Property and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. Further, the prevailing party in any litigation between the parties shall be entitled to recover, as a part of its judgment reasonable attorney's fees.

16. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there

17. **Parties Bound.** This Agreement shall be binding upon and inure to the benefit of Licensee and Licensor and their respective heirs, personal representatives, successors and assigns.

18. **Further Acts.** In addition to the acts recited in this Agreement to be performed by Licensor and Licensee, Licensee and Licensor agree to perform or cause to be performed at or after Closing any and all such further acts as may be reasonably necessary to consummate the sale contemplated hereby.

19. **Third Party Beneficiaries.** The rights, privileges, benefits and obligations arising under or created by this Agreement are intended to apply to and shall only apply to Licensee and Licensor and no other persons or entities.
20. Licensee’s Authority. The person executing this Agreement on behalf of Licensee warrants to Licensor that he has the Authority to execute this Agreement on behalf of Licensee and to bind Licensee pursuant to the terms hereof.

21. Effective Date. The effective date of this Agreement shall be the date this Agreement is executed by both Licensor and Licensee. References to “Date of Agreement” are to the effective date.

22. Captions. The captions herein contained are for the purpose of identification only and shall not be considered in construing this Agreement.

23. Time is of Essence. Time is of the essence of this Agreement and each and every provision hereof.

24. Assignment. Licensee may assign its right, title and interest in and to the agreement to any person or entity, upon approval of Licensor.

25. Arbitration / Attorney’s fees. Any controversy or claim arising out of or related to this Agreement or its subject matter, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”), but not administered by the AAA, before a panel of three Arbitrators whose compensation therefore shall be set by agreement of the parties should such proceeding become necessary. The panel shall be selected by each party selecting one neutral arbitrator and the persons thus selected shall select a third arbitrator who may not be a person suggested by either party. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Any Arbitration shall be conducted in San Diego, California. The non-prevailing party in any cause of action brought hereunder, pursuant hereto, or in connection herewith, inclusive without limitation of an action for declaratory or equitable relief, shall be liable for the reasonable attorney’s fees, expenses and costs of suit incurred by the prevailing party therein.

EXECUTED by Licensor this ______ day of ______, 2012

Licensor

By: ____________________

EXECUTED by Licensee this 31 day of March, 2012

Licensee:

AL International, Inc.

By: /s/ Steve Wallach

Steve Wallach, Chairman and CEO
or equitable relief, shall be liable for the reasonable attorney's fees, expenses and costs of suit incurred by the prevailing party therein.

EXECUTED by Licensor this ________ day of ________ 2012

Licensor

/s/ Luis Arriaza
By: Dr. Luis Arriaza

EXECUTED by Licensee this 31 day of March, 2012

Licensee:

AL International, Inc.

By: /s/ Steve Wallach
Steve Wallach, Chairman and CEO
This AGREEMENT ("Agreement") is entered into as of this 10 day of July, 2012 by and between Livinity, Inc., a Kansas corporation, for itself and its subsidiaries, ("Seller"), and AL International, Inc. dba Youngevity, a Delaware corporation ("Buyer"). Collectively referred to as the "Parties".

WHEREAS, the Seller is engaged in the business of direct marketing or multi-level marketing with sales of various products and services (the “Business”) and has developed a distributorship organization of independent authorized agents (the "Distributor Organization") for the sale of its products and/or services, including any and all related brands, products, and/or services representing the collective brands of the Business; and

WHEREAS, Seller is the sole and exclusive owner of the Intellectual Property or Properties commonly known as LIVINITY including, trademarks, copyrights and patents or any applications for trademarks, copyrights and patents (hereinafter collectively referred to as "Intellectual Property");

WHEREAS, the Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller, substantially all of the assets of the Seller used in or relating to the Business, and the Buyer is willing to assume certain liabilities of the Seller relating to the product, upon the terms and conditions set forth herein; now

THEREFORE, in consideration of the promises, the mutual covenants, representations, and warranties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Seller hereby sells the Property described below to Buyer:

<table>
<thead>
<tr>
<th>1. PROPERTY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property description: See Exhibit A attached hereto and made a part hereof for the inclusive listing of all properties sold under this Agreement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. PURCHASE PRICE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The full purchase price for Business and Intellectual Property (collectively described as &quot;Business Properties&quot;) is $15,000. In exchange for Business Properties, Buyer has paid Seller the full purchase price as follows:</td>
</tr>
<tr>
<td>a. $15,000 to be paid directly to Seller within 15 days of the execution of this Agreement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. ENCUMBRANCES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Seller warrants that Seller is the legal owner of Property and that Property are free of all liens and encumbrances.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. DEFECTS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller believes and warrants the Property to be in good condition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. WARRANTY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other than the warranty of ownership in Clause 3 and the representations in Clause 4, Seller makes no express warranties. Buyer takes all Property as is.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. DELIVERY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property shall be delivered to Buyer who shall be responsible for transfer of all Property from Seller including Business Property and Intellectual Property.</td>
</tr>
</tbody>
</table>
7. **ADDITIONAL TERMS:**
   Additional terms of sale for Property are as follows:
   a. Seller and Buyer will execute a Consulting Agreement contemporaneous with this Agreement.
   b. Seller and Buyer will execute a Consignment Agreement contemporaneous with this Agreement.
   c. Name Change. On Buyer's request, Seller will undertake to change its corporate name to a dissimilar name should it be necessary to prevent confusion in the marketplace.

8. **NOTICES:**
   Any notices or other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and delivered when delivered in person, two (2) days after being mailed postage prepaid by certified or registered mail with return receipt requested, or when delivered by overnight delivery service or by facsimile to the recipient at the following address or facsimile number, or to such other address or facsimile number as to which the other party subsequently shall have been notified in writing by such recipient:
   
   If to the Consignee: AL International, Inc.
   2400 Boswell Road
   Chula Vista, California 91914
   Attention: Steve Wallach, CEO
   Facsimile: 619-934-5009

   If to the Consignor: Livinity, Inc.
   802 North Maple
   Russell KS 67665
   Attention: Dave and Barb Pitcock
   [company fax]

9. **VENUE & JURISDICTION:**
   This Agreement will be governed by and interpreted in accordance with the substantive laws of the State of California without reference to conflicts of law. Venue shall be in the Superior Court of California, County of San Diego, South County Branch Court.

[signatures next page]
IN WITNESS WHEREOF, the Parties hereto have each executed and delivered this Agreement as of the day and year first above written.

Buyer: AL International, Inc.
By: /s/ Steve Wallach
   Steve Wallach, CEO

Seller: Livinity, Inc.
By: /s/ David Pitcock
   Dave Pitcock, President
Exhibit “A”

The Following URL’s:
Livinity.com
Fuelwize.com
Goingblue.com

The Following Trademarks:
Livinity
Going Blue
CONSULTING AGREEMENT
AL INTERNATIONAL, INC & LIVINITY, INC.

THIS CONSULTING AGREEMENT ("Agreement") is made and entered into as of the 10th day of July, 2012, by and among AL International, Inc., a publicly traded Delaware corporation, with offices located at 2400 Boswell Road, Chula Vista, California (hereinafter "Company") and Livinity, Inc., a Kansas corporation, with offices located at 802 North Maple, Russell, Kansas, (hereinafter "Consultant"). Collectively referred to as the "Parties".

WHEREAS, Consultant is recognized as an expert in multilevel marketing and specifically marketing of the Livinity line of services and goods; and

WHEREAS, the Company desires to retain Consultant to provide services related to and in support of efforts in which Consultant has expertise;

WHEREAS, Company and Consultant have executed a Bill of Sale and Consignment Agreement with respect to the Livinity business, inventory and intellectual property; now

THEREFORE, in consideration of the mutual conditions and promises herein contained, the Parties agree as follows:

1. Consulting Services. Consultant shall furnish the Company with its best effort, advice, information, judgment and knowledge with respect to the promotion of the Company and its direct sales and multi-level marketing plan and more specifically to the maintenance of the Livinity business distributor down-line.

2. Term. The term of this Agreement shall begin on July 1, 2012, and shall, subject to the provisions for termination set forth herein, continue for a period of 48 months. This Agreement is not renewable.

3. Compensation. In addition to the normal compensation received under the Youngevity commission plan, defined by Company’s Policies and Procedures Manual, for services that Consultant renders to the Company or any of its subsidiaries or affiliates during the term hereof, the Company will pay Consultant a retainer based on the total Net Sales of the downline distributor organization of the Consultant as follows:

   a. Bonus of ten percent (10%) of "Net Sales" of Livinity downline distributors on a monthly basis, payable on the fifteenth day of the month, for a period of forty-eight (48) months from the date of execution of this Agreement.

   b. Bonus of five percent (5%) of "Net Sales" of Livinity products sold to non-Livinity downline distributors on a monthly basis, payable on the fifteenth day of the month, for a period of thirty-six (36) months from the date of execution of this Agreement.

   c. Optional Performance Based Bonus Plan:

      1. Upon the achievement of three (3) consecutive months of $500,000, or more, in Livinity downline Net Sales Consultant shall be entitled to a one time payment of $30,000.

      2. Upon the achievement of three (3) consecutive months of $1,000,000, or more, in Livinity downline Net Sales Consultant shall be entitled to a one time payment of $50,000.

DEFINITION: Net Sales defined as gross sales; less taxes, shipping, customer returns and other deductions.

a. Consultant shall maintain in strict confidence and not use or disclose except pursuant to written instructions from the Company, any Confidential Information (as defined below) of the Company, for so long as the pertinent data or information remains Confidential. The obligation to protect the confidentiality of any such information or data shall not be excused if such information or data ceases to qualify as Confidential Information as a result of the acts or omissions of Consultant.

b. The termination of this Agreement for any reason whatsoever does not terminate Consultant's duties and obligations to maintain the Confidential Information strictly confidential.

c. Consultant may disclose Confidential Information pursuant to any order or legal process requiring the disclosing party (in its legal counsel's reasonable opinion) to do so, provided that the request or order to so disclose the Confidential Information is sufficient time to allow the Company to seek an appropriate protective order.

DEFINITION: "Confidential Information" shall mean any nonpublic information of a competitively sensitive or personal nature, other than Trade Secrets, acquired by Consultant in connection with performing services for the Company, including (without limitation) oral and written information concerning the Company's financial positions and results of operations (revenues, margins, assets, net income, etc.), annual and long-range business plans, marketing plans and methods, account invoices, oral or written customer information, and personnel information.

DEFINITION: "Company'' shall include the Company and all of its direct and indirect subsidiaries and any predecessors of the Company.

d. Consultant may not use any of the Confidential information and/or business contacts, information regarding distributors/vendors/suppliers and other business associates of Company, or other types of confidential and proprietary business information transmitted to Consultant by Company, for the purpose of circumventing Company's business operations.

e. In the event Consultant shall breach, violate or threaten to violate the provisions of this Section, damages at law will be an insufficient remedy and the Company shall be entitled to equitable relief including but not limited to injunctive, monetary damages, punitive damages, and specific liquidated damages in the amount of the prior years' earnings for disclosure of Confidential Information and/or use of such information to solicit company's customers. In addition, other remedies or rights available to the Company and no bond or security will be required in connection with such equitable relief.

f. The existence of any claim or cause of action that Consultant may have against the Company will not at any time constitute a defense to the enforcement by the Company of the restrictions or rights provided by this Section, but the failure to assert such claim or cause of action shall not be deemed to be a waiver of such claim or cause of action.

5. Original Works of Authorship that result from the performance by Consultant of his duties hereunder, are deemed to be "works made for hire" under the copyright laws of the United States, and will be and will remain the sole and exclusive property of the Company. Consultant, at the Company's request and expense, will assign to the Company in perpetuity all proprietary rights that he may have in such works of authorship. Should the Company elect to register claims of copyright to any such works of authorship, Consultant will, at the expense of the Company, do such things, sign such documents and provide such reasonable cooperation as is necessary for the Company to register such claims, and obtain, protect, defend and enforce such proprietary rights. Consultant shall have no right to use any trademarks or proprietary marks of the Company without the express, prior written consent of the Company regarding each use.

6. Acts Discreditable. Consultant shall at all times refer to Company and its operating units in terms that further its business objectives. Consultant shall not refer to Company or its operating units in a manner that damages Company's position in the marketplace.
7. Termination. This Agreement may be terminated by either party upon written notice if the other party breaches any of its obligations hereunder and the breaching party fails to cure such breach within thirty (30) days after receipt of notice of such breach.

8. Severable Provisions. The provisions of this Agreement are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially enforceable provision to the extent enforceable in any jurisdiction, shall nevertheless be binding and enforceable.

9. Binding Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. The rights, obligations and duties of Consultant hereunder may not be assigned or delegated without the Company's prior written consent.

10. Relationship of Parties. The Consultant is an independent contractor. Both parties acknowledge and agree that Consultant's engagement hereunder is not exclusive and that either party may provide to, or retain from, others similar services provided it does so in a manner that does not otherwise breach this Agreement. Neither party is, nor shall claim to be, a legal agent, representative, partner or employee of the other, and neither shall have the right or authority to contract in the name of the other nor shall it assume or create any obligations, debts, accounts or liabilities for the other.

11. Notices. Any notices or other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and delivered when delivered in person, two (2) days after being mailed postage prepaid by certified or registered mail with return receipt requested, or when delivered by overnight delivery service or by facsimile to the recipient at the following address or facsimile number, or to such other address or facsimile number as to which the other party subsequently shall have been notified in writing by such recipient:

   If to the Company:
   AL International, Inc.
   2400 Boswell Road
   Chula Vista, California 91914
   Attention: Steve Wallach, CEO
   Facsimile: 619-934-5009

   If to the Consultant:
   Livinity, Inc.
   802 North Maple
   Russell KS 67665
   Attention: Dave and Barb Pitcock (company fax)

12. Waiver. Either party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions as to future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the parties herein are cumulative and the waiver by a party of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to him or it under the circumstances.

13. Governing Law. This Agreement will be governed by and interpreted in accordance with the substantive laws of the State of California without reference to conflicts of law. Venue shall be in the Superior Court of California, County of San Diego, South County Branch Court.

-3-
IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

AL International, Inc.
By: /s/ Steve Wallach
Steve Wallach, CEO
Consultant, Livinity, Inc., Consultant:
By: /s/ Dave Pitcock
Dave Pitcock, President

14. Captions and Section Headings. The various captions and section headings contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of any of the provisions of this Agreement.

15. Entire Agreement. With respect to its subject matter, this Agreement and its Exhibits constitute the entire understanding of the parties superseding all prior agreements, understandings, negotiations and discussions between them whether written or oral, and there are no other understandings, representations, warranties or commitments with respect thereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

AL International, Inc.
By: /s/ Steve Wallach
Steve Wallach, CEO
Consultant, Livinity, Inc., Consultant:
By: /s/ Dave Pitcock
Dave Pitcock, President
EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into on 10/25, 2011 by and between AL International, Inc., a Delaware corporation, doing business geivity ("Company") and William J. Andreoli ("Employee"). Capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

RECITALS:

WHEREAS, entering into this Agreement is a condition of closing under that certain Equity Purchase Agreement of the date hereof (the "Purchase Agreement"), pursuant to which the Company is purchasing one hundred percent (100%) of the issued and outstanding shares of capital stock and membership interests of each of Financial Destination, Inc. ("FDI"), FDI Management Co., Inc. ("FDIM"), FOi Realty, LLC ("FDIR") and MoneyTRAX, LLC ("MoneyTRAX" and, together with FOi, FDIM and FDIR, the "FDI Entities"),

WHEREAS, Company wishes to procure Employee's employment with Company and Employee wishes to accept such employment, upon the terms and conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT:

1. Duties and Term

(a) Company hereby employs Employee to serve as President of the Company, to perform such duties as may be determined by the Board of Directors of Company and which are consistent with the duties that Employee performed for the FDI Entities prior to the date hereof. Employee shall perform his duties in accordance with and subject to such policies, guidelines and directions as are consistent herewith and established by the Board of Directors of Company from time to time.

(b) Employee acknowledges that as an executive performing services for a subsidiary of a publicly held company, he will need to conform with certain policies and procedures that will be established by Company and that may not previously have been incorporated in the policies and procedures of the FDI Entities.

(c) Employee shall devote his full working time, effort, skill, and attention to the affairs of Company and shall faithfully perform his duties hereunder to promote Company's interests and observe and perform his agreements contained herein.

(d) The term of this Agreement shall commence as of the Closing Date (which is expected to occur on or about August 31, 2011 and shall continue for a term of ten (10) years ("Initial Term"). At the end of the Initial Term, this Agreement may be extended by mutual written agreement of the parties (said term, as the same may be extended by written agreement, referred to as the "Term"). Unless so extended, Employee's employment thereafter shall be considered to be "at will" and not part of the Term. Prior to any such extension, Employee's employment with the Company shall not be considered to be "at will".

2. Compensation

(a) Salary: Subject to Section 2(b), during the Term of this Agreement, Company shall pay to Employee as compensation a salary of $170,000 per annum ("Salary"), in accordance with the standard payroll practices of Company. In addition, Company may, in its discretion, elect to award Employee an annual bonus. Employee's salary level shall be reviewed by the Board of Directors on an annual basis and Employee shall be entitled to an increase in salary if specified objectives are satisfied.

-1-
(b) Adjustment to Salary: In the event that the amount of any payment of Contingent Consideration is reduced as a result of Annual DP Gross Revenue being less than Target DP Gross Revenue pursuant to Section 1.3 of the Purchase Agreement, Employee’s Salary shall be reduced by the same percentage as the reduction in the payment of Contingent Consideration pursuant to the Purchase Agreement.

(c) Initial Executive Team Goals Bonus: Employee shall receive stock options in the amount of one hundred and twenty-five thousand (125,000) shares, at the strike price equal to the last closing price of the Company’s common stock on the date of such grant, if Company reaches Fifty Million dollars ($50,000,000) in Gross Revenue for any calendar year (“Threshold”). The stock options shall be granted to Employee at the first Board meeting held following achievement of the Threshold, or, if no such Board meeting is scheduled to be held within thirty (30) days following the achievement of the Threshold, by unanimous written consent of the Board on or prior to such date. The stock options shall provide that Employee can exercise them by means of a cashless exercise.

(d) Future Bonuses: Future annual bonus and/or spot bonuses can be made available to Employee based upon the achievement of mutually-agreeable objectives set forth by Employee and Company. The bonus shall be payable in either cash or stock, or some combination of the two, depending upon the Company’s cash flow position and at the sole discretion of Company.

3. Expenses. Company will reimburse Employee for all reasonably necessary expenses incurred by him in carrying out his duties under this Agreement, including reimbursement of all reasonable travel and entertainment expenses incurred by Employee. With respect to any particular expense exceeding $100.00 or any series of expenses exceeding $250.00 in any thirty (30) day period, Employee shall present to Company an itemized account of such expenses in such form as may be reasonably required by Company. Company may impose reasonable limitations on the amount of expenses Employee may incur on behalf of Company.

4. Employee Benefit Plans. Employee shall be entitled to participate in any employee benefit plans that Company from time to time offers to its employees generally or are offered generally by Company to employees of its subsidiaries to the extent Employee is eligible to participate in such plans, and under the same terms as provided to other key executive employees of Company.

5. Paid Time Off. Employee shall be entitled to paid time off (“PTO”) during each calendar year of the Term in accordance with Company’s policies. Such PTO shall be taken at times consistent with the proper performance by Employee of his duties and responsibilities. PTO is to be taken in the calendar year in which it accrues, any unused PTO days will be administered in accordance with Company’s standard policies with respect to rollovers and accruals.

6. No Hindrances. Employee represents and warrants to Company that he is free to accept employment with Company hereunder, and that he has no prior other obligations or commitments of any kind to anyone that would in any way materially hinder or interfere with his acceptance of and performance of such employment with Company.

7. Other Business. Employee shall devote his full working time, attention, and energy to the business of Company and corporations affiliated with Company, including the FDI Entities, and shall not during the term of this Agreement be engaged in any other business activity if pursued for gain, profit, or other pecuniary advantage without Company’s prior written consent, which consent shall not be unreasonably withheld. The Company’s acknowledges and agrees that Employee is, and the Company expressly permits Employee to remain, the owner and operator of restaurants in the New Hampshire area.

8. Termination. Subject to the provisions of this Paragraph 8, either Company or Employee may terminate this Agreement prior to the expiration of the Term, as provided for herein:
   (a) Company shall have the right to terminate this Agreement for Cause (as hereinafter defined).
   (b) Company may terminate this Agreement for other than Cause, provided that in such circumstances, Company shall be obligated to:
(i) pay to Employee all accrued but unpaid Salary amounts payable hereunder with respect to the period prior to the date of termination (including, without limitation, unused PTO pay to the extent accrued prior to termination); and

(ii) continue to pay to Employee his Salary until six months after the date of termination (the “Severance Period”). The payments required to be paid under this Paragraph 8(b)(ii) are referred to herein as the “Severance Payments.” The Severance Payments will be made in equal installments during the Severance Period pursuant to the Company’s regular payroll schedule and practices, and subject to the provisions of this Section 8. The making or acceptance of any Severance Payment shall not negate, reduce or modify any other other payment(s) that Purchaser may owe to Seller under the Equity Purchase Agreement.

Employee agrees to provide Company with prior written notice of his resignation from Company at least thirty (30) days prior to such resignation.

(c) If Company terminates this Agreement for Cause; or if Employee terminates this Agreement, then Company’s sole liability shall be to pay to Employee all accrued but unpaid Salary amounts payable hereunder with respect to the period ending on the date of termination, together with reimbursement of any approved expenses previously incurred and unused PTO pay to the extent accrued prior to termination) any other amounts or rights of Employee hereunder shall be automatically forfeited.

(d) For purposes of this Agreement, “Cause” shall mean:

(i) Employee (A) is convicted of or pleads guilty or nolo contendere to criminal conduct involving a felony or embezzlement of corporate funds or property, or (B) fails to comply in all material respects with the general written policies of Company, including without limitation, trading in securities on non-public information or otherwise in violation of Company’s insider trading policies; or

(ii) refusal to obey lawful instructions given in writing by the Board of Directors of Company as to the performance of Employee’s duties under this Agreement; provided, however, that such instructions are consistent with the duties that Employee performed for Company prior to the date hereof; which refusal is (A) not remedied within ten (10) days after receipt by Employee of written notice from the Board of Directors of Company identifying such refusal, or (B) subsequently repeated; or

(iii) repeatedly and materially performs below expectations of the Board of Directors of Company as communicated in writing to Employee and such performance is not remedied during the six (6) month period in which Company communicates in writing such performance deficiencies with Employee; or

(iv) Employee acts in a grossly negligent or intentional manner which results in substantial harm to Company, its affiliates, or their respective business, prospects or operations; or

(v) an intentional and material breach by Employee of his duties and responsibilities hereunder which is (A) not remedied within ten (10) days after receipt by Employee of written notice from the Board of Directors with respect to such breach, or (B) is subsequently repeated within six (6) months.

(e) Employee acknowledges and agrees that the Severance Pay is the full amount of severance payable to Employee pursuant to the terms of this Agreement if Employee is terminated by Company without Cause. Employee further acknowledges that the Severance Pay is not payable if Employee is terminated for Cause, or if Employee voluntarily resigns or if employment is terminated as a result of death or disability. For purposes of this Agreement, “disability” shall mean the cessation of the Employee’s ability to perform his duties as described in Section 1, with or without reasonable accommodation, due to a mental or physical illness, incapacity or disability for an aggregate period of more than thirteen (13) weeks during any twelve (12) month period.

Employee acknowledges and agrees that a change of control of Company in which Employee is offered continued employment is not an event requiring payment of Severance Pay provided that continued employment is on substantially the same terms and conditions as prior to a change of control (i.e., substantially the same responsibilities, salary and benefits). Employee further acknowledges that during the Severance Period, Employee shall not be entitled to participate in any employee benefit plans, except to the extent that Employee elects COBRA coverage which shall be at Employee’s expense.
(f) The Severance Payments do not constitute non-qualified deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) pursuant to Treas. Reg. §1.409A-1(b)(9)(iii) in that the Severance Payments are payable only upon an involuntary separation of service. If the Severance Payments are deemed to constitute non-qualified deferred compensation subject to Section 409A of the Code, the following interpretations apply to the Severance Payments: (i) any termination of Employee’s employment triggering payment of the Severance Payments must constitute a “separation from service” under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of Employee’s employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by him to Company at the time his employment terminates), the Severance Payments shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 8(g) shall not cause any forfeiture of benefits on the Employee’s part, but shall only act as a delay until such time as a separation from service occurs; (ii) if Employee is a “specified employee” (as that term is used in Section 409A of the Code and regulations and other guidance issued thereunder), any installment of the Severance Payments that constitute non-qualified deferred compensation subject to Section 409A shall be delayed until the earlier of (A) one business day following the six-month anniversary of the date his separation from service becomes effective, and (B) the date of Employee’s death, but only to the extent necessary to avoid such penalties under Section 409A of the Code. On the earlier of (A) one business day following the six-month anniversary of the date his separation from service becomes effective, and (B) his death, Company shall pay Employee in a lump-sum the aggregate value of the non-qualified deferred compensation that Company otherwise would have paid him prior to that date under Section 8(b)(ii) of this Agreement and thereafter shall pay Employee the amounts payable to him in accordance with the schedule of fixed payments set forth in Section 8(b)(ii), as applicable; (iii) it is intended that each installment of the payments and benefits provided under Section 8(b)(ii) of this Agreement shall be treated as a separate “payment” for purposes of Section 409A of the Code; and (iv) neither Company nor Employee shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

(g) Company’s obligation under this Paragraph 8 to pay the Severance Payments shall be subject to (i) the execution (without revocation) and delivery by Employee of a release of claims, in customary form reasonably satisfactory to Company, of claims against the Company and its affiliates (including the FDI Entities), arising out of this Agreement and Employee’s employment relationship with Company (the “Release”), and (ii) the Release becoming effective and irrevocable prior to the sixtieth (60th) day following the effective date of the termination of the Employee’s employment.

(h) In the event that Employee breaches his obligations under Paragraphs 9 through 11 below, then, without limiting the other rights and remedies available to Company under Paragraph 12, Company shall be entitled to immediately terminate making any further Severance Payments to Employee.

(i) Except as set forth in the Purchase Agreement, nothing in this Agreement shall relieve, waive, reduce or modify Company’s obligation to make any and all payments set forth in the Purchase Agreement (whether obligatory or contingent), including but not limited to any and all payments set forth in Sections 1.2 and 1.3 of the Purchase Agreement.

9. Confidentiality and Covenant Not to Disclose.

(a) Employee agrees that, by virtue of the performance of the normal duties of his position with Company and by virtue of the relationship of trust and confidence between Employee and Company, he possesses certain data and knowledge of operations of Company which are proprietary in nature and confidential. Employee covenants and agrees that he will not, at any time, whether before or after the termination of this Agreement, reveal, divulge or make known to any person (other than Company or its affiliates) or use for his own account, or for the benefit of any other person or entity other than Company or its affiliates, any confidential or proprietary records, data, trade secrets, technology, customer information, pricing policy, bid strategy, rate structure, personnel policy, method or practice of obtaining or doing business by Company or its affiliates, or any other confidential or proprietary information of Company or its affiliates and whether or not developed, devised or otherwise created in whole or in part by the efforts of Employee. Employee further covenants and agrees that he shall retain all such knowledge and information which he shall acquire or develop respecting such Confidential Information for the sole benefit of Company and its affiliates and their successors and assigns. Notwithstanding the foregoing, Confidential Information shall not include any information which (i) was publicly known and made generally available in the public domain prior to the time of disclosure to Employee by Company or its affiliates; (ii) becomes publicly known and made generally available after disclosure to Employee by Company or its affiliates through no action or inaction of Employee; (iii) was already in the possession of Employee in writing before its receipt from the Company; (iv) was obtained from a third party who is free to divulge the same; and (v) which is required by law or other competent authorities to be disclosed.
(b) Employee acknowledges and agrees that he will not knowingly use any trade secrets of Company to contact or solicit any person, including without limitation, Company’s employees, suppliers and customers, or otherwise use such Company trade secrets to unfairly compete with Company.

c) Employee acknowledges and agrees that all computer programs and disks, manuals, drawings, blueprints, letters, notes, notebooks, reports, books, procedures, forms, documents, records or papers, or copies thereof, pertaining to the operations or business of Company or its affiliates made or received by Employee or made known to him in any way in connection with his employment and any other Confidential Information are and will be the exclusive property of Company or its affiliates. Employee agrees not to copy or remove any of the above from the premises and custody of Company or its affiliates, or disclose the contents thereof to any other person or entity, or make use thereof for his own purposes or for the benefit of any other person or entity, except as specifically authorized in writing by the Board of Directors of Company or in connection with the performance of his duties under this Agreement. Employee acknowledges that all such computer programs and disks, papers and other materials will at all times be subject to the control of Company, and Employee agrees to surrender and return the same to Company upon request of Company, and in any event will surrender and return such no later than the termination of Employee’s employment hereunder, whether voluntary or involuntary. Company may notify any employing Employee at any time of this provision of this Agreement.

d) The obligations of this Paragraph 9 shall apply to any and all employment relationship between Company and Employee, whether under this Agreement, at will or otherwise, and shall survive the termination of this Agreement.

e) Notwithstanding any other provision of this Paragraph 9, Employee may disclose Confidential Information in response to a subpoena or valid order of a court or other governmental agency, provided that Employee first provides notice to the Company and reasonably cooperates, at Company’s sole expense, with the Company to obtain a protective order requiring such Confidential Information be disclosed only for the limited purposes for which the order was issued.

10. Inventions and Discoveries. Employee hereby assigns, transfers and conveys to Company all of Employee’s right, title and interest to, and shall promptly disclose to the Board of Directors of Company, all ideas, inventions, discoveries, or improvements (whether or not patentable) conceived or developed solely, or jointly with others, by Employee during his Term of employment, (a) that relate directly or indirectly to the business of Company or its affiliates as conducted at any time during his Term of employment, (b) which relate to the actual or anticipated research or development activities of Company or its affiliates, (c) which result from any work performed by Employee for Company or its affiliates; or (d) for which Confidential Information of Company or its affiliates was used. Upon the request of Company and at the Company’s sole cost, Employee shall execute and deliver to Company any and all instruments, documents and papers, give evidence and do any and all other acts which Company deems necessary or desirable to document such assignment, transfer and conveyance, or to enable Company or its affiliates to file and prosecute applications for, and to acquire, maintain and enforce, any and all patents, trademarks and copyrights. Company will be responsible for the preparation and cost of any such instruments, documents and papers and shall reimburse Employee for all reasonable expenses incurred by him in complying with the provisions of this Paragraph 10; provided, Employee shall not be entitled to any further compensation or consideration for performance of his obligations under this Paragraph 10. The obligations of Employee under this Paragraph 10 shall apply to any and all employment relationship between Company and Employee, whether under this Agreement, at will or otherwise, and shall survive the termination of this Agreement.

11. Business Materials and Property of Company. All written materials, records and documents (whether hard copies or in electronic media) made by Employee or coming into his possession concerning the business or affairs of Company or its affiliates shall be the sole property of Company or its affiliates and, upon termination of his employment with Company, Employee shall deliver the same to Company and shall retain no copies. Employee shall also return to Company all other property in his possession owned by Company or its affiliates upon termination of his employment. The obligations of Employee under this Paragraph 11 shall apply to any and all employment relationship between Company and Employee, whether under this Agreement, at will or otherwise, and shall survive the termination of this Agreement.
12. **Breach by Employee.** It is expressly understood, acknowledged and agreed by Employee that (i) the restrictions contained in Paragraphs 9 through 11 of this Agreement are given in consideration of Company’s agreements contained herein, and represent reasonable and necessary protections of the legitimate interest of Company and its affiliates and that Employee’s failure to observe and comply with the covenants and agreements in those Paragraphs may cause irreparable harm to Company and/or its affiliates; (ii) it is and will continue to be difficult to ascertain the nature, scope and extent of the harm; and (iii) a remedy at law for such failure by Employee will be inadequate. Accordingly, it is the intention of the parties that, in addition to any other rights and remedies which Company and its affiliates may have in the event of any breach of those paragraphs, Company and its affiliates may each be entitled, and each is expressly and irrevocably authorized by Employee, to demand and obtain specific performance; including without limitation, temporary and permanent injunctive relief, and all other appropriate equitable relief against Employee, in order to enforce against Employee, or in order to prevent any breach or any threatened breach by Employee, of the covenants and agreements contained in those paragraphs.

13. **Indemnification.** To the fullest extent provided by law, the Company will indemnify Employee against and hold him harmless from liabilities of whatsoever kind and nature which may be imposed on, incurred by or asserted against him at any time related to actions taken or omitted on behalf of the Company in his capacity as an executive officer of the Company (irrespective of whether Employee is employed by the Company). The Company shall also cover Employee under any by-law indemnity as well as directors’ and officers’ liability insurance that will continue in effect both during the Agreement Term and, while potential liability exists, thereafter. The obligations of the Company under this Paragraph 13 shall apply to any and all employment relationship between Company and Employee, whether under this Agreement, at will or otherwise, and shall survive the termination or expiration of this Agreement.

14. **Miscellaneous.**

(a) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties concerning the employment of Employee by Company. This Agreement is intended to supplement the provisions of the Purchase Agreement. The provisions of Paragraphs 9 through 11 of this Agreement are in addition to, and not in substitution for, any agreements regarding confidentiality, non-solicitation, work made for hire or the like previously or in the future executed and delivered by Employee for the benefit of Company.

(b) **Inconsistency in Agreements.** In the event of a conflict or inconsistency between this Agreement and the Purchase Agreement, the terms and provisions of the Purchase Agreement shall control. In the event of a conflict or inconsistency between this Agreement and the Non-Competition, Non-Solicitation, No-Disclosure and Intellectual Property Agreement, the terms and provisions of this Agreement shall control.

(c) **No Additional Promises.** No representation, promise, inducement, or statement of intention has been made by or on behalf of either party hereto which is not set forth in this Agreement.

(d) **Amendments.** This Agreement may not be amended or modified except by written instrument executed by the parties hereto.

(e) **Notices.** Any notice, request, demand or other communication required or permitted to be given under this Agreement shall be in writing and delivered in person, by overnight delivery by nationally recognized carrier, or sent by certified mail to Employee and to Company as specified hereafter, or to such other address as either party shall designate by written notice to the other.
(f) Assignment. The terms and provisions of this Agreement shall inure to the benefit of Employee, Company and its affiliates, and their respective subsidiaries, affiliates, heirs, legal representatives, successors and assigns.

(g) No Waivers. The failure of any party to this Agreement at any time or from time to time to require performance of any other party’s obligations under this Agreement shall in no manner affect such party’s right to enforce any provision of this Agreement at a subsequent time and shall not constitute a waiver by such party of any right arising out of any subsequent breach.

(h) Governing Law. This Agreement shall be subject to and governed by the laws of the State of California without giving effect to its conflicts-of-laws principles.

(i) Severability. In the event that any court of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court determines it enforceable, and as so limited shall remain in full force and effect. In the event that such court shall determine any such provision, or portion thereof wholly unenforceable, the remaining provisions of this Agreement shall nevertheless, remain in full force and effect, provided that the severing of such provision or portion thereof will not materially change the substance of this Agreement.

(j) Incorporation of Recitals. The parties agree that the preamble and recitals are true and correct and that the preamble and recitals, as well as the definitions set forth therein, are hereby incorporated into this Agreement by reference.

(k) Counterparts. This Agreement may be executed by the parties hereto in separate counterparts and by facsimile or Portable Document Format ("pdf"), each of which when executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written to be effective for the period described therein.

COMPANY:

AL International, Inc.

By: /s/ Steve Wallach
Name: Steve Wallach
Title: CEO

EMPLOYEE:

/s/ William J. Andreoli
William J. Andreoli
Note Amount $323,000

FOR VALUE RECEIVED, the undersigned (“Maker”) promises to pay to the order of AL International, Inc (“Payee”), the principal sum of Three Hundred and Twenty Three Thousand Dollars ($323,000), at an interest rate of five percent (5%) per annum. The note will be an interest only note with a balloon payment due in full by June 1, 2013 (the “Maturity Date”), in lawful money of the United States of America unless Payee agrees to another form of payment.

1. If the Maker shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, then, and upon the happening of any such event, the Payee at its option, may declare the entire unpaid balance of the principal hereunder immediately due and payable with interest thereon as herein provided.

2. Presentment, demand, protest or notice of any kind are hereby waived by the Maker. Maker may not set off against any amounts due to Payee hereunder any claims against Payee or other amounts owed by Payee to Maker.

3. In the case any one or more of the events of default specified in paragraph 1 above shall have happened and be continuing, the Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings.

4. The Maker agrees to pay all reasonable costs of collection, including attorneys' fees which may be incurred in the collection of this Note or any portion thereof and, in case an action is instituted for such purposes, the amount of all attorneys' fees shall be such amount as the court shall adjudge reasonable.

5. This Note is made and delivered in, and shall be governed, construed and enforced under the laws of the State of California.

6. No delay or omission of the Payee to exercise any right hereunder, whether before or after the happening of any event of default, shall impair any such right or shall operate as a waiver thereof or of any event of default hereunder nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right.

7. This Note shall be subject to prepayment, at the option of the Maker, in whole or in part, at any time and from time to time, without premium or penalty.

8. This Note or any benefits or obligations hereunder may not be assigned or transferred by the Maker without written approval by the parties.

9. The maker will make quarterly interest payments in the amount of Four Thousand and Thirty Eight Dollars ($4038.00). Interest payment will be due and payable under the following schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 1, 2012</td>
<td>$4038.00 Interest only</td>
</tr>
<tr>
<td>December 1, 2012</td>
<td>$4038.00 Interest only</td>
</tr>
<tr>
<td>March 1, 2012</td>
<td>$4038.00 Interest only</td>
</tr>
<tr>
<td>June 1, 2012</td>
<td>$4038.00 Interest only plus Balloon Payment due in the amount of $323,000</td>
</tr>
</tbody>
</table>

MAKER: 2400 Boswell, LLC

By: /s/ Dr. Ma Lan

Dr. Ma Lan
FOR VALUE RECEIVED, the undersigned (herein "Maker") promises to pay to the order of AL International, Inc. ("Payee"), the principal sum of One Hundred and Twenty Thousand Dollars ($120,000), at an interest rate of four percent (4%) per annum, in full by March 1, 2013 (the "Maturity Date"), in lawful money of the United States of America unless Payee agrees to another form of payment.

1. If the Maker shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, then, and upon the happening of any such event, the Payee at its option, may declare the entire unpaid balance of the principal hereunder immediately due and payable with interest thereon as herein provided.

2. Presentment, demand, protest or notice of any kind are hereby waived by the Maker. Maker may not set off against any amounts due to Payee hereunder any claims against Payee or other amounts owed by Payee to Maker.

3. In the case any one or more of the events of default specified in paragraph 1 above shall have happened and be continuing, the Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings.

4. The Maker agrees to pay all reasonable costs of collection, including attorneys' fees which may be incurred in the collection of this Note or any portion thereof and, in case an action is instituted for such purposes, the amount of all attorneys' fees shall be such amount as the court shall adjudge reasonable.

5. This Note is made and delivered in, and shall be governed, construed and enforced under the laws of the State of Florida.

6. No delay or omission of the Payee to exercise any right hereunder, whether before or after the happening of any event of default, shall impair any such right or shall operate as a thereof or of any event of default hereunder nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right.

7. This Note shall be subject to prepayment, at the option of the Maker, in whole or in part, at any time and from time to time, without premium or penalty.

8. This Note or any benefits or obligations hereunder may not be assigned or transferred by the Maker without written approval by the parties.

MAKER:

William Andreoli

By: /s/ William J. Andreoli
Name: William Andreoli
AL INTERNATIONAL, INC.
2012 STOCK OPTION PLAN

1. ESTABLISHMENT, PURPOSE AND TYPES OF AWARDS

AL INTERNATIONAL, INC. hereby establishes the AL INTERNATIONAL, INC. 2012 STOCK OPTION PLAN (the "Plan"). The purpose of the Plan is to promote the long-term growth and profitability of AL International, Inc. (the "Corporation") by (i) providing key people and consultants with incentives to improve stockholder value and to contribute to the growth and financial success of the Corporation and (ii) enabling the Corporation to attract, retain and reward the best available persons for positions of substantial responsibility.

The Plan permits the granting of stock options, including non-qualified stock options and incentive stock options qualifying under Section 422 of the Code, in any combination (collectively, "Options").

2. DEFINITIONS

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) "Board" shall mean the Board of Directors of the Corporation.

(b) "Change in Control" shall mean (i) any sale, exchange or other disposition of substantially all of the Corporation's assets; or (ii) any merger, share exchange, consolidation or other reorganization or business combination in which the Corporation is not the surviving or continuing corporation, or in which the Corporation's stockholders become entitled to receive cash, securities of the Corporation other than voting common stock, or securities of another issuer.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

(d) "Committee" shall mean the Board or committee of Board members appointed pursuant to Section 3 of the Plan to administer the Plan.

(e) "Common Stock" shall mean shares of the Corporation's common stock, $.001 par value.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(g) "Fair Market Value" of a share of the Corporation's Common Stock for any purpose on a particular date shall be the last reported sale price per share of Common Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on a national securities exchange, or if the Common Stock is not so listed or admitted to trading or included for quotation, the last quoted price, or if the Common Stock is not so quoted, the average of the high bid and low asked prices, regular way, in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the Common Stock is not quoted by any such organization, the average of the closing bid and asked prices, regular way, as furnished by a professional market maker making a market in the Common Stock as selected in good faith by the Committee or by such other source or sources as shall be selected in good faith by the Committee; and, provided further, that in the case of incentive stock options, the determination of Fair Market Value shall be made by the Committee in good faith in conformance with the Treasury Regulations under Section 422 of the Code. If, as the case may be, the relevant date is not a trading day, the determination shall be made as of the next preceding trading day. As used herein, the term "trading day" shall mean a day on which public trading of securities occurs and is reported in the principal consolidated reporting system referred to above, or if the Common Stock is not listed or admitted to trading on a national securities exchange, any day other than a Saturday, a Sunday or a day in which banking institutions in the State of New York are closed.
"Grant Agreement" shall mean a written agreement between the Corporation and a grantee memorializing the terms and conditions of an award granted pursuant to the Plan.

"Grant Date" shall mean the date on which the Committee formally acts to grant an award to a grantee or such other date as the Committee shall so designate at the time of taking such formal action.

"Parent" shall mean a corporation, whether now or hereafter existing, within the meaning of the definition of "parent corporation" provided in Section 424(e) of the Code, or any successor thereto of similar import.

"Plan Awards" shall mean an award of options as the Committee determines.

"Rule 16b-3" shall mean Rule 16b-3 as in effect under the Exchange Act on the effective date of the Plan, or any successor provision prescribing conditions necessary to exempt the issuance of securities under the Plan (and further transactions in such securities) from Section 16(b) of the Exchange Act.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Subsidiary" and "Subsidiaries" shall mean only a corporation or corporations, whether now or hereafter existing, within the meaning of the definition of "subsidiary corporation" provided in Section 424(f) of the Code, or any successor thereto of similar import.

3. ADMINISTRATION

(a) Procedure. The Plan shall be administered by the Board. In the alternative, the Board may appoint a Committee consisting of not less than two (2) members of the Board to administer the Plan on behalf of the Board, subject to such terms and conditions as the Board may prescribe. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies, however caused, and remove all members of the Committee and, thereafter, directly administer the Plan. In the event that the Board is the administrator of the Plan in lieu of a Committee, the term “Committee” as used herein shall be deemed to mean the Board.

Members of the Board or Committee who are either eligible for Plan Awards or have been granted Plan Awards may vote on any matters affecting the administration of the Plan or the grant of Plan Awards pursuant to the Plan, except that no such member shall act upon the granting of a Plan Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board or the Committee during which action is taken with respect to the granting of a Plan Award to him or her.

The Committee shall meet at such times and places and upon such notice as it may determine. A majority of the Committee shall constitute a quorum. Any acts by the Committee may be taken at any meeting at which a quorum is present and shall be by majority vote of those members entitled to vote. Additionally, any acts reduced to writing or approved in writing by all of the members of the Committee shall be valid acts of the Committee.

(b) Rule 16b-3 Requirements. Unless the Board is acting as the Committee or the Board specifically determines otherwise, the members of the Committee shall be both “non-employee directors” within the meaning of Rule 16b-3, and “outside directors” within the meaning of Section 162(m) of the Code. The Board shall take all action necessary to cause the Plan to be administered in accordance with the then effective provisions of Rule 16b-3, provided that any amendment to the Plan required for compliance with such provisions shall be made in accordance with Section 11 of the Plan.

(c) Powers of the Committee. The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Plan Awards under the Plan, prescribe Grant Agreements evidencing such Plan Awards and establish programs for granting Plan Awards. The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to:
(i) determine the eligible persons to whom, and the time or times at which Plan Awards shall be granted,
(ii) determine the types of Plan Awards to be granted,
(iii) determine the number of shares to be covered by each Plan Award,
(iv) impose such terms, limitations, restrictions and conditions upon any such Plan Awards as the Committee shall deem appropriate,
(v) modify, extend or renew outstanding Plan Awards, accept the surrender of outstanding Plan Awards and substitute new Plan Awards, provided that no such action shall be taken with respect to any outstanding Plan Awards which would adversely affect the grantees without the grantees' consent, and
(vi) accelerate or otherwise change the time in which a Plan Award may be exercised, in whole or in part, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of a Plan Award following termination of any grantees' employment.

The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable and to interpret same, all within the Committee's sole and absolute discretion.

(d) Limited Liability. To the maximum extent permitted by law, no member of the Committee shall be liable for any action taken or decision made in good faith relating to the Plan or any Plan Award thereunder.

(e) Indemnification. To the maximum extent permitted by law, the members of the Committee shall be indemnified by the Corporation in respect of all their activities under the Plan.

(f) Effect of Committee's Decision. All actions taken and decisions and determinations made by the Committee on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Committee's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Corporation, its stockholders, any participants in the Plan and any other employee of the Corporation, and their respective successors in interest.

4. SHARES AVAILABLE FOR THE PLAN: MAXIMUM AWARDS

Subject to adjustments as provided in Section 10 of the Plan, the shares of stock that may be delivered or purchased under the Plan, including with respect to incentive stock options intended to qualify under Section 422 of the Code, shall not exceed an aggregate of 40,000,000 shares of Common Stock of the Corporation. The Corporation shall reserve said number of shares for Plan Awards to be awarded under the Plan, subject to adjustments as provided in Section 10 of the Plan. If any Plan Award, or portion of a Plan Award, under the Plan expires or terminates unexercised, becomes unexercisable or is forfeited or otherwise terminated, surrendered or canceled as to any shares, the shares subject to such Plan Award shall thereafter be available for further Plan Awards under the Plan unless such shares would not be deemed available for future Plan Awards pursuant to Section 16 of the Exchange Act.

5. PARTICIPATION

Participation in the Plan shall be open to all employees, officers, directors and consultants of the Corporation, or of any Parent or Subsidiary of the Corporation, as may be selected by the Committee from time to time. To the extent necessary to comply with Rule 16b-3 or to constitute an "outside director" within the meaning of Section 162(m) of the Code, and only in the event that Rule 16b-3 or Section 162(m) of the Code is applicable to the Plan or a Plan Award thereunder, Committee members shall not be eligible to participate in the Plan while members of the Committee.
Awards may be granted to such eligible persons and for or with respect to such number of shares of Common Stock as the Committee shall determine, subject to the limitations in Section 4 of the Plan. A grant of any type of Plan Award made in any one (1) year to an eligible person shall neither guarantee nor preclude a further grant of that or any other type of Plan Award to such person in that year or subsequent years.

6. STOCK OPTIONS

Subject to the other applicable provisions of the Plan, the Committee may from time to time grant to eligible participants non-qualified stock options or incentive stock options as that term is defined in Section 422 of the Code. The Options granted shall be subject to the following terms and conditions.

(a) **Grant of Option.** The grant of an Option shall be evidenced by a Grant Agreement, executed by the Corporation and the grantee, stating the number of shares of Common Stock subject to the Option evidenced thereby and the terms and conditions of such Option, in such form as the Committee may from time to time determine.

(b) **Price.** The price per share payable upon the exercise of each Option ("exercise price") shall be determined by the Committee, provided, however, that in the case of incentive stock options, the exercise price shall not be less than 100% of the Fair Market Value of the shares on the date the Option is granted.

(c) **Payment.** Options may be exercised in whole or in part by payment of the exercise price of the shares to be acquired in accordance with the provisions of the Grant Agreement, and/or such rules and regulations as the Committee may have prescribed, and/or such determinations, orders, or decisions as the Committee may have made. Payment of the exercise price shall be made in cash (or cash equivalents acceptable to the Committee) or by such other means as the Committee may prescribe. The Corporation may make or guarantee loans to grantees to assist grantees in exercising Options.

The Committee, subject to such limitations as it may determine, may authorize payment of the exercise price, in whole or in part, by delivery of a properly executed exercise notice, together with irrevocable instructions, to: (i) a brokerage firm designated by the Corporation to deliver promptly to the Corporation the aggregate amount of sale or loan proceeds to pay the exercise price and any withholding tax obligations that may arise in connection with the exercise, and (ii) the Corporation to deliver the certificates for such purchased shares directly to such brokerage firm.

(d) **Terms of Options.** The term during which each Option may be exercised shall be determined by the Committee. In no event shall an Option be exercisable less than six (6) months or more than ten (10) years from the date it is granted. In no event shall an Option be exercisable prior to the date on which a registration statement registering the common stock of the Corporation under the Securities Act is declared effective by the Securities and Exchange Commission. Prior to the exercise of the Option and delivery of the shares certificates represented thereby, the grantee shall have none of the rights of a stockholder with respect to any shares represented by an outstanding Option.

(e) **Restrictions on Incentive Stock Options.** The aggregate Fair Market Value (determined as of the Grant Date) of shares of Common Stock with respect to which all incentive stock options first become exercisable by any grantee in any calendar year under this or another plan of the Corporation and its Parent and Subsidiary corporations may not exceed $100,000 or such other amount as may be permitted from time to time under Section 422 of the Code. To the extent that such aggregate Fair Market Value shall exceed $100,000, or other applicable amount, such Options (taking Options into account in the order in which they were granted) shall be treated as non-qualified stock options. In such case, the Corporation may designate the shares of Common Stock that are to be treated as stock acquired pursuant to the exercise of an incentive stock option by issuing a separate certificate for such shares and identifying the certificate as incentive stock option shares in the stock transfer records of the Corporation.

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The exercise price of any incentive stock option granted to a grantee who owns (within the meaning of Section 422(b)(6) of the Code, after the application of the attribution rules in Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of shares of the Corporation or its Parent or Subsidiary corporations (within the meaning of Sections 422 and 424 of the Code) shall be not less than 110% of the Fair Market Value of the Common Stock on the grant date and the term of such Option shall not exceed five (5) years.

7. WITHHOLDING OF TAXES

The Corporation may require, that the grantee pay to the Corporation, in cash, any federal, state or local taxes of any kind required by law to be withheld with respect to any issuance, vesting or exercise of any Plan Award (hereinafter referred to as a "taxable event") under the Plan. The Corporation, to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus) otherwise due to a grantee any federal, state or local taxes of any kind required by law to be withheld with respect to any taxable event under the Plan, or to retain or sell without notice a sufficient number of the shares to be issued to such grantee to cover any such taxes.

8. TRANSFERABILITY

To the extent required to comply with Rule 16b-3, no Plan Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Committee in accord with the provisions of the immediately preceding sentence, an Option may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

9. ADJUSTMENTS; BUSINESS COMBINATIONS

In the event of a reclassification, recapitalization, stock split, stock dividend, combination of shares, or other similar event, the maximum number and kind of shares reserved for issuance or with respect to which Plan Awards may be granted under the Plan shall be adjusted to reflect such event, and the Committee shall make such adjustments as it deems appropriate and equitable in the number, kind and price of shares covered by outstanding Plan Awards made under the Plan, and in any other matters which relate to Plan Awards and which are affected by the changes in the Common Stock referred to above. Any adjustment in Incentive Stock Options under this Section 10 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 10 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Plan Awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code, such adjustments or substitutions shall be made only to the extent that the Committee determines that such adjustments or substitutions may be made without causing the Corporation to be denied a tax deduction on account of Section 162(m) of the Code. The Corporation shall give each participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

In the event of any proposed Change in Control, the Committee shall take such action as it deems appropriate to effectuate the purposes of this Plan and to protect the grantees of Plan Awards, which action may include, but without limitation, any one (1) or more of the following: (i) acceleration or change of the exercise dates or vesting of any Plan Awards; (ii) arrangements with grantees for the payment of appropriate consideration to them for the cancellation and surrender of any Plan Awards; and (iii) in any case where equity securities other than Common Stock of the Corporation are proposed to be delivered in exchange for or with respect to Common Stock of the Corporation, arrangements providing that any Plan Awards shall become one (1) or more Plan Awards with respect to such other equity securities. Notwithstanding anything to the contrary, in the event of a Change in Control, any outstanding option that is not assumed or continued, or an equivalent option or right is not substituted therefor pursuant to the change in control transaction's governing document, shall become fully vested and exercisable immediately prior to the effective date of such change in control and shall expire upon the effective date of such change in control.
In the event the Corporation dissolves and liquidates (other than pursuant to a plan of merger or reorganization), then notwithstanding any restrictions on exercise set forth in this Plan or any Grant Agreement (i) each grantee shall have the right to exercise his Plan Award at any time up to ten (10) days prior to the effective date of such liquidation and dissolution; and (ii) the Committee may make arrangements with the grantees for the payment of appropriate consideration to them for the cancellation and surrender of any Plan Award that is so canceled or surrendered at any time up to ten (10) days prior to the effective date of such liquidation and dissolution. The Committee may establish a different period (and different conditions) for such exercise, cancellation, or surrender to avoid subjecting the grantee to liability under Section 16(b) of the Exchange Act. Any Plan Award not so exercised, canceled, or surrendered shall terminate on the last day for exercise prior to such effective date.

10. TERMINATION AND MODIFICATION OF THE PLAN

The Board, without further approval of the stockholders, may modify or terminate the Plan, except that no modification shall become effective without prior approval of the stockholders of the Corporation if stockholder approval would be required for continued compliance with Rule 16b-3.

The Committee shall be authorized to make minor or administrative modifications to the Plan as well as modifications to the Plan that may be dictated by requirements of federal or state laws applicable to the Corporation or that may be authorized or made desirable by such laws. The Committee may amend or modify the grant of any outstanding Plan Award in any manner to the extent that the Committee would have had the authority to make such Plan Award as so modified or amended. No modification may be made that would materially adversely affect any Plan Award previously made under the Plan without the approval of the grantee.

11. NON-GUARANTEE OF EMPLOYMENT

Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an employee to continue in the employ of the Corporation or shall interfere in any way with the right of the Corporation to terminate an employee at any time.

12. TERMINATION OF EMPLOYMENT

For purposes of maintaining a grantee's continuous status as an employee and accrual of rights under any Plan Awards, transfer of an employee among the Corporation and the Corporation's Parent or Subsidiaries shall not be considered a termination of employment. Nor shall it be considered a termination of employment for such purposes if an employee is placed on military or sick leave or such other leave of absence which is considered as continuing intact the employment relationship, in such a case, the employment relationship shall be continued until the date when an employee's right to reemployment shall no longer be guaranteed either by law or contract.

13. WRITTEN AGREEMENT

Each Grant Agreement entered into between the Corporation and a grantee with respect to a Plan Award granted under the Plan shall incorporate the terms of this Plan and shall contain such provisions, consistent with the provisions of the Plan, as may be established by the Committee.

14. NON-UNIFORM DETERMINATIONS

The Committee's determinations under the Plan (including, without limitation, determinations of the persons to receive Plan Awards, the form, amount and timing of such Plan Awards, the terms and provisions of such Plan Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Plan Awards under the Plan, whether or not such persons are similarly situated.

15. LIMITATION ON BENEFITS

With respect to persons subject to Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.
If the Corporation determines that the listing, registration or qualification upon any securities exchange or upon any Nasdaq system or under any law, of shares subject to any Plan Award is necessary or desirable as a condition of, or in connection with, the granting of any Plan Award, no such Plan Award may be exercised in whole or in part and no restrictions on such Plan Award shall lapse, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Corporation.

The Corporation may require that a grantee, as a condition to exercise of any Plan Award, provide a written representation that the shares of Common Stock being acquired shall be acquired by the grantee solely for investment and will not be sold or transferred without registration or the availability of an exemption from registration under the Securities Act and applicable state securities laws. The Corporation may also require that a grantee submit other written representations which will permit the Corporation to comply with federal and applicable state securities laws in connection with the issuance of the Common Stock, including representations as to the knowledge and experience in financial and business matters of the grantee and the grantee's ability to bear the economic risk of the grantee's investment. The Corporation may require that the grantee obtain a "purchaser representative" as that term is defined in applicable federal and state securities laws. The stock certificates for any shares of Common Stock issued pursuant to this Plan may bear a legend restricting transferability of the shares of Common Stock unless such shares are registered or an exemption from registration is available under the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may require that the grantee obtain a "purchaser representative" as that term is defined in applicable federal and state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. 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The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws. The Corporation may notify its transfer agent to stop any transfer of shares of Common Stock made in compliance with these restrictions. Common Stock shall not be issued with respect to a Plan Award granted under the Plan unless the exercise of such Plan Award and the issuance and delivery of share certificates for such Common Stock pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act and applicable state securities laws.
INCENTIVE STOCK OPTION granted by AL International, Inc., a Delaware corporation, (the "Company") to the above-named option holder (the "Optionee") an employee of the Company or one of its subsidiaries, pursuant to the Company’s 2012 Stock Option Plan (the "Plan"), the terms of which are incorporated herein by reference and which, in the event of any conflict, shall control over the terms contained herein.

1. Grant, Vesting and Expiration of Option

Subject to the vesting schedule below, the Company hereby grants to the Optionee an option to purchase on the terms herein provided a total of the number of shares of common stock of the Company (the "Common Stock") set forth above, at an exercise price per share as set forth above.

This Option may be exercised only with respect to the portion thereof that is vested in the Optionee. The Optionee’s right to exercise this option shall become vested in accordance with the following vesting schedule:

This option shall expire and shall not be exercisable upon the earlier of: (i) ten (10) years after the date of this Agreement; or (ii) three (3) months after the Optionee’s termination of employment with the Company.

2. Stock to be Delivered

Stock to be delivered upon the exercise of this option may constitute an original issue of authorized stock or may consist of treasury stock.

The Company may, in its sole discretion, determine not to issue or deliver any certificates for shares of Common Stock pursuant to the exercise of this Option prior to (i) the completion of any registration or other qualification of such shares under any federal or state law or regulation, or the maintaining in effect of any such registration or other qualification which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable; and (ii) the obtaining of any other consent approval, or permit from any state or federal governmental agency which the Company shall, in its reasonable discretion upon the advice of counsel, determine to be necessary or advisable.

Unless the shares of Common Stock to be acquired pursuant to the exercise of the Option shall have been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), prior to such exercise, each notice of the exercise of the Option shall contain a representation that any of the Option shares purchased shall be acquired for investment only and not with a view to, or for sale in connection with, any public distribution, and that any subsequent resale of any of such shares either shall be made pursuant to a registration statement under the Securities Act which has become effective and is current with regard to the shares being sold, or shall be made pursuant to an exemption from registration under the Securities Act. In addition, the certificates representing such shares shall bear a legend in substantially the following form:
3. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option under paragraph 9 hereof, and delivered or mailed to the Chief Financial Officer of the Company at its principal office, 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or persons to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or persons exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

4. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.

The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

5. Exercise of Option

Each election to exercise this option shall be in writing, signed by the Optionee or by the person authorized to exercise this option, and delivered or mailed to the Treasurer of the Company at its principal office, at its office at 2400 Boswell Road, Chula Vista, CA 91914 accompanied by this certificate.

In the event an option is exercised by the executor or administrator of a deceased Optionee, or by the person or persons to whom the option has been transferred by the Optionee's will or the applicable laws of descent and distribution, the Company shall be under no obligation to deliver stock thereunder unless and until the Company is satisfied that the person or persons exercising the option is or are the duly appointed executor or administrator of the deceased Optionee or the person to whom the option has been transferred by the Optionee's will or by the applicable laws of descent and distribution.

6. Payment for and Delivery of Stock

Payment in full by a certified or bank check shall be made for all shares of which this option is exercised at the time of such exercise, and no shares shall be delivered until such payment is made.
The Company shall not be obligated to deliver any stock unless and until all applicable Federal and state laws and regulations have been complied with, or in the event the outstanding common stock is at the time listed upon the Nasdaq SmallCap Market or any stock exchange, unless and until the shares to be delivered have been listed, or authorized to be added to the list by the Nasdaq SmallCap Market or the exchanges where it is listed, unless and until all legal matters in connection with the issuance and delivery of the shares have been approved by counsel for the Company. The Optionee shall have no rights as a shareholder until the stock is actually delivered to him.

7. **Non-transferability of Option**.

   This option may not be transferred by the Optionee otherwise than by will or the laws of descent and distribution, and during the Optionee's lifetime this option may be exercised only by him.

8. **Changes in Stock**.

   In the event of a stock dividend, split-up, combination of shares, recapitalization, merger in which the Company is the surviving corporation or other similar capital change, or in the event of a spin-off or other significant distribution of stock or property by the Company to its shareholders, the number and kind of shares of stock of the Company covered by this option, the option price and other relevant provisions shall be appropriately adjusted by the Board of Directors of the Company whose determination shall be binding on all persons.

   In the event of a consolidation or merger in which the Company is not the surviving corporation, or in the event of complete liquidation of the Company, this option shall thereupon terminate, provided that the Board of Directors shall, at least twenty days prior to the effective date of any such consolidation or merger, either (a) make this option immediately exercisable, or (b) arrange to have the surviving corporation grant to the Optionee a replacement option on terms which the Board determines to be fair and reasonable.

9. **Continuance of Employment**.

   This option shall not be deemed to obligate the Company or any subsidiary to retain the Optionee in its employ for any period.

10. **Retirement**.

    If pursuant to the retirement policy of the Company or any subsidiary, the Optionee shall be retired in good standing from the employ of the Company or its subsidiaries prior to the expiration of an option because of age (including early retirement), this option shall terminate on the ninetieth (90th) day after such retirement and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such retirement. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

11. **Disability**.

    In the event of termination of employment of the Optionee because of disability, this option shall terminate one year after such termination and the Optionee may exercise this option prior to such time but only to the extent to which he was entitled immediately prior to such termination because of disability. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

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12. Death

In the event of the death of the Optionee while employed by the Company or within ninety (90) days after his retirement in good standing because of age or disability, this option shall be exercisable within one (1) year of his death, provided the option does not expire by its terms prior to that date, by the executor, administrator or other legal representative of the estate of the deceased Optionee or the person or persons to whom the deceased Optionee's rights under the option shall pass by will or the laws of descent and distribution but only to the extent the deceased Optionee was entitled to exercise this option immediately prior to his death. Nothing herein shall be construed as extending the exercisability of this option to a date more than ten (10) years after the date this option is granted.

13. Provisions of the Plan and Section 422A of the Internal Revenue Code

This certificate incorporates by reference the terms of the Plan and of Section 422A of the Internal Revenue Code of 1986, as amended, and is subject to the provisions thereof. The Plan and the options granted pursuant to this certificate are intended to comply with Section 422A of the Internal Revenue Code of 1986, as amended and all of the regulations issued pursuant thereto. This certificate shall be construed in accordance with the Plan, said Section 422A and the regulations issued thereunder and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

14. Provisions of the Plan

This certificate incorporates by reference the terms of the Plan and is subject to the provisions thereof. This certificate shall be construed in accordance with the Plan and any provision of this certificate held to be inconsistent therewith shall be severable and of no force or effect.

IN WITNESS WHEREOF, AL International, Inc., has caused this certificate to be executed by a duly authorized Member of the Board of Directors. This option is granted at the Company's principal executive office, on the date stated above.

By: _______________________________
    Member of the Board of Directors
Please do not write in these spaces. Entries will be made by the Company upon partial exercise.

<table>
<thead>
<tr>
<th>NUMBER OF SHARES PURCHASED UNDER OPTION</th>
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LEASE AGREEMENT

Landlord: Dr. Joel Wallach and Ma Lan, Trustees of
The Joel and Ma Lan Wallach Family Trust UDT dated 1/2/96
Tenant: Wellness Lifestyles, Inc., dba American Longevity
2400 Boswell Road, Chula Vista, CA 92029

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This Lease Agreement (Lease) is entered into as of this 1st of May, 2001, between WELLNESS LIFESTYLES, INC., d/b/a AMERICAN LONGEVITY, (Tenant) and Dr. Joel Wallach and Ma Lan, Trustees of The Joel and Ma Lan Wallach Family Trust UDT dated 1/2/96, (Landlord).

Recitals

A. Landlord is the owner of real property located at 2400 Boswell Road, Chula Vista, California, 92029, and the improvements located on the real property (collectively, “Property”).

B. Tenant desires to lease from Landlord and Landlord desires to lease to Tenant the following property:

   (1) 2400 Boswell Road, Chula Vista, California, 92029

Real Property Description:

PARCEL 1 OF PARCEL MAP NO. 15955, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY JANUARY 17, 1990 AS FILE NO. 90-027866 OF OFFICIAL RECORDS

the above hereafter referred to as the “Leased Premises”.

Therefore, for good and valuable consideration the receipt and adequacy of which are acknowledged, the parties agree as follows:

Section 1. Lease of Premises.

Landlord leases to Tenant and Tenant leases from Landlord the Leased Premises on the terms and conditions set forth in this Lease.

Section 2. Use.

Tenant agrees to use the Leased Premises for the purpose of operating any lawful business.

Section 3. Term.

The term of this Lease shall be for 20 years from May 1, 2001 (Term).

Section 4. Rent.

(a) Tenant shall pay to Landlord during the Term of this Lease as monthly rental for the Leased Premises a sum equal to the monthly payment of principal and interest on the loan incurred by Landlord for purchase and improvement of the parcel where the Premises are located, which shall be paid in advance on the first day of each calendar month (Monthly Base Rent). Should the Term commence on a date other than the first day of a calendar month, Tenant shall pay Monthly Rent for the fractional month on a per diem basis (calculated on the basis of a thirty (30) day month) until the first day of the month, and thereafter the Monthly Base Rent shall be paid in equal monthly installments on the first day of each and every month in advance. Tenant agrees that it would be impracticable or extremely difficult to fix the actual damage to Landlord accustomed by the failure of Tenant to make any payment of rent within five (5) days of the due date and, therefore, Tenant agrees that if any payment of rent is not made within five (5) days of its due date, Tenant agrees to pay Landlord an additional six percent (6%) late charge of such late rent payment.
Section 5. Real and Personal Property Taxes.

During the Term, Tenant shall pay to Landlord upon 10 days written notice from Landlord any amounts billed to Landlord for any and all real property taxes, Mello-Roos Bond fees, special district fees or taxes, and any other tax levied against the real property at the Leased Premises, and furthermore shall pay all taxes assessed against and levied upon fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Leased Premises prior to delinquency, and when possible Tenant shall cause these fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real property of Landlord.

Section 6. Uses Prohibited.

(a) Tenant shall not use, nor permit the Leased Premises, nor any part of the Leased Premises, to be used for any purpose other than the purpose set forth in Section 2, and in no event for any illegal purpose. No use shall be made or permitted to be made of the Leased Premises, nor acts done, that will increase the existing rate of insurance upon the Property (once this rate is established), or cause a cancellation of any insurance policy covering the Property or any part of the Property, nor shall Tenant sell or permit to be kept, used, or sold in or about the Leased Premises any article that may be prohibited by standard form of fire insurance policies.

Section 7. Alterations.

Tenant shall not make or suffer to be made, any alterations of the Leased Premises, or any part of the Leased Premises, without the prior consent of Landlord, and any additions to, or alterations of, the Leased Premises, except movable furniture and trade fixtures, shall become at once a part of the realty and belong to Landlord. Any alterations shall be in conformance with the codes, statutes and regulations of all municipal, state, and federal authorities.

Section 8. Maintenance and Repair.

(a) Tenant acknowledges that Tenant is leasing the Leased Premises on an "as is" "triple net" basis. Tenant agrees to accept the Premises with all faults. Tenant shall, at all times during the Term, and at Tenant's sole cost and expense, maintain the landscape and the exterior and interior of the Leased Premises in good and sanitary order and condition. Tenant, at Tenant's sole expense, shall be responsible for all interior and exterior maintenance and repair including, but not limited to: interior and exterior wall and ceiling surfaces, roofs, window shades, painting, patching, cleaning, all electrical systems, all plumbing systems, all mechanical systems, all structural components, carpentry repairs, doors, windows, trim, floor maintenance, and any and all special items and/or equipment installed by or at the expense of the Tenant, as well as all landscaping. Tenant, at Tenant's sole expense, shall be responsible for performing routine maintenance as well as majors repairs and/or replacement on the building's HVAC ventilation system, including any required filter replacement operations.

(b) Tenant shall maintain the entirety of the exterior of the Leased Premises in good order, condition and repair, including parking lot and all structural parts of the Leased Premises. Tenant shall be responsible for loss or damage to landscape and/or any other interior or exterior improvements at the Leased Premises as a result of acts by Tenant, employees of Tenant and guests or invitees of Tenant, or through any negligence of Tenant or Tenant's employees, vendors, agents, customers, or visitors.

(c) Tenant shall be responsible for any and all repair and/or replacements necessary to maintain the entirety of the Leased Premises.

Section 9. Destruction or Damage

(a) If the Leased Premises necessary for the Tenant’s occupancy is damaged by fire, earthquake, act of God, the elements or other casualty, Landlord shall, subject to the provisions of this section 9, promptly repair the damage, if such repairs, in the Landlord's opinion, can be completed within ninety (90) days. If the Landlord determines that the repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such delay is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitee, the Monthly Base Rent shall be abated to the extent Tenant's use of the Leased Premises is impaired, commencing with the date of damage and continuing until completion of repairs required of Landlord under this paragraph.

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(b) If in the Landlord's opinion such repairs to the Leased Premises necessary for the Tenant's occupancy cannot be completed within ninety (90) days, either party may elect, upon written notice to the other given within thirty (30) days after the date of such fire or other casualty, to terminate the Lease. If this Lease is not terminated, and the Landlord elects to repair such damage, this Lease shall continue in full force and effect, but the Monthly Base Rent may be partially abated as provided in paragraph 9(a) above. If Landlord does not elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

(c) If the Leased Premises are to be repaired under this section, Landlord shall repair at its expense any damage. Tenant shall be responsible at its sole cost and expenses for the repair, restoration and replacement of any Leasehold Improvements and Tenant's property.

(d) Notwithstanding anything in this Lease to the contrary, if the Leased Premises necessary for the Tenant's occupancy are damaged by fire, earthquake, act of God, the elements or other casualty within twelve (12) months prior to the scheduled Expiration Date, Landlord or Tenant may terminate this Lease upon written notice to the other party given within thirty (30) days after the date for such fire or other casualty, whether or not the Landlord determines that repairs can be completed within ninety (90) days.

Section 10. Compliance with Law.

(a) Tenant shall, at Tenant's sole cost, comply with all of the requirements of all municipal, state, and federal authorities now in force or that may later be in force pertaining to the use of the Leased Premises, and shall faithfully observe in this use all municipal ordinances and state and federal statutes, codes and regulations now in force or that shall later be in force. The judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party or not, that Tenant has violated any order or statute in this use, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall not commit, or suffer to be committed, any waste upon the Leased Premises, or any nuisance or other act or thing that may disturb the quiet enjoyment of any other Tenant in the building in which the Leased Premises may be located.

(b) The parties acknowledge and agree that following an inspection requested by Tenant, the Leased Premises currently comply with the requirements of the Americans with Disabilities Act (ADA). However, in the future the Leased Premises are found not to be in compliance with the ADA, Tenant, at the Tenant's sole expense, shall be responsible for all modifications to the Leased Premises necessary to correct any deficiency not already waived in Attachment 1, and meet the minimum requirements of the ADA.

Section 11. Tenant's Insurance; Indemnification of Landlord.

(a) During the entire Term of this Lease, Tenant shall, at Tenant's sole cost, but for the mutual benefit of Landlord and Tenant, maintain general public liability insurance against claims for fire, explosion, comprehensive building owners' coverage, personal injury, death, or property damage occurring in or about the Leased Premises. The limitation of liability of this insurance shall be not less than $500,000.00 in respect to injury or death of one person and to the limit of not less than $1,000,000.00 in respect to any one accident and to the limit of not less than $2,500,000.00 with respect to property damage. All policies of insurance shall be issued in the name of Tenant, with Landlord listed as an additional insured, and certificates of this insurance and copies of policies shall be delivered to Landlord within 45 days of Commencement Date. All insurance policies shall contain a provision that a thirty (30) day prior written notice of any cancellation shall be given to Landlord and Tenant before the effective date of cancellation.

(b) Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, waives all claims against Landlord for damage to goods, wares, and merchandise in, upon, or about the Leased Premises, from any cause arising at any time unless arising from Landlord's gross negligence or intentional acts. Tenant will defend and hold Landlord exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the Leased Premises by Tenant, or from the failure of Tenant to keep the Leased Premises in good condition and repair, as provided in this Lease, unless any such damage arises out of the Landlord's gross negligence or intentional act.
Section 12. Free From Liens.

Tenant shall keep the Leased Premises and the Property free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant.

Section 13. Abandonment.

Tenant shall not vacate or abandon the Leased Premises at any time during the Term, and if Tenant shall abandon, vacate, or surrender the Leased Premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the Leased Premises shall, at the option of Landlord, be deemed abandoned.

Section 14. Utilities.

Tenant shall pay before delinquency all charges for water, gas, heat, trash disposal, electricity, power, telephone service, and all other services of utilities used in, upon, or about the Leased Premises by Tenant or any of Tenant's subtenants, licensees, or concessionaires during the Term.

Section 15. Entry.

Subject to reasonable prior notice to Tenant, Tenant shall permit Landlord and Landlord's agents to enter into and upon the Leased Premises at all reasonable times to inspect them or to maintain the building in which the Leased Premises are situated, or for making repairs, alterations, or additions to any other portion of the building, including the erection and maintenance of scaffolding, canopy, fences, and props as may be required, or for posting notices of non-liability for alterations, additions, or repairs, or for placing any usual or ordinary For Sale signs upon the property in which the premises are located.

Section 16. Assignment and Subletting.

Tenant shall not assign this Lease, or any interest in this Lease, and shall not sublet the Leased Premises or any part of them, or any right or privilege appurtenant to them, or permit any other person other than the agents and servants of Tenant to occupy or use the Leased Premises without the prior written consent of Landlord, which consent may be unreasonably withheld.

Section 17. Default.

(a) Each of the following shall constitute an event of default (Event of Default) under this Lease:

   (i) if Tenant fails to make any payment required by the provisions of this Lease when due, and such failure continues for nine (9) days after written notice from Landlord to Tenant that such payment is due and payable;

   (ii) if Tenant fails within thirty (30) days after written notice to correct any breach or default of the other covenants, terms, or conditions of this Lease;

   (iii) if Tenant abandons the Leased Premises before the end of the Term; or

   (iv) if all or substantially all of Tenant's assets shall be placed in the hands of a receiver or trustee and if this receivership or trusteeship continues for a period of forty-five (45) days, or should Tenant make an assignment for the benefit of creditors, or be adjudicated bankrupt, or should Tenant institute any proceedings under any state or federal bankruptcy act in which Tenant seeks to be adjudicated bankrupt, or seeks to be discharged of debts, or should any voluntary proceeding be filed against this Tenant under the bankruptcy laws and Tenant consents to it and acquiesces by pleading or default.

(b) Upon the occurrence of an Event of Default, Landlord shall have the right at any time afterwards to elect to terminate the Lease and Tenant's right to possession under the Lease. Upon this termination, Landlord shall have the right to recover against Tenant:
(i) The worth at the time of award of the unpaid rent that had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of this rental loss that Tenant proves could have been reasonably avoided;

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of this rental loss that Tenant proves could be reasonably avoided;

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under the Lease or that in the ordinary course of things would be likely to result.

The worth at the time of award of the amounts referred to in the previous subparagraphs shall be computed by allowing interest at ten percent (10%) per annum. The worth at the time of award of the amount referred to in subparagraph (iii) shall be computed by discounting this amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(c) Efforts Landlord may make to mitigate the damages caused by Tenant's breach of this Lease shall not constitute a waiver of Landlord's right to recover damages against Tenant, nor shall anything contained in this Lease affect Landlord's right to indemnification against Tenant for any liability arising prior to the termination of this Lease, in accordance with paragraph 11 (b) above.

(d) However, the breach of this Lease by Tenant, or an abandonment of the Leased Premises by Tenant, shall not constitute a termination of this Lease, nor of Tenant's right of possession under this Lease, unless and until Landlord elects to do so, and until that time Landlord shall have the right to recover rent and all other payments to be made by Tenant under this Lease as they become due; provided, that until Landlord elects to terminate this Lease and Tenant's right of possession under this Lease, Tenant shall have the right to sublet the Leased Premises or to assign interests in this Lease, or both, subject only to the written consent of Landlord, which consent shall not be unreasonably withheld.

(e) As security for the performance by Tenant of all duties and obligations under the Lease, Tenant assigns to Landlord the right, power, and authority, during the continuance of this Lease, to collect the rents, issues, and profits of the Leased Premises, reserving to Tenant the right, prior to any breach or default by Tenant under this Lease, to collect and retain the rents, (solely in the case of a sublease previously approved in writing by Landlord) issues, and profits, from the operation of Tenant's approved business use, as they become due and payable, and so long as payments to Landlord are also kept current. Upon any breach or default, Landlord shall have the right at any time afterward, without notice except as provided for previously, either in person, by agent, or by a receiver to be appointed by a court, enter and take possession of the Leased Premises and collect rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any secured indebtedness, and in an order as Landlord may determine.

(f) The parties agree that acts of maintenance or preservation or efforts to release the premises, or the appointment of a receiver upon the initiative of Landlord to protect interests under this Lease shall not constitute a termination of Tenant's right of possession for the purposes of this paragraph unless accompanied by a written notice from Landlord to Tenant of Landlord's election to so terminate.

(g) Subject to other terms and provisions of this Lease, if the Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, or if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained as a direct result of Landlord's breach.
Section 18. Surrender of Lease.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation of the Lease, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to Landlord of any of the subleases or subtenancies.

Section 19. Sale of Property.

If Landlord sells any of the Leased Premises, Tenant acknowledges and agrees that Landlord shall be and is entirely relieved of all liability under this Lease, and of all the covenants and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission occurring after the consummation of the sale, and the purchaser, at the sale or any subsequent sale of the Leased Premises, shall be deemed to have assumed and agreed to carry out any of the covenants and obligations of Landlord under this Lease.

Section 20. Attorney Fees.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease the nonprevailing party shall pay to the other all expenses of the litigation, including reasonable attorney fees as may be fixed by the court having jurisdiction over the matter. The parties agree that the State of California, County of San Diego, is the proper jurisdiction for litigation of any matters relating to this Lease, and service sent by certified mail to the address of the parties set forth in this Lease shall be adequate service for this litigation.


Tenant, contemporaneously with the execution of this Lease, has deposited with Landlord the non-interest bearing sum of $0, receipt of which is acknowledged by Landlord, this deposit being given to secure the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease by Tenant to be kept and performed during the Term. Tenant agrees that upon the occurrence of an Event of Default under this Lease, this deposit may, at the option of Landlord, be applied to any damages suffered by Landlord as a result of the Event of Default to the extent of the amount of the damages suffered.

Section 22. Holding Over.

Any holding over after the expiration of the Term, with the consent of Landlord, shall be construed to be a tenancy from month-to-month, cancelable upon thirty (30) days written notice, and subject to the same rental and terms and conditions as existing during the last year of the Term. Any holding over after the expiration of the Term, without the consent of Landlord, shall be construed to be a tenancy-at-will month to month, at a Monthly Rent of one hundred and ten percent (110%) of the Monthly Rent as existing during the last year of the Term, but otherwise on the terms and conditions in this Lease.

Section 23. Notices.

Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to the other, this notice or demand shall be given or served and shall not be deemed to have been given or served unless in writing and forwarded by certified mail, addressed as follows:

If to Landlord:

Dr. Joel Wallach
Dr. Ma Lan
CIO Haskins & Associates
4045 Bonita Rd., Ste. 206
Bonita, CA 91902

If to Tenant:

American Longevity
2400 Boswell Road, Eastlake
Chula Vista, CA 92029
Section 24. Successors in Interest.

The covenants in this Lease shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties to this Lease; and all of the parties to this Lease shall be jointly and severally liable.

Section 25. Partial Invalidity.

If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be void or unenforceable, the remainder of the provisions of this Lease shall remain in full force and shall in no way be affected, impaired, or invalidated.

Section 26. Captions.

The various headings and numbers in this Lease and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only and shall not be considered a part of this Lease.

Section 27. Time.

Time is of the essence in this Lease.

Section 28. Condemnation.

If a condemnation or a transfer in lieu thereof occurs on all or any portion of the Leased Premises, Landlord or Tenant may, upon written notice given within thirty (30) days after the taking or transfer in lieu thereof, terminate this Lease. In the event of any taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of the Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any award, judgment or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from the Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

Section 29. No Oral Agreements.

This Lease includes in full each agreement of every kind between the parties concerning the Leased Premises, and all preliminary negotiations and agreements of any kind or nature are merged in this Lease, and there are no oral agreements or implied covenants made in connection with this Lease.

Section 30. Governing Law

This lease shall be governed by and construed in accordance with the laws of the State of California. This Agreement is the product of arms-length negotiations and shall not be construed for or against either party, nor shall it be construed according to any doctrine, rule or statute, which provides that a contract is to be interpreted against the interest of the party who drafted it, including, but not limited to, California Civil Code § 1654.
WHEREFORE the parties hereto agree to the foregoing as of the date noted above and acknowledge receipt of a copy of this Lease.

Dr. Joel Wallach, Trustee, The Joel and Ma Lan Wallach Family Trust (Landlord)

/s/ Ma Lan

Dr. Ma Lan, Trustee, The Joel and Ma Lan Wallach Family Trust (Landlord)

Wellness Lifestyles, Inc., a California corporation, dba American Longevity

By: 

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WHEREFORE the parties hereto agree to the foregoing as of the date noted above and acknowledge receipt of a copy of this Lease.

/s/ Joel Wallach
Dr. Joel Wallach, Trustee, The Joel and Ma Lan Wallach Family Trust (Landlord)

/s/ Dr. Ma Lan
Dr. Ma Lan, Trustee, The Joel and Ma Lan Wallach Family Trust (Landlord)

Wellness Lifestyles, Inc., a California corporation, dba American Longevity

By: /s/ Dr. Joel Wallach
AMENDMENT TO LEASE AGREEMENT

This Amendment to Lease Agreement is entered into as of this 6th day of November, 2006 by and between 2400 Boswell LLC, a California limited liability company, successor in interest to Dr. Joel Wallach and Ma Lan, trustees of the Joel and Ma Lan Wallach Family Trust u/t/d 112196 ("Landlord") and AL Global Corporation dba Youngevity formerly known as Wellness Lifestyles, Inc. ("Tenant").

WHEREAS, the Landlord and Tenant entered into a lease as of May 1, 2001, for the lease of certain improved real property located at 2400 Boswell Chula Vista, California 91914; and

WHEREAS, the parties desire to amend the lease to acknowledge and consent to a name change of the tenant.

Now, therefore in consideration of the premises the parties agree as follows:

1. The parties acknowledge and agree that the name of the Tenant is legally changed to "AL Global Corporation" and that AL Global Corporation does business under the fictitious name of "Youngevity."

2. Except as amended or modified hereby, the Lease Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first mentioned above.

2400 BOSWELL, LLC,

a California Limited Liability Company

Landlord

/s/ Ma Lan

Ma Lan

AL GLOBAL CORPORATION, INC.,

a California corporation

Tenant

/s/ Dr. Joel Wallach

Dr. Joel Wallach

President
LEASE

THIS LEASE made this 29th day of July, 2008 between FDI Realty, LLC of One Industrial Drive, Windham, New Hampshire 03087, hereinafter referred to as the LESSOR and Financial Destination, Inc. having a usual place of business at 15 East Broadway, Derry, New Hampshire 03038, hereinafter referred to as the LESSEE.

In consideration of the mutual covenants and agreements herein contained, the LESSOR has demised and leased and by these presents does demise and lease to the LESSEE: for the rental, for the terms and upon the other conditions hereinafter set forth, Twelve Thousand Seven Hundred Fifty (12,750) square feet of finished floor space located on the first and second floors of One Industrial Drive, Windham, New Hampshire, the location and dimensions of the demised premises being shown of a floor plan annexed as Exhibit A and made a part hereof.

SECTION 1. TERM:

The term of the lease shall be for a period of three (3) years, commencing with the 1st day of August, 2008, and ending on the last day of July, 2011. LESSEE shall have the option to extend or renew this lease for six (6) additional three (3) year terms at the base rent of $13.13 plus the current common area maintenance and real estate tax amounts as identified below in Section 2(a).

SECTION 2. RENT:

(a) The LESSEE shall pay to LESSOR as rent in equal monthly installments on the first day of each month, without deduction, set off, prior notice, or demand, the sum of $17,000.00 per month ($16 per square foot consisting of $13.13 rent and $1.89 common area maintenance and $0.98 real estate taxes).

(b) The rental payments shall include without further cost to the LESSEE, common maintenance fees which may be assessed to the leased premises as well as heating, cooling, and electricity.

(c) LESSEE shall be responsible for the cost of cleaning the leased premises as well as sharing costs of the cleaning of the common area rest rooms used by the LESSEE and Lab Force Services, Inc. and Multi-Process Computer Corp., the other tenants.

(d) The LESSEE shall be responsible for the cost of its own telephone and other communication equipment, together with the cost of installation and removal of same.

SECTION 3. TENANT IMPROVEMENTS:

Not applicable.

SECTION 4. PARKING:

THE LESSEE, its employees and business invitees shall be entitled to share with other tenants those parking sites which have been established or set aside for common use. LESSEE is allowed a maximum of thirty-five (35) spaces.

The location of common parking sites shall be established by the LESSOR and the use of all of the parking facilities shall, at all times, be subject to such reasonable rules and regulations as the LESSOR may promulgate for all tenants.

Should the LESSOR designate parking spaces for other tenants, the LESSEE shall be similarly treated with respect to numbers and locations of designated spaces.
SECTION 5. QUIET ENJOYMENT:

The LESSOR shall put the LESSEE in possession of the leased premises at the beginning of the term hereof, and the LESSEE, upon paying the rent and observing the other covenants and conditions herein, upon its part and to be observed, shall peaceably and quietly hold and enjoy the leased premises. The LESSOR's obligations under this Section shall extend to any subsequent purchaser or owner of the property of which the leased premises is a part.

SECTION 6. REPAIRS BY LESSOR:

Except as otherwise provided in Sections 6 and 7, subject to LESSEE's obligations in Section 2 and elsewhere in this Lease, LESSOR shall (a) keep and maintain the roof. exterior walls. window systems. structural floor slabs and columns of the Building in as good condition and repair as they are in the Term Commencement Date. reasonable use and wear except (and maintain in good working order and condition the sanitary. electrical. heating. air conditioning and other systems of the Building); (b) keep all roadways. walkways and parking areas on the Property clean and remove all snow and ice therefrom; (c) replace windows whenever broken other than as a result of the act. omission. fault. negligence or misconduct of LESSEE or LESSEE's agents. contractors. employees or invitees. (d) arrange for the extermination of rodents and vermin within the Building so long as LESSEE maintains the Demised Premises in a sanitary condition as herein required and (e) maintain the exterior landscaped areas of the Land.

SECTION 7. REPAIRS OF THE LESSEE:

The LESSEE shall be responsible for routine semi-annual maintenance on the HVAC specific to the leased premises and all minor repairs thereto. Any major repairs in excess of $1,000.00 shall be the responsibility of the LESSOR. At the expiration of this lease or earlier, upon termination hereof for any cause herein provided for, shall deliver up the leased premises and the structures therein, to the LESSOR in the same condition and state of repair as at the beginning of the term hereof, reasonable wear and tear, taking by eminent domain, and damage due to fire or other casualty insured against excepted.

SECTION 8. IMPROVEMENTS BY LESSEE:

The LESSEE may make such alterations. additions or improvements to the leased premises as it shall deem necessary or desirable. provided that any such alterations. additions or improvements must first have the written approval of the LESSOR. and that (a) prior to the commencement of work on any such alterations. additions or improvements the plans and specifications covering the same. shall have been submitted to and approved by (i) all municipal or other governmental departments or agencies having jurisdiction over the subject matter thereof. and (a) and mortgagee having interest in or a lien upon the leased premises (b) that prior to the commencement of work on any such alterations. additions or improvements. the LESSEE shall procure and deliver to the LESSOR all policies of insurance occasioned or required by such work, including, but not limited to liability and fire insurance. the LESSEE being responsible in any event for any increased premiums resulting therefrom.

SECTION 9. MACHINERY AND EQUIPMENT - TRADE FIXTURES:

THE LESSEE agrees that all machinery and equipment. and appurtenances thereto. installed in the leased premises by any employee. agent or subcontractor of the LESSEE which cannot be removed from the leased premises without permanent and substantial damage to the leased premises without the written consent of the LESSOR. The LESSOR agrees that (a) all machinery and equipment. and appurtenances thereto. installed in the leased premises by the LESSEE. which may be removed from the leased premises and (b) all furniture. furnishing and movable trade fixtures installed in the leased premises shall be deemed to remain personal property and that as such machinery. equipment. appurtenances. furniture. furnishing and movable trade fixtures of the LESSEE or of any employee. agent or subcontractor or subtenant of the LESSEE. may be removed prior to the expiration of this lease or its earlier termination for any cause herein provided for but the LESSEE shall repair any damage occasioned by such removal and shall restore the facilities on the leased premises to their condition at the beginning of the term hereof. reasonable wear and tear. taking by eminent domain. and damage due to fire or other casualty insured against excepted. In the event that the LESSEE shall fail to promptly remove such property upon expiration of earlier termination of this lease. any such property which may be removed upon the expiration or earlier termination of this lease may be removed from the leased premises by the LESSOR and stored for the account of the LESSEE. the LESSOR shall fail to reclaim such property within thirty days following such expiration or earlier termination of this lease. such property shall be deemed to have been abandoned by the LESSEE. and may be appropriated. sold. destroyed or otherwise disposed of by the LESSOR without obligation to account therefore. The LESSEE shall pay to the LESSOR the cost incurred by the LESSOR in removing. storing. selling. destroying or otherwise disposing of any such property.
SECTION 10. UTILITIES:

The LESSOR shall be responsible for all utilities, including but not limited to electricity, heat and air conditioning. In the event that any systems fail or breaks down, the LESSOR shall use reasonable diligence to repair same. In no event shall the LESSEE, or anyone claiming under the LESSEE, be entitled to recover any damages on account of any failure of the systems providing the utility services.

SECTION 11. USE OF PREMISES:

(a) The leased premises may be used or occupied for the purpose of conducting a direct selling business and shall not without the prior written approval of the LESSOR, be used for any other purpose.

(b) In its use of the leased premises, the LESSEE shall comply with all statutes, ordinances and regulations applicable to the use thereof, including, without limiting the generality of the foregoing, the Zoning Ordinance of the Town of Windham, New Hampshire, as now in effect or as hereafter amended.

(c) The LESSEE shall not injure or deface, or commit waste with respect to, the leased premises or any facilities thereon, nor occupy or use the leased premises, or permit or suffer any part hereof to be occupied or used, for any unlawful or illegal business, use of purpose, nor for any business, use or purpose deemed to be disreputable or extra-hazardous, nor in such manner as to constitute a nuisance of any kind, nor for any purpose not in any manner in violation of any present or future laws, rules, requirements, orders, directions, ordinances, or regulations of any governmental or lawful authority, including Boards of Fire Underwriters. The LESSEE, shall, immediately upon the discovery of any such unlawful, illegal, disreputable or extra-hazardous use, take and necessary steps, legal and equitable, to compel the discontinuance of such use and to oust and remove any subtenants, occupants or other persons guilty of such unlawful, illegal and disreputable or extra-hazardous use.

(d) The LESSEE shall procure any licenses or permits required by any use of the leased premises by the LESSEE.

SECTION 12. ASSIGNMENTS - SUBLEASE:

The LESSEE shall not assign this lease or sublease the leased premises, in whole or in part, without the prior written approval of the LESSOR, which approval shall not be unreasonably withheld.

SECTION 13. DAMAGE OR DESTRUCTION BY FIRE OR UNAVOIDABLE CASUALTY:

If more than fifty (50%) percent of the leased premises are damaged or destroyed by fire or unavoidable casualty, this lease shall terminate and the rent shall be apportioned to the time of the damage, provided the damage or destruction is not due to the willful or negligent acts of the LESSEE, its employees or business invitees, in which case there shall be no apportionment of rent.

If less than fifty (50%) percent of the premises shall be damaged or destroyed by fire or unavoidable casualty, the LESSEE shall give prompt notice thereof to the LESSOR and the LESSOR shall, at the LESSOR'S own cost and expense without reimbursement, repair such damage or destruction and restore the premises substantially to their condition at the time of such casualty and a just proportion of the rent reserved, according to the nature and extent of such damage or destruction, shall be abated until such repairs and restoration are completed, provided that the loss and damage were not due to the willful or negligent acts of the LESSEE, its employees or business invitees, in which case there shall be no apportionment of the rent. The LESSOR agrees to cause such repairs and/or restoration to be commenced and completed with reasonable dispatch. In determining what constitutes reasonable dispatch, consideration shall be given to delays caused by strikes, adjustment of insurance and other causes beyond the LESSOR'S control.
If the LESSOR shall not have commenced and completed such repairs or restoration with reasonable dispatch, the LESSEE shall have the right to terminate this lease by giving written notice to the LESSOR. In which event, this lease shall terminate as of the date of the notice and the LESSEE's liability to pay rent shall cease as of such date and any rent paid in advance by the LESSEE shall be partially abated or refunded by the LESSOR, as the case may be. In any event, the LESSEE's only remedies for damages shall be proportionate abatement of rents and the right to terminate as aforesaid.

SECTION 14. EMINENT DOMAIN:

If all or substantially all of the premises shall be taken by public authority, or for any public use, or shall be destroyed or damaged by action of any public authority, this lease and the term hereby created shall thereupon terminate and expire on the date title shall vest in the condemner and the LESSEE shall thereupon be released of and from any further liability hereunder and the rent shall be adjusted as of the time of such termination. The LESSEE shall be entitled to such portion of the entire award as shall compensate the LESSEE for the taking or condemnation of any fixtures, equipment or other personal, property and improvements installed in or made to the premises by or at the expense of the LESSEE, provided that the award incorporates or contains the money value of the fixtures, equipment or other personal property and improvements installed in or made to the premises by or at the expense of the LESSEE, and for the loss of the leasehold estate and rights of the LESSEE herein granted, the balance of such award shall belong to the LESSOR.

If only a part of the premises shall be so taken or condemned, and the part not so taken shall, in the opinion of the LESSEE, be sufficient for the operation or conduct of the LESSEE's business, the entire award shall belong to the LESSOR, provided, however, that the LESSEE shall be entitled to receive compensation for the taking or condemnation of any fixtures, equipment or other personal property and improvements installed in or made by the LESSEE to the part of the premises so taken, provided that the award incorporates or contains the money value of the fixtures, equipment or other personal property and improvements installed in or made to the premises by and at the expense of the LESSEE, and such other compensation to which the LESSEE may by law be entitled.

If the portion of the premises so taken or condemned shall reduce the premises so as in the opinion of the LESSEE, to prevent the LESSEE from continuing the LESSEE's business in the demised premises, the LESSEE may terminate this lease by giving to the LESSOR notice to that effect within sixty (60) days after the date on which the LESSEE shall be required to surrender possession of the portion of the premises so taken. If the LESSOR shall exercise such cancellation right, the LESSEE shall continue to pay the rent until such time as the LESSEE shall leave and surrender possession of the premises and thereupon the LESSEE shall be released of and from any further liability hereunder and the rent shall be adjusted to the date the LESSEE shall so surrender possession of the premises and the LESSEE shall be entitled to receive for its separate benefit such portion of the entire award as shall compensate the LESSEE for the taking or condemnation of any fixtures, equipment or other personal property or improvements installed in or made to the premises by and at the expense of the LESSEE.

SECTION 15. LIABILITY:

Except for injury or damage caused by the willful or negligent act of the LESSOR, his servants or agents, the LESSOR shall not be liable for any injury or damage to any person happening on or about the leased premises or for any injury or damage to the leased premises or to any property of the LESSEE or to any property of a third person, firm, association, or corporation on or about the leased premises. The LESSOR shall, except for injury or damage caused as aforesaid, indemnify and save the LESSOR harmless from and against any and all liability and damages, costs and expenses, including reasonable counsel fees, and from and against any and all suits, claims and demands of any kind or nature, by and on behalf of any person, firm, association or corporation, arising out of or based upon any incident, occurrence, injury or damage which shall or may happen on or about the leased premises and from and against any matter or thing growing out of the condition, maintenance, repair, alteration, use occupation or operation of the leased premises or the facilities therein or the installation of any property therein or the removal of any property therefrom and which loss arises from the sole negligence of the LESSEE, its agents or servants. The LESSEE and all parties claiming under it hereby release and discharge the LESSOR from all claims and liabilities arising from or caused by any hazard covered by insurance on the leased premises or covered by insurance in connection with property on or activities conducted on the leased premises, regardless of the cause of the damage or loss.

SECTION 16. LIABILITY INSURANCE:

The LESSEE shall throughout the term hereof procure and carry at its expense General Liability Insurance on the leased premises with an insurance company authorized to do business in New Hampshire and acceptable to the LESSOR. Approval of the insurance company selected by the LESSEE shall not be unreasonably withheld by the LESSOR. Such insurance shall be carried in the name of and for the benefit of the LESSEE and the LESSOR as their interest shall appear. and shall provide coverage of at least One Million ($1,000,000.00) Dollars Each Occurrence Limit and at least Two Million ($2,000,000.00) Dollars General Aggregate Limit. A Combined Single Limit Policy or policies in the total amount of One Million ($1,000,000.00) Dollars shall be deemed compliant with the preceding sentence. The LESSEE shall furnish to the LESSOR certificate of such insurance which shall provide that the insurance indicated therein shall not be cancelled without at least ten (10) days written notice to the LESSOR.
SECTION 17. FIRE INSURANCE COVERAGE:

The LESSOR will, at all times during the term of this lease, at its own cost and expense, insure and keep in effect on the building in which the leased property is located fire insurance with additional coverage commonly known as supplemental contract or extended coverage, covering interests authorized to do business in the State of New Hampshire. In the event that the LESSOR is required to pay an additional or increased premium for fire insurance coverage due to the LESSEE's use of the leased premises, the LESSEE shall be responsible for the difference, and shall, upon demand, pay the same to the LESSOR as additional rent.

SECTION 18. REPOSSESSION BY LESSOR:

At the expiration of this lease or upon the earlier termination of this lease for any cause herein provided, for the LESSEE shall peaceably and quietly quit the leased premises and deliver possession of the same to the LESSOR, together with the facilities thereon at the beginning of the term hereof and all facilities constructed thereon by the LESSEE which are not to be removed pursuant to the terms hereof. The LESSEE covenants and agrees that at the time delivery of possession to the LESSOR at the expiration of this lease, any and all facilities, machinery, equipment and appurtenances constructed or installed on or in the leased premises by the LESSEE at its expense after the beginning of the term hereof and which have become the property of the LESSOR hereof shall be free and clear of any mortgage, lien, pledge or other encumbrance or charge.

SECTION 19. MORTGAGE LIEN:

LESSEE shall, upon the request of LESSOR in writing, subordinate this Lease and the lien hereof to the lien of any present or future mortgage or mortgages upon the demised premises or any property of which the demised premises are a part, irrespective of the time of execution or the time of recording of any such mortgage or mortgages provided that a written agreement with LESSEE to the effect that in the event of foreclosure or other action taken under the mortgage by the holder thereof this Lease and the rights of LESSEE hereunto shall not be disturbed, but shall continue in full force and effect so long as LESSEE shall not be in default hereunder. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, extension, renewals and replacements thereof, and any and all advances thereunder.

LESSOR covenants and agrees with LESSEE that upon LESSEE paying the rent and observing and performing all the terms, covenants and conditions, on LESSEE's part to be observed and performed, LESSEE may peaceably and quietly have, hold, occupy and enjoy the demised premises without hindrance or molestation or interference to its business operation.
SECTION 20. DEFAULT:

In the event (i) any installment of rent shall not be paid within ten (10) days after the same is due and payable and remains unpaid five (5) days after written notice of non payment or (ii) the LESSEE defaults in the performance or observance of any other covenant or condition in this Indenture and such default remains unremedied for thirty (30) days after written notice thereof has been given to the LESSEE by the LESSOR, or (iii) the LESSEE makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated insolvent, or enters into an arrangement, readjustment of debt, dissolution, or liquidation, or (iv) the LESSEE shall file a voluntary petition in bankruptcy, is adjudicated insolvent, or enters into an arrangement, readjustment of debt, dissolution, or liquidation, or (v) the LESSEE makes an assignment for the benefit of creditors, or (vi) the LESSEE is adjudicated insolvent, or enters into an arrangement, readjustment of debt, dissolution, or liquidation, or (vii) the LESSEE shall suffer any such receivership or trustee to continue undischarged for a period of sixty (60) days, then in any of such events, the LESSOR may immediately, or at any time thereafter, and without demand or notice enter upon the leased premises or any part thereof, in the name of the whole or repossess the same as of the LESSOR'S former estate and expel the LESSEE and those claiming through or under the LESSEE and remove their effects forcibly if necessary, without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant and upon such entry this lease shall terminate, and the LESSEE covenants that in case of such termination or in case of termination under the provisions of statute by reason of the default of the LESSEE, the LESSEE shall remain and continue liable to the LESSOR in an amount equal to the total rent reserved for the balance of the term plus any additional rent hereof less the net amounts (after deducting the expense of repair, renovation or demolition) which the LESSOR realizes, or with due diligence should have realized, from the reletting of the leased premises. As used in this section, the term “additional rent” means the value of all considerations other than rent agreed to be paid out or performed by the LESSEE hereunder, including, without limiting the generality of the foregoing, assessments and insurance premiums contemplated by this lease. If a sufficient sum shall not be thus realized to yield the net rent required under this lease, the LESSEE agrees to satisfy and pay all deficiencies as they may become due and during each month of the remaining term of this lease. Nothing herein contained shall be deemed to require the LESSOR to await the date wherein this lease, or the term hereof, would have expired had there been no default by the LESSOR, or no such termination or cancellation. The LESSOR expressly waives service of any notice of intention to re-enter and waives any and all right to recover or regain possession of the leased premises, or to reinstate or redeem this lease as may be permitted or provided for by or under any statute or law now or hereafter in force and effect. The rights and remedies given to the LESSOR in this lease are distinct, separate and cumulative remedies and no one of them, whether or not exercised by the LESSOR, shall be deemed to be an exclusion of any of the others herein or by law or equity provided. Nothing contained in this section shall limit or prejudice the right of the LESSOR to prove and obtain, in proceedings involving the bankruptcy or insolvency of, or a composition with creditors by the LESSEE, the maximum allowed by any statute or rule of law at the time in effect.

SECTION 21. ACCESS TO PREMISES:

The LESSOR or its representatives shall have reasonable access to the leased premises at reasonable intervals during normal business hours for the purpose of inspection, or for the purpose of showing the premises to prospective purchasers or tenants. or for the purpose of making repairs which the LESSEE is obligated to make, but has failed or refused to make. The preceding sentence does not impose upon the LESSOR any obligation to make repairs. During the six (6) months next preceding the expiration of this lease, the LESSOR may keep affixed to any suitable part of the outside of the building on the leased premises a notice that the leased premises are for sale or rent.

SECTION 22. HOLDING OVER:

In the event the LESSEE shall hold over after the expiration of the term hereof such holding over shall not extend the term of this lease. but shall create a month-to-month tenancy upon all terms and conditions of this Indenture.

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SECTION 2. NOTICES:

Any written notice, request or demand required or permitted by this Indenture shall, until either party shall notify the other in writing of a different address, be properly given if sent by certified or registered first class mail, postage prepaid, and addressed as follows:

If to the LESSOR:

FDI Realty, LLC
William J. Andreoli, Jr.
One Industrial Drive
Windham, New Hampshire 03087

If to the LESSEE:

William J. Andreoli, Jr.
Financial Destination, Inc.
15 East Broadway
Derry, New Hampshire 03038

SECTION 24. SHORT FORM RECORDING:

The parties covenant and agree that there shall be recorded in the Rockingham County Registry of Deeds only a Notice of this lease, and that, upon the beginning of the term hereof, they will execute and deliver a Notice of Lease in such form for such purposes. The parties further covenant and agree that, in the event of termination, cancellation or assignment of this lease prior to the expiration of the term hereof, they will execute and deliver, in recordable form, an instrument setting forth such termination, cancellation or assignment.

SECTION 25. HAZARDOUS SUBSTANCES:

The LESSOR has no knowledge of nor has the LESSEE received any notice of the presence of any improper or illegal toxic or hazardous materials on the LESSOR’s property of which the leased premises is a part.

SECTION 26. COMPLIANCE WITH FEDERAL STANDARDS:

In the event that the LESSOR, during the term of this lease, is directed to make improvements or additions to the leased or common areas of One Industrial Drive, as may be required by the provisions of any federal laws or regulations due to the use of the premises by the LESSEE, the LESSEE shall pay the cost of such improvements or additions.

SECTION 27. SUCCESSION:

This Indenture shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

SECTION 28. WAIVER:

Any consent, expressed or implied, by the LESSOR to any breach by the LESSEE of any covenant or condition of this lease shall not constitute a waiver by the LESSOR of any prior or succeeding breach by the LESSEE of the same or any other covenant or condition by this lease. Acceptance by the LESSOR of rent or other payment with knowledge of a breach of or default under any term hereof by the LESSEE shall not constitute a waiver by the LESSOR of such breach or default.
SECTION 29. GOVERNING LAW:

This Indenture shall be construed and interpreted in accordance with the laws of the State of New Hampshire.

SECTION 30. FORCE MAJEURE:

Except as expressly provided herein, there shall be no abatement, diminution or reduction of the rent or other charges payable by the LESSEE hereunder based upon, or claimed as a result of any act of God, act of the public enemy, governmental action, or other casualty, cause or happening beyond the control of the parties hereto.

SECTION 31. COUNTERPARTS:

This Indenture may be executed in two (2) or more counterparts, each of which shall be deemed an original and all collectively but one and the same instrument.

SECTION 32. ENTIRE AGREEMENT:

This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This lease shall not be modified in any way except by a writing subscribed to by both parties.

SECTION 33. COMMISSION:

LESSOR warrants and represents that no commission is due and payable by the LESSOR with respect to this lease and agrees to hold LESSEE harmless from any claim for any such commissions.

SECTION 33. JUDICIAL DETERMINATION:

It is agreed by the parties hereto that if any provision of this lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provisions of this lease, all of which other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this lease is capable of two constructions, one of which would render the provisions void and the other of which would render the provisions valid, then the provision shall have the meaning which renders it valid.

SECTION 34. LESSOR’S DEFAULT:

In the event of the LESSOR’s default, as provided above, LESSEE, in addition to all other rights or remedies it may have, may elect to provide to the LESSOR a thirty (30) day written notice of its intention to terminate this Lease. If LESSOR does not cure its default -within the thirty (30) day period or such other period as provided in the notice of termination, then this Lease shall terminate and all obligations and responsibilities of the parties hereunder shall be null and void.

WITNESS our hands and seals this 29th day of July, 2008.

FDI Realty, LLC
/s/ Joe H.     /s/ William J. Andreoli, Jr.
Witness

Financial Destination, Inc.
/s/ Joe H.     /s/ William J. Andreoli, Jr.
Witness

LESSOR: William J. Andreoli, Jr., Member

LESSEE: William J. Andreoli, Jr., President
FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("Amendment") is made and entered into as of the 25 day of October, 2011 by and between FDI REALTY, LLC ("Landlord"), and FINANCIAL DESTINATION, INC. ("Tenant").

RECITALS:

A. Landlord and Tenant entered into that certain Lease, dated as of July 29, 2008 (the "Lease") whereby Tenant leased certain office space in the building located at One Industrial Drive, Windham, New Hampshire.

B. By this Amendment, Landlord and Tenant desire to extend the term of the Lease and to otherwise modify the Lease as provided herein.

C. Unless otherwise defined herein, capitalized terms as used herein shall have the same meanings as given thereto in the Lease.

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

AGREEMENT:

1. The Premises. Landlord currently leases to Tenant the Premises, which the parties agree contain 12,750 rentable square feet located within the Building and more particularly described in the Lease.

2. Extended Lease Term. The Lease termination date shall be extended such that the Lease shall terminate on July 31, 2014 ("New Termination Date"). The period from August 1, 2011 through the New Termination Date is referred to herein as the "Extended Term." Tenant shall continue to have five (5) remaining options to extend the term of the Lease as set forth in Section 1 of the Lease.

3. Rent. During the Extended Term, Tenant shall continue to pay Rent at the rate set forth in Section 2(a) of the Lease.

4. During the Extended Term, Tenant shall be solely responsible for paying all utilities for the entire Building, including but not limited to electricity, gas, hot water, telephone and cable television, and to pay any deposits or overages required by the suppliers of any such utilities.

5. Brokers. Each party represents and warrants to the other that no broker, agent or finder negotiated or was instrumental in negotiating or consummating this Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any person or entity who claims or alleges that they were retained or engaged by the indemnifying party or at the request of such party in connection with this Amendment.
6. No Further Modification. Except as set forth in this Amendment, all of the terms and provisions of the Lease shall apply during the Extended Term and shall remain unmodified and in full force and effect. Effective as of the date hereof, all references to the “Lease” shall refer to the Lease as amended by this Amendment.

7. Counterparts. This Amendment may be executed in any number of counterparts, which may be delivered electronically, via facsimile or by other means. Each party may rely upon signatures delivered electronically or via facsimile as if such signatures were originals. Each counterpart of this Amendment shall be deemed to be an original, and all such counterparts (including those delivered electronically or via facsimile), when taken together, shall be deemed to constitute one and the same instrument.

8. Recitals. The parties agree that the recitals are true and correct and that the recitals, as well as the definitions set forth therein and in the preamble, are hereby incorporated into this Agreement by reference.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

“Landlord”:
FDI REALTY, LLC
a New Hampshire limited liability company

By: /s/ William J. Andreoli
Print Name: William J. Andreoli
Title: Manager

“Tenant”:
FINANCIAL DESTINATION, INC.,
a New Hampshire corporation

By: /s/ Steve Wallach
Print Name: Steve Wallach
Title: CEO
THIS LEASE AGREEMENT (sometimes hereinafter referred to as the "Lease") made and entered into this 6TH of February 2008, by and between PERC ENTERPRISES (hereinafter called "Landlord"), whose address for the purpose hereof is 109 EAST FLAGLER STREET, SUITE 1600, MIAMI, FL. 33131 and CLR ROASTERS, LLC (hereinafter called "Tenant"), whose address for purposes hereof is 2131 NW 72nd Avenue, Miami, FL 33122.

WITNESSETH

DEMOISED PREMISES

1 Subject and upon the terms, provisions, covenants and conditions hereinafter set forth, and cash in consideration of the duties, covenants and obligations of the other hereunder. Landlord does hereby lease, demise and let to Tenant the premises (hereinafter sometimes called the "Premises" or "Demised premises") in the building known as PERC: 72nd Warehouses located at 2131 NW 72nd Avenue, Miami, FL 33122 containing approximately 15,850 square feet of Net Rentable Area (hereinafter defined) of the building, constituting an proportionate share of 22.5% of the Building. The amount of Net Rentable Area, as provide herein, is stipulated and agreed to by Landlord and Tenant.

The term "Net Rentable Area", as used herein shall refer to (i) in the case of a single tenancy floor, all space measured from the inside surface of the outer glass of the Building to the inside surface of the opposition outer wall, excluding only the areas ("Service Areas") within the outside walls used for building stairs, fire towers, elevator shafts, floors, vents, pipe shafts and vertical ducts, but including any such areas which are for the specific use of the particular tenants such as special stairs or elevators, and (ii) in the case of a multi-tenancy floor, all space within the inside surface of the outer glass enclosing the tenant occupied portion of the floor and measured to the midpoint of the walls separating the areas leased by or held for lease to other tenants or for areas devoted to corridors, elevator foyers, rest rooms and other similar facilities for the use of all tenants on the particular floor (herein called "Common Areas"), but including a proportionate part of the Common Areas located on such floor.

No reductions from Net Rentable Areas are trade for columns necessary to the Building. The Net Rentable Areas in the Demised Premises and in the Building have been calculated on the basis of the foregoing definition and are hereby stipulated above as to the Demised Premises, whether the state should be more or less as a result of minor variations resulting from actual construction and completion of the Demised Premises, for occupancy so long as such work is done substantially in accordance with the approved plans.

TERM

2 This Lease shall be for the Term of five (5) years commencing on February 1, 2008 and ending at Midnight on the 31st day of January, 2013. (hereinafter referred to as the "Initial Term" or "Term") unless sooner Terminated or extended as provided herein. Tenant has the option to renew this lease after the Initial Term, for one (1) subsequent three (3) year Term (hereinafter called "Option One"), which option must be exercised in writing 180 days prior to the Expiration of the then current Term.

If the Landlord is unable to give possession of the Demised Premises on the date of the commencement of the aforesaid Lease Term by reason of the holding over of any prior tenant or tenants or any other reasons, an abatement or diminution of the rent to be paid hereunder shall be allowed Tenant upon account of said delay in obtaining possession of the Premises. There shall be no delay in the commencement of the Term of this Lease and/or payment of rent when Tenant fails to occupy premises when same are ready for occupancy, or when Landlord shall be delayed in substantially completing such Demised Premises as a result of:

-1-
The commencement of the Term and the payment of rent shall not be affected, delayed or debioted on account of any of the foregoing. For the purpose of this paragraph, the Demised Premises shall be deemed substantially completed and ready for occupancy by Tenant when Landlord's Supervising Architect certifies that the work required of Landlord, if any, has been substantially completed in accordance with said approved plans and specifications.

Taking possession of the Demised Premises by Tenant shall be conclusive evidence as against Tenant that the Demised Premises were in good and satisfactory condition when possession was taken.

If Tenant, with Landlord's consent, shall occupy the Demised Premises prior to the beginning of the Lease Term as specified herein above, all provisions of this Lease shall be in full force and effect commencing upon such occupancy, and Tenant shall pay rent for such period at the same rate herein specified.

BASE RENT

3. If tenant agrees to pay Landlord a total "Base Rent" of Five Hundred Fifty-Three Thousand Seven Hundred Twenty-Four and 20/100 Dollars ($553,724.20) in monthly installments every calendar month of the Term of this Lease, without any offset or deduction whatsoever, in lawful (legal tender for public or private debts) money of the United States of America, at the Management Office for the Building or elsewhere as designated from time to time by Landlord's written notice to Tenant, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Rent</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/01/08 - 01/31/09</td>
<td>$8,519.38/month</td>
<td>$102,232.50/year</td>
</tr>
<tr>
<td>02/01/09 - 01/31/10</td>
<td>$8,860.15/month</td>
<td>$106,321.80/year</td>
</tr>
<tr>
<td>02/01/10 - 01/31/11</td>
<td>$9,214.36/month</td>
<td>$110,574.67/year</td>
</tr>
<tr>
<td>02/01/11 - 01/31/12</td>
<td>$9,583.14/month</td>
<td>$114,997.66/year</td>
</tr>
<tr>
<td>02/01/12 - 01/31/13</td>
<td>$9,966.46/month</td>
<td>$119,597.57/year</td>
</tr>
</tbody>
</table>

Upon Tenant's written exercise of Option One as provided for in Section 2 of this Lease, Tenant agrees to pay Landlord a total "Base Rent" of Seven Hundred Twenty-Six Thousand Nine Hundred Twenty-Four and 42/100 Dollars ($726,924.42) in monthly installments every calendar month of the extended Term of this Lease, without any offset or deduction whatsoever, in lawful (legal tender for public or private debts) money of the United States of America, at the Management Office for the Building or elsewhere as designated from time to time by Landlord's written notice to Tenant, as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Rent</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/01/13 - 01/31/14</td>
<td>$10,962.92/month</td>
<td>$131,555.50/year</td>
</tr>
<tr>
<td>02/01/14 - 01/31/15</td>
<td>$11,511.06/month</td>
<td>$138,332.75/year</td>
</tr>
<tr>
<td>02/01/15 - 01/31/16</td>
<td>$12,086.62/month</td>
<td>$145,039.38/year</td>
</tr>
<tr>
<td>02/01/16 - 01/31/17</td>
<td>$12,692.95/month</td>
<td>$152,291.36/year</td>
</tr>
<tr>
<td>02/01/17 - 01/31/18</td>
<td>$13,325.49/month</td>
<td>$159,905.92/year</td>
</tr>
</tbody>
</table>

The balance of the total Base Rental is payable in monthly installments as specified above, on the first day of each month hereinafter ensuing, the first of which shall be due and payable on February 01, 2008. If the Term of this Lease commences on any day of a month excepting the first day, Tenant shall pay Landlord rental as provided for herein for such commencement month on a pro rata basis (such proration to be based on the actual number of days in the commencement month), and the first month's rent paid by Tenant, if any, upon execution of this Lease shall apply and be credited to the next full month's rent due hereunder. Rent for any partial month of occupancy at the end of the Term of this Lease will be prorated, such proration to be based on the actual number of days in the partial month.
In addition to Base Rental, Tenant shall and hereby agrees to pay to Landlord each month a sum equal to any sales tax, tax on rentals and any other charges, taxes and/or impositions now in existence or hereafter imposed based upon the privilege of renting the space leased hereunder or upon the amount of rentals collected therefor. Nothing herein shall, however, be taken to require Tenant to pay any part of any Federal and State Taxes on income imposed upon Landlord.

**FIXED ANNUAL RENT**

4. Tenant agrees to pay the Fixed Annual Rent during the Term in equal monthly installments, on or before the first day of each month in advance, at the office of Landlord or at such other place designated by Landlord, without any notice or demand therefor, and without any abatement, deduction or setoff whatsoever.

All Fixed Annual Rent and additional rent shall be made payable to:

PERC ENTERPRISES  
169 E. Flagler Street  
Suite 1600  
Miami, FL 33131,

or at such other address designated in writing by Landlord.

As used herein, the Term "Lease Year" is defined as the twelve (12) month period beginning with the Commencement Date and succeeding anniversaries thereof.

**ADDITIONAL RENT**

5. Tenant shall pay, as additional rent, all sums of money other than base rent or other impositions specifically set forth herein as "additional rent," whether or not such sums are due and payable to Landlord or to a third party, and regardless of whether such sums are designated as Additional Rent. Landlord shall have the same rights and remedies for Tenant's failure to pay Additional Rent as for Tenant's failure to pay any Base Rent. "Rent" shall mean and include Base Rent and all Additional Rent.

**TIME OF PAYMENT**

6. Tenant agrees: that Tenant will promptly pay said rents (Base Rental as the same may be adjusted from time to time and Additional Rent) at the time and place stated above; that Tenant will pay charges for work performed on order of Tenant and any other charges that accrue under this Lease; that if any part of the rent or above mentioned charges shall remain due and unpaid for five days next after the same shall become due and payable, Landlord shall have the option (in addition to all other rights and remedies available to it by law or equity) of declaring the balance of the entire rent of the entire Term of this Lease to be immediately due and payable, and Landlord may then proceed to collect all of the unpaid rent called for by this Lease by distress or otherwise. If the Landlord agrees to accept a rental installment more than five (5) days after its due date, Tenant shall pay, as additional rent, a late charge equal to 10% of the delinquent rental installment.

Tenant shall be assessed a fee of $100 for any returned check which may not be honored at either Tenant's bank or Landlord's bank.

**SECURITY DEPOSIT**

7.1 Payment of Security Deposit. Tenant shall, upon execution of this Lease, deposit with Landlord as security for the faithful performance and observance by Tenant of the terms, provisions, covenants, and conditions of this Lease, and any modification, extension, or renewal thereof, the sum of Nineteen Thousand Six Hundred Seventy Four and 88/100 Dollars ($19,674.88).
7.2 Application of Security. If Tenant defaults in its payment of Rent or performance of any of its other obligations under this Lease, and any renewals or extensions thereof, Landlord may, at its sole option, whether before or after enforcing its remedies against the Tenant under Article 23 hereof, retain, use, or apply the whole or any part of the Security to the extent required for payment of any:

(a) Base Rent;
(b) Additional Rent;
(c) Any other amounts Tenant is obligated to pay under the Lease;
(d) Any amount that Landlord may expend or may be required to expend by reason of Tenant's Default of this Lease;
(e) Loss or damage that Landlord may suffer by reason of Tenant's default, including, without limitation, any damages incurred by Landlord or deficiency resulting from the reletting of the Premises, whether such damages or deficiency accrues before or after summary proceedings or other reletting by Landlord; or
(f) Costs incurred by Landlord in connection with the cleaning or repair of the premises upon expiration or earlier Termination of this Lease.

7.3 Remedies Not Affected by Security.

(i) In no event shall Landlord be obligated to apply the Security. In addition, the application of the Security is not a prerequisite to Landlord's right to resort to its remedies against Tenant under any terms of the Lease hereof or by law or in equity; and
(ii) Landlord's right to resort to its remedies under Article 23 hereof, including, but not limited to, its right to bring an action or special proceedings to recover damages, or obtain possessions of the Premises, whether before or after Landlord terminates this Lease for nonpayment of Rent or for any other reason, or by law or in equity, shall not be affected by Landlord's decision not apply the security.

7.4 Security Does Not Limit Damages. The Security shall not be a limitation on Landlord's damages or the other rights and remedies available under this Lease, or at law or equity; nor shall the Security be a payment of liquidated damages.

7.5 Security Is Not Advance on Rent. The Security shall not be an advance payment of the Rent.

7.6 Restoration of Used Portion. If Landlord uses, or applies or retains all or any portion of the Security, Tenant shall restore the Security to its original amount within five (5) days after written demand from Landlord. Tenant shall be in Default of this Lease if Tenant fails to timely comply with this Paragraph.

7.7 Security May Be Commingled. Landlord shall not be required to keep the Security separate from its own funds, and may commingle the Security with its own funds, except as required by law.

7.8 Security Not Held in Trust. Landlord shall have no fiduciary responsibilities or trust obligations whatsoever with regard to the Security and shall not assume the duties of a trustee for the Security except as required by law.

7.9 No Interest-Bearing Account Required. Landlord shall not be required to keep the Security in an interest bearing account, except required by law. If Landlord keeps the Security in an interest-bearing account, Landlord shall receive all of the interest that accrues.

7.10 Return of Security. Subject to Paragraph 7 hereof and provided that landlord has determined, in its sole discretion, that Tenant has fully and faithfully complied with all the terms, provisions, covenants, and conditions of this Lease, and any inconsideration, extension, or renewal thereof, Landlord shall return any unused part of the Security to Tenant within sixty (60) days after the expiration or earlier Termination of the Lease.

7.11 Delivery of Security to Assignee. If Landlord, in its sole discretion, has sufficient evidence that the Security to the assignee and Landlord shall thereupon be released by Tenant from all liability for the return of the Security to Tenant.
7.12 Sale or Lease of Landlord's Interest. In the event of a sale or foreclosure of the Property or the Building, or any part thereof which includes the Premises, or a lease of the Building, Landlord shall have the right to transfer the Security to the purchaser or tenant, as the case may be, and Landlord shall thereupon be released by Tenant from all liability for the return of the Security, and Tenant agrees to look solely to the purchaser or tenant for the return of the Security.

7.13 No Encumbrances on Security. The Security shall not be mortgaged or encumbered by Tenant, and neither Landlord nor its successors or assigns shall be bound by any such mortgage or encumbrance.

7.14 Security Doesn't Make Lease Effective. The acceptance by Landlord of the Security submitted by Tenant shall not render this Lease effective unless and until Landlord delivers to Tenant a fully executed copy of this Lease.

USE

8. The Tenant will use and occupy the Demised Premises for the following use or purpose and for no other use or purpose: General Office & Packaged Coffee Warehouse.

QUIET ENJOYMENT

9. Upon Payment of the Tenant of the rents herein provided, and upon the observance and performance of all terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant shall, subject to all the terms, provisions, covenants and conditions of this Lease Agreement, peaceably and quietly hold and enjoy the Demised Premises for the Terms hereby demised.

REAL ESTATE TAXES

10. (a) Commencing as of January 1, 2008, as and for Additional Rent, Tenant shall pay to the Landlord its proportionate share of any and all Real Estate Taxes (as defined below) relating to the Premises within twenty (20) days' written demand therefor, or the Landlord shall be entitled at any time or times in any calendar year, upon at least twenty days' prior written notice to the Tenant to require the Tenant to pay to the Landlord the estimated increase in said Real Estate Taxes (over the Base Year) for such calendar year in equal monthly installments. Such monthly amount shall be determined by dividing the estimated Real Estate Taxes by the number of months for the period from January 1st in each calendar year of the Term until the due date of the final installment of Real Estate Taxes as established by the applicable taxing authority from time to time in each calendar year (“Installment Period”) and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date of payment of monthly rental payments <tuting the Installment Period. All amounts received under this provision in any calendar year on account of the estimated amount of such Real Estate Taxes shall be applied by the Landlord in payment of the actual amount of such Real Estate Taxes for such calendar year. If the amount received is less than the actual Real Estate Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within twenty (20) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the actual Real Estate Taxes, the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the calendar year in respect of which such payments were made or, at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant.

(b) The Term 11Real Estate Taxes 11 shall mean all general and special taxes and assessments (including special improvement assessments) whether ad valorem or non ad valorem, foreseeable or unforeseeable, or ordinary or extraordinary, levied, assessed or imposed at any time by any governmental body or authority upon or against the Premises and this Lease. 11Real Estate Taxes" shall not include any of Landlord's franchise, business privilege, payroll, or federal or state income tax, or any estate or inheritance taxes, gross receipts tax, capital stock or franchise tax, or value added tax. Tenant shall only be responsible for Real Estate Taxes imposed for tax years (or the pro rata portion thereof for partial tax years) during the Term of this Lease and any Option Periods, and hold-over periods hereof. A 11tax year 11 shall be deemed to be a calendar year, notwithstanding the assessment or collection thereof on a different basis by any taxing authority. Tenant shall not be responsible for any penalties incurred or increased payments required as a result of Landlord's failure, inability or unwillingness to make payments and/or to file any tax or informational returns prior to delinquency.
(c) Tenant may, at its sole cost and expense, contest any assessment or levy of Real Estate Taxes, provided that Tenant either pays such Real Estate Taxes under protest or deposits with Landlord, prior to the date on which the Real Estate Taxes are due and payable, an amount which is necessary to pay the total amount of such Real Estate Taxes, together with all penalties and interest, in the event that such contest is unsuccessful. To the extent necessary thereof, Landlord (at Tenant's expense) will execute such documents and participate in such proceedings as may be reasonably necessarily, if Landlord also elects to contest Real Estate Taxes, the parties shall cooperate in order to coordinate such contest of Real Estate Taxes. At the conclusion of any such contest, Tenant shall pay the charge contested to the extent it is held valid, together with all court costs, interest, penalties and other expenses relating thereto and will indemnify and hold harmless Landlord from any costs, expenses and damages incurred in connection with such proceedings, including reasonable attorneys' fees. Nothing herein contained, however, shall be construed as to allow such items to remain unpaid for such length of time as shall permit the Premises (or any part thereof) to be sold by governmental, city or municipal authorities for the non payment of the same. Despite contesting Real Estate Taxes, Tenant shall be responsible for all other charges and payments due under this Lease.

(d) Landlord (at Tenant's expense) will cooperate with Tenant, execute such documents and participate in such proceedings as may be reasonably necessary for Tenant to qualify for and obtain any available abatements of Real Estate Taxes, or other municipal inducements available to Tenant in connection with Tenant's decision to locate its business in the Premises.

**INSURANCE PREMIUMS**

11. If the Landlord's insurance premiums exceed the standard premium rates because the nature of Tenant's operation results in extra hazardous exposure, then the tenant shall, upon receipt of appropriate invoices from Landlord, reimburse Landlord for such increase in premiums. It is understood and agreed between the parties hereto that such increase in premiums shall be considered as rent due and shall be included in any lien for rent.

Commencing as of January 01, 2008 as and for Additional Rent, Tenant shall pay to the Landlord its proportionate share of any and all premiums for the insurance policies maintained by Landlord under Section 49 herein (the "Insurance Costs") within twenty (20) days of receipt of demand therefor; or the Landlord shall be entitled at any time or times in any calendar year to cause Tenant to pay estimated increases monthly (to be reconciled annually based on actual Insurance Costs) in the same manner as for monthly payments of Real Estate taxes as described above.

**RULES AND REGULATIONS**

12. Tenant agrees to comply with all rules and regulations Landlord may adopt from time to time for operation of the Building and protection and v. elue of Building, its tenants, visitors and occupants. The present rules and regulations, which Tenant hereby agrees to comply with, entitled "Rules and Regulations 11 are attached hereto and are by this reference incorporated herein. Any future rules and regulations shall become a part of this Lease, and Tenant hereby agrees to comply with the same upon delivery of a copy thereof to Tenant, provided the same do not materially deprive Tenant of its rights established under this Lease.

**GOVERNMENTAL REQUIREMENTS**

13. Tenant shall faithfully observe in the use of the Demised Premises all municipal and county ordinances and codes and federal statutes now in force or which may hereafter be in force. In the event, Tenant shall violate any municipal and county report, Tenant shall indemnify and hold Landlord harmless for any loss, including any costs or attorneys fees incurred by Landlord.

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SERVICES

(a) Landlord shall maintain the Common Areas, including lobbies, stairs, elevators and corridors in the Building in reasonably good order and condition except for damage occasioned by the act of Tenant, which damage shall be repaired by Landlord at Tenant's expense. Tenant shall during the Term of this Lease, keep in first class order condition and repair the Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Premises, and fixture, interior walls, ceilings, windows, skylights, entrances and vestibules located within the Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings in the Premises whenever replacement of said equipment is required during the Term of this Lease.

(b) Landlord shall furnish (1) electricity for lighting and air conditioning the Common Area as well as water to the Common Area and, only if the Premises are not separately metered for electric and/or water, for the Premises as well (as applicable), subject to Tenant reimbursing Landlord for Tenant's Percentage Share of the same and the Excess Use (defined in section (c) below), (2) elevator service for the Common Area, (3) lighting replacement for the Common Area (for building standard lights), (4) restroom supplies for the Common Areas, (5) janitor service for the Common Area. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services (ii) failure to furnish or delay in furnishing any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Premises or to the Property, or (iii) the limitation, curtailment, rationing or restrictions of use of water, electricity, gas or any other form of energy serving the Premises or the Property. The failure by Landlord to any extent to furnish, or the interruption or Termination of the foregoing services, in whole or in part, resulting from causes beyond the reasonable control of Landlord, shall not be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in the provision of such services for any cause cease to function properly, Tenant shall have no claim for offset or abatement of rent or damages on account of an interruption in service occasioned thereby or resulting therefore.

(c) No electric current shall be used by Tenant except that furnished or approved by Landlord, nor shall electric cable or wire be brought into the Premises, except upon the written consent and approval of the Landlord. Tenant shall use only machinery and equipment that operate on the Building's standard electric circuits, but which in no event shall overload the Building's standard electric circuits from which the Tenant obtains electric current. In the event Tenant's electric consumption is not separately metered, then any consumption of electric current in excess of that considered by Landlord to be normal and customary for all tenants in the Building, or which require special circuits or equipment (the installation of which shall be at Tenant's expense after approval in writing by the Landlord) ("Excess Use"), shall be paid for by the Tenant as additional rent, based upon Landlord's estimated cost of such excess electric current consumption. Tenant shall pay for all separately metered utilities, including but not limited to light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any local, state or federal taxes thereon. Tenant shall directly pay the provider of such separately metered services.

TENANT WORK

15. It is understood and agreed between the parties hereto that any charges against Tenant by Landlord for services or for work done on the Demised Premises by order of Tenant, or otherwise accruing under this Lease, shall be considered as rent due and shall be included in any lien for rent.
REPAIR OF DEMISED PREMISES

16. Tenant shall during the Term of this Lease, keep in first class order condition and repair the Demised Premises and every part thereof, including without lighten the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Demised Premises, fixture, interior walls, ceilings, windows, skylights, entrances and vestibules located within the Demised Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Demised Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings whenever replacement of said equipment is required during the Term of this Lease.

If Tenant fails to perform its obligation under this paragraph 14, Landlord may at its option and after five (5) days written notice to Tenant enter upon the Demised Premises and put the same in good order, condition and repair and the cost thereof shall become due and payable as Additional Rental by Tenant to Landlord upon demand.

Tenant will make no alterations, additions or improvements in or to the Demised Premises without the written consent of the Landlord, which shall not be unreasonably withheld, but may be predicated upon but not limited to Tenant's use of contractors who are acceptable to Landlord, and all additions, fixtures, carpet or improvements, except only office furniture and fixtures which shall be readily removable without injury to the Demised Premises, shall be and remain part of the Demised Premises at the expiration of this Lease.

It is further agreed that this Lease is made by the Landlord and accepted by the Tenant with the distinct understanding and agreement that the Landlord shall have the right and privilege to make and build additions to the Building of which the Demised Premises are a part, and make such alterations and repairs to said Building as it may seem wise and advisable without any liability to the Tenant thereof.

INDEMNIFICATION

17. Tenant further agrees that Tenant will pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit discharging the said Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.

The Tenant herein shall no have any authority to create any liens for labor or materials on the Landlord's interest in the Demised Premises and all persons contracting with the Tenant for the destruction or removal of any facilities or the improvements on or about the Leased Premises, and all materialmen, contractors, subcontractors, mechanics and laborers are hereby charged with notice that they must look only to the Tenant and to the Tenant's interests in the Demised Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Tenant.

ESTOPPEL STATEMENT

18. Tenant agrees that from time to time, upon not less than ten (10) days prior request by Landlord, Tenant will deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications); (b) the dates to which the rent and other charges have been paid; and (c) that Landlord is not in default under any provisions of this lease, or, if in default, the nature thereof in detail.

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19. If the building and/or Demised Premises are at any time subject to a mortgage and/or deed of trust, and Tenant has received written notice from Mortgagor of same, then in any instance in which Tenant gives notice to Landlord alleging default by landlord hereunder, Tenant will also simultaneously give a copy of such notice to each Landlord's Mortgagor and each Landlord's Mortgagor shall have the right (but not the obligation) to cure or remedy such default during the period that is permitted to Landlord hereunder, plus an additional period of thirty (30) days, and Tenant will accept such curative or remedial action (if any) taken by Landlord's Mortgagor with the same effect as if such action had been taken by Landlord.

This Lease shall at Landlord's option, which option may be exercised at any time during the Lease Term, be subject and subordinate to any first mortgage now or hereafter encumbering the Building. This provision shall be self-operative without the execution of any further instruments. Notwithstanding the foregoing, however, Tenant hereby agrees to execute any instrument(s) which Landlord may deem desirable to evidence the subordination of this Lease to any and all such mortgages.

20. If the interest of Landlord under this Lease shall be transferred voluntarily or by reason of foreclosure or other proceedings for enforcement on any first mortgage on the Demised Premises, Tenant shall be bound to such transferee (herein sometimes called the "Purchaser") for the balance of the Term remaining, and any extensions or renewals thereof which may be effective in accordance with the terms and conditions hereof with the same force and effect as if the purchaser were the Landlord under this Lease, and Tenant does hereby agree to attorn to the Purchaser, including the Mortgagor if it be the Purchaser succeeding to the interest of the Landlord under this Lease. The respective rights and obligations of Tenant and the Purchaser upon such attornment, to the extent of the then remaining balance of the Term of this Lease and any such extensions and renewals shall be as are the same as those set forth herein. In the event of such transfer of Landlord's interest, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant under Lease or otherwise and Landlord's successor by acceptance of rent from Tenant hereunder shall become liable and responsible to Tenant in respect to all obligations of the Landlord under this Lease.

21. Without the written consent of the Landlord first obtained in each case, Tenant shall not assign, transfer, mortgage, pledge or otherwise encumber or dispose of this Lease or underlet the Demised Premises or any part thereof or permit the Demised Premises to be occupied by other persons. In the case of a subletting, Landlord's consent may be predicated, among other things, upon Landlord becoming entitled to collect and retain all rentals payable under the sublease. If this Lease be assigned, or if the Demised Premises or any part thereof be underlet or occupied by anybody other than Tenant, the Landlord may, after default by the Tenant, collect or accept rent from the assignee, undertenant or occupant and apply the net amount collected or accepted to the rent herein reserved, but no such collection or acceptance shall be deemed a waiver of this covenant or the acceptance of assignee, undertenant or occupant as Tenant, nor shall it be construed as or implied to be a release of the Tenant from the further observance and performance by the Tenant of the terms, provisions, covenants and conditions hereof contained.

The acceptance by Landlord of the payment of rent following any assignment or other transfer prohibited by this Paragraph shall not be deemed to be a consent by Landlord to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder.

If Landlord shall consent to any transfer or subletting to any party, Tenant shall in consideration therefore pay to Landlord as additional rent the Transfer Consideration. For purposes of this paragraph, the "Term Consideration" shall mean in any Lease Year: (i) any rents, additional charges or other consideration payable to Tenant by the transferee or sub-tenant of the transfer which is in excess of the Base Rental and additional Base Rental accruing during such Lease Year; and (ii) all sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property. The Transfer Consideration shall be paid to Landlord as and when paid by the transferee or sub tenant to Tenant. Landlord shall have the right to audit

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Tenant's books and records upon reasonable notice to determine the amount of Transfer Consideration payable to Landlord. In the event such audit reveals an understatement of Transfer Consideration in excess of 50% of the actual Transfer Consideration due Landlord, Tenant shall pay for the cost of such audit within ten days after Landlord's written demand for same.

In lieu of consenting or not consenting, Landlord may, at its option, (i) in case of the proposed assignment or subletting of Tenant's entire leasehold interest, terminate this Lease in its entirety, or (ii) in the case of the proposed assignment or subletting of a portion of the Premises, terminate this Lease as to that portion of the Premises which Tenant has proposed to assign or sublet. In the event Landlord elects to terminate this Lease pursuant to clause (ii) of this paragraph, Tenant's obligations as to base Rental and Additional Rent shall be reduced in the same proportion that the net Rentable Area of the portion of the Premises taken by the proposed assignee or subtenant bears to the total Net Rentable Area of the Premises.

To review any proposed assignment Landlord will require sixty (60) days to review Tenant's submission of (i) the name of the entity receiving such transfer (the "Transferee"); (ii) a detailed description of the business of the Transferee; (iii) all written agreements governing the transfer; and (iv) any information reasonably requested by the Landlord with respect to the transfer or the Transferee; and (v) a fee of one thousand and $100 dollars ($1,000.00) to compensate Landlord for legal fees, costs of administration, and other expenses incurred in connection with the review and processing of such documentation. Notwithstanding the foregoing, Landlord's consent will not be deemed to be reasonably withheld should Tenant request an assignment of this lease within the first eighteen (18) months of the initial lease term. If Tenant assigns this Lease more than once within twelve (12) months following the date of any previous assignment hereof, Tenant shall pay Landlord a fee of five thousand and $100 ($5,000.00).

SUCCESSORS AND AssignS

21. All terms, provisions, covenants, and conditions to be observed and performed by Tenant shall be applicable and binding upon Tenant's respective heirs, administrators, executors, successors and assigns, subject, however, to the restrictions as to assignment or subletting by Tenant as provided herein. All expressed covenants of this Lease shall be deemed to be covenants running with the land.

HOLD HARMLESS OF LANDLORD

22. In consideration of said Premises being leased to Tenant for the above rental, Tenant agrees: that Tenant, at all times, will indemnify and keep Landlord harmless for all losses, damages, liabilities and expenses, which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, consequent upon or arising from the use or occupancy of said Premises by Tenant or consequent upon or arising from any negligence, acts, omissions, neglect or fault of Tenant, his agents, servants, employees, licensees, visitors, customers, patrons or invitees, or consequent upon or arising from Tenant's failure to comply with any laws, statutes, ordinances, codes or regulations as herein provided; that Landlord shall not be liable to Tenant for any damages losses or injuries to the persons or property of Tenant which may be caused by the acts, neglect, omissions or faults of any persons, firms or corporations, except when such injury, loss or damage results from gross negligence or intentional acts or omissions of Landlord, his agents or employees, and that

Tenant will indemnify and keep harmless Landlord from all damages, liabilities, losses, injuries, or expenses which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, where said injuries or damages arose about or upon said Premises, as a result of the negligence of Tenant, his agents, employees, servants, licensees, visitors, customers, patrons, and invitees. All personal property placed or moved into the Demised Premises or Building shall be at the risk of Tenant or owner thereof, and Landlord shall not be liable to Tenant for any damage to said personal property. Tenant shall maintain an insurance policy in favor of Landlord in such amounts as Landlord shall require, covering all terms and conditions hereinbefore in this paragraph 23.

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In case Landlord shall be made a party to any litigation commenced against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation and appeal thereof.

**ATTORNEYS’ FEES**

24. If either party defaults in the performance of any of the terms, provisions, covenants and conditions of this Lease and by reason thereof the other party employs the service of an attorney to enforce performance of the covenants, or to perform any service based upon defaults, then in any of said events the prevailing party shall be entitled to reasonable attorneys’ fees and all expenses and costs incurred by the prevailing party pertaining thereto (including costs and fees relating to any appeal) and in enforcement of any remedy. Further, in the event Landlord is required to file an action for Tenant Removal (Eviction) because of a default by Tenant, and thereafter Landlord permits Tenant to cure such default and retain possession of the Leased Premises, Tenant shall pay Landlord, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action. In the event Landlord is required to file an action against Tenant to collect unpaid rent after a Tenant Removal action, Landlord may recover from Tenant, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action.

**DAMAGE OR DESTRUCTION**

25. In the event the Demised Premises shall be destroyed or so damaged or injured by fire or other casualty, during the Term of this Lease, whereby the same shall be rendered untenable, then the Landlord shall have the right, but not the obligation, to render such Demised Premises tenantable by repairs within 180 days therefrom.

Landlord agrees that, within 60 days following damage or destruction, it shall notify Tenant with respect of whether or not the Landlord intends to restore the Premises. If such Premises are not rendered tenantable within the aforesaid 180 days it shall be optional with either party hereto to cancel this Lease, and in the event of such cancellation the rent shall be paid only to the date of which the Term is Terminated. The cancellation herein mentioned shall be evidenced in writing. During any time that the Demised Premises are untenable due to causes set forth in this paragraph, the rent, or a just and fair proportion thereof shall be abated. Notwithstanding the foregoing, should damage, destruction or injury occur by reason of Tenant's negligence, Landlord shall have the right, but not the obligation, to render the Demised Premises tenantable within 360 days of the date of damage, destruction or injury and no abatement of rent shall occur.

Notwithstanding the foregoing, should damage or destruction occur during the last twelve months of the Lease Term either Landlord or Tenant shall have the option to Terminate this Lease, effective on the date of damage or destruction, provided notice to terminate is given within 30 days of the date of such damage or destruction. Notwithstanding the foregoing, should the damage or destruction result from the negligence of Tenant, Tenant shall not have such option to terminate.

Notwithstanding the foregoing, there shall not be any partial or full abatement of rent due to the aforementioned damage or destruction.

**EMINENT DOMAIN**

26. If there shall be taken during the Term of this Lease any part of the Demised Premises or Building other than a part not interfering with maintenance, operation or use of the Demised Premises, Landlord may elect to Terminate this Lease or to continue same in effect. If Landlord elects to continue the Lease, the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damage to the Demised Premises or Building resulting from such taking. If any part of the Demised Premises is taken by condemnation or Eminent Domain which renders the Premises unsuitable for its intended use, this Lease shall continue in effect and the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damages to the Demised Premises resulting from such taking. If all of the Demised Premises is taken by condemnation or Eminent Domain this Lease shall terminate on the day of the taking. All sums awarded (or agreed upon between landlord and the condemning authority) for the taking of the interest
of Landlord and/or Tenant, weather as damages or as compensation, and weather for partial or total condemnation, will be the property of Landlord. If the Lease shall be Terminated under any provisions of this paragraph, rentals shall be payable up to the date of that possession is taken by the authority, and Landlord will refund to Tenant any prepaid unaccrued rent less any sum or amount then owing by Tenant to Landlord.

ABANDONMENT

27. If during the Term of this Lease, Tenant shall abandon, vacate or remove from the Demised Premises the major portion of the goods, wares, equipment or furnishings usually kept on said Demised Premises, or shall cease doing business in said Demised Premises, or shall suffer the rent to be in arrears. Landlord may at its option, cancel the Lease in the manner stated in Paragraph 24 hereof, or Landlord may enter said Premises as the agent of Tenant by force or otherwise, without being liable in any way therefor and relet the Demised Premises with or without any furniture that may be therein, as the agent of Tenant, at such price and upon such terms and for such duration of time as Landlord may determine, and receive the rent therefor, applying the same to the payment of the rent due by these presents, and if the full rental herein provided shall not be realized by Landlord over and above the expenses to Landlord of such relation, Tenant shall pay any deficiency.

INSOLVENCY

28. It is agreed by the parties hereto that: if Tenant shall be adjudicated a bankrupt or insolvent or take the benefit of any federal reorganization or composition proceeding or make a general assignment or take the benefit of any insolvency law, or if Tenant's leasehold interest under this Lease shall be sold under any execution or process of law, or if a trustee in bankruptcy or a receiver be appointed or elected or had for Tenant (whether under Federal or State laws), or if said Premises shall be abandoned or deserted; or if Tenant shall fail to perform any of the terms, provisions, covenants or conditions of this Lease or Tenant's part to be performed, or if this Lease or the Term thereof be transferred or passed to or devolved under any persons, firms, officers or corporations other than by death of the Tenant, operation of law or otherwise, than in any such events, at the option of Landlord, the total remaining unpaid Base Rental for the Term of this Lease shall become due and payable or this Lease and the Term of this Lease shall expire and end five (5) days after Landlord has given Tenant written notice (in the manner hereinafter provided) of such act, condition or default and Tenant hereby agrees immediately then to pay said Base Rental or quit and surrender said Demised Premises to Landlord but this shall not impair or affect Landlord's right to maintain summary proceedings for the recovery of the possession of the Demised Premises in all cases provided for by law. If the Term of this Lease shall be so Terminated, Landlord may immediately, or at any time thereafter, re-enter or repossess the Demised Premises and remove all persons and property therefrom without being liable for trespass or damages.

LIEN FOR PAYMENT OF RENT

29. In addition to and independent of any lien in favor of Landlord arising by operation of law, Tenant hereby grants to Landlord a security interest, to secure payment of all Basic Rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, and upon all goods, wares, equipment, fixtures, furnishings, inventory, improvements and other personal property of Tenant presently or which hereafter may be situated in or on the Premises, and all proceeds therefrom, and such property shall be not be removed therefrom without the consent of Landlord until any and all other sums of money then due to Landlord hereunder, first shall have been paid and discharged, and all covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. At any time and from time to time, Tenant agrees to execute any UCC-1 Financing Statement or such other documents or instruments as Landlord may request to perfect or confirm the security interest created by this Paragraph. Upon any failure by Tenant to do so, Tenant agrees that Landlord may execute same for and on behalf of Tenant as Tenant's attorney-in-fact. Tenant hereby waives all exemption laws to the extent permitted by law. This lien and security interest may be foreclosed with or without court proceedings, by public or private sale, with or without notice, and Landlord shall have the right to become purchaser upon being the highest bidder at such sale. Landlord, as secured party, shall be entitled to all the rights and indulgences afforded a secured party under the Uniform Commercial Code of the State in which the Premises are located, which rights and remedies shall be in addition to and cumulative of the Landlord's liens and rights provided by law, in equity or by the terms and provisions of this Lease.
WAIVER OF DEFAULT

30. Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/or in equity. No waiver by Landlord of a default by Tenant shall be implied, and no express waiver by Landlord shall affect any default other than the default specified in such waiver and only for the time and extension therein stated.

No waiver of any Term, provision, condition or covenant of this Lease by Landlord shall be deemed to imply or constitute a further waiver by Landlord of any other Term, provision, condition or covenant of this Lease. In addition to any rights and remedies specifically granted by Landlord herein, Landlord shall be entitled to all rights and remedies available at law and in equity in the event that tenant shall fail to perform any of the terms, provisions, covenants and conditions on this Lease on Tenant’s part to be performed or fail to pay Base Rental, additional Rental or any other sums due Landlord hereunder when due. All rights and remedies specifically granted to Landlord herein by law and equity shall be cumulative and not mutually exclusive.

RIGHT OF ENTRY

31. Landlord, or any of his agents, shall have the right to enter the Demised Premises during all reasonable hours to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort or preservation thereof, or to said Building, or to exhibit said Demised Premises within one hundred and eighty (180) days before the expiration of this Lease. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease.

NOTICE

32. Any notice given to Landlord as provided for in this Lease shall be sent to Landlord by registered mail addressed to Landlord at Landlord’s Management Office for the Building. All notice to be given Tenant under the Terms of this Lease, unless otherwise stated herein, shall be in writing and shall be sent by certified mail to the office of Tenant in the Building. Either party, from time to time, by such notice, may specified another address to which subsequent notices shall be sent.

LANDLORD CONTROLLED AREAS

33. All automobile parking areas, driveways, entrances and exits thereto, Common Areas, and other facilities furnished by Landlord, including all parking areas, truck way or ways, loading areas, pedestrian walkways and ramps, landscaped areas, stairways, corridors and other areas and improvements provided by Landlord for the general use, in common, of Tenants, their officers, employees, servants, invitees, licensees, visitors, patrons and customers, shall be at all times subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce rules and regulations with respect to all facilities and areas and improvements to police safety, to change the area, level and location and arrangement of parking areas and other facilities hereinabove referred to, to restrict parking by and enforce parking charges (by operation of meters or otherwise) to tenants, their officers, agents, employees, servants, licensees, visitors, patrons and customers; to close all or any portion of said areas or facilities to such extent as may in the opinion of Landlord be legally sufficient to prevent a dedication thereof or the accrual of any right to any person or the public therein; to close temporarily all or any portion of the facilities; to charge a fee for visitor and/or customer parking; and to do and perform such other acts in and to said areas and improvements as, in the sole judgment of Landlord, it shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their officers, agents, employees, servants, invitees, visitors, patrons, licensees and customers. Landlord will operate and maintain the Common Areas and other facilities referred to in such reasonable manner, as Landlord shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to designate a manager of the parking facilities and/or Common Areas and other facilities who shall have full authority to make and enforce rules and regulations regarding the use of the same or to employ all personnel and to make and enforce all rules and regulations pertaining to and necessary for the proper operation and maintenance of the parking areas and/or Common Areas and other facilities. Reference in this paragraph to parking areas and/or facilities shall in no way be construed as giving Tenant hereunder any rights and or privileges in connection with such parking areas and/or privileges.
34. Tenant agrees to surrender to Landlord, at the end of the Term of this Lease and upon any cancellation of this Lease, said Demised Premises in as good condition as said Demised Premises were at the beginning of the Term of this Lease, ordinary wear and tear and damage by fire or other casualty not caused by Tenant's negligence excepted. Tenant agrees that if Tenant does not surrender said Demised Premises to Landlord at the end of the Term of this Lease then Tenant will pay to Landlord double the amount of the current rental for each month or portion thereof that the Tenant holds over plus all damages that Landlord may suffer on account of Tenant's failure to surrender to Landlord possession of said Demised Premises and will indemnify and save Landlord harmless from and against all claims made by any succeeding Tenant of said Demised Premises against Landlord on account of delay of Landlord in delivering possession of said Demised Premises to said succeeding Tenant so far as such delay is occasioned by failure of Tenant to so surrender said Demised Premises in accordance herewith or otherwise.

No receipt of money by Landlord from Tenant after expiration of this Lease or the service of any notice of commencement of any suit or final judgement for possession shall reinstate, continue or extend the Term of this Lease or affect any such notice, demand, suit or judgement.

No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept surrender of Demised Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord.

OCCUPANCY TAX

35. Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes assessed during the Term of this Lease against occupancy interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by the Tenant, or used in the premises by Tenant.

SIGNS

36. Landlord shall have the right to install signs on the interior or exterior of the Building and Demised Premises and/or change the Building's name or street address.

Tenant, at Tenant's sole cost and expense, will install and maintain on the exterior of the Premises, adjacent to entrances to the Premises and above the entrances to the Premises, such sign or signs as have first received the written approval of the Landlord as to type, size, color, location, copy nature and display qualities. Landlord may withhold said approval in Landlord's sole and absolute discretion. The Landlord's current sign specifications are attached hereto as Exhibit D and made a part hereof, and may be changed by Landlord, in its sole discretion, from time to time. Landlord must also approve Tenant's signage contractor, which approval will not be unreasonably withheld. The installation and maintenance of any signs or other advertising matter will at all times be in strict compliance with any and all laws. If at any time Tenant's signs are not in compliance with any and all laws, Landlord shall have the right to remove or otherwise cause such signs to be in compliance. Tenant shall, promptly upon demand by Landlord, pay Landlord for all of Landlord's costs and expenses incurred in such removal or other action, which such costs and expenses shall constitute additional rent hereunder. Upon expiration or the Termination of this Lease, Tenant, at Landlord's election but at Tenant's expense, will remove any and all signs and restore the exterior of the Premises or wherever Tenant has installed signs in a manner satisfactory to Landlord.

TRIAL BY JURY

37. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and hereby do waive trial by jury in any action after having reasonable opportunity to consult with counsel or having waived such opportunity, proceeding or counterclaim brought by either of the parties hereto against the other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Premises. Tenant further agrees that it shall not interpose any counterclaim or counterclaiims in a summary proceeding or in any action based upon non-payment of rent or any other payment required of Tenant hereunder.
38. Landlord expressly reserves the right at Landlord’s sole cost and expense to remove Tenant from the Leased Premises and to relocate Tenant in some other space of Landlord’s choosing of approximately the same dimensions and size within the Building, which other space shall be decorated by Landlord at Landlord’s expense. Landlord shall have the right, in Landlord’s sole discretion, to use such decorations and materials from the existing Premises, or other materials so that the space in which Tenant is relocated shall be comparable in its interior design and decorating to the Premises from which Tenant is removed. Nothing herein contained shall be construed to relieve Tenant or imply that Tenant is relieved of the liability for or obligation to pay Additional Rent due by reason of the provisions of this Lease, the provisions of which shall be applied to the space in which Tenant is relocated on the same basis as said provisions were applied to the Premises from which Tenant is removed. Tenant agrees that Landlord’s exercise of its election to remove and relocate Tenant shall not terminate this Lease or release Tenant in whole or in part, from Tenant’s obligation to pay the rents and perform the covenants and agreements for the full Term of this Lease.

CROSS DEFAULT

39. If the Term of any lease, other than this Lease, made by Tenant for any other space in the Building shall be terminated or Terminable after the making of this Lease because of any default by Tenant under such other lease, such default shall, ipso facto constitute a default hereunder and empower Landlord at Landlord’s sole option, to Terminate this Lease as herein provided in the event of default.

INVALIDITY OF PROVISION

40. If any Term, provision or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such Term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision, covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law. This Lease shall be construed in accordance with the laws of the State of Florida.

TIME OF ESSENCE

41. It is understood and agreed between the parties hereto that time is of the essence of all the terms, provisions, covenants and conditions of this Lease.

MISCELLANEOUS

42. The terms Landlord and Tenant as herein contained shall include singular and/or plural, masculine and/or feminine, and/or neuter, heirs, successors, executors, administrators, personal representatives and/or assigns wherever the context so requires or admits. The terms, provisions, covenants and conditions of this Lease are expressed in the total language of this Lease Agreement and the paragraph headings are solely for the convenience of the reader and are not intended to be all inclusive. Any formally executed addendum to or modification of this Lease shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated herein.

EFFECTIVE DATE

43. Submission of this instrument for examination does not constitute an offer, right of first refusal, reservation of or option for the Leased Premises or any other space or premises in, on or about the Building. This instrument becomes effective as a Lease upon execution and delivery by both Landlord and Tenant.
44. This Lease contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing signed by Landlord and Tenant. No surrender of the Demised Premises, or of the remainder of the terms of this Lease, shall be valid unless accepted by Landlord in writing. Tenant acknowledges and agrees that Tenant has not relied upon any statement, representation, prior written or contemporaneous oral promises, agreements or warranties except such as are expressed herein.

45. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction other than ABC Management Services, Inc. and Tenant agrees to indemnify and hold harmless from and against claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction. The provisions of this paragraph shall survive the termination of this Lease.

FORCE MAJEURE

46. Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Lack of money shall not be deemed force majeure.

SECURITY

47. Landlord and Tenant hereby agree that Landlord does not assume and has no duty to provide security in and about the Demised Premises, the Building, common and recreation areas and parking areas for protection of Tenant, its employees, agents, visitors, invitees or licensees from foreseeable criminal acts or criminal activity of any kind or nature whatsoever. Tenant hereby assumes all responsibility to provide security to protect Tenant, its employees, agents, visitors, invitees or licensees from and against all such foreseeable or unforeseen criminal acts. Any provision for security services by Landlord shall not be construed as an assumption by Landlord of any duty to provide security and such services, if at any time provided, may discontinue at any time by Landlord at Landlord’s election without liability to Tenant or any third party.

INSURANCE REQUIREMENTS

49. Tenant hereby agrees to indemnify and hold harmless Landlord, its subsidiaries, directors, officers, agents, and employees from and against any and all damage, loss, liability or expense including but not limited to, attorneys’ fees and legal costs suffered by same directly or by reason of any claim, suit or judgement brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death resulting anytime therefrom, and property damage sustained by such person or persons which arises out of, is occasioned by or in any way attributable to the use or occupancy of the Demised Premises and adjacent areas by Tenant or otherwise, the acts or omissions of Tenant, its agents, employees or any contractors brought onto said Premises by Tenant, except that caused by the sole negligence of Landlord or its employees, agents, customers and invitees. Such loss or damage shall include, but not be limited to any injury or damage to Landlord’s personal property (including death resulting anytime therefrom) or Premises. Tenant agrees that the obligations assumed herein shall survive this Lease.

Tenant hereby agrees to maintain in full force and effect at all times during the Term of the Lease, at its own expense, for the protection of Tenant and Landlord, as their interest may appear, policies of insurance issued by responsible carriers or carriers acceptable to Landlord which afford the following coverages:
(a) Comprehensive General Liability Insurance. Not less than $2,000,000.00 Combined Single Limit for both bodily injury and property damage.

(b) Fire and Extended Coverage, Vandalism and Malicious Mischief, Sprinkler Leakage (when applicable) insurance, to cover all of Tenant's stock in trade, fixtures, furnishings, removable floor coverings, trade equipment, signs and all other decorations placed by Tenant in or upon the Demised Premises.

(c) Worker's Compensation as required by Florida Statutes.

(d) Employers Liability. Not Less than $100,000.00

Tenant shall deliver to Landlord at least (30) days prior to the time such insurance is first required to be carried by Tenant and thereafter at least thirty (30) days prior to expiration of such policy) Certificates of insurance evidencing the above coverage with limits no less than those specified above. Such Certificates shall name Landlord, its subsidiaries, directors, agents, and employees as additional insured and shall expressly provide that the interest of same therein shall not be affected by any breach by Tenant of any policy provision for which such Certificates evidence coverage. Further, all Certificates shall expressly provide that no less than thirty (30) days prior written notice shall be given Landlord in the event of material alteration to, or cancellation of, the coverages evidenced by such Certificates.

A FAILURE TO PROVIDE SUCH INSURANCE COVERAGE SHALL BE DEEMED A DEFAULT IN THIS LEASE

If on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a coinsurer by its insurance carrier, then any loss or damage Landlord shall sustain by reason thereof shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill thereof and evidence of such loss.

Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant, and in the event Tenant believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide at its own expense, such additional insurance as Tenant deems adequate.

Landlord shall at all times during the Term of this Lease, at its expense, maintain a policy or policies of insurance, issued by and binding upon some solvent insurance company, insuring the Building against loss or damage by fire, explosion or other hazards and contingencies for the full insurable value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring or obtain upon the Demised Premises, or any additional improvements which Tenant may construct on the Premises. Landlord reserves the right to self insure such building.

Anything in the Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claim, action or cause of action, against each other, their agents, officers and employees, for any loss or damage that may occur to the Demised Premises, the Building, improvements to the Building of which the Demised Premises are a part, personal property (building contents) within the Building, any furniture equipment, machinery, goods or supplies not covered by this Lease which the Tenant may bring or obtain upon the Demised Premises or any additional improvements which Tenant may construct upon the Demised Premises, by reason of fire, the elements or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of Landlord or Tenant and their agents, officers and employees.

OPERATING EXPENSES

51.1 Operating Expense Rent: In addition to Basic Rent, Percentage Rent (if any) and Additional Rent, Tenant shall pay Tenant's "Percentage Share" (defined at Paragraph 51.5 below), of the Operating Expenses paid or incurred by Landlord in such year ("Operating Expense Rent"). In addition to Operating Expense Rent, Tenant also shall pay to Landlord an administrative charge equal to 15% of the Operating Expense Rent, to be paid concurrently with Tenant's payment of Operating Expense Rent. The Operating Expense Rent, as set forth in the Building Lease, excluding any costs incurred by the Landlord for real estate taxes and insurance for the Building, security, electricity and other non-controllable expenses shall be referred to as "Capped Operating
Expense Rent”. In the event the Capped Operating Expense Rent shall increase by an amount greater than five percent (5%) cumulative in any given lease year, Tenant shall not be obligated to pay the additional amount in excess of five percent (5%). Tenant shall be liable for all increases in real estate taxes and insurance, security, electricity and other non-collapsible costs regardless of whether or not they increase by more than five percent (5%).

51.2 Payment: During December of each calendar year or as soon thereafter as practicable, Landlord will give Tenant written notice of its estimate (line item and detailed support included) of Operating Expense Rent for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant will pay to Landlord $1/12 of such estimated amounts, provided that if such notice is not given in December, Tenant will continue to pay on the basis of the prior year’s estimate until the month after such notice is given. If at any time or times it appears to Landlord that the amounts payable for Operating Expenses for the current calendar year will vary from its estimate by more than ten (10%) percent, Landlord, by written notice to Tenant, will revise its estimate for such year, and subsequent monthly payments by Tenant for such year will be in an amount so that by the end of such year, Tenant will have paid a total sum equal to such revised estimate. Landlord will indicate in its notice to Tenant the reasons Landlord believes its estimate is low by more than ten (10%) percent.

51.3 Statement: Within ninety (90) days following the close of each calendar year or as soon after such ninety (90) day period as practicable, Landlord will deliver to Tenant a statement of amounts of Operating Expense Rent payable under this Lease for such recently completed calendar year. If such statement shows an actual amount of Operating Expense Rent owing by Tenant that is more than the estimated amount of Operating Expense Rent paid by Tenant in connection with which the monthly payments for such calendar year were previously made by Tenant, Landlord shall invoice Tenant for such additional Operating Expense Rent and Tenant will pay the deficiency to Landlord within thirty (30) days after delivery of the invoice. If the total of the estimated monthly installments paid by Tenant during any calendar year exceeds the actual Operating Expense Rent due from Tenant for such calendar year, and provided Tenant is not in default hereunder, such excess shall, at Landlord’s option, be either credited against payments next due hereunder or refunded by Landlord to Tenant. Tenant has the right, exercisable no more than once each calendar year, on reasonable notice and at a time reasonably acceptable to Landlord, to cause an audit to be performed at Tenant’s sole cost and expense, of Landlord’s operations and/or books and records pertaining to Operating Expenses for the preceding two (2) calendar years. Landlord, at Landlord’s sole discretion, may provide such audit prepared by a certified public accountant in lieu of allowing Tenant to audit Landlord’s operations and/or books. In the event Landlord has overstated Operating Expenses by more than five (5%) percent, within thirty (30) days after demand therefor by Tenant, accompanied by Tenant’s verification of such overcharges and paid invoices, Landlord will reimburse Tenant for all overcharges and costs incurred by Tenant in connection with the audit. If Tenant fails to request reimbursement for said costs incurred by Tenant within thirty (30) days, Tenant shall be deemed to have waived its right to receive the reimbursement. In the event Landlord has not overstated Operating Expenses by more than five (5%) percent, Tenant shall pay all of Landlord’s costs and expenses in connection with such review, including attorney’s fees and accountants’ fees. Landlord shall have the same remedies for a default by Tenant in the payment of Operating Expense Rent as Landlord has under this Lease in the case of a default by Tenant in the payment of Basic Rent, Percentage Rent (if any), and Additional Rent.

51.4 Proration: If for any reason, other than the default of Tenant, this Lease Terminates on a day other than the last day of a calendar year the amount of Operating Expense Rent payable by Tenant applicable to the calendar year in which such termination occurs will be prorated on the basis which the number of days from the commencement of such calendar year to and including such termination date bears to 365.

51.5 Computation: Tenant’s Percentage Share of the Operating Expenses is the proportion that the rentable square footage occupied by Tenant bears to the total rentable square footage of the Building, as determined by Landlord.

51.6 Taxes Payable by Tenant: Tenant shall be directly responsible for taxes upon, measured, by or reasonably attributable to, the cost or value of Tenant’s equipment, furniture, fixtures and other personal property located in the Premises, or by the cost or value of any leasehold improvements made in or to the Premises, by or for Tenant, other than the initial improvements to be installed at Landlord’s expense, regardless of whether title to such improvements is in Tenant or Landlord.
SURRENDER OF PREMISES

52. Tenant shall, upon the expiration of the Term, or any earlier Termination of this Lease for any cause, surrender to Landlord the Premises, including, without limitation, all building apparatus and equipment then upon the Premises, and all alterations, improvements and other additions which may be made or installed by either party to, in, upon or about the Premises (other than Tenant’s personal property and trade fixtures which Tenant chooses to or is required to remove as provided herein, which shall remain the property of Tenant), in good order, repair and condition and without any damage, injury or disturbance thereto, or payment therefor. Without limiting the generality of the foregoing, additional provisions regarding the standards applicable to the surrender and vacation of the Premises are attached hereto as Exhibit B.

PATRIOT ACT

53. Tenant represents that neither Tenant nor its constituents or affiliates are in violation of any Governmental Rules relating to terrorism or money laundering, including the Executive Order and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the 11 Patriot Act”).

HAZARDOUS SUBSTANCE

54. (a) Tenant shall at all times and in all respects comply with all federal, state, and local laws, ordinances and regulations (11Hazardous Materials Law11) relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste or other hazardous toxic, contaminated, or polluting materials, substances, or wastes, including, without limitation, any 11hazardous substances”, 11hazardous wastes 11, “hazardous materials11, or 11toxic substances 11 under any such laws, ordinances or regulations (collectively, 11Hazardous Materials”).

(b) Tenant shall, at its own cost and expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant’s use of the Leased Premises including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Leased Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all 1-Hazardous Materials brought to the Leased Premises by Tenant to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall in all respects handle, treat, deal with and manage all and Hazardous Materials brought in, on, under, or about the Leased Premises by Tenant in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. All reporting obligations imposed by Hazardous Materials Laws are strictly the responsibility of Tenant. Tenant is 11in charge” of Tenant's 11facility” as such terms are used in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986.

Upon expiration or earlier Termination of the Term of this Lease, Tenant shall cause all Hazardous Materials brought to the Leased Premises by Tenant to be removed from the Leased Premises and transported for use, storage, or disposal in accordance and compliance with all applicable Hazardous Materials Laws. Tenant shall not take any remedial action in response to the presence of any 1-Hazardous Materials in or about the Leased Premises or the Project, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims relating to any Hazardous Materials in any Way connected with the Leased Premises or the Project, without first notifying Landlord of Tenant’s intention to do so and affording Landlord ample opportunity to appear, intervene, or otherwise appropriately assert and protect Landlord’s interest with respect thereto. In addition, at Landlord’s request, Tenant shall remove any tanks or fixtures brought to the Leased Premises by Tenant which contain, contained or are contaminated with Hazardous Materials.
(c) Tenant shall immediately notify Landlord in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person or party against Tenant, the Leased Premises or the Project relating to damage, contribution, cost recovery compensation, loss, or injury resulting from or claimed to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials Laws in, on, or removed from the Leased Premises or the Project, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, asserted violations relating in any way to the Leased Premises, the Project or Tenant's use thereof. Tenant shall promptly deliver to Landlord copies of Hazardous Waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Leased Premises.

(d) Tenant shall indemnify, defend (by counsel acceptable to Landlord) and hold Landlord and each of Landlord's partners, employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses, or expenses (including attorneys' fees and disbursements) for death of or injury to any person or damage to any property whatsoever (including water tables and atmosphere) arising from or caused in whole or in part, directly or indirectly, by (i) the presence in, on, under, or about the Leased Premises or the Project or discharge in or from the Leased Premises or the Project of any Hazardous Materials brought to the Leased Premises by Tenant from and after Tenant's occupancy of the Leased Premises, or Tenant's use, analysis, storage, transportation, disposal, release, threatened release, discharge, or generation of Hazardous Materials to, in, on, under, about, or from the Leased Premises Or the Project, or (ii) Tenant's failure to comply with any Hazardous Materials Law, whether knowingly or unknowingly, the standard herein being one of strict liability. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup, detoxification, or decontamination of the Leased Premises or the Project, and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith, and shall survive the expiration or earlier termination of the Term of this Lease. For purposes of the release and indemnity provision hereof, any acts or omissions of Tenant, or by employees, agents, assignees, subtenants, contractors, or subcontractors of Tenant or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful, or unlawful), shall be strictly attributable to Tenant.

(e) If at any time it reasonably appears to Landlord that Tenant is not maintaining sufficient insurance or other means of financial capacity to enable Tenant to fulfill its obligation to Landlord hereunder, whether or not then accrued, liquidated, conditional, or contingent, Tenant shall, upon Landlord's demand, procure and thereafter maintain in full force and effect such insurance or other means of financial assurance, with or from companies or persons and in forms reasonably acceptable to Landlord, as Landlord may from time to time reasonably request. Landlord may, but shall be under no obligation to, procure such insurance if Tenant fails to meet its obligation hereunder and Tenant agrees to pay to Landlord the cost thereof as additional rent, immediately upon demand.

(f) If Tenant's use of the Leased Premises shall involve Hazardous Materials of any kind in any fashion, Landlord shall have the right to require Tenant to undertake and submit to Landlord a periodic environmental audit from a qualified environmental engineering firm or auditor which audit will evaluate Tenant's compliance with the terms of this Lease and all Hazardous Materials Laws.

EVENTS OF DEFAULT

55. If one or more of the following events ("Event of Default") occurs, such occurrence shall constitute a breach of this Lease by Tenant:

55.1 Abandonment/Vacation: Tenant abandons or vacates the Premises or removes furniture, fixtures or personal property except in the normal course of business; or

55.2 Rent: Tenant fails to pay any monthly Basic Rent, Percentage Rent (if any), Additional Rent or Operating Expense Rent, if applicable, as and when the same becomes due and payable; or
55.3 Other Suits: Tenant fails to pay any other sum or charge payable by tenant hereunder as and when the same becomes due and payable, and such failure continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant; or

55.4 Other Provisions: If Tenant fails to perform or observe any other agreement, covenant, condition or provision of this Lease to be performed or observed by Tenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant, or if the default cannot be cured within said thirty (30) day period and Tenant fails promptly to commence with due diligence and dispatch the curing of such default or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default; or

55.5 Insolvency: Tenant (a) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (b) makes an assignment for the benefit of its creditors; (c) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (d) takes action for the purpose of any of the foregoing; or

55.6 Receiver: A court or governmental authority of competent jurisdiction, without consent by Tenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial power of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Tenant, or if any such petition is filed against Tenant and such petition is not dismissed within thirty (30) days; or

55.7 Attachments: This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days.

55.8 Assignment/Sublease: Tenant assigns this Lease or subleases all or any portion of the Premises without Landlord's prior written consent.

REMEDIES OF LANDLORD ON DEFAULT

56.1 Termination: In the event of any default under this Lease by Tenant, Landlord may, at his option, Terminate the Lease and repossess the Premises pursuant to the laws of the State in which the Building is located and recover from Tenant as damages:

(a) any unpaid Basic Rent, Percentage Rent, Additional Rent or Operating Expense Rent and other amounts due at the time of termination plus interest thereon at the maximum lawful rate per annum from the due date until paid;

(b) the present value of the balance of Basic Rent for the remainder of the term after Termination determined by applying a discount rate of the prime lending rate as published in the Wall Street Journal at such time, less the actual amount of Basic Rent received for the Premises for the remainder of the Term after termination; and

(c) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefore, including, without limitation, the cost of recovering the Premises.

Landlord's Options: Landlord may, in the alternative, (i) continue this Lease in effect, as long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under the Lease, including the right to recover all rent as it becomes due under the Lease; or (ii) terminate Tenant's right of possession (but not this Lease) and repossess the Premises pursuant to the laws of the State in which the Building is located, without demand or notice of any kind to Tenant, in which event Landlord may, but shall be under no obligation to do so (unless required by the laws of the State in which the Building is located), relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of any
such reletting Landlord is authorized by Tenant to decorate or to make any repairs, changes, alterations or additions in or to the Premises that may be necessary or convenient, at Tenant's expense. Tenant shall also be responsible for rent for the period that the Premises are vacant and all costs of re-letting, including, without limitation, brokerage commissions and attorneys' fees. Tenant shall be liable for any deficiency of such rental below the total rental and all other payments herein provided for the unexpired balance of the Term of this Lease. If said breach of the Lease continues, Landlord may, at any time thereafter, elect to Terminate the Lease; or (M) exercise any or all rights and remedies available to Landlord at law or in equity.

LIMITATION ON LANDLORD'S PERSONAL LIABILITY

57. Tenant specifically agrees to look solely to Landlord's interest in the Building for the recovery of any judgment from Landlord, it being agreed that Landlord (and any officers, shareholders, directors, members or employees of Landlord) shall never be personally liable for any such judgment.

JOINT AND SEVERAL LIABILITY

58. In the event that more than one person or entity executes the Lease as Tenant, all such persons and entities shall be jointly and severally liable for all of Tenant's obligations hereunder.

PARKING:

59.1 Tenant's Parking Rights: Within the Common Areas, Landlord will provide parking areas with necessary access. Landlord shall not charge for parking at the Building.

59.2 Landlord's Control Over Parking: Tenant and its authorized representatives will park their cars only in areas specifically designated for that purpose by Landlord. Within 10 days after written request by Landlord, Tenant will furnish to Landlord the license numbers assigned to its cars and the cars of all of its authorized representatives. If Tenant or its authorized representatives fail to park their cars in the designated parking areas, Landlord may charge Tenant, after second notice as and for liquidated damages, $25 per each day or partial day for each car parked in area other than those designated, which shall be charged to Tenant as Additional Rent. Tenant will not park or permit the parking of any vehicles adjacent to loading areas so as to interfere in any way with the use of such areas. Landlord shall have the right, in Landlord's sole discretion, to designate parking spaces for the exclusive use of particular tenants. Landlord will have the right to institute reasonable procedures and/or methods to enforce the terms of this Subparagraph. Landlord shall not be responsible for parking enforcement.

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EXHIBITS

All exhibits attached to this Lease are made a part of this Lease.

EXHIBIT A: Site Plan
EXHIBIT B: Move Out Standards
EXHIBIT C: Rules and Regulations
EXHIBIT D: Landlord's Sign Criteria
EXHIBIT E: Guaranty of Lease

SIGNATURES ON THE NEXT PAGE
IN WITNESS WHEREOF, the parties hereto, have signed and delivered this Lease in duplicate at Miami-Dade County, Florida, on the date and year above written.

LANDLORD
PERC 72 72ND WAREHOUSES
PERC ENTERPRISES
GARY RESSLER, AGENT
/s/ Gary Ressler

TENANT
/s/ X

WITNESSES:
/s/ X
/s/ X
EXHIBIT A
SITE PLAN
(See attached)
EXHIBIT B

MOVE OUT STANDARDS

Landlord and Tenant agree that the Lease is hereby modified and supplemented as follows:

At the expiration of the Lease, Tenant shall surrender the Premises in the condition required in the Lease, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration of the Lease, the same shall be deemed abandoned and shall become the property of the Landlord.

Tenant shall surrender the Premises, at the time of the expiration of the Lease, in a condition that shall include, but is not limited to, addressing the following items:

1. Lights: Office and warehouse lights will be fully operational with all bulbs functioning.

2. Dock Levelers & Roll Up Doors: Should be in comparable working condition to the condition as of the date of the Lease.


4. Warehouse Floor: Swept with no racking bolts and other protrusions left in floor. Cracks should be repaired with an epoxy or polymer (but Tenant is responsible only for cracks caused by Tenant, its agents, employees, or contractors due to, for example, moving and/or storing items that exceed the floor load capacity of the warehouse floor, as opposed to cracks caused by the general settling of the foundation of the Building).

5. Tenant-Installed Equipment & Wiring: Removed and space turned to original condition when originally leased. (Remove air lines, junction boxes, conduit, etc. to the ceiling line.)

6. Walls: Sheetrock (drywall) damage should be patched and fire-taped so that there are no holes in either office or warehouse.

7. Roof: Any tenant-installed equipment must be removed and roof penetrations properly repaired by licensed roofing contractor.

8. Signs: All exterior signs must be removed and holes patched and paint touched up as necessary. All window signs should likewise be removed.

9. Heating & Air Conditioning System: A written report from a licensed HVAC contractor within the last three months stating that all evaporative coolers and/or heaters within the warehouse are operational and safe and that office HVAC system is also in good and safe operating condition.

10. Overall Cleanliness: Clean windows, sanitize bathroom(s), vacuum carpet, and remove any and all debris from office and warehouse. Remove all pallets and debris from exterior of premises.

11. Upon Completion: Contact Landlord’s property manager to coordinate date of turning off power, handing in keys, and obtaining final Landlord inspection of Premises which, in turn, will facilitate refund of security deposit.
1. **Return of Keys.** At the end of the Term, Tenant shall promptly return to Landlord all keys for the Building and Premises which are in the possession of Tenant. In the event Tenant fails to return keys, Landlord may retain $50.00 of Tenant's security deposit for locksmith work and administration.

2. **Water Fixtures.** Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.

3. **Personal Use of Premises.** The Premises shall not be used or permitted to be used for residential, lodging, or sleeping purposes or for the storage of personal effects or property not required for business purposes.

4. **Animals.** Tenant shall not bring any animals into the Building (except bona fide service animals), and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

5. **Food and Beverages.** Except for food preparation and vending machines for Tenant's employees, Tenant shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving, or distribution of food or beverages.

6. **Refuse.** Tenant shall place all refuse in proper receptacles provided by Tenant at its expense at the Premises or in receptacles (if any) provided by the Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts, and shafts of the Building, free of all refuse.

7. **Proper Conduct.** Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building.

8. **Music/Sound.** Tenant, its officers, agents, servants and employees shall not permit the operation of any musical or sound producing instruments or device which may be heard outside the leased Premises or Building, or which may emanate electrical waves which will impair radio or television broadcasting or reception from or in Building.

9. **Infestation.** If the Premises should become infested with vermin of any kind, Tenant, at its sole cost and expense, shall cause its Premises to be exterminated from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefore as shall be approved by Landlord.

9. **Employees, Agents, and Invitees.** In these Rules and Regulations, Tenant includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.
EXHIBIT D

LANDLORD'S STANDARD SIGN CRITERIA

1. Tenant shall be responsible for the supply and installation of all signage, including a transformer, at the Tenant's sole expense. Tenant will be responsible for preparing and submitting sign plans and specifications to Landlord for approval prior to installation.

2. In order to preserve uniformity, quality and character, thereby maintaining aesthetic harmony throughout the total development of the Building, Landlord shall maintain approval of the design, construction, location and installation of all signs in the Building.

Tenant shall therefore, conform with the following:

SPECIFICATIONS:

A. Tenant shall be allowed one (1) outdoor facia sign in a width not to exceed 85% of the width of the Premises. The facia sign shall be comprised of individual reverse metal channel letters, of a size, style and finish specified by Landlord, back lighted by non-flashing neon. The vertical height for each letter shall not exceed 18 inches. Logos, if any, shall not exceed the size of one (1) typical letter.

B. Electrical shall be as required by jurisdictional authority.

APPROVAL:

A. Tenant shall provide Landlord with signage plans for approval as set forth herein.

B. Landlord shall have the specific right of approval of size, content, design, construction, and installation for all exterior and window signs and Tenant agrees that this approval right shall be absolute, so as to preserve the aesthetic harmony, uniformity, and decor of the Building. No sign work may be commenced until Landlord's final approval is obtained by Tenant.

C. Sign approval by Landlord shall not relieve Tenant from the requirement of complying with any and all governmental signage laws, ordinances, and regulations.

INSTALLATION AND REMOVAL OF SIGNS:

A. All signs and work shall be done at the Tenant's expense and in a good and workmanlike manner. Sign installation and electrical sign connections shall be performed by licensed sign contractors, which shall be designated or approved by Landlord. The sign company shall carry adequate insurance to cover any personal injury or damage to the property occurring during installation and removal of signs.

B. Any damage to the facia or canopy of the Building occurring during the installation and removal of the signs shall be paid for by the Tenant or repaired by the Tenant at its expense. Tenant, upon vacation of the Premises or removal or alteration of its signs for any reason, shall be responsible for the repair, painting, and/or replacement of the surfaces where the signs were attached. All repair works have to be done to the satisfaction and approval of the Landlord.

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EXHIBIT E
GUARANTY OF LEASE

ANNEXED TO AND FORMING A PART OF THE RETAIL LEASE DATED 2008 BETWEEN PERC ENTERPRISES, ("Landlord") and CLR ROASTERS, LLC, a Florida Limited Liability Company ("Tenant").

The undersigned, Ernesto Aguila, personally, jointly and severally ("Guarantor 1"). whose address is in consideration of the leasing of the Premises described in the annexed Lease to the above named Tenant, do hereby personally covenant and agree as follows:

I. If Tenant shall default in the performance of any of the covenants and obligations of said Lease on Tenant's part to be performed (including payment of all amounts due thereunder), then Guarantor will, on demand, perform the covenants and obligations of the Lease on Tenant's part to be performed and will, on demand, pay to Landlord any and all sums due to Landlord, including all damages and expenses that may arise in consequence of Tenant's default, and Guarantor does hereby waive all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach, notice of default or non performance by Tenant.

II. This Guaranty is a guaranty of payment, and not of collection, for any sum of money owing from Tenant to Landlord.

III. Guarantor hereby waives:
   a. any right to require that any prior action be brought against Tenant;
   b. any right to require that resort be had to any security or to any other credit in favor of Tenant; and
   c. all suretyship defenses generally, and the right to petition for the marshaling of assets.

IV. This Guaranty shall remain and continue in full force and effect:
   a. as to any renewal, extension, hold over, modification or amendment of the Lease (including any expansion of the Premises and any increase in Tenant's obligations to Landlord) and this Guaranty shall remain and continue in full force and effect as to the Lease even though Tenant may have subleased all or any portion of the Premises or assigned all or any portion of Tenant's interest in the Lease. Guarantor waives notice of any and all such renewals, extensions, hold overs, modifications, amendments, subleases or assignments;
   b. even though Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral given as additional security (including other guarantees) or released Tenant from the performance of its obligation under the Lease;
   c. notwithstanding the institution by or against Tenant of bankruptcy, reorganization, readjustment, receivership or insolvency proceeding of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise; and
   d. until such time as Landlord has executed and delivered to Guarantor an instrument specifically releasing Guarantor, Guarantor may not be released by any actions or oral statements of Landlord or by implication.

V. If the Lease shall be terminated due to a default by Tenant, Guarantor shall (without in any way limiting its liability under any other provision of this Guaranty), at the request of and within the complete discretion of Landlord, enter into a new Lease with Landlord on the same terms and conditions as contained in the Lease immediately prior to its Termination, commencing on the termination date of said Lease and ending on the expiration date of said Lease; this provision shall not, however, vest Guarantor with any right to demand or require such a new Lease from Landlord. Landlord shall have sole and absolute discretion as to whether or not such a new lease shall be required.

VI. Guarantor shall submit to Landlord annually, or at such other times as Landlord shall request, financial statements and such other financial information as Landlord shall require, which shall be audited by a certified public accountant if required by Landlord.

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VII. Guarantors acknowledge receipt of valuable consideration received in their undertaking of this Lease in that the Guarantors are shareholders of Tenant, and it is acknowledged by the Guarantors that the Lease herein guaranteed is of benefit and value to the Guarantors and would not have been negotiated or consummated by Landlord without this Guaranty being executed and delivered by the Guarantors.

VIII. This Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.

IX. Guarantor may, at Landlord's option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in the Lease and/or this Guaranty, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Guarantor.

X. If this Guaranty is signed by more than one party, their obligations shall be joint and several and the release of one of such Guarantors shall not release any other such Guarantors.

XI. This Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.

XII. Guarantor may, at Landlord's option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in the Lease and/or this Guaranty, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Guarantor.

XIII. Guarantor hereby waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty and any plea or claim of lack of personal jurisdiction or improper venue in any action, suit or proceeding brought to enforce this Guaranty or any of the obligations arising hereunder. Guarantor specifically authorizes any such action to be instituted and prosecuted in any Circuit Court in the state in which the Premises are located or United States District Court of the state in which the Premises are located, at the election of Landlord, where venue would lie and be proper. Guarantor irrevocably appoints Tenant as its agent for service of process.

XIV. Guarantor will pay to Landlord all of Landlord's expenses incurred in enforcing this Guaranty, including, but not limited to attorneys' fees and costs at the trial level and at all levels of appeal and in connection with any bankruptcy or administrative proceedings.

XVI. Landlord and Guarantor hereby knowingly, voluntarily and intentionally waive the right either may have to a trial by jury in respect to any litigation based hereon, or arising out of, under or in connection with this Guaranty and any agreements contemplated hereby to be executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the parties hereto and this provision is a material inducement for the Landlord's acceptance of this Guaranty.
IN WITNESS WHEREOF, the undersigned has executed this Guaranty this 6th day of February, 2008.

Witnesses: /s/ X
GUARANTOR(S):
/s/ Ernesto Aguila
Ernesto Aguila, Personally
SOCIAL SECURITY NO(S).

STATE OF FLORIDA
COUNTY OF MIAMI-DADE
Sworn to (or affirmed) and subscribed before me this 6th DAY OF February, 2008 by
NOTARY PUBLIC -STATE OF FLORIDA
/s/ X

-31-
WHEREAS, CLR ROASTERS LLC., a Florida limited liability company (herein the "Client") has pledged and granted to THE CIT GROUP/COMMERCIAL SERVICES, INC. ("CIT"), 301 South Tryon Street, Charlotte, North Carolina 28202, a continuing general lien upon and security interest in (a) its present and future merchandise, inventory and goods herein "Inventory"; and (b) machinery, equipment, furnishings, fixtures and goods (herein Equipment"), pursuant to a certain Security Agreement between CIT and the Client, as amended; and

WHEREAS, said lien and security interest covers all said Inventory and Equipment now or hereafter located, or to be located at 2131 N.W. 72nd Avenue, Miami, Florida 33122, which premises are owned by the undersigned landlord; now, therefore,

THE UNDERSIGNED, in consideration of the foregoing, and for other good and valuable consideration, receipt of which is hereby acknowledged, does by these presents, hereby waive and relinquish in favor of CIT, its successors and assigns, all right of levy for rent and all claims of every kind against said Inventory and Equipment now or hereafter kept or to be kept at said premises, this waiver to continue until full compliance by the Client with all the terms and conditions of the Security Agreement between CIT and the Client, as amended; and until payment and satisfaction of all obligations secured thereby, and the undersigned further agrees that it will not hinder or delay CIT in enforcing its rights under said Security Agreement; that said Inventory and Equipment may be repossessed or removed by CIT at any time and from time to time; and that CIT may go on the premises for such purposes at any time and from time to time and the undersigned will provide access accordingly.

IN WITNESS WHEREOF, the undersigned, owner-landlord, has signed below this 6th day of January, 2008.

PERC ENTERPRISES
"Landlord"
By: /s/ X
Title: 
Address: 169 Flagler Street, #1600
Miami, Florida 33130

NOTARY PUBLIC - STATE OF FLORIDA
/s/ X
WHEREAS, CLR ROASTERS LLC., a Florida limited liability company (herein the “Client”) has pledged and granted to THE CIT GROUP/COMMERCIAL SERVICES, INC. ("CIT"), 301 South Tryon Street, Charlotte, North Carolina 28202, a continuing general lien upon and security interest in (a) its present and future merchandise, inventory and goods (herein "Inventory"), and (b) machinery, equipment, furnishings, fixtures and goods (herein "Equipment"), pursuant to a certain Security Agreement between CIT and the Client, as amended; and

WHEREAS, said lien and security interest covers all said Inventory and Equipment now or hereafter located, or to be located at 2131 N.W. 72nd Avenue, Miami, Florida 33122, which premises are owned by the undersigned landlord; now, therefore,

THE UNDERSIGNED, in consideration of the foregoing, and for other good and valuable consideration, receipt of which is hereby acknowledged, does by these presents, hereby waive and relinquish in favor of CIT, its successors and assigns, all right of levy for rent and all claims of every kind against said Inventory and Equipment now or hereafter kept or to be kept at said premises, this waiver to continue until full compliance by the Client with all the terms and conditions of the Security Agreement between CIT and the Client, as amended, and until payment and satisfaction of all obligations secured thereby; and the undersigned further agrees that it will not hinder or delay CIT in enforcing its rights under said Security Agreement; that said Inventory and Equipment may be repossessed or removed by CIT at any time and from time to time; and that CIT may go on the premises for such purposes at any time and from time to time and the undersigned will provide access accordingly.

IN WITNESS WHEREOF, the undersigned, owner-landlord, has signed below this 6th day of January, 2008.

PERC ENTERPRISES
“Landlord”

By: /s/ X
Title: 
Address: 169 Flagler Street, #1600
Miami, Florida 33130
THIS STANDARD WAREHOUSE LEASE AGREEMENT (sometimes hereinafter referred to as the "Lease") made and entered into this 25 day of September, 2012 ("Effective Date"), by and between P.E. ENTERPRISES | 72ND WAREHOUSES (hereinafter called "Landlord"), whose address for the purpose hereof is 169 EAST FLAGLER STREET, PENTHOUSE, MIAMI, FL. 33131 and CLR ROASTERS, INC., a Florida Limited Liability Company (having Florida Dept. of State Document Number: L 07000102507), (hereafter called "Tenant"), whose address for purposes hereof is 2131 NW 72nd Avenue, Miami, FL 33122.

WITNESSETH DEMISED PREMISES

1. Subject and upon the terms, provisions, covenants and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder. Landlord does hereby lease, demise and let to Tenant and Tenant does hereby lease, demise and let from Landlord those certain premises (hereinafter sometimes called the "Premises" or "Demised Premises") in the building known as P.E. ENTERPRISES, 72ND WAREHOUSES (hereinafter called the "Building") located at 2131 NW 72nd Avenue. Miami, FL. 33122 containing approximately 24,850 square feet of Net Rentable Area (hereinafter defined) of the Building constituting a proportionate share of 41.5% of the Building. The amount of Net Rentable Area, as provided herein, is stipulated and agreed to by Landlord and Tenant.

The term "Net Rentable Area", as used herein shall refer to (i) in the case of a single tenancy floor, all space measured from the inside surface of the outer glass of the Building to the inside surface of the opposite outer wall, excluding only the areas ("Service Areas") within the outside walls used for building stairs, fire towers, elevator shafts, flues, vents, pipe shafts and vertical ducts, but including any such areas which are for the specific use of the particular tenants such as special stairs or elevators, and (ii) in the case of a multi-tenancy floor, all space within the inside surface of the outer glass enclosing the tenant occupied portion of the floor and measured to the midpoint of the walls separating the areas leased by or held for lease to other tenants or for areas devoted to corridors, elevator foyers, rest rooms and other similar facilities for the use of all tenants on the particular floor (herein called "Common Areas"), but including a proportionate part of the Common Areas located on such floor.

No reductions from Net Rentable Areas are made for columns necessary to the Building. The Net Rentable Areas in the Demised Premises and in the Building have been calculated on the basis of the foregoing definition and are hereby stipulated above as to the Demised Premises, whether the same should be more or less as a result of minor variations resulting from actual construction and completion of the Demised Premises, for occupancy so long as such work is done substantially in accordance with the approved plans.

TERM

2. This Lease shall be for the term of two (2) years commencing FEBRUARY 01, 2013 and ending on the L I 5 T H OF J U N E, 2015 (hereinafter sometimes referred to as the "Lease Term" or "Term") unless sooner terminated or extended as provided herein.

If the Landlord is unable to give possession of the Demised Premises on the date of the commencement of the aforesaid Lease Term by reason of the holding over of any prior tenant or tenants or any other reasons, an abatement or diminution of the rent to be paid hereunder shall be allowed Tenant under such circumstances until possession is given to Tenant, but nothing herein shall extend to operate the initial Term of the lease beyond the agreed expiration date, and said abatement in rent shall be the full extent of Landlord's liability to Tenant for any loss or damage to Tenant on account of said delay in obtaining possession of the Premises. There shall be no delay in the commencement of the term of this Lease and/or payment of rent when Tenant fails to occupy premises when same are ready for occupancy, or when Landlord shall be delayed in substantially completing such Demised Premises as a result of:

(a) Tenant's failure to promptly furnish working drawings and plans as required.
(b) Tenant's failure to approve cost estimates within one (1) week or
(c) Tenant's failure to promptly select materials, finishes, or installation or
(d) Tenant's changes in plans (notwithstanding Landlord's approval of any such changes), or
(e) Any other act of omission by Tenant or its Agents, or failure to promptly make other decisions, necessary to the preparation of the Demised Premises for occupancy.

The commencement of the Term and the payment of rent shall not be affected, delayed or deferred on account of any of the foregoing. For the purpose of this paragraph, the Demised Premises shall be deemed substantially completed and ready for occupancy by Tenant when Landlord's Supervising Architect certifies that the work required of Landlord, if any, has been substantially completed in accordance with said approved plans and specifications.

Taking possession of the Demised Premises by Tenant shall be conclusive evidence as against Tenant that the Demised Premises were in good and satisfactory condition when possession was taken.

If Tenant, with Landlord's consent, shall occupy the Demised Premises prior to the beginning of the Lease Term as specified herein above, all provisions of this Lease shall be in full force and effect commencing upon such occupancy, and Tenant shall pay rent for such period at the same rate herein specified.

### BASE RENT

3. Tenant agrees to pay Landlord a total "Base Rent" of Three Hundred Ninety-Two Thousand Eight Hundred Seventy-Eight and 50/100 Dollars ($392,878.50) in equal monthly installments every calendar month of the Term of this Lease, without any offset or deduction whatsoever, in lawful (legal tender for public or private debts) money of the United States of America, at the Management Office for the Building or elsewhere as designated from time to time by Landlord's written notice to Tenant, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Rent (Base)</th>
<th>Yearly Rent (Base)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$16,048.96/month</td>
<td>$192,587.50/year</td>
</tr>
<tr>
<td>Year 2</td>
<td>$16,690.92/month</td>
<td>$200,291.00/year</td>
</tr>
</tbody>
</table>

The balance of the total Base Rental is payable in equal monthly installments as specified above, on the first day of each month hereinafter ensuing, the first of which shall be due and payable on August 01, 2012. If the Term of this Lease commences on any day of a month excepting the first day, Tenant shall pay Landlord rental as provided for herein for such commencement month on a pro rata basis (such proration to be based on the actual number of days in the commencement month), and the first month's rent paid by Tenant, if any, upon execution of this Lease shall apply and be credited to the next full month's rent due hereunder. Rental for any partial month of occupancy at the end of the Term of this Lease will be prorated, such proration to be based on the actual number of days in the partial month.

In addition to Base Rental, Tenant shall and hereby agrees to pay to Landlord each month a sum equal to any sales tax, tax on rentals and any other charges, taxes and/or impositions now in existence or hereafter imposed based upon the privilege of renting the space leased hereunder or upon the amount of rentals collected therefor. Nothing herein shall, however, be taken to require Tenant to pay any part of any Federal and State Taxes on income imposed upon Landlord.

### FIXED ANNUAL RENT

4. Tenant agrees to pay the Fixed Annual Rent during the Term in equal monthly installments, on or before the first day of each month in advance, at the office of Landlord or at such other place designated by Landlord, without any notice or demand therefor, and without any abatement, deduction or setoff whatsoever. The Fixed Annual Rent shall be an additional four per cent (4%) of the prior year's amount.
All Fixed Annual Rent and additional rent shall be made payable to:

PERC ENTERPRISES
C/O TILIA REAL ESTATE
169 East Flagler Street Penthouse
Miami, FL 33131,
or at such other address designated in writing by Landlord.

As used herein, the term "Lease Year" is defined as the twelve (12) month period beginning with the Commencement Date and succeeding anniversaries thereof.

ADDITIONAL RENT

5. Tenant shall pay, as additional rent, all sums of money other than base rent or other impositions specifically set forth herein as “additional rent,” whether or not such sums are due and payable to Landlord or to a third party, and regardless of whether such sums are designated as Additional Rent. Landlord shall have the same rights and remedies for Tenant’s failure to pay Additional Rent as for Tenant’s failure to pay any Base Rent. “Rent” shall mean and include Base Rent and all Additional Rent.

TIME OF PAYMENT

6. Tenant agrees: that Tenant will promptly pay said rents (Base Rental as the same may be adjusted from time to time and Additional Rent) at the time and place stated above; that Tenant will pay charges for work performed on order of Tenant and any other charges that accrue under this Lease; that if any part of the rent or above mentioned charges shall remain due and unpaid for five days next after the same shall become due and payable, Landlord shall have the option (in addition to all other rights and remedies available to it by law or equity) of declaring the balance of the entire rent of the entire term of this Lease to be immediately due and payable, and Landlord may then proceed to collect all of the unpaid rent called for by this Lease by distress or otherwise. If the Landlord agrees to accept a rental installment more than five days after its due date, Tenant shall pay, as additional rent, a late charge equal to 10% of the delinquent rental installment.

Tenant shall be assessed a fee of $125 for any returned check which may not be honored at either Tenant's bank or Landlord's bank.

SECURITY DEPOSIT

7.1 Payment of Security Deposit. Tenant currently has Nineteen Thousand Six Hundred Seventy-Four and 88/100 Dollars ($19,674.88) on deposit with Landlord from its previous Lease at the Premises which shall extend to this Lease. Tenant shall deposit an additional Thirteen Thousand Seven Hundred Six and 95/100 ($13,706.95) as Security Deposit for a Total Security Deposit of Thirty-Two Thousand Three Hundred Eighty-One and 83/100 ($32,381.83).

7.2 Application of Security. If Tenant defaults in its payment of Rent or performance of any of its other obligations under this Lease, and any renewals or extensions thereof, Landlord may, at its sole option, whether before or after enforcing its remedies against the Tenant in accordance with the terms of this Lease retain, use, or apply the whole or any part of the Security to the extent required for payment of any:
   a) Base Rent;
   b) Additional Rent;
   c) Any other amounts Tenant is obligated to pay under the Lease;
   d) Any amount that Landlord may expend or may be required to expend by reason of Tenant’s Default of this Lease.
7.3 Remedies Not Affected by Security.

(i) In no event shall Landlord be obligated to apply the Security. In addition, the application of the Security is not a prerequisite to Landlord’s right to resort to its remedies against Tenant under any terms of the Lease hereof or by law or in equity, and

(ii) Landlord’s right to resort to its remedies in accordance with the terms of this Lease, including, but not limited to, its right to bring an action or special proceedings to recover damages, or obtain possessions of the Premises, whether before or after Landlord terminates this Lease for nonpayment of Rent or for any other reason, or by law or in equity, shall not be affected by Landlord’s decision not to apply the security.

7.4 Security Does Not Limit Damages. The Security shall not be a limitation on Landlord’s damages or the other rights and remedies available under this Lease, or at law or equity; nor shall the Security be a payment of liquidated damages.

7.5 Security Is Not Advance on Rent. The Security shall not be an advance payment of the Rent.

7.6 Restoration of Used Portion. If Landlord uses, or applies or retains all or any portion of the Security, Tenant shall restore the Security to its original amount within five (5) days after written demand from Landlord. Tenant shall be in Default of this Lease if Tenant fails to timely comply with this Paragraph.

7.7 Security May Be Commingled. Landlord shall not be required to keep the Security separate from its own funds, and may commingle the Security with its own funds, except as required by law.

7.8 Security Not Held in Trust. Landlord shall have no fiduciary responsibilities or trust obligations whatsoever with regard to the Security and shall not assume the duties of a trustee for the Security except as required by law.

7.9 No Interest–Bearing Account Required. Landlord shall not be required to keep the Security in an interest-bearing account, except required by law. If Landlord keeps the Security in an interest-bearing account, Landlord shall receive all of the interest that accrues.

7.10 Return of Security. Provided that Landlord has determined, in its sole discretion, that Tenant has fully and faithfully complied with all the terms, provisions, covenants, and conditions of this Lease, and any modification, extension, or renewal thereof, Landlord shall return any unused part of the Security to Tenant within sixty (60) days after the expiration or earlier termination of the Lease.

7.11 Sale or Lease of Landlord’s Interest. In the event of a sale or foreclosure of the Property or the Building, or any part thereof which includes the Premises, or a lease of the Building, Landlord shall have the right to transfer the Security to the purchaser or tenant, as the case may be, and Landlord shall thereupon be released by Tenant from all liability for the return of the Security; and Tenant agrees to look solely to the purchaser or tenant for the return of the Security.

7.12 No Encumbrances on Security. The Security shall not be mortgaged or encumbered by Tenant, and neither Landlord nor its successors or assigns shall be bound by any such mortgage or encumbrance.

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7.13 Security Doesn’t Make Lease Effective. The acceptance by Landlord of the Security submitted by Tenant shall not render this Lease effective unless and until Landlord delivers to Tenant a fully executed copy of this Lease.

USE

8. The Tenant will use and occupy the Demised Premises for the following use or purpose and for no other use or purpose: Wholesale of Packaged Coffee Products and related offices. Tenant covenants that it has verified its Use is permitted in the Building by the city in which the Premises is located and applicable governmental and/or quasi-governmental authorities and is in conformity with all covenants, conditions and restrictions which the Building is subject to, and expressly takes the Premises subject to all governmental and/or quasi-governmental rules and regulations and all covenants, conditions and restrictions by which the Building and its occupants are subject to.

QUIET ENJOYMENT

9. Upon Payment of the Tenant of the rents herein provided, and upon the observance and performance of all terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant shall, subject to all the terms, provisions, covenants and conditions of this Lease Agreement, peaceably and quietly hold and enjoy the Demised Premises for the Terms hereby demised.

REAL ESTATE TAXES

10. (a) Tenant shall pay to the Landlord its proportionate share of any and all increases in Real Estate Taxes (as defined below) relating to the Premises that exceed the Real Estate Taxes paid during the base year of 2012 (the “Base Year”), within twenty (20) days’ written demand therefor, or the Landlord shall be entitled at any time or times in any calendar year, upon at least twenty (20) days’ prior written notice to the Tenant to require the Tenant to pay to the Landlord the estimated increase in the Real Estate Taxes (over the Base Year) for such calendar year in equal monthly installments. Such monthly amount shall be determined by dividing the estimated increase in the Real Estate Taxes (over the Base Year) by the number of months for the period from January 1st in each calendar year of the Term until the due date of the final installment of Real Estate Taxes as established by the applicable taxing authority from time to time in each calendar year (“Installment Period”) and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date of payment of monthly rental payments during the Installment Period. All amounts received under this provision in any calendar year on account of the estimated amount of such Real Estate Taxes shall be applied by the Landlord in payment of the actual amount of such increase in Real Estate Taxes for such calendar year (over the Base Year). If the amount received is less than the actual increase in Real Estate Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within twenty (20) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the actual increase in Real Estate Taxes (over the Base Year), the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the calendar year in which such payments were made or, at the Landlord’s option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant.

(b) The term “Real Estate Taxes” shall mean all general and special taxes and assessments (including special improvement assessments) whether ad valorem or not ad valorem, foreseeable or unforeseeable, or ordinary or extraordinary, levied, assessed or imposed at any time by any governmental body or authority upon or against the Premises and this Lease. “Real Estate Taxes” shall not include any of Landlord’s franchise, business privilege, payroll, or federal or state income tax or any estate or inheritance taxes, gross receipts tax, capital stock or franchise tax, or value added tax. Tenant shall only be responsible for Real Estate Taxes imposed for tax years (or the pro rata portion thereof for partial tax years) during the Term of this Lease and any Option Periods, and hold-over periods hereof. A “tax year” shall be deemed to be a calendar year, notwithstanding the assessment or collection thereof on a different basis by any taxing authority. Tenant shall not be responsible for any penalties incurred or increased payments required as a result of Landlord’s failure, inability or unwillingness to make payments and/or to file any tax or informational returns prior to delinquency.
(c) Tenant may, at its sole cost and expense, contest any assessment or levy of Real Estate Taxes, provided that Tenant either pays such Real Estate Taxes under protest or deposits with Landlord, prior to the date on which the Real Estate Taxes are due and payable, an amount which is necessary to pay the total amount of such Real Estate Taxes, together with all penalties and interest, in the event that such contest is unsuccessful. To the extent necessary therefor, Landlord (at Tenant’s expense) will consent to execute such documents and participate in such proceedings as may be reasonably necessary. If Landlord also elects to contest Real Estate Taxes, the parties shall cooperate in order to coordinate such contest of Real Estate Taxes. At the conclusion of any such contest, Tenant shall pay the charge contested to the extent it is held valid, together with all court costs, interest, penalties and other expenses relating thereto and will indemnify and hold harmless Landlord from any costs, expenses and damages incurred in connection with such proceedings, including reasonable attorneys’ fees. Nothing herein contained, however, shall be construed as to allow such items to remain unpaid for such length of time as shall permit the Premises (or any part thereof) to be sold by governmental, city or municipal authorities for the non-payment of the same. Despite contesting Real Estate Taxes, Tenant shall be responsible for all other charges and payments due under this Lease.

(d) Landlord (at Tenant's expense) will cooperate with Tenant, execute such documents and participate in such proceedings as may be reasonably necessary for Tenant to qualify for and obtain any available abatements of Real Estate Taxes, or other municipal inducements available to Tenant in connection with Tenant’s decision to locate its business in the Premises.

INSURANCE PREMIUMS

11. If the Landlord’s insurance premiums exceed the standard premium rates because the nature of Tenant's operation results in extra hazardous exposure, then the tenant shall, upon receipt of appropriate invoices from Landlord, reimburse Landlord for such increase in premiums. It is understood and agreed between the parties hereto that such increase in premiums shall be considered as rent due and shall be included in any lien for rent. Tenant shall pay to the Landlord its proportionate share of any and all increases in the premiums for the insurance policies maintained by Landlord under Section 49 herein (the “Insurance Costs”) that exceed the insurance premiums relating to the Premises during the Base Year of 2012 within twenty (20) days written demand therefore, or the Landlord shall be entitled at any time or times in any calendar year to cause Tenant to pay estimated increases monthly (to be reconciled annually based on actual Insurance Costs) in the same manner as for monthly payments of Real Estate Taxes as described above.

RULES AND REGULATIONS

12. Tenant agrees to comply with all rules and regulations Landlord may adopt from time to time for operation of the Building and protection and welfare of Building, its tenants, visitors and occupants. The present rules and regulations, which Tenant hereby agrees to comply with, entitled “Rules and Regulations” are attached hereto and are by this reference incorporated herein. Any future rules and regulations shall become a part of this Lease, and Tenant hereby agrees to comply with the same upon delivery of a copy thereof to Tenant, provided the same do not materially deprive Tenant of its rights established under this Lease.

GOVERNMENTAL REQUIREMENTS

13. Tenant shall faithfully observe in the use of the Demised Premises all municipal and county ordinances and cedes state and federal statutes now in force or which may hereafter be in force. In the event, Tenant shall violate any municipal and county report, Tenant shall indemnify and hold Landlord harmless for any loss, including any costs or attorneys fees incurred by Landlord.
SERVICES

14.   (a) Landlord shall maintain the Common Areas, including lobbies, stairs, elevators and corridors in the Building in reasonably good order and condition except for damage occasioned by the act of Tenant, which damage shall be repaired by Landlord at Tenant's expense. Tenant shall during the Term of this Lease, keep in first-class order condition and repair the Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Premises, and fixture, interior walls, ceilings, windows, skylights, entrances and vestibules located within the Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings in the Premises whenever replacement of said equipment is required during the Term of this Lease.

(b)   Landlord shall furnish (1) electricity for lighting and air conditioning the Common Area as well as water to the Common Area and, only if the Premises are not separately metered for electric and/or water, for the Premises as well (as applicable), subject to Tenant reimbursing Landlord for Tenant's Percentage Share of the same and the Excess Use (defined in section (c) below), (2) elevator service for the Common Area, (3) lighting replacement for the Common Area (for building standard lights), (4) restroom supplies for the Common Areas, (5) junior service for the Common Area. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services (ii) failure to furnish or delay in furnishing any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Premises or to the Property, or (iii) the limitation, curtailment, rationing or restrictions on use of water, electricity, gas or any other form of energy serving the Premises or the Property. The failure by Landlord to any extent to furnish, or the interruption or termination of the foregoing services, in whole or in part, resulting from causes beyond the reasonable control of Landlord, shall not be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in the provision of such services for any cause cease to function properly, Tenant shall have no claim for offset or abatement of rent or damages on account of an interruption in service occasioned thereby or resulting therefrom.

(c)   No electric current shall be used by Tenant except that furnished or approved by Landlord, nor shall electric cable or wire be brought into the Premises, except upon the written consent and approval of the Landlord. Tenant shall use only machines and equipment that operate on the Building's standard electric circuits, but which in no event shall overload the Building's standard electric circuits from which the Tenant obtains electric current. In the event Tenant's electric consumption is not separately metered, then any consumption of electric current in excess of that considered by Landlord to be used, normal and customary for all tenants in the Building, or which require special circuits or equipment (the installation of which shall be at Tenant's expense after approval in writing by the Landlord) ("Excess Use"), shall be paid for by the Tenant as additional rent, based upon Landlord's estimated cost of such excess electric current consumption. Tenant shall pay for all separately metered utilities, including but not limited to light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any local, state or federal taxes thereon. Tenant shall directly pay the provider of such separately metered services.

TENANT WORK

15.   It is understood and agreed between the parties hereto that any charges against Tenant by Landlord for services or for work done on the Demised Premises by order of Tenant, or otherwise accruing under this Lease, shall be considered as rent due and shall be included in any lien for rent.

REPAIR OF DEMISED PREMISES

16.   Tenant shall during the Term of this Lease, keep in first-class order condition and repair the Demised Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Demised Premises, fixture, interior walls, ceilings,
windows, skylights, entrances and vestibules located within the Demised Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Demised Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings whenever replacement of said equipment is required during the Term of this Lease.

If Tenant fails to perform its obligation under this paragraph 14, Landlord may at its option and after five (5) days written notice to Tenant enter upon the Demised Premises and put the same in good order, condition and repair and the cost thereof shall become due and payable as Additional Rental by Tenant to Landlord upon demand.

Tenant will make no alterations, additions or improvements in or to the Demised Premises without the written consent of the Landlord, which shall not be unreasonably withheld, but may be predicated upon but not limited to Tenant's use of contractors who are acceptable to Landlord, and all additions, fixtures, carpet or improvements, except only office furniture and fixtures which shall be readily removable without injury to the Demised Premises, shall be and remain part of the Demised Premises at the expiration of this Lease.

It is further agreed that this Lease is made by the Landlord and accepted by the Tenant with the distinct understanding and agreement that the Landlord shall have the right and privilege to make and build additions to the Building of which the Demised Premises are a part, and make such alterations and repairs to said Building as it may seem wise and advisable without any liability to the Tenant thereof.

LIEN & INDEMNIFICATION

17. Tenant further agrees that Tenant will pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit discharging the said Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.

Neither Tenant nor anyone claiming by, through or under Tenant shall place any lien of any kind or character (including but not limited to mechanics, materialmen’s or laborers liens) on the Demised Premises or any portion thereof. Tenant agrees to indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit discharging the said Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant, in the event any such lien shall be made or filed. Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.

Neither Tenant nor anyone claiming by, through or under Tenant shall place any lien of any kind or character (including but not limited to mechanics, materialmen’s or laborers liens) on the Demised Premises or any portion thereof. Tenant agrees to indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit discharging the said Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant, in the event any such lien shall be made or filed. Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.
In the event that the Tenant shall violate the terms and provisions of this paragraph, such violations shall constitute an immediate Default under this Lease.

ESTOPPEL STATEMENT

18. Tenant agrees that from time to time, upon not less than ten (10) days prior request by Landlord, Tenant will deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications); (b) the dates to which the rent and other charges have been paid; and (c) that Landlord is not in default under any provisions of this lease, or, if in default, the nature thereof in detail.

SUBORDINATION

19. If the building and/or Demised Premises are at any time subject to a mortgage and/or deed of trust, and Tenant has received written notice from Mortgagee of same, then in any instance in which Tenant gives notice to Landlord alleging default by landlord hereunder, Tenant will also simultaneously give a copy of such notice to each Landlord's Mortgagee and each Landlord's Mortgagee shall have the right (but not the obligation) to cure or remedy such default during the period that is permitted to Landlord hereunder, plus an additional period of thirty (30) days, and Tenant will accept such curative or remedial action (if any) taken by Landlord's Mortgagee with the same effect as if such action had been taken by Landlord.

This Lease shall at Landlord's option, which option may be exercised at any time during the Lease Term, be subject and subordinate to any first mortgage now or hereafter encumbering the Building. This provision shall be self-operative without the execution of any further instruments. Notwithstanding the foregoing, however, Tenant hereby agrees to execute any instrument(s) which Landlord may deem desirable to evidence the subordination of this Lease to any and all such mortgages.

ATTORNMENT

20. If the interest of Landlord under this Lease shall be transferred voluntarily or by reason of foreclosure or other proceedings for enforcement on any first mortgage on the Demised Premises, Tenant shall be bound to such transferee (herein sometimes called the "Purchaser") for the balance of the Term remaining, and any extensions or renewals thereof which may be effective in accordance with the terms and conditions hereof with the same force and effect as if the purchaser were the Landlord under this Lease, and Tenant does hereby agree to attorn to the Purchaser, including the Mortgagee if it be the Purchaser succeeding to the interest of the Landlord under this Lease. The respective rights and obligations of Tenant and the Purchaser upon such attornment, to the extent of the then remaining balance of the Term of this Lease and any such extensions and renewals shall be and are the same as those set forth herein. In the event of such transfer of Landlord's interest, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant under Lease or otherwise and Landlord's successor by acceptance of rent from Tenant hereunder shall become liable and responsible to Tenant in respect to all obligations of the Landlord under this Lease.
ASSIGNMENT

21. Without the written consent of the Landlord first obtained in each case, Tenant shall not assign, transfer, mortgage, pledge or otherwise encumber or dispose of this Lease or underlet the Demised Premises or any part thereof or permit the Demised Premises to be occupied by other persons. In the case of a subletting, Landlord's consent may be predicated, among other things, upon Landlord becoming entitled to collect and retain all rentals payable under the sublease. If this Lease be assigned, or if the Demised Premises or any part thereof be underlet or occupied by anybody other than Tenant, the Landlord may, after default by the Tenant, collect or accept rent from the assignee, undertenant or occupant and apply the net amount collected or accepted to the rent herein reserved, but no such collection or acceptance shall be deemed a waiver of this covenant or the acceptance of assignee, undertenant or occupant as Tenant, nor shall it be construed as or implied to be a release of the Tenant from the further observance and performance by the Tenant of the terms, provisions, covenants and conditions herein contained.

The acceptance by Landlord of the payment of rent following any assignment or other transfer prohibited by this Paragraph shall not be deemed to be a consent by Landlord to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder.

If Landlord shall consent to any transfer or subletting to any party, Tenant shall in consideration therefore pay to Landlord as additional rent the Transfer Consideration. For purposes of this paragraph, the term “Term Consideration” shall mean in any Lease Year: (i) any rents, additional charges or other consideration payable to Tenant by the transferee or sub-tenant of the transfer which is in excess of the Base Rental and additional Base Rental accruing during such Lease Year; and (ii) all sums paid for the sale or rental of Tenant’s fixtures, leasehold improvements, equipment, furniture or other personal property. The Transfer Consideration shall be paid to Landlord as and when paid by the transferee or sub-tenant to Tenant. Landlord shall have the right to audit Tenant’s books and records upon reasonable notice to determine the amount of Transfer Consideration payable to Landlord. In the event such audit reveals an understatement of Transfer Consideration in excess of 5% of the actual Transfer Consideration due Landlord, Tenant shall pay for the cost of such audit within ten days after Landlord’s written demand for same.

In lieu of consenting or not consenting, Landlord may, at its option, (i) in case of the proposed assignment or subletting of Tenant’s entire leasehold interest, terminate this Lease in its entirety, or (ii) in the case of the proposed assignment or subletting of a portion of the Premises, terminate this Lease as to that portion of the Premises which Tenant has proposed to assign or sublet. In the event Landlord elects to terminate this Lease pursuant to clause (ii) of this paragraph, Tenant's obligations as to base Rental and Additional Rent shall be reduced in the same proportion that the net Rentable Area of the portion of the Premises taken by the proposed assignee or subtenant bears to the total Net Rentable Area of the Premises.

To review any proposed assignment Landlord will require sixty (60) days to review Tenant's submission of (i) the name of the entity receiving such transfer (the "Transferee"); (ii) a detailed description of the business of the Transferee, (iii) audited financial statements of the Transferee; (iv) all written agreements governing the transfer; and (v) any information reasonably requested by the Landlord with respect to the transfer or the Transferee; and (vi) a fee of one thousand and No/100 dollars ($1,000.00) to compensate Landlord for legal fees, costs of administration, and other expenses incurred in connection with the review and processing of such documentation. Notwithstanding the foregoing, Landlord's consent will not be deemed unreasonably withheld should Tenant request an assignment of this lease within the first eighteen (18) months of the initial lease term. If Tenant assigns this Lease more than once within twelve (12) months following the date of any previous assignment hereof, Tenant shall pay Landlord a fee of five thousand and No/100 ($5,000.00).

SUCCESSORS AND ASSIGNS

22. All terms, provisions, covenants, and conditions to be observed and performed by Tenant shall be applicable and binding upon Tenant's respective heirs, administrators, executors, successors and assigns, subject, however, to the restrictions as to assignment or subletting by Tenant as provided herein. All expressed covenants of this Lease shall be deemed to be covenants running with the land.
HOLD HARMLESS OF LANDLORD

23. In consideration of said Premises being leased to Tenant for the above rental, Tenant agrees: that Tenant, at all times, will indemnify and keep Landlord harmless for all losses, damages, liabilities and expenses, which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, consequent upon or arising from the use or occupancy of said Premises by Tenant or consequent upon or arising from any negligence, acts, omissions, neglect or fault of Tenant, his agents, servants, employees, licensees, visitors, customers, patrons or invitees, or consequent upon or arising from Tenant’s failure to comply with any laws, statutes, ordinances, codes or regulations as herein provided; that Landlord shall not be liable to Tenant for any damages losses or injuries to the persons or property of Tenant which may be caused by the acts, neglect, omissions or faults of any persons, firms or corporations, except when such injury, loss or damage results from gross negligence or intentional acts or omissions of Landlord, his agents or employees, and that Tenant will indemnify and keep harmless Landlord from all damages, liabilities, losses, injuries, or expenses which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, where said injuries or damages arose about or upon said Premises, as a result of the negligence of Tenant, his agents, employees, servants, licensees, visitors, customers, patrons, and invitees. All personal property placed or moved into the Demised Premises or Building shall be at the risk of Tenant or owner thereof, and Landlord shall not be liable to Tenant for any damage to said personal property. Tenant shall maintain at all times during the Term of this Lease an insurance policy or policies in an amount of amounts sufficient in Landlord’s opinion, to indemnify Landlord or pay Landlord’s damages, if any, resulting from any matters set forth hereinafter in this paragraph 23.

In case Landlord shall be made a party to any litigation commenced against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation and appeal thereof.

ATTORNEYS’ FEES

24. If either party defaults in the performance of any of the terms, provisions, covenants and conditions of this Lease and by reason thereof the other party employs the service of an attorney to enforce performance of the covenants, or to perform any service based upon defaults, then in any of said events the prevailing party shall be entitled to reasonable attorneys’ fees and all expenses and costs incurred by the prevailing party pertaining thereto (including costs and fees relating to any appeal) and in enforcement of any remedy. Further, in the event Landlord is required to file an action for Tenant Removal (Eviction) because of a default by Tenant, and thereafter Landlord permits Tenant to cure such default and retain possession of the Leased Premises, Tenant shall pay Landlord, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action. In the event Landlord is required to file an action against Tenant to collect unpaid rent after a Tenant Removal action, Landlord may recover from Tenant, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action.

DAMAGE OR DESTRUCTION

25. In the event the Demised Premises shall be destroyed or so damaged or injured by fire or other casualty, during the Term of this Lease, whereby the same shall be rendered untenantable, then the Landlord shall have the right, but not the obligation, to render such Demised Premises tenable by repairs within 180 days therefor.

Landlord agrees that, within 60 days following damage or destruction, it shall notify Tenant with respect of whether or not the Landlord intends to restore the Premises. If such Premises are not rendered tenable within the aforesaid 180 days it shall be optional with either party hereto to cancel this Lease, and in the event of such cancellation the rent shall be paid only to the date of which the term is terminated. The cancellation herein mentioned shall be evidenced in writing. During any time that the Demised Premises are untenable due to causes set forth in this paragraph, the rent, or a just and fair proportion thereof shall be abated. Notwithstanding the foregoing, should damage, destruction or injury occur by reason of Tenant's negligence, Landlord shall have the right, but not the obligation, to render the Demised Premises tenable within 360 days of the date of damage, destruction or injury and no abatement of rent shall occur.
Notwithstanding the foregoing, should damage or destruction occur during the last twelve months of the Lease Term either Landlord or Tenant shall have the option to terminate this Lease, effective on the date of damage or destruction, provided notice to terminate is given within 30 days of the date of such damage or destruction. Notwithstanding the foregoing, should the damage or destruction occur by reason of Tenant's negligence, Tenant shall not have such option to terminate.

Notwithstanding the foregoing, there shall not be any partial or full abatement of rent due to the aforementioned damage or destruction.

EMINENT DOMAIN

26. If there shall be taken during the Term of this Lease any part of the Demised Premises or Building other than a part not interfering with maintenance, operation or use of the Demised Premises, Landlord may elect to terminate this Lease or to continue same in effect. If Landlord elects to continue the Lease, the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damage to the Demised Premises or Building resulting from such taking. If any part of the Demised Premises is taken by condemnation or Eminent Domain which renders the Premises unsuitable for its intended use, this Lease shall continue in effect and the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damages to the Demised Premises resulting from such taking. If all of the Demised Premises is taken by condemnation or Eminent Domain this Lease shall terminate on the day of the taking. All sums awarded (or agreed upon between landlord and the condemning authority) for the taking of the interest of Landlord and/or Tenant, whether as damages or as compensation, and whether for partial or total condemnation, will be the property of Landlord. If the Lease shall be terminated under any provisions of this paragraph, rentals shall be payable up to the date of that possession is taken by the authority, and Landlord will refund to Tenant any prepaid unaccrued rent less any sum or amount then owing by Tenant to Landlord.

ABANDONMENT

27. If during the Term of this Lease, Tenant shall abandon, vacate or remove from the Demised Premises the major portion of the goods, wares, equipment or furnishings usually kept on said Demised Premises, or shall cease doing business in said Demised Premises, or shall suffer the rent to be in arrears, Landlord may at its option, cancel the Lease in the manner stated in Paragraph 24 hereof, or Landlord may enter said Premises as the agent of Tenant by force or otherwise, without being liable in any way therefor and relet the Demised Premises with or without any furniture that may be therein, as the agent of Tenant, at such price and upon such terms and for such duration of time as Landlord may determine, and receive the rent therefor, applying the same to the payment of the rent due by these presents, and if the full rental herein provided shall not be realized by Landlord over and above the expenses to Landlord of such relating, Tenant shall pay any deficiency.

INSOLVENCY

28. It is agreed by the parties hereto that: if Tenant shall be adjudicated a bankrupt or an insolvent or take the benefit of any federal reorganization or composition proceeding or make a general assignment or take the benefit of any insolvency law, or if Tenant's leasehold interest under this Lease shall be sold under any execution or process of law, or if a trustee in bankruptcy or a receiver be appointed or elected or had for Tenant (whether under Federal or State laws), or if said Premises shall be abandoned or deserted; or if Tenant shall fail to perform any of the terms, provisions, covenants or conditions of this Lease on Tenant's part to be performed; or if this Lease or the Term thereof be transferred or passed to or devolved under any persons, firms, officers or corporations other than by death of the Tenant, operation of law or otherwise, than in any such events, at the option of Landlord, the total remaining unpaid Base Rental for the Term of this Lease shall become due and payable or this Lease and the Term of this Lease shall expire and end five (5) days after Landlord has given Tenant written notice (in the manner hereinafter provided) of such act, condition or default and
Tenant hereby agrees immediately then to pay said Base Rental or quit and surrender said Demised Premises to Landlord; but this shall not impair or affect Landlord's right to maintain summary proceedings for the recovery of the possession of the Demised Premises in all cases provided for by law. If the Term of this Lease shall be so terminated, Landlord may immediately, or at any time thereafter, re-enter or repossess the Demised Premises and remove all persons and property therefrom without being liable for trespass or damages.

LIEN FOR PAYMENT OF RENT

29. In addition to and independent of any lien in favor of Landlord arising by operation of law, Tenant hereby grants to Landlord a security interest, to secure payment of all Base Rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, in and upon all goods, wares, equipment, fixtures, furnishings, inventory, improvements and other personal property of Tenant presently or which hereafter may be situated in or on the Premises, and all proceeds therefrom, and such property shall not be removed therefrom without the consent of Landlord until any and all other sums of money then due to Landlord hereunder, first shall have been paid and discharged, and all covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. At any time and from time to time, Tenant agrees to execute any UCC-1 Financing Statement or such other documents or instruments as Landlord may request to perfect or confirm the security interest created by this Paragraph. Upon any failure by Tenant to do so, Tenant agrees that Landlord may execute same for and on behalf of Tenant as Tenant's attorney-in-fact. Tenant hereby waives all exemption laws to the extent permitted by law. This lien and security interest may be foreclosed with or without court proceedings, by public or private sale, with or without notice, and Landlord shall have the right to become purchaser upon being the highest bidder at such sale. Landlord, as secured party, shall be entitled to all the rights and remedies afforded a secured party under the Uniform Commercial Code of the State in which the Premises are located, which rights and remedies shall be in addition to and cumulative of the Landlord's liens and rights provided by law, in equity or by the terms and provisions of this Lease.

WAIVER OF DEFAULT

30. Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/or in equity. No waiver by Landlord of a default by Tenant shall be implied, and no express waiver by Landlord shall affect any default other than the default specified in such waiver and only for the time and extension therein stated.

No waiver of any term, provision, condition or covenant of this Lease by Landlord shall be deemed to imply or constitute a further waiver by Landlord of any other Term, provision, condition or covenant of this Lease. In addition to any rights and remedies specifically granted by Landlord herein, Landlord shall be entitled to all rights and remedies available at law and in equity in the event that tenant fail to perform any of the terms, provisions, covenants and conditions on this Lease on Tenant's part to be performed or fail to pay Base Rental, additional Rental or any other sums due Landlord hereunder when due. All rights and remedies specifically granted to Landlord herein by law and equity shall be cumulative and not mutually exclusive.

RIGHT OF ENTRY

31. Landlord, or any of his agents, shall have the right to enter the Demised Premises during all reasonable hours to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort or preservation thereof, or to said Building, or to exhibit said Demised Premises within one hundred and eighty (180) days before the expiration of this Lease. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease.
NOTICE

32. Any notice given to Landlord as provided for in this Lease shall be sent to Landlord by registered mail addressed to Landlord at Landlord's Management Office for the Building. Any notice to be given Tenant under the Terms of this Lease, unless otherwise stated herein, shall be in writing and shall be sent by certified mail or hand delivered to the office of Tenant in the Building. Either party, from time to time, by such notice, may specify another address to which subsequent notices shall be sent.

LANDLORD CONTROLLED AREAS

33. All automobile parking areas, driveways, entrances and exits thereto, Common Areas, and other facilities furnished by Landlord, including all parking areas, truck way or ways, loading areas, pedestrian walkways and ramps, landscaped areas, stairways, corridors and other areas and improvements provided by Landlord for the general use, in common, of Tenants, their officers, employees, servants, invitees, licensees, visitors, patrons and customers, shall be at all times subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce rules and regulations with respect to all facilities and areas and improvements, to police same, from time to time to change the area, level and location and arrangement of parking areas and other facilities hereinabove referred to, to restrict parking by and enforce parking charges (by operation of meters or otherwise) to tenants, their officers, agents, invitees, employees, servants, licensees, visitors, patrons and customers; to close all or any portion of said areas or facilities to such extent as may in the opinion of Landlord's counsel be legally sufficient to prevent a dedication thereof or the accrual of any right to any person or the public therein; to discourage non-tenant parking; to charge a fee for visitor and/or customer parking; and to do and perform such other acts in and to said areas and improvements as, in the sole judgement of Landlord, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their officers, agents, employees, servants, invitees, visitors, patrons, licensees and customers. Landlord will operate and maintain the Common Areas and other facilities referred to in such reasonable manner, as Landlord shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to designate a manager of the parking facilities and/or Common Areas and other facilities who shall have full authority to make and enforce rules and regulations regarding the use of the same or to employ all personnel and to make and enforce all rules and regulations pertaining to and necessary for the proper operation and maintenance of the parking areas and/or Common Areas and other facilities. Reference in this paragraph to parking areas and/or facilities shall in no way be construed as giving Tenant hereunder any rights and or privileges in connection with such parking areas and/or privileges.

CONDITION OF DEMISED PREMISES ON TERMINATION OF LEASE/HOLDING OVER

34. Tenant, upon expiration or termination of this Lease, whether by lapse of time or otherwise, agrees to surrender peaceably to Landlord the keys and the Demised Premises in broom clean condition and in good working order and repair and as required by this Lease. In the event that Tenant shall fail to surrender the Demised Premises upon demand, Landlord, in addition to all other remedies available to it hereunder, shall have the right to receive, for all the time Tenant shall so retain possession of the Demised Premises or any part or portion thereof, an amount equal to the maximum amount allowable under Florida Statutes Section 83.06, as amended, of the Base Rent specified herein, as applied to such period, as well as all other Additional Rents, as specified herein.

If Tenant remains in possession of the Demised Premises with Landlord's written consent but without a new Lease reduced to writing and duly executed, Tenant shall be deemed to be occupying the Demised Premises as a Tenant at Will from month to month, in accordance with Florida Statutes, as amended, subject otherwise to all terms, provisions, covenants, agreements, undertakings, and conditions of this Lease.

If Tenant remains in possession of the Demised Premises without Landlord's consent, Tenant shall be deemed to be occupying the Demised Premises as a Tenant at Sufferance, in accordance with Florida Statutes, as amended, subject otherwise to all terms, provisions, covenants, agreements, undertakings, and conditions of this Lease.
No receipt of money by Landlord from Tenant after expiration of this Lease or the service of any notice of commencement of any suit or final judgment for possession shall reinstate, continue or extend the Term of this Lease or affect any such notice, demand, suit or judgment.

No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept surrender of Demised Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord.

**OCCUPANCY TAX**

Tenant shall be responsible for and shall pay before delinquency all municipal, country or state taxes assessed during the Term of this Lease against occupancy interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by the Tenant, or used in the premises by Tenant.

**SIGNS**

Landlord shall have the right to install signs on the interior or exterior of the Building and Demised Premises and/or change the Building's name or street address. Any and all signs installed by Tenant which are visible from the exterior of the Demised Premises, whether placed on the interior or exterior of the Demised Premises, shall be subject to Landlord’s prior written approval and shall be at Tenant’s sole cost and expense. Additionally, all such signs shall be in accordance with any and all local laws and ordinances, which may include historic preservation guidelines applicable to the Building as determined by the appropriate governing party of the Landlord in its sole discretion.

Tenant, at Tenant's sole cost and expense, will install and maintain on the exterior of the Premises, adjacent to entrances to the Premises and above the entrances to the Premises, such sign or signs as have first received the written approval of the Landlord as to type, size, color, location, copy nature and display qualities. Landlord may withhold said approval in Landlord's sole and absolute discretion. The Landlord’s current sign specifications are attached hereto as Exhibit E and made a part hereof, and may be changed by Landlord, in its sole discretion, from time to time. Landlord must also approve Tenant’s signage contractor, which approval will not be unreasonably withheld. The installation and maintenance of any signs or other advertising matter will at all times be in strict compliance with any and all laws. If at any time Tenant's signs are not in compliance with any and all laws, Landlord shall have the right to remove or otherwise cause such signs to be in compliance. Tenant shall, promptly upon demand by Landlord, pay Landlord for all of Landlord's costs and expenses incurred as Additional Rent in such removal or other action, which such costs and expenses shall constitute additional rent hereunder. Upon expiration or the termination of this Lease, Tenant, at Landlord's election but at Tenant's expense, will remove any and all signs and restore the exterior of the Premises or wherever Tenant has installed signs in a manner satisfactory to Landlord.

**TRIAL BY JURY**

It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and hereby do waive trial by jury in any action after having reasonable opportunity to consult with counsel or having waived such opportunity, proceeding or counterclaim brought by either of the parties hereto against the other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Premises. Tenant further agrees that it shall not interpose any counterclaim or counterclaims in a summary proceeding or in any action based upon non-payment of rent or any other payment required of Tenant hereunder.

**RELOCATION OF TENANT**

Landlord expressly reserves the right at Landlord’s sole cost and expense to remove Tenant from the Leased Premises and to relocate Tenant in some other space of Landlord’s choosing of approximately the same dimensions and size within the Building, which other space shall be decorated by Landlord at Landlord’s expense. Landlord shall have the right, in Landlord’s sole discretion, to use such decorations and materials from the existing Premises, or other
materials so that the space in which Tenant is relocated shall be comparable in its interior design and decorating to the Premises from which Tenant is removed. Nothing herein contained shall be construed to relieve Tenant or imply that Tenant is relieved of the liability for or obligation to pay Additional Rent due by reason of the provisions of this Lease, the provisions of which shall be applied to the space in which Tenant is relocated on the same basis as said provisions were applied to the Premises from which Tenant is removed. Tenant agrees that Landlord’s exercise of its election to remove and relocate Tenant shall not terminate this Lease or release Tenant in whole or in part, from Tenant’s obligation to pay the rents and perform the covenants and agreements for the full Term of this Lease.

CROSS DEFAULT

39. If the term of any lease, other than this Lease, made by Tenant for any other space in the Building shall be terminated or terminable after the making of this Lease because of any default by Tenant under such other lease, such default shall, ipso facto constitute a default hereunder and empower Landlord at Landlord’s sole option, to terminate this Lease as herein provided in the event of default.

INVALIDITY OF PROVISION

40. If any term, provision or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision, covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law. This Lease shall be construed in accordance with the laws of the State of Florida.

TIME OF ESSENCE

41. It is understood and agreed between the parties hereto that time is of the essence of all the terms, provisions, covenants and conditions of this Lease.

MISCELLANEOUS

42. The terms Landlord and Tenant as herein contained shall include singular and/or plural, masculine, feminine and/or neuter, heirs, successors, executors, administrators, personal representatives and/or assigns wherever the context so requires or admits. The terms, provisions, covenants and conditions of this Lease are expressed in the total language of this Lease Agreement and the paragraph headings are solely for the convenience of the reader and are not intended to be all inclusive. Any formally executed addendum to or modification of this Lease shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated herein.

EFFECTIVE DATE

43. Submission of this instrument for examination does not constitute an offer, right of first refusal, reservation of or option for the Leased Premises or any other space or premises in, on or about the Building. This instrument becomes effective as a Lease upon execution and delivery by both Landlord and Tenant.

ENTIRE AGREEMENT

44. This Lease contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing signed by Landlord and Tenant. No surrender of the Demised Premises, or of the remainder of the terms of this Lease, shall be valid unless accepted by Landlord in writing. Tenant acknowledges and agrees that Tenant has not relied upon any statement, representation, prior written or contemporaneous oral promises, agreements or warranties except such as are expressed herein.
45. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction other than ABC Management Services, Inc. and Tenant agrees to indemnify and hold harmless from and against claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction. The provisions of this paragraph shall survive the termination of this Lease.

FORCE MAJEURE

46. Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Lack of money shall not be deemed force majeure.

SECURITY

47. Landlord and Tenant hereby agree that Landlord does not assume and has no duty to provide security in and about the Demised Premises, the Building, common and recreation areas and parking areas for protection of Tenant, its employees, agents, visitors, invitees or licensees from foreseeable criminal acts or criminal activity of any kind or nature whatsoever. Tenant hereby assumes all responsibility to provide security to protect Tenant, its employees, agents, visitors, invitees or licensees from and against all such foreseeable or unforeseen criminal acts. Any provision for security services by Landlord shall not be construed as an assumption by Landlord of any duty to provide security and such services, if at any time provided, may discontinue at any time by Landlord at Landlord's election without liability to Tenant or any third party.

INSURANCE REQUIREMENTS

48. Tenant hereby agrees to indemnify and hold harmless Landlord, its subsidiaries, directors, officers, agents, and employees from and against any and all damage, loss, liability or expense including but not limited to, attorneys' fees and legal costs suffered by same directly or by reason of any claim, suit or judgement brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death resulting anytime therefrom, and property damage sustained by such person or persons which arises out of, is occasioned by or in any way attributable to the use or occupancy of the Demised Premises and adjacent areas by Tenant or otherwise, the acts or omissions of Tenant, its agents, employees or any contractors brought onto said Premises by Tenant, except that caused by the sole negligence of Landlord or its employees, agents, customers and invitees. Such loss or damage shall include, but not be limited to any injury or damage to Landlord's personnel (including death resulting anytime therefrom) or Premises. Tenant agrees that the obligations assumed herein shall survive this Lease.

Tenant hereby agrees to maintain in full force and effect at all times during the Term of the Lease, at its own expense, for the protection of Tenant and Landlord, as their interest may appear, policies of insurance issued by a responsible carrier or carriers acceptable to Landlord which afford the following coverages:

(a) Comprehensive General Liability Insurance. Not less than $2,000,000.00 Combined Single Limit for both bodily injury and property damage.
(b) Fire and Extended Coverage, Vandalism and Malicious Mischief, Sprinkler Leakage (when applicable) insurance, to cover all of Tenant's stock in trade, fixtures, furnishings, removable floor coverings, trade equipment, signs and all other decorations placed by Tenant in or upon the Demised Premises.
(c) Worker's Compensation as required by Florida Statutes.
(d) Employers Liability. Not Less than $100,000.00
Tenant shall deliver to Landlord at least (30) days prior to the time such insurance is first required to be carried by Tenant and thereafter at least thirty (30) days prior to expiration of such policy, Certificates of Insurance evidencing the above coverage with limits no less than those specified above. Such Certificates shall name Landlord, its subsidiaries, directors, agents, and employees as additional insured and shall expressly provide that the interest of same therein shall not be affected by any breach by Tenant of any policy provision for which such Certificates evidence coverage. Further, all Certificates shall expressly provide that no less than thirty (30) days prior written notice shall be given Landlord in the event of material alteration to, or cancellation of, the coverage evidenced by such Certificates.

A FAILURE TO PROVIDE SUCH INSURANCE COVERAGE SHALL BE DEEMED A DEFAULT IN THIS LEASE

If on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then any loss or damage Landlord shall sustain by reason thereof shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill thereof and evidence of such loss.

Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant, and in the event Tenant believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide at its own expense, such additional insurance as Tenant deems adequate.

Landlord shall at all times during the Term of this Lease, at its expense, maintain a policy or policies of insurance, issued by and binding upon some solvent insurance company, insuring the Building against loss or damage by fire, explosion or other hazards and contingencies for the full insurable value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring or obtain upon the Demised Premises, or any additional improvements which Tenant may construct on the Premises. Landlord reserves the right to self insure such building.

Anything in the Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claim, action or cause of action, against each other, their agents, officers and employees, for any loss or damage that may occur to the Demised Premises, the Building, improvements to the Building of which the Demised Premises are a part, personal property (building contents) within the Building, any furniture, equipment, machinery, goods or supplies not covered by this Lease which the Tenant may bring or obtain upon the Demised Premises or any additional improvements which Tenant may construct upon the Demised Premises, by reason of fire, the elements or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of Landlord or Tenant and their agents, officers and employees.

LANDLORD INSURANCE

49. If on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then any loss or damage Landlord shall sustain by reason thereof shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill thereof and evidence of such loss.

Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant, and in the event Tenant or Landlord believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide at its own expense such additional insurance as Tenant deems adequate.

Landlord shall at all times during the Term of this Lease, at its expense, maintain a policy or policies of insurance, issued by and binding upon some solvent insurance company, insuring the Building against loss or damage by fire, explosion or other hazards and contingencies for the full insurable value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring or obtain upon the Demised Premises, or any additional improvements which Tenant may construct upon the Demised Premises. Landlord reserves the right to self insure such building.
SURRENDER OF PREMISES

51. Tenant shall, upon the expiration of the Term, or any earlier termination of this Lease for any cause, surrender to Landlord the Premises, including, without limitation, all building apparatus and equipment then upon the Premises, and all alterations, improvements and other additions which may be made or installed by either party to, in, upon or about the Premises (other than Tenant's personal property and trade fixtures which Tenant chooses to or is required to remove as provided herein, which shall remain the property of Tenant), in good order, repair and condition and without any damage, injury or disturbance thereto, in payment therefor. Without limiting the generality of the foregoing, additional provisions regarding the standards applicable to the surrender and vacation of the Premises are attached hereto as Exhibit D.

PATRIOT ACT

52. Tenant represents that neither Tenant nor its constituents or affiliates are in violation of any Governmental Rules relating to terrorism or money laundering, including the Executive Order and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act").

HAZARDOUS SUBSTANCE

53. (a) Tenant shall at all times and in all respects comply with all federal, state, and local laws, ordinances and regulations ("Hazardous Materials Law") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste or other hazardous toxic, contaminated, or polluting materials, substances, or wastes, including, without limitation, any "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any such laws, ordinances or regulations (collectively, "Hazardous Materials").

(b) Tenant shall, at its own cost and expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant's use of the Leased Premises including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Leased Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials brought to the Leased Premises by Tenant to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall in all respects handle, treat, deal with and manage any and all Hazardous Materials brought in, on, under, or about the Leased Premises by Tenant in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. All reporting obligations imposed by Hazardous Materials Laws are strictly the responsibility of Tenant. Tenant is "in charge" of Tenant's "facility" as such terms are used in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986.
Upon expiration or earlier termination of the Term of this Lease, Tenant shall cause all Hazardous Materials brought to the Leased Premises by Tenant to be removed from the Leased Premises and transported for use, storage, or disposal in accordance and compliance with all applicable Hazardous Materials Laws. Tenant shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Leased Premises or the Project, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Leased Premises or the Project, without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene, or otherwise appropriately assert and protect Landlord's interest with respect thereto. In addition, at Landlord's request, Tenant shall remove any tanks or fixtures brought to the Leased Premises by Tenant which contain, contained or are contaminated with Hazardous Materials.

(c) Tenant shall immediately notify Landlord in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person or party against Tenant, the Leased Premises or the Project relating to damage, contribution, cost recovery compensation, loss, or injury resulting from or claimed to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, on, or removed from the Leased Premises or the Project, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, asserted violations relating in any way to the Leased Premises, the Project or Tenant's use thereof. Tenant shall promptly deliver to Landlord copies of Hazardous Waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Leased Premises.

(d) Tenant shall indemnify, defend (by counsel acceptable to Landlord) and hold Landlord and each of Landlord's partners, employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses, or expenses (including attorney's fees and disbursements) for death of or injury to any person or damage to any property whatsoever (including water tables and atmosphere) arising from or caused in whole or in part, directly or indirectly, by (i) the presence on, on, under, or about the Leased Premises or the Project or discharge in or from the Leased Premises or the Project of any Hazardous Materials brought to the Leased Premises by Tenant from and after Tenant's occupancy of the Leased Premises, or Tenant's use, analysis, storage, transportation, disposal, release, threatened release, discharge, or generation of Hazardous Materials to, in, on, under, about, or from the Leased Premises or the Project, or (ii) Tenant's failure to comply with any Hazardous Materials Law, whether knowingly or unknowingly, the standard herein being one of strict liability. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup, detoxification, or decontamination of the Leased Premises or the Project, and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith, and shall survive the expiration or earlier termination of the Term of this Lease. For purposes of the release and indemnity provision hereof, any acts or omissions of Tenant, or by employees, agents, assignees, subtenants, contractors, or subcontractors of Tenant or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful, or unlawful), shall be strictly attributable to Tenant.

(e) If at any time it reasonably appears to Landlord that Tenant is not maintaining sufficient insurance or other means of financial capacity to enable Tenant to fulfill its obligation to Landlord hereunder, whether or not then accrued, liquidated, conditional, or contingent, Tenant shall, upon Landlord's demand, procure and thereafter maintain in full force and effect such insurance or other form of financial assurance, with or from companies or persons and in forms reasonably acceptable to Landlord, as Landlord may from time to time reasonably request. Landlord may, but shall be under no obligation to, procure such insurance if Tenant fails to meet its obligation hereunder and Tenant agrees to pay to Landlord the cost thereof as additional rent, immediately upon demand.

(f) If Tenant's use of the Leased Premises shall involve Hazardous Materials of any kind in any fashion, Landlord shall have the right to require Tenant to undertake and submit to Landlord a periodic environmental audit from a qualified environmental engineering firm or auditor which audit will evaluate Tenant's compliance with the terms of this Lease and all Hazardous Material Laws.
EXHIBITS

54. All exhibits attached to this Lease are made a part of this Lease.

EXHIBIT A: Site Plan
EXHIBIT B: Tenant Work
EXHIBIT C: Move Out Standards
EXHIBIT D: Rules and Regulations
EXHIBIT E: Standards Sign Criteria
EXHIBIT F: Guaranty of Lease

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IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Lease in duplicate at Miami-Dade County, Florida, on the date and year above written.

LANDLORD

PERC ENTERPRISES

/s/ Gary Ressler
GARY RESSLER, AGENT

2 WITNESSES EACH SIGNATURE

/s/ X
/s/ X

TENANT

CLR ROASTERS, INC.
2131 NW 72 Ave.
Miami, FL 333

Name: David S. Briskie
Title: CFO

/s/ David S. Briskie

2 WITNESSES EACH SIGNATURE

/s/ X
/s/ X
Landlord shall provide two (2) openings from the existing space to the expansion space.
Landlord shall paint the exterior of the Building.
Landlord authorizes Tenant to install code-compliant extraction fans per the Terms of the Lease.
EXHIBIT B

TENANT WORK

No changes, modifications or alterations shall be done to the Demised Premises without Landlord’s prior written consent and with any and all applicable permits as required by the appropriate governing authority. Any changes, modifications, or alterations requested by Tenant and approved by Landlord, shall be completed by Tenant’s contractor, at Tenant’s sole cost and expense. All work shall be completed by Tenant with all required permits and shall meet all applicable codes. Tenant shall provide specifications on all wiring, electrical, plumbing, mechanical, furniture, fixtures and equipment as may be necessary for Landlord to provide prior written approval as required herein.

Tenant shall submit its complete permit set of plans including architectural, electrical, plumbing, mechanical, furniture and life safety plans to Landlord for its prior written approval, which approval shall not be unreasonably withheld. Landlord shall respond within five (5) business days or the plans shall be considered approved by Landlord.

Tenant will pay for any utility charges, impact fees and equivalent residential connection fees (ERCs) associated with the Demised Premises during and after Tenant's construction of the Demised Premises.

Tenant will require any contractor or sub-contractor to remove and dispose of, at least once a week, all debris and rubbish caused by the Tenant's Work and upon completion to remove all temporary structures, debris and rubbish of whatever kind remaining on any part of the Building.

Tenant and/or Tenant's contractors and subcontractors shall be required to provide, in addition to the insurance required to be maintained by Tenant, the following types of insurance and the following minimum amounts naming Landlord and any other persons having interest in the whole Building as additional insureds as their interest may appear, issued by companies approved by Landlord.

(a) Workmen's Compensation coverage with limits of at least $500,000 for the employer's liability coverage thereunder.
(b) Builder's Risk-Completed Value fire and extended coverage covering damage to the construction and improvements to be made by Tenant in amounts at least equal to the estimated completed cost of said construction and improvements with 100% coinsurance protection.
(c) Automobile Liability coverage with bodily injury limits of at least $500,000 per person. $1,000,000 per accident, and $500,000 per accident for property damage.

Original or duplicate policies for all of the foregoing insurance shall be delivered to Landlord before Tenant's Work is started and before any contractor's equipment is moved to any part of the Building. In all other respects the insurance coverage above mentioned shall comply with the provisions of this Lease.

All work done by Tenant to be by licensed contractors. Landlord may post notice of lien prohibition in accordance with the Lease.

Notwithstanding anything in the Lease to the contrary, Tenant shall not at any time make any alterations, improvements, demolitions and/or other modifications to the Demised Premises which would directly or indirectly cause the Common Areas and/or any other portion of the Building to be in violation of any applicable governmental and/or quasi-governmental laws, codes, rules and/or regulations including but not limited to the Americans with Disabilities Act.
Landlord and Tenant agree that the Lease is hereby modified and supplemented as follows:

At the expiration of the Lease, Tenant shall surrender the Premises in the condition required in the Lease, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and non-permanent trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration of the Lease, the same shall be deemed abandoned and shall become the property of the Landlord.

1. Office and warehouse lights will be fully operational with all bulbs functioning.
2. Dock Levelers & Roll Up Doors: Should be in comparable working condition to the condition as of the Commencement Date of the Lease.
4. Warehouse Floor: Swept with no racking bolts and other protrusions left in floor. Cracks should be repaired with an epoxy or polymer (but Tenant is responsible only for cracks caused by Tenant, its agents, employees, or contractors due to, for example, moving and/or storing items that exceed the floor load capacity of the warehouse floor, as opposed to cracks caused by the general settling of the foundation of the Building).
5. Tenant-Installed Equipment & Wiring: Removed and space turned to original condition when originally leased. (Remove air lines, junction boxes, conduit, etc. to the ceiling line.)
6. Walls: Sheetrock (drywall) damage should be patched and fire-taped so that there are no holes in either office or warehouse.
7. Roof: Any Tenant-installed equipment must be removed and roof penetrations properly repaired by licensed roofing contractor.
8. Signs: All exterior signs must be removed and holes patched and paint touched-up as necessary. All window signs should likewise be removed.
9. Heating & Air Conditioning System: A written report from a licensed HVAC contractor within the last three months stating that all evaporative coolers and/or heaters within the warehouse are operational and safe and that the HVAC system is also in good and safe operating condition.
10. Overall Cleanliness: Clean windows, sanitize bathroom(s), vacuum carpet, and remove any and all debris from office and warehouse. Remove all pallets and debris from exterior of Premises.
11. Upon Completion: Contact Landlord's property manager to coordinate date of turning off power, turning in keys, and obtaining final Landlord inspection of Premises which, in turn, will facilitate refund of security deposit.
EXHIBIT D
RULES AND REGULATIONS

1. Return of Keys. At the end of the Term, Tenant shall promptly return to Landlord all keys for the Building and Premises which are in the possession of Tenant. In the event Tenant fails to return keys, Landlord may retain $250.00 of Tenant’s security deposit for locksmith work and administration.

2. Water Fixtures. Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.

3. Personal Use of Premises. The Premises shall not be used or permitted to be used for residential, lodging, or sleeping purposes or for the storage of personal effects or property not required for business purposes.

4. Animals. Tenant shall not bring any animals into the Building (except bona fide service animals), and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

5. Food and Beverages. Except for food preparation and vending machines for Tenant’s employees, Tenant shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving, or distribution of food or beverages.

6. Refuse. Tenant shall place all refuse in proper receptacles provided by Tenant at its expense at the Premises or in receptacles (if any) provided by the Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts, and shafts of the Building, free of all refuse.

7. Proper Conduct. Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building.

8. Music/Sound. Tenant, its officers, agents, servants and employees shall not permit the operation of any musical or sound producing instruments or device which may be heard outside Demised Premises or Building, or which may emit electrical waves which will impair radio or television broadcasting or reception from or in Building.

9. Employees, Agents, and Invitees. In these Rules and Regulations, “Tenant” includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

10. The movement of furniture, equipment, machines, or materials within, into or out of the Demised Premises or Building shall be restricted to time, method and routing of movements as determined by Landlord upon request from Tenant and Tenant shall assume all liability and risk to property. Demised Premises and Building in such movement. Tenant shall not move furniture, machines, equipment, merchandise or materials within, into or out of the Building or Demised Premises without having first obtained a written permit from Landlord twenty-four (24) hours in advance. Safes, large files, electronic data processing equipment and other heavy equipment or machines shall be moved into Demised Premises or Building only with Landlord’s written consent and placed where directed by Landlord.
12. No sign, door plaque, promotional banners, advertisement or notice shall be displayed, painted or affixed by Tenant, its officers, agents, servants, employers, patrons, licensees, customers, visitors, or invitees in or any part of the outside of the Building or Demised Premises without prior written consent of Landlord and then only of such color, size, character, style and material and in such places as shall be approved and designated by Landlord. Signs on doors and entrances to Demised Premises shall be placed thereon by a contractor designated by Landlord and paid by Tenant.

13. Landlord will not be responsible for lost or stolen property, equipment, money or any article taken from Demised Premises or Building regardless of how or when loss occurs.

14. No additional locks shall be placed on any door or changes made to existing locks in Building without the prior written consent of Landlord. Landlord will furnish a key to each lock on doors in the Demised Premises and Landlord, upon request of Tenant, shall provide additional duplicate keys at Tenant’s expense. Landlord may at all times keep a passkey to the Demised Premises. All keys shall be returned to Landlord promptly upon termination of this Lease.

15. Tenant, its officers, agents, servants or employees shall do no painting or decorating in Demised Premises, or mark, paint or cut into, drive nail or screw into or in any way deface any part of the Demised Premises or Building without prior written consent of Landlord. If Tenant desires signal, communication, alarm or other utility service connection installed or changed, such work will be done at the expense of Tenant, with the approval and under the direction of Landlord.

16. All plate and other glass now in Demised Premises or Building which is broken through cause attributable Tenant, its officers, agents, servants, employes, patrons, licensees, customers, visitors or invitees shall be replaced by and at expense of Tenant under the direction of Landlord.

17. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, and electric facilities, or any part or appurtenance of Demised Premises.

18. The plumbing facilities shall not be used for any other purpose than that for which are constructed, and no foreign substance of any kind shall be thrown therein, and expense of any breakage, stoppage, or damage resulting by a violation of this provision shall be borne by Tenant.

19. All contractors and/or technicians performing work for Tenant within the Demised Premises or Building shall be referred to Landlord for approval before performing such work. This shall apply to all work including, but not limited to installation of telephones, computer equipment, electrical devises and attachments, and all installation affecting floors, walls, windows, doors, ceiling, equipment or any other physical feature of the Building or Demised Premises. Tenant shall do none of this work without Landlord’s written approval.

20. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, not placed in the halls, corridors or vestibules without the prior written consent of Landlord.

21. Tenant shall be responsible for any damage to the Demised Premises, including carpeting and flooring, as a result of rust or corrosion of file cabinets, roller chairs, metal objects or spills of any type of liquid.

22. If the Premises demised to any Tenant becomes infested with vermin, such Tenant, at its sole cost and expense, shall cause its premises to be exterminated from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved by Landlord.

23. Tenant shall not install any antenna or serial wires, or radio or television equipment, inside or outside the Building, without Landlord’s prior approval in writing and upon such terms and conditions as may be specified by Landlord in each and every instance.
24. Tenant shall not advertise the business, profession or activities of Tenant in any manner which violates
the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto, or use the name of the Building for any purpose other than that of business address of Tenant or use any letterheads, envelopes, circulars, notices, advertisements, containers, or wrapping material, without Landlord’s express consent in writing.

25. Tenant, its officers, employees, servants, patrons, customers, licensees, invitees and visitors shall not solicit business in the Building’s parking facilities or Common Areas, nor shall Tenant distribute any handbills or other advertising matter in automobiles parked in the Building parking facilities.

26. Tenant shall not conduct its business in such manner as to create any nuisance, or interfere with, annoy disturb any other Tenant in the Building, or Landlord in its operation of the Building or commit waste or suffer permit waste to be committed in the Demised Premises, Building or parking facilities. In addition, Tenant shall not allow its officers, agents, employees, servants, patrons, customers, licensees and visitors to conduct themselves in such manner as to create any nuisance or interfere with annoy or disturb any other Tenant in the Building or commit waste or suffer or permit waste to be committed in the Demised Premises, Building or parking facilities.

27. Tenant, its officers, agents, servants and employees shall not use the Demised Premises or Building for housing, lodging or sleeping purposes or for the cooking or preparation of food without the prior written consent of the Landlord.

28. Neither Tenant nor any officers, agents, employee, servant, patron, customers, visitors, licensees or invitees of any Tenant shall go upon the roof of the Building without the written consent of the Landlord or authorization of the Landlord.

29. Tenant, its officers, agents, servants and employees shall not install or operate any refrigerating, heating, air conditioning apparatus or carry on any mechanical operation or bring into the Demised Premises or Building any inflammable fluids or explosives without written permission of Landlord.

30. The Landlord reserves the right to make such other reasonable Rules and Regulations from time to time as is determined to be necessary or appropriate for the safety, care, protection, cleanliness, and good order of the Building and its Tenants. Any such other Rules and Regulations shall be binding upon each Tenant with the same force and effect as if the same had been included herein and in existence at the time the Tenant acquired his interest in the Demised Premises.
EXHIBIT E

LANDLORD'S STANDARD SIGN CRITERIA

1. Tenant shall be responsible for the supply and installation of all signage, including a transformer, at the Tenant's sole expense. Tenant will be responsible for preparing and submitting sign plans and specifications to Landlord for approval prior to installation.

2. In order to preserve uniformity, quality and character, thereby maintaining aesthetic harmony throughout the total development of the Building, Landlord shall maintain approval of the design, construction, location and installation of all signs in the Building.

Tenant shall therefore, conform with the following:

I. SPECIFICATIONS:

A. Tenant shall be allowed one (1) outdoor facia sign in a width not to exceed 85% of the width of the Premises. The facia sign shall be comprised of individual reverse metal channel letters, of a size, style and finish specified by Landlord, back lighted by non-flashing neon. The vertical height for each letter shall not exceed 18 inches. Logos, if any, shall not exceed the size of one (1) typical letter.

B. Electrical shall be as required by jurisdictional authority.

II. APPROVAL:

A. Tenant shall provide Landlord with signage plans for approval as set forth herein.

B. Landlord shall have the specific right of approval of size, content, colors, design, construction, and installation for all exterior and window signs and Tenant agrees that this approval right shall be absolute, so as to preserve the aesthetic harmony, uniformity, and decor of the Building. No sign work may be commenced until Landlord's final approval is obtained by Tenant.

C. Sign approval by Landlord shall not relieve Tenant from the requirement of complying with any and all governmental signage laws, ordinances, and regulations.

III. INSTALLATION AND REMOVAL OF SIGNS:

A. All signs and work shall be done at the Tenant's expense and in a good and workmanlike manner. Sign installation and electrical sign connections shall be performed by licensed sign contractors, which shall be designated or approved by Landlord. The sign company shall carry adequate insurance to cover any personal injury or damage to the property occurring during installation and removal of signs.

B. Any damage to the facia or canopy of the Building occurring during the installation and removal of the signs shall be paid for by the Tenant or repaired by the Tenant at its expense. Tenant, upon vacation of the Premises or removal or alteration of it's signs for any reason, shall be responsible for the repair, painting, and/or replacement of the surfaces where the signs were attached. All repair works have to be done to the satisfaction and approval of the Landlord.
EXHIBIT F
GUARANTY OF LEASE


The undersigned, AL INTERNATIONAL, INC. A DEL AWARE CORP., jointly and severally (“GUARANTOR”), whose address is 2400 Boswell Rd Chula Vista, CA 91914 in consideration of the leasing of the Premises described in the annexed Lease to the above named Tenant, do hereby personally covenant and agree as follows:

I. If Tenant shall default in the performance of any of the covenants and obligations of said Lease on Tenant’s part to be performed (including payment of all amounts due thereunder), then Guarantor will, on demand, perform the covenants and obligations of the Lease on Tenant’s part to be performed and will, on demand, pay to Landlord any and all sums due to Landlord, including all damages and expenses that may arise in consequence of Tenant’s default, and Guarantor does hereby waive all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach, notice of default or non-performance by Tenant.

II. This Guaranty is a guaranty of payment, and not of collection, for any sum of money owing from Tenant to Landlord.

III. Guarantor hereby waives:
   A. any right to require that any prior action be brought against Tenant;
   B. any right to require that resort be had to any security or to any other credit in favor of Tenant; and
   C. all suretyship defenses generally, and the right to petition for the marshaling of assets.

IV. This Guaranty shall remain and continue in full force and effect:
   A. as to any renewal, extension, hold over, modification or amendment of the Lease (including any expansion of the Premises and any increase in Tenant's obligations to Landlord) and this Guaranty shall remain and continue in full force and effect as to the Lease even though Tenant may have subleased all or any portion of the Premises or assigned all or any portion of Tenant's interest in the Lease. Guarantor waives notice of any and all such renewals, extensions, hold overs, modifications, amendments, subleases or assignments;
   B. even though Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral given as additional security (including other guaranties) or released Tenant from the performance of its obligation under the Lease;
   C. notwithstanding the institution by or against Tenant of bankruptcy, reorganization, readjustment, receivership or insolvency proceeding of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise; and

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D. until such time as Landlord has executed and delivered to Guarantor an instrument specifically releasing Guarantor, Guarantor may not be released by any actions or oral statements of Landlord or by implication.

V. If the Lease shall be terminated due to a default by Tenant, Guarantor shall (without in any way limiting its liability under any other provision of this Guaranty), at the request of and within the complete discretion of Landlord, enter into a new Lease with Landlord on the same terms and conditions as contained in the Lease immediately prior to its termination, commencing on the termination date of said Lease; this provision shall not, however, vest Guarantor with any right to demand or require such a new Lease from Landlord. Landlord shall have sole and absolute discretion as to whether or not such a new lease shall be required.

VI. Guarantor shall submit to Landlord annually, or at such other times as Landlord shall request, financial statements and such other financial information as Landlord shall require, which shall be audited by a certified public accountant if required by Landlord.

VII. Guarantors acknowledge receipt of valuable consideration received in their undertaking of this Lease, and it is acknowledged by the Guarantors that the Lease herein guaranteed is of benefit and value to the Guarantors and would not have been negotiated or consummated by Landlord without this Guaranty being executed and delivered by the Guarantors.

VIII. This Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.

IX. Guarantor may, at Landlord's option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in the Lease and/or this Guaranty, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Guarantor.

X. If this Guaranty is signed by more than one party, their obligations shall be joint and several and the release of one of such Guarantors shall not release any other such Guarantors.

XI. The liability of Guarantor is co-extensive with that of Tenant and also joint and several; an action may be brought against Guarantor and carried to final judgment either with or without making Tenant a party thereto.

XII. Until all of Tenant's obligations under said Lease are fully performed, Guarantor (1) waives any rights that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligation of Guarantor under this Guaranty, and (2) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under said Lease.

XIII. This Guaranty and the Lease shall be governed by, interpreted under the laws of, and enforced in the courts of the state in which the Premises are located.

XIV. Guarantor hereby waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty and any plea or claim of lack of personal jurisdiction or improper venue in any action, suit or proceeding brought to enforce this Guaranty or any of the obligations arising hereunder. Guarantor specifically authorizes any such action to be instituted and prosecuted in any Circuit Court in the state in which the Premises are located or United States District Court of the state in which the Premises are located; at the election of Landlord, where venue would lie and be proper. Guarantor irrevocably appoints Tenant as its agent for service of process.

XV. Guarantor will pay to Landlord all of Landlord's expenses incurred in enforcing this Guaranty, including, but not limited to attorneys' fees and costs at the trial level and at all levels of appeal and in connection with any bankruptcy or administrative proceedings.
XVI. LANDLORD AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREBIN, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENTS CONTEMPLATED HEREBY TO BE EXECUTED IN CONJUNCTION HEREWITI, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LANDLORD'S ACCEPTANCE OF THIS GUARANTY.

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SIGNATURES ON NEXT PAGE
IN WITNESS WHEREOF, the undersigned has executed this Guaranty this 17th day of Sept. 2012

GUARANTOR(S):

/s/ David S. Briskie
David S. Briskie – Chief Financial Officer

FOR:

INTERNATIONAL IN A D EL AWARE C O RP

Witnesses:

/s/ X
/s/ X

STATE OF FLORIDA COUNTY OF MIAMI-DADE

Sworn to (or affirmed) and subscribed before me this 17th day of Sept., 2012 by

NOTARY PUBLIC - State of Florida

Sign /s/ Lisett Maestre
Print Lisett Maestre
(Seal)

Personally Known X; OR Produced Identification X
Type of Identification Produced:
CRESTMARK BANK  
FACTORING AGREEMENT  

Date: 2-12-2010  

From:                      CLR ROASTERS LLC  
2131 N.W. 72nd Avenue  
Miami, FL 33122  

To:           CRESTMARK BANK  
625 N. Flagler Drive, Suite 400  
West Palm Beach, Florida 33401  

Gentlemen:  

Upon your written acceptance, to be noted at the foot of this Agreement, the following will state the terms and conditions under which you are to act as our sole factor:

1. APPOINTMENT AND SALE OF ACCOUNTS : We hereby appoint you our sole factor, and hereby sell and assign to you, making you absolute owner thereof, all of our accounts, contract rights, notes, bills, acceptances and all other obligations to us (hereinafter referred to as "Receivables") for the payment of money, in cash or in kind, together with all proceeds thereof, all security and guarantees therefor, and all of our rights to the goods and property represented thereby. You shall have all the rights of an unpaid seller or provider of the goods or services, the sale or rendering of which gives rise to each Receivable, including the rights of stoppage in transit, reclamation and replevin. Upon each sale of goods or rendering of services, we shall execute and deliver to you such confirmatory assignments of our Receivables as you may require, in form and manner satisfactory to you, together with copies of invoices, all shipping or delivery receipts, and such other proof of sale and delivery or performance as you may, at any time or from time to time, require to effect collection of our Receivables. We shall make appropriate notations upon our books and records indicating the sale and assignment of our Receivables to you. All invoices or other statements to our customers concerning Receivables shall clearly state, in language satisfactory to you, that each such Receivable has been sold and assigned to you and is payable to you and to you only. Copies of Receivables sold and assigned to you shall also bear this language. If we fail for any reason to provide you with copies of invoices (or other necessary documentation requested) for a Factored Receivable or proof of shipment or delivery within a reasonable period of time after request by you, which will mean within thirty (30) days or less, for any Factored Receivable for which you have granted Credit Approval (as hereinafter defined), such Credit Approval shall automatically be withdrawn and you shall have no liability with respect to such Factored Receivable. Each invoice shall bear the terms of sale and if any change is made from the original terms of sale without your prior written consent, you shall have the right to withdraw your Credit Approval. You reserve the right to mail original invoices to the Customers at our expense; however, mailing, sending or delivery by you of a bill or invoice shall not be deemed to be any representation by you with respect thereto. During the term of this Agreement, we agree not to sell, negotiate, pledge, assign or grant any security interest in and or all of our Receivables to anyone other than you. If we are or become engaged in finishing or improving goods, we agree, notwithstanding any credit approval you may have given on the customer(s) involved, to assert promptly, at our expense and upon your demand, any lien rights provided by law on goods in our possession. We will remit to you the proceeds of sale of such goods to satisfy the amounts owed to you by the owner of the goods. It is understood that your credit approval is limited to the net amount of the customer's obligation after the sale and disposition of such goods.
2. ADDITIONAL COLLATERAL. In addition to Receivables and all proceeds thereof, we also assign to you all right, title and interest, and grant to you a security interest in, the following collateral to secure all of our present and future obligations and indebtedness to you: (1) all deposit, savings, passbook or like accounts maintained at any bank, savings and loan or similar institution; and (2) the proceeds of any tax refund due or to become due to us by the state or federal government.

3. CREDIT RISK. You will assume the credit risk only on Receivables for which you have given credit approval in writing ("Credit Approvals"). In the absence of such written Credit Approval from you, the Receivable is at our risk. If we ship merchandise or provide services based on a verbal approval, we acknowledge our responsibility to ensure that such approval is received by you in writing in a timely manner. We acknowledge that Credit Approvals may be withdrawn, either orally or in writing, in your discretion at any time if, in your opinion, a customer's credit standing becomes impaired before actual delivery of merchandise or rendering of services. Credit Approvals shall be limited to the specific terms and amounts indicated, and, notwithstanding any information subsequently provided to us by you, such credit approvals are automatically rescinded and withdrawn if the terms of sale vary from the terms approved by you, or if the terms of sale are changed by us without your written Credit Approval on the new terms if the Receivable is not assigned to you promptly (within five days) after creation. We further acknowledge that if we ship merchandise or provide services to a customer who has outstanding Receivables from us, and such customer's credit line and/or outstanding Credit Approvals have been withdrawn by you, and the Receivables created thereby, whether or not they are sold and assigned to you, exceed ten percent (10%) of the amount outstanding on your books, that any Credit Approvals applying to those Receivables outstanding on your books are canceled and all outstanding Receivables from that customer are at our risk. If a customer, after receiving and accepting delivery of goods or services (subject to all warranties herein) for which you have given written Credit Approval, fails to pay a Receivable when due solely to financial inability to pay, you shall bear any loss thereon. If nonpayment is due to any other reason, however, you shall not be responsible.

Specifically, you shall not be responsible for any nonpayment of a Receivable: (a) because of the assertion of any claim or dispute by a customer for any reason whatsoever, including, without limitation, disputes as to price, terms of sale, delivery, quantity, quality, or otherwise, or the exercise of any counterclaim or offset (whether or not such claim, counterclaim or offset relates to the specific Receivable); (b) where nonpayment is a consequence of enemy attack, civil commotion, strikes, lockouts, the act or restraint of public authorities, acts of God or force majeure; or (c) if any representation or warranty made by us to you in respect of such Receivable has been breached. The assertion of a dispute by a customer shall have the effect of negating any Credit Approval on the total affected Receivable(s) as may be in dispute, and such Receivable(s) shall be at our risk until paid or otherwise cleared from your books. With regard to sales without Credit Approval or in excess of any Credit Approval as to any given customer, we agree that any payments or credits applying to any of our Receivables owing by such customer will be applied: (i) to any Credit-Approved Receivables outstanding on your books; second, to any Client Risk Receivables outstanding on your books; and, third, to any Receivables outstanding on your books. This order of payment applies regardless of the respective dates the sales occurred and regardless of any notations on payment items. If you fail to collect a Receivable for which you have given Credit Approval within 180 days of its maturity, and your failure to collect such Receivable is due solely to the customer's financial inability to pay, you shall pay to us the net amount of such Receivable then owing on the Wednesday next following the week during which said 180 days expired. Any Receivable for freight, samples, or miscellaneous sales (including, without limitation, the sale of merchandise and/or in quantities not regularly sold by us) is always assigned to you at our risk, notwithstanding any written credit approval from you. You shall have no liability of any kind for declining or refusing to give, or for withdrawing, evoking, or modifying, any Credit Approval pursuant to the terms of this Agreement, or for exercising or failing to exercise any rights or remedies you may have under this Agreement or otherwise. In The event you decline to give your Credit Approval on any order received by us from a customer, and in advising us of such decline you furnish us with information as to the credit standing of the customer, such information shall be deemed to have been requested of you by us and your advice containing such information is recognized as a privileged communication. We agree that such information shall not be given to our customer or to our salesman. If necessary, we shall merely advise our customer that credit has been declined on the account and that any questions should be directed to you.
4. CLIENT RISK RECEIVABLES: Any sale of goods or rendering of services by us for which we have not received written Credit Approval, or for which Credit Approval has been withdrawn or revoked, shall be known as a "Client Risk Receivable." Any Client Risk Receivable(s) assigned to and purchased by you are with recourse to us and at our sole credit risk. You shall have the right to charge back to our account the amount of such Client Risk Receivable(s) at any time and from time to time, either before or after maturity. We agree to pay you on demand the full amount thereof, and, failing to do so, we agree to pay all expenses incurred by you up to the date of such payment in attempting to collect or enforce payment of such Receivable(s). However, in no event shall you have any credit risk on the first Five Hundred dollars ($500) of any Receivable, notwithstanding the fact that such Receivable has been credit approved by you. For purposes of determining your credit risk hereunder, the Receivable balance due you from any given customer shall be calculated as the aggregate amount owed by that customer less any credits to which such customer may be entitled, and is not to be construed to mean individual invoices owed by that customer.

5. PURCHASE PRICE:

(a) The purchase price you shall pay to us for each Receivable shall equal the Net Invoice Amount (as hereafter defined) thereof less your factoring commission, as specified below. As used herein, the term "Net Invoice Amount" means the gross invoice amount of the Receivable, less returns (whenever made), all selling discounts (at your option calculated on shortest terms) made available or extended to our customer, whether taken or not, and credits or deductions of any kind allowed or granted to or taken by the customer at any time. Unless specifically shown on the invoice sold and assigned to you, no discount, credit, allowance, or deduction with respect to any Receivable shall be granted, or approved, by us to any customer without your prior written consent.

(b) The purchase price (as computed above), less (i) any reasonable reserves or credit balance that you, in your sole discretion, determine to hold, (ii) moneys remitted, paid, or otherwise advanced by you to us or for our account (including any amounts which you may be obligated to pay in the future), and (iii) any other charges to our account provided for by this Agreement, shall be payable by you to us on the date of collection. Moneys shall be deemed to have been collected on the date of receipt thereof by you plus five (5) business days for clearing.

(c) You shall be entitled to withhold a reserve of sums otherwise due us, and may revise the amount of such reserve at any time and from time to time if you deem it necessary to do so in order to protect your interests. Furthermore, at your request, we shall maintain a credit balance ("credit balance" or "reserve" shall be defined for purposes of this subparagraph (c) as credit for amounts due us and not a "cash balance") with you in such amount as you determine to be commensurate with the volume and character of the business conducted by us and sufficient to protect you against all possible returns, claims of our customers, indebtedness owing by us to you, or any other contingencies. We shall pay you any debit balance in our account on demand.

(d) In your sole discretion, in accordance with the terms of this Agreement, you may from time to time advance to us, against the purchase price of Receivables purchased by you hereunder, sums up to eighty percent (80%) of the aggregate purchase price of Receivables outstanding at the time any such advance is made, less: (I) Any such Receivables that are in dispute; (2) Any such Receivables that are not credit approved; and (3) Any fees, actual or estimated, that are chargeable to our reserve account. Unless otherwise specified in any promissory note, or loan or other agreement, executed in connection with such advance, any such advance shall be payable on demand and shall bear interest at the rate set forth in subparagraph (e) below from the date such advance is made until the date you would otherwise be obligated hereunder to pay the purchase price of the Receivable(s) against which such advance was made.
(e) Interest upon the daily net balance of any monies remitted, paid, advanced or otherwise charged to us or for our account before the payment date (including any advance made pursuant to subparagraph 5(d) above), and interest applicable to the charges or to the expenses referred to in this Agreement, shall be charged to our reserve account as of the last day of each month at a rate the greater of five and three-quarters percent (5.75%) per annum or: (i) As to average daily advances against the purchase price of Receivables purchased by you, that do not exceed the amount eighty percent (80%) specified in paragraph 5(d) above, interest shall be charged at two and one-half percent (2.50%) above the rate of interest designated by The Wall Street Journal as the "Prime Rate" or "Base Rate," as the case may be; (ii) As to average daily advances against the purchase price of Receivables purchased by you that exceed the amount eighty percent (80%) specified in paragraph 5(d) above, interest shall be charged at five percent (5.00%) above the rate of interest designated by The Wall Street Journal as the "Prime Rate" or "Base Rate," as the case may be. If, during any month, our reserve account or credit balance, subject to the terms and conditions of this Agreement, shall be in a net credit balance (i.e., the reserve or credit balance exceeds outstanding Receivables), then you agree to credit our reserve account as of the last day of each month with interest at a rate equal to five percent (5.00%) below the rate of interest designated by The Wall Street Journal as the "Prime Rate" or "Base Rate," as the case may be, but in any event, not greater than two percent (2.00%) annually. All such interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days. Any adjustment in your interest rate, whether downward or upward, will become effective on the first day of the month following the month in which the prime rate of interest is reduced or increased. HOWEVER, in no event shall the rate of interest charged to us hereunder exceed the maximum rate of interest permitted to be agreed to or charged to us under applicable law. IT IS THE INTENTION OF THE PARTIES HEREIN TO NOT TO MAKE ANY AGREEMENT VIOLATIVE OF THE LAWS OF THE STATE OF FLORIDA OR THE UNITED STATES RELATING TO USURY. IN NO EVENT, THEREPORE, SHALL ANY INTEREST DUE HEREBY BE AT A RATE IN EXCESS OF THE HIGHEST LAWFUL RATE, i.e., IN NO EVENT SHALL YOU CHARGE OR SHALL WE BE REQUIRED TO PAY ANY INTEREST THAT, TOGETHER WITH ANY OTHER CHARGES HEREUNDER THAT MAY BE DEEMED TO BE IN THE NATURE OF INTEREST, HOWEVER COMPUTED, EXCEEDS THE MAXIMUM LAWFUL RATE OF INTEREST ALLOWABLE UNDER THE LAWS OF THE STATE OF FLORIDA AND/OR THE UNITED STATES. SHOULD ANY PROVISION OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US BE CONSTRUED TO REQUIRE THE PAYMENT OF INTEREST THAT EXCEEDS SUCH MAXIMUM LAWFUL RATE, ANY SUCH EXCESS SHALL BE AND IS EXPRESSLY HEREBY WAIVED BY YOU. SHOULD ANY EXCESS INTEREST IN FACT BE PAID, SUCH EXCESS SHALL BE DEEMED TO BE A PAYMENT OF THE PRINCIPAL AMOUNT OF OUTSTANDING INDEBTEDNESS OWING BY US TO YOU AND SHALL BE APPLIED TO SUCH PRINCIPAL.

6. FACTORING COMMISSIONS:

(a) For your services hereunder, we shall pay and you shall be entitled to receive a factoring commission equal to one and one-half percent (1.50%) of the gross Invoice Amount of each Receivable, which commission shall be due and payable to you on the date such Receivable arises, even if we should fail to assign any such Receivable to you. Factoring commissions shall be chargeable to our account with you. You shall be entitled to receive a surcharge equal to at least one percent (1.00%) of the gross Invoice Amount of all Receivables arising out of our sales to Debtors-In-Possession or special account relationships. The minimum factoring commission on each invoice or credit memo shall be Five dollars ($5.00).

(b) Your commission, specified in paragraph 6(a) above, is based upon our maximum selling terms of net sixty (60) days, and no more extended terms or additional dating will be granted by us to any customer without your prior written approval. If and when such extended terms or additional dating are given to our customers, your commission with respect to the Receivables represented thereby shall be increased by fifty percent (50%) for each 30 days, or portion thereof, of extended or additional dating.
(c) The minimum aggregate factoring commissions payable under this Agreement for each contract year (which shall mean each consecutive twelve (12) month period commencing upon the date of this Agreement) hereof shall be Thirty-Thousand Dollars ($30,000), which shall be payable at the rate of Two-Thousand Five-Hundred Dollars ($2,500) per month. To the extent of any deficiency (after giving effect to commissions payable under the foregoing subparagraphs), the difference between the minimum and the amount already charged shall be chargeable to our account with you.

7. STATEMENT OF ACCOUNT: Once each month you shall render a statement (Client Ledger) to us with respect to the Receivables purchased by you during the previous month, any advances made by you, collections received by you, and charges made to our account under this Agreement. Our account shall be charged with all discounts (at your option; calculated on shortest terms) made available to customers on assigned Receivables, nil returns, allowances, deductions and credits, and your reasonable expenses, including, without limitation, postage on invoices, bank wire fees, filing fees, UCC search and similar charges. We will also be charged with interest at the rate specified in paragraph 5(c) above, with respect both to Receivables as to which a credit is issued after the payment date applicable thereto, and any Receivables collected or charged back after such credit, or to the date of collection or chargeback, as the case may be. A discount, credit or allowance after issuance or granting may be claimed solely by the customer. Each statement, report, or accounting rendered or issued by you to us shall be deemed accepted by us and shall be conclusive and binding upon us, unless within thirty (30) days after the date thereof we notify you to the contrary by registered or certified mail, setting forth with specificity the reasons why we believe such statement, report, or accounting is incorrect and what we believe to be the correct amount thereof. Moreover, if we fail to receive a monthly statement, we shall likewise be obligated to notify you in the same manner as if we fail to accept the statement, and our failure to do so shall relieve you of any responsibility or liability arising out of our not receiving such monthly statement.

8. REPRESENTATIONS AND WARRANTIES: We hereby represent and warrant to you that: (i) each Receivable is a bona fide existing obligation created by a customer's express order for, and the actual sale and physical delivery of, or legal passage of title to, goods or the rendering of services to customers in the ordinary course of business, which goods, prior to sale, we owned free and clear of any liens or encumbrances, and which Receivable is then unconditionally owing to us without dispute, defense, offset, or counterclaim; (ii) the customers, which are not affiliated with us, have received and have accepted the goods or services, and the invoices therefor, without dispute, offset, or claim of any kind as to price, terms, quality, quantity, delay in shipment, offsets, counterclaims, contra accounts or any other defense of any other kind and character; (iii) the Receivables will not be subject to discounts, deductions, allowances, offsets, counterclaims or other contra items, nor to any other special terms of payment that are not shown on the face of the invoice thereof, (iv) the Receivables will not represent delivery of merchandise upon "consignment," "guaranteed sale," "sale or return," "payment on reorder," or similar terms; and (v) the Receivables will not represent "pack, bill and hold" transactions unless we have furnished you with a copy of our customer's purchase order immediately after its receipt, and you have obtained such customer's agreement to grant you a security interest in the merchandise and pay for such merchandise at maturity of our invoice irrespective of whether or not we have received instructions to deliver the same; (vi) we are solvent; (vii) we have full right and authority to sell or assign to you, and to grant to you a security interest in, our Receivables; (viii) we have not granted and will not hereafter grant to any other person a security interest in, or grant to any other person any right to purchase, our Receivables; or, without your prior written consent, grant to any other person a security interest in any of our inventory at any time during the term of this Agreement and until all security interests or purchases granted hereunder have been terminated; (ix) we have paid all taxes which have become due and payable and there are no judgments, assessments, or liens filed against us or any of our property, real or personal. We further represent and warrant to you that we are a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida, that we have lawful power to own our properties and engage in the business we conduct, and are duly qualified and in good standing as a foreign limited liability company in the jurisdiction(s) wherein the nature of the business transacted by us or property owned by us makes such qualification necessary, and we have not changed our name, been the surviving limited liability company in a merger, acquired any business, or changed the county of our principal executive office within five (5) years and one (1) month prior to the date hereof, except as set forth in writing to you.

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9. SECURITY: As collateral security for any and all of our (and our parent's, subsidiaries' and affiliates') indebtedness and obligations to you (and to your parent, subsidiaries and affiliates), whether matured or unmatured, absolute or contingent, now existing or hereafter arising (including under indemnity or reimbursement agreements or by subrogation), and however acquired by you, whether arising directly between us or acquired by you by assignment, whether relating to this Agreement or independent hereof, including all obligations incurred by us to any other person factored or financed by you (collectively, the "Obligations"), we do hereby grant to you a security interest in all of our personal property, wherever located, and now owned or hereafter acquired, including, all of our: (a) Accounts; (b) Goods; (c) Inventory; (d) Equipment; (e) Chattel Paper; (f) Instruments, including Promissory Notes; (g) Investment Property; (h) Documents; (i) Deposit Accounts; (j) Commercial Tort Claims specifically identified by you; (k) money (l) Letter of Credit Rights; (m) General Intangibles; (n) Supporting Obligations; (o) all reserves, credit balances, sums of money at any time to our credit with you, and any of our property at any time in your possession and (p) to the extent not listed above as original collateral, all proceeds and products of the foregoing. Capitalized terms used in this paragraph or elsewhere in this Agreement, but not otherwise defined herein, have the meanings given to them under Article 9 of the Uniform Commercial Code ("UCC"), or absent definition in Article 9, in any other article of the UCC. We hereby irrevocably authorize and direct you to charge at any time to our account any Obligations, and to pay any Obligations owing by us to your parent, subsidiaries or affiliates, by so charging our account. We agree to execute financing statements and any and all other instruments and documents that may now or hereafter be provided for by the Uniform Commercial Code or other law applicable thereto reflecting security interests granted to you hereunder. We hereby appoint you as our attorney-in-fact and authorize you to sign such financing statements on our behalf as debtor or to file such financing statements without our signature. We shall be liable for, and you may charge our account with, all reasonable costs and expenses of filing such financing statements (including any filing or recording taxes), making lien searches, and any attorney's fees and expenses that may be incurred by you in perfecting, protecting, preserving, or enforcing your security interests and rights hereunder. We do hereby authorize you to file financing statements, including, without limitation, original financing statements, amendments and continuation statements against us and authorize you to file financing statements that describe the Collateral all of our assets whether now existing or hereafter acquired and wherever located, or words of similar effect.

10. This Agreement shall continue in full force and effect for a period of three (3) years from the date hereof and shall be deemed renewed from year to year thereafter unless we give you notice in writing, by registered or certified mail, not less than thirty (30) and not more than sixty (60) days prior to the expiration of the original term of this Agreement (or any renewal term thereof) of our intention to terminate this Agreement as of the end of such term. You may terminate this Agreement at any time upon thirty (30) days prior written notice to us. Notwithstanding the foregoing, if we become insolvent or unable to meet our debts as they mature, fail, close, suspend, or go out of business, commit an act of bankruptcy, file or become the subject of a petition under the Bankruptcy Act or any other law of the United States permitting the appointment of a receiver, liquidator, conservator, or similar functionary, or in the event you determine that we are in default under this Agreement or any other agreement with you (or your parent, subsidiaries or affiliates), or any Obligation to you, or if there is a change (by death or otherwise) in our principal stockholders or officers, or if any other event shall occur that you, in your reasonable judgment, determine might have a material adverse effect on our business or financial condition, and/or we make any misrepresentation to you in connection with this Agreement (or any other agreement to which we are parties) or any transaction related hereto (or thereto), then, notwithstanding the foregoing, you shall have the right to terminate this Agreement at any time without notice. In the event you elect to terminate this Agreement, and your decision to do so is a result of a breach of this Agreement by us, then, notwithstanding any other provisions contained herein, you shall be entitled to charge our account, and we agree to pay to you, the monthly minimum factoring fee specified in paragraph 6(c) herein for the later of ninety (90) days from the effective date of termination or until any and all of our indebtedness to you pursuant to this Agreement shall have been paid in full. Your rights and our Obligations arising out of transactions having their inception prior to the termination date shall not be affected by any termination or notice thereof. Termination of this Agreement shall not terminate, extinguish, or remove any liens or security interests granted to you hereunder until we have fully paid and discharged any and all of our Obligations to you, and we shall continue to furnish to you confirmatory assignments and schedules of Receivables previously assigned to you and
all proceeds in respect thereof. After the giving of any notice of termination hereunder, and until the full liquidation of our account, we shall not be entitled to receive any payments from you. From and after the effective date of termination, all amounts charged or chargeable to our account hereunder, and all our Obligations due you, shall become immediately due and payable without further notice or demand.

11. LIQUIDATION SUCCESS PREMIUM: In addition to any other amounts payable hereunder, we agree that if we substantially cease operating as a going concern, and the proceeds of the Receivables and the other collateral described in Section 9 above created after the occurrence of an event of default are in excess of the Obligations at the time of the default, we shall pay to you a liquidation success premium often percent (10%) of the amount of such excess.

12. MISCELLANEOUS:

Any goods rejected or returned by any customer shall be your property held by us in trust for you separate and apart from any other goods, and, upon your demand and in accordance with your instructions, shall forthwith be delivered to you or disposed of by us without charge to you, with the proceeds of such disposition to be remitted promptly to you. We shall promptly report to you, in writing, all disputes and claims made by our customers, the refusal of any services, and the rejection or return of or offer to return any goods, and we will promptly and diligently prosecute, defend or settle all such claims and disputes at our expense. WE AGREE TO PREPARE AND ASSIGN TO YOU ALL CREDIT MEMOS TO WHICH OUR CUSTOMERS HAVE BECOME ENTITLED SINCE THE DATE OF OUR LAST ASSIGNMENT, and our failure to do so entitles you to charge our account with any expenses incurred by you as a result. As absolute owner of each Receivable, you may, in your sole discretion, enforce, effect any compromise regarding settlement, or adjust any Receivable, in your name or ours, without affecting or limiting our Obligations due you under this Agreement, whether or not any such Receivable shall have been charged back to us. You reserve the right at any time to charge back to our account the full amount of the Receivable(s) involved in any claim, dispute, rejection, or return asserted or made by our customers, and we agree to pay you upon demand the full amount thereof. The chargeback to our account of the amount of any such Receivable shall not be deemed a reassignment to us, and title thereto and to the proceeds thereof, all security and guarantees therefor, and our interest in the goods represented thereby shall remain in you. We shall indemnify you for, and hold you harmless against, any loss, liability, claim or expense of any kind arising from any claims of, or disputes with, our customers as to terms, price, quality, quantity, or otherwise, relating to any Receivable, including any claim for return or reimbursement of any payments thereof. We agree to notify you promptly when a customer asserts a dispute or claim of any kind, and upon your notice to us of a customer dispute or claim, we agree to contact the customer promptly to effect a resolution of such dispute or claim.

(b) If any check, draft, note, acceptance, cash collection or payment in any form is received by us on any Receivable, WE SHALL IMMEDIATELY TRANSMIT AND DELIVER IT TO YOU IN THE FORM RECEIVED, and our failure to do so entitles you to charge our account with any expenses incurred by you as a result. Until our delivery of each such payment to you, it shall be held by us in trust for you. We agree that you, and any such person or entity as you may from time to time designate, shall have the right to sign and/or endorse our name on all remittances and all papers, bills of lading, receipts, instruments and documents relating to the Receivables and the transactions between us. You shall have the right to deposit any checks or other remittances received on Receivables regardless of notations or conditions placed thereon by our customers or deductions reflected thereby and to charge the amount of any such deduction to our account.

(c) In the event a sales or excise tax is levied by State or Federal authorities, in such form that you are required to pay a tax on sales represented by any Receivable(s), we agree to reimburse you for the full amount of taxes payable and agree that all such amounts may be charged to our account.
We agree to keep proper books of record and accounts in accordance with sound and accepted accounting practices, which books shall at all times be open to inspection by you. You and such accountant or other agents as you may from time to time designate shall have the right, at our expense, to visit and inspect our properties, assets and books, and to discuss our affairs, finances and accounts with our officers and employees at such reasonable times as you may designate, and to make and take away copies of our records. We agree to do all things necessary or appropriate to permit you to fully exercise your rights under this Paragraph. We also agree to make available to you from time to time, upon your request, copies of financial statements prepared by an accountant acceptable to you. Unless specifically waived in writing, such financial statements are to be provided to you on a quarterly basis.

Your failure at any time to insist upon performance of any term or provision of this Agreement shall not be deemed a waiver of any right reserved to you, and the waiver of one provision shall not be deemed to be a waiver of any other provision.

This Agreement is our complete and final agreement, reflects our mutual understanding, supersedes any prior agreement or understanding between us, and may not be modified or amended orally. We acknowledge that, but for the promises and representations expressly contained in this Agreement, no other promise or representation of any kind has been made to us to induce us to execute this Agreement. Furthermore, we acknowledge that if any such promise or representation has been made, we have not relied upon it in deciding to enter into this Agreement.

This Agreement is deemed made in the State of Florida and shall be governed, interpreted, and construed in accordance with the laws of the State of Florida. No modification, amendment, waiver, or discharge of this Agreement shall be binding upon you unless in writing and signed by you. TRIAL BY JURY IS HEREBY WAIVED by you in any action, proceeding or counterclaim brought by either of us against the other on any matter whatsoever arising out of or in any way connected with this Agreement, or the relations created hereby, whether for the contract, tort, or otherwise. We hereby consent to be governed by and enforced in accordance with the laws of the State of Florida and consent to the jurisdiction of Palm Beach County, State of Florida courts and of any Federal Court in such state for determination of any dispute as to any such matters. In connection therewith, we hereby waive personal service of any summons, complaint, or other process, and agree that service thereof may be made by registered or certified mail directed to us at our address set forth above or such other address of which we shall have previously notified you by registered or certified mail. In the event that you obtain counsel for the purpose of collecting any indebtedness due you from us, we agree to pay the reasonable fees and expenses (including trial and appellate) of your counsel. In addition, in the event you are sued by us or any other party for any claim or cause of action related to or arising under this Agreement or the factoring relationship, or you are required to defend any suit regarding any duty you are alleged to have breached, whether in the form of a contract duty, tort or otherwise, we agree that if you prevail at trial or on appeal we shall be obligated to reimburse you for all of the reasonable attorneys' fees you incur. We also agree that you may charge and/or set off against our account all such fees and expenses as such fees or expenses are incurred. Your books and records shall be admissible as prima facie evidence of the status of the accounts between us. This Agreement shall be binding upon and inure to the benefit of each of us and our respective heirs, executors, administrators, successors and assigns, but we may not assign this Agreement or any of our rights hereunder to any person without your prior written consent.

We agree and acknowledge that you and your authorized representatives are engaged in the provision of factoring services pursuant to this Agreement. By entering into this Agreement, we expressly acknowledge that we will not seek advice or counsel from you or any of your representatives with respect to the management and/or operation of our business, or any other entity affiliated or controlled by us, and if we deem such advice or counsel to have been offered, directly or indirectly, we will evaluate it and act or decline to act upon it based upon our own careful analysis and/or the advice or counsel of our own independent expert(s) or consultant(s). WE AGREE THAT WE WILL NOT SEEK OR ATTEMPT TO
ESTABLISH A FIDUCIARY RELATIONSHIP BETWEEN YOU AND/OR YOUR REPRESENTATIVES AND OURSELVES, OR ANY OTHER ENTITY AFFILIATED OR CONTROLLED BY US. WE HEREBY EXPRESSLY WAIVE ANY RIGHT TO ASSERT, NOW OR IN THE FUTURE, THAT THERE WAS OR IS A FIDUCIARY RELATIONSHIP BETWEEN US IN ANY ACTION, PROCEEDING OR CLAIM FOR DAMAGES.

CLR ROASTERS LLC

/s/ David Briskie  
Name: David Briskie  
Title: Managing Member

The foregoing is acknowledged, accepted and agreed to:

CRESTMARK BANK

/s/ James S. Rothman  
Name: James S. Rothman  
Title: Executive Vice President
LIMITED LIABILITY COMPANY RESOLUTION

WHEREAS, the company will benefit from the services of a factor in connection with the handling of its accounts receivable; and

WHEREAS, the Member have considered a proposed Factoring Agreement with Crestmark Bank, a Michigan banking corporation, under which Crestmark Bank would act as the Company's exclusive factor and of the Company's Receivables (as defined in the attached Factoring Agreement);

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED THAT:

The proposed Factoring Agreement is approved, and appropriate officers/members of the company are authorized and directed to execute and deliver a Factoring Agreement with Crestmark Bank in the form or substantially the form outlined herein, and to do and perform all things contemplated herein on behalf of this company.

As of the date of this Agreement, the following are the officers/members/employees authorized to act on behalf of the company:

/s/ David Briskie
Name: David Briskie
Title: Managing Member

/s/ Scott Pumper
Name: Scott Pumper
Title: Manager

IN WITNESS WHEREOF, the undersigned hereby certifies that the foregoing Resolution was duly adopted at a meeting of the Members held on 2-12-2010, at which a quorum was present, and that said Resolution has not been modified, amended, or rescinded and remains in full force and effect as of the date set forth below.

CLR ROASTERS LLC

/s/ David Briskie
Name: David Briskie
Title: Managing Member

ATTEST:

/s/ X
Member
GUARANTEE

WE, THE UNDERSIGNED, in order to induce CRESTMARK BANK ("Factor") to enter into the attached Factoring Agreement with CLR ROASTERS LLC ("Client"), hereby jointly and severally unconditionally guarantee the performance and payment by Client of any and all obligations and indebtedness arising under said Agreement, without limitation as to time or amount. This is a continuing guarantee and shall remain in effect notwithstanding any renewal, extension, modification, or amendment of, or change or fluctuation in the amount of principal or amount or rate of interest under said Agreement, any provision of or recourse against security for obligations or indebtedness under said Agreement or this guarantee, or the release, substitution, or addition of one or more guarantors. Our obligations hereunder are independent of Client's obligation, and one or more separate actions may be brought against any or all of us, whether or not Client enjoined in any such action or any action is brought against Client.

We hereby waive all presentments, demands, notices of nonperformance, protests, notices of acceptance of our guarantee or Client's incurring of new or additional indebtedness, and any other formality that might otherwise be a condition to our absolute liability hereunder. This is a guarantee of payment and not of collection. We also waive any right to consent to or be notified of any indulgence, extension, waiver or other concession that may be granted Client and agree that any such action shall not affect our liability hereunder.

As to each guarantor, this guarantee shall continue in effect until Factor has received written notice of revocation, notwithstanding the death of such guarantor (whose estate shall be bound until receipt of such notice), the release of any other guarantor, or the dissolution, liquidation, termination of business, bankruptcy, acquisition, merger, reorganization, or any other change in the nature or form of the business of Client, until all of Client's obligations and indebtedness under said Agreement shall have been fully performed and paid. No revocation or termination hereof shall affect rights or obligations under this guarantee with respect to obligations or indebtedness arising or contracted for prior to Factor's receipt of written notice thereof, and any revocation or termination shall exclude from this guarantee only liabilities arising after such receipt that are unconnected with liabilities theretofore entered into.

In the event of a breach or termination of, or default under, said Agreement by Client, or any occurrence that would allow Factor to terminate said Agreement without notice, all of the indebtedness of Client and of our obligations and liabilities to Factor shall, at the option of Factor, become immediately due and payable and shall be paid and performed forthwith by us.

We acknowledge that we are liable hereunder to the same extent and under the same conditions as is Client under said Agreement and that no prior action by Factor is necessary to invoke our liability upon the occurrence of any of the foregoing events. We agree to pay Factor's reasonable attorney's fees and expenses incurred by Factor in seeking to enforce our obligations hereunder and Client's obligations of the state and federal courts located in Florida for the purpose of any action or suit relating to this guarantee or said Agreement.

IN WITNESS WHEREOF AND INTENDING TO BE BOUND, we have executed this guarantee this 12th day of Feb, 2010

/s/ David Briskie, Guarantor
David Briskie

/s/ Scott Pumper, Guarantor
Scott Pumper

Witnessed by:

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GUARANTY BY CORPORATION

DATE: 2-12-2010

TO: Crestmark Bank
625 North Flagler Drive, Suite 400
West Palm Beach, FL 33401

Dear Sir or Madam:

CLR ROASTERS LLC, a limited liability company organized under the laws of the State of Florida (herein called "Debtor") (a) engaged in business as a corporate affiliate of the undersigned, or (b) engaged in selling, marketing, using, or otherwise dealing in merchandise, supplies, products, equipment or other articles supplied to it by the undersigned, or (c) Because of our inter-corporate or business relations, it will be our direct interest and advantage to assist the Debtor to procure funds, credit or other financial assistance from you in order to further its business and sales.

Accordingly, in order to induce you to purchase or otherwise acquire from the Debtor accounts receivable, conditional sales or lease agreements, chattel mortgages, drafts, notes, bills, acceptances, trust receipts, contracts or other obligations or choses-in-action (herein collectively called "receivables"), or to advance moneys or extend credit to the Debtor thereon, or to factor the sales or finance the accounts of the Debtor (either according to any present or future agreements or according to any changes in any such agreements or on any other terms and arrangements from time to time agreed upon with the Debtor, the undersigned hereby consenting to and waiving notice of any and all such agreements, terms and arrangements and changes thereof or to otherwise directly or indirectly advance money to or give or extend loath and credit to the Debtor, or otherwise assist the Debtor in financing its business or sales (without obligating you to do any of the foregoing), we, the undersigned, for value received, do hereby unconditionally guarantee to you and your assigns the prompt payment in full at maturity and all times thereafter (waiving notice of non-payment) of any and all indebtedness, obligations and liabilities of every kind or nature (both principal and interest) now or at any time hereafter owing to you by the Debtor, and of any and all receivables heretofore or hereafter acquired by you from said Debtor in respect of which the Debtor has or may become in any way liable, and the prompt, full and faithful performance and discharge by the Debtor of all the terms, conditions, agreements, representations, warranties, guarantees and provisions on the part of the Debtor contained in any such agreement or arrangement or in any modification or addenda thereto or substitution thereof, or contained in any schedule or other instrument heretofore or hereafter given by or on behalf of said Debtor in connection with the sale or assignment of any such receivables to you, or contained. In any other agreements, undertakings or obligations of the Debtor with or to you, of any kind or nature, and we also hereby agree on demand to reimburse you and your assigns for all expenses, collection charges, court costs and attorney's fees incurred in endeavoring to collect or enforce any of the foregoing against the Debtor and/or undersigned or any other person or concern liable thereon; for nil of which, with interest at the highest lawful contract rate after due until paid, we hereby agree to be directly, unconditionally and primarily liable jointly and severally with the Debtor and agree that the same may be recovered in the same or separate actions brought to recover the principal indebtedness.

Notice of acceptance of this guaranty, the giving or extension of credit to the Debtor, the purchase or acquisition of receivables, or the advancement of money or credit thereon, and presentment, demand, notices of default, non-payment of partial payments and protest, notice of protest and all other notices or formalities to which the Debtor might otherwise be entitled, prosecution of collection or remedies against the Debtor or against the makers, endorsers, or other person liable on any such receivables or against any security or collateral thereto appertaining, are hereby waived. The undersigned also waives notice of any consents to the granting of indulgences or extensions of time payment, the talking and releasing of security in respect of any said receivable agreements, obligations, indebtedness or liabilities so guaranteed hereunder, or your accepting partial payments thereon or your settling, compromising or compounding any of the same in such manner and at such times as you may deem advisable, without in any way impairing or affecting our liability for the full amount thereof, and you shall not be required to prosecute collection, enforcement or other remedies against the Debtor or against any person liable on any said

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receivable, agreement, obligations, indebtedness or liabilities so guaranteed, or to enforce or resort to any security, lien, collateral or other rights or remedies thereto appertaining, before calling on us for payment; nor shall our liability in any way be released or affected by reason of BHY failure or delay on your part so to do.

This guaranty is absolute, unconditional and continuing and payment of the sums for which the undersigned become liable shall be made to you at your office from time to time on demand to the same become or are declared due, notwithstanding that you hold reserves, credits, collateral or security against which you may be entitled to resort for payment, wid one or more and successive or concurrent actions may be brought hereon against the undersigned, either in the same action in which the Debtor is sued or in separate actions, IS often as deemed advisable. We expressly waive and bar ourselves from any right to set-off, recoup or counterclaim any claim or demand against said Debtor, or against any other person or concern liable on said receivables, and, IS further security to you, any and all debts or liabilities now or hereafter owing to us by the Debtor or by such other person or concern are hereby subordinated to your claims and are hereby assigned to you.

In case bankruptcy or insolvency proceedings, or proceed ings for reorganization, or for the appointment of n receiver, trustee or custodian for us or the Debtor or aver our or its property or any substantial portion thereof, be instituted by or against either us or the Debtor, or if we or the Debtor become insolvent or make an ISignment fur the benefit of creditors, or attempt to effect a composition with creditors, or encumber or dispose of all or a substantial portion or our or its property or if we or the Debtor default in the payment or repurchase of any such receivables or indebtedness as the same falls due, or fail promptly to make good any default in respect of any undertakings, then the liability of the undersigned thereunder shall at your option and without notice become immediately fixed and be enforceable for the full amount thereof, whether then due or not, the same as though all said receivables, debts and liabilities had become past due.

The guaranty shall inure to the benefit of yourself, your successors and assigns. It shall be binding on the undersigned, its successors and assigns, and shall continue in full force and effect until notice of termination is given and received as hereinafter provided and all of said indebtedness, liabilities or obligations created or assumed fully paid.

ATTEST:

/s/ X
Secretary

JAVALUTION COFFEE COMPANY

/s/ Scott Pumper
By: Scott Pumper
Its: President

CERTIFICATION

I, David S. Briskie, do hereby certify that I am the duly elected and qualified Secretary of Javalution Coffee Company, a Florida corporation, the Guarantor named in the foregoing Guaranty; that a (special) (regular) meeting of the Board of Directors of said Corporation held on 2-12-2010 at which meeting a quorum as present and acting throughout, the foregoing Guaranty was submitted to, and approved by, the Board of Directors of said Corporation, and that the officer that executed the Guaranty for and on behalf of the Corporation was so authorized by the Board of Directors of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 12 th day of Feb 2010.

/s/ X
Secretary

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CRESTMARK BANK SUBORDINATION AND STAND-BY AGREEMENT

The undersigned (sometimes hereinafter referred to as "we" or "us") are financially interested in CLR Roasters LLC, a Florida limited liability company, referred to as the "Company." The Company as now appears on the books is indebted to the undersigned as follows.

A loan in the amount of $483,296.19 due Javalution Coffee Company as of a financial statement dated December 31, 2009.

To induce you to discount or purchase from the Company deferred payment paper, accounts receivable, notes, conditional sales contracts, chattel mortgages, customer obligations, or other receivables (herein called "Receivables"), at any time offered to you by the Company, or to lend or advance monies or otherwise extend faith or credit to the Company, and to better secure you in respect thereof and in consideration of the premises and the sum of One Dollar ($1.00) to us in hand paid, receipt whereof is hereby acknowledged, we agree to and do hereby subordinate the aforesaid indebtedness owing by the Company to the undersigned (as well as any and all other indebtedness which said Company may now or at any time hereafter owe to the undersigned, together with all collateral and security, if any, for the payment of any such indebtedness aforesaid) to any and all debts, demands, claims, liabilities or causes of action for which the Company may now or at any time hereafter in any way be liable to you; and we further covenant and agree with you that the Company shall not pay, and we will not accept payment of or assert or seek to enforce against the Company, any indebtedness now or hereafter owing by the Company to the undersigned or any collateral or security thereto appertaining, unless and until you have been paid in full any and all such debts, claims, liabilities, demands or causes of action now or hereafter owing to you by the Company; and as further security for the undertakings of the undersigned in that behalf, the undersigned hereby subrogate to you any and all such indebtedness now or hereafter owing the Company to the undersigned and to any and all collateral or security therefor, and covenant and agree to assign, endorse and deliver to and deposit with you any and all notes or other obligations or instruments evidencing any such indebtedness and all collateral and security thereto appertaining, hereby irrevocably authorizing you to collect, receive, enforce and accept any and all sums or distributions of any kind that may become due, payable or distributable on or in respect of such indebtedness, whether paid directly or indirectly by the Company, or paid or distributed in any bankruptcy, receivership, reorganization or dissolution proceedings or otherwise; hereby irrevocably authorizing you in your discretion to make and present claims therefor in any such proceedings either in your name or ours; and in case any such sums or distributions come into our hands, we agree to promptly turn the same over to you. The undersigned represent and warrant to you that the undersigned have not assigned or transferred any of said indebtedness or any interest therein or any such collateral or security to any other person and that any notes or written obligations taken to evidence said indebtedness or any renewal notes or written obligations will be endorsed with a proper notice of this agreement.

In consideration hereof, the undersigned hereby postpone in your favor any and all claims of every kind and description that the undersigned may now or hereafter have against the Company to the payment to you of any and all debts, claims, demands or causes of action of every character and description that you may now or hereafter have against the Company, whether arising hereunder or in any other manner. The undersigned waive notice of acceptance hereof, notice of the creation of any indebtedness or liability of the Company to you, the giving or extension of credit to the company, or the taking or releasing of security for the payment thereof, and waive presentment, demand, protest, notice of protest or default and all other notices to which the undersigned might otherwise be entitled.

This agreement shall be continuing irrevocable and binding on the undersigned Jointly and severally, if there be two or more persons who sign the same) and their respective heirs, personal representatives and assigns, and shall inure to the benefit of yourselves, your successors and assigns. The death of any one of the undersigned (ifthere be more than one party signatory hereto) shall not affect this agreement as to any other of the undersigned. Ifthere be only one person who has signed this agreement, the words "undersigned", "we" and "us" shall be deemed to mean that one person.
IN WITNESS WHEREOF, the undersigned have set their hands and seals this 12th day of February, 2010

JAVALUTION COFFEE COMPANY

/s/ Scott Pumper
By: Scott Pumper
Its: President

/s/ X
Witness Name:

THE ABOVE NAMED COMPANY assents to the foregoing and agrees in all respects to be bound thereby and to keep, observe and perform the several matters and things therein intended of it to be done, and particularly agrees not to make any payment contrary to the foregoing.

CLR ROASTERS LLC

/s/ David Brookie
Name: David Brookie
Title: Managing Member
CORPORATE RESOLUTION

WHEREAS, CLR ROASTERS LLC, a subsidiary of Javalution Coffee Company, has applied to Crestmark Bank ("Crestmark") for factoring services; and

WHEREAS, Crestmark Bank has required that in order to enter into a Factoring Agreement with CLR Roasters LLC, that Javalution Coffee Company must enter into a Subordination and Stand-By Agreement in favor of Crestmark; and

WHEREAS, the Board of Javalution Coffee Company has considered the proposed Subordination and Stand-By Agreement in favor of Crestmark whereby Javalution Coffee Company will subordinate a loan to CLR Roasters LLC in the amount of $483,296.19 to Crestmark;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED THAT:

The proposed Subordination and Stand-By Agreement is approved, and appropriate officers of Javalution Coffee Company are authorized and directed to execute and deliver a Subordination and Stand-By Agreement to Crestmark Bank, and to do and perform all things contemplated therein on behalf of Javalution Coffee Company.

As of the date hereof, the following are the officers and directors of the company:

/s/ Scott Pumper
By: Scott Pumper
Its: President/Treasurer/Director

/s/ David Briskie
Name: David Briskie
Title: Director

/s/ Michael Zimmerman
Name: Michael Zimmerman
Title: Director

Name: Geoffrey Goldberg
Title: Director

IN WITNESS WHEREOF, the undersigned hereby certifies that the foregoing Resolution was duly adopted at a meeting of the Board of Directors held on ________ 20__ at which a quorum was present, and that said Resolution has not been modified, amended, or rescinded and remains in full force and effect as of the date set forth below.

JAVALUTION COFFEE COMPANY

/s/ Scott Pumper
By: Scott Pumper
Its: President

ATTEST:

/s/ X (SEAL)
Secretary
CORPORATE RESOLUTION

WHEREAS, CLR Roasters LLC (the "Company"), a subsidiary of Javalution Coffee Company, has applied to Crestmark Bank ("Crestmark") for factoring services; and

WHEREAS, the Board of Javalution Coffee Company has considered a proposed Factoring Agreement with Crestmark Bank, a Michigan banking corporation, under which Crestmark Bank would act as the Company's exclusive factor and of the Company's Receivables (as defined in the attached Factoring Agreement);

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED THAT:

The proposed Factoring Agreement is approved, and appropriate officers of Javalution Coffee Company, as sole member of the Company are authorized and directed to execute and deliver a Factoring Agreement with Crestmark Bank in the form or substantially the form outlined herein, and to do and perform all thing contemplated herein on behalf of Javalution Coffee Company and the Company.

As of the date of this Agreement, the following are the officers/employees authorized to act on behalf of Javalution Coffee Company:

/s/ Scott Pumper  
By: Scott Pumper  
Its: President/Treasurer/Director

/s/ David Brisko  
Name: David Brisko  
Title: Director

/s/ Michael Zimmerman  
Name: Michael Zimmerman  
Title: Director

IN WITNESS WHEREOF, the undersigned hereby certifies that the foregoing Resolution was duly adopted at a meeting of the Board of Directors held on 2-10-2010 at which a quorum was present, and that said Resolution has not been modified, amended, or rescinded and remains in full force and effect as of the date set forth below.

/s/ Scott Pumper  
By: Scott Pumper  
Its: President

ATTEST:

/s/ X  
Secretary
EXHIBIT 10.27

FIRST AMENDMENT TO FACTORING AGREEMENT

THIS AMENDMENT TO FACTORING AGREEMENT is effective as of April 6, 2011, and between CLR ROASTERS LLC, a Florida limited liability company (“Client”), and CRESTMARK BANK, a Michigan banking corporation (“Crestmark”).

WITNESSETH

WHEREAS, Client and Crestmark entered into a Factoring Agreement dated February 12, 2010 (the “Agreement”); and

WHEREAS, Client and Crestmark desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, it is hereby agreed as follows:

1. The terms of the Agreement are hereby amended as follows:

   a. Paragraph 5(d) is hereby deleted in its entirety and the following is inserted in lieu thereof:

   (d) In your sole discretion, in accordance with the terms of this Agreement, you may from time to time advance to us, against the purchase price of Receivables purchased by you hereunder, sums up to eighty-five percent (85%) of the aggregate purchase price of Receivables outstanding at the time any such advance is made, less: (1) Any such Receivables that are in dispute; (2) Any such Receivables that are not credit approved; and (3) Any fees, actual or estimated, that are chargeable to our reserve account. Unless otherwise specified in any promissory note, or loan or other agreement, executed in connection with such advance, any such advance shall be payable on demand and shall bear interest at the rate set forth in subparagraph (e) below from the date such advance is made until the date you would otherwise be obligated hereunder to pay the purchase price of the Receivable(s) against which such advance was made.

   b. Paragraph 5(e) is hereby deleted in its entirety and the following is inserted in lieu thereof:

   (e) Interest upon the daily net balance of any moneys remitted, paid, advanced or otherwise charged to us or for our account before the payment date (including any advance made pursuant to subparagraph 5(d) above), and interest applicable to the charges or to the expenses referred to in this Agreement, shall be charged to our reserve account as of the last day of each month at a rate the greater of five and three-quarters percent (5.75%) per annum or: (i) As to average daily advances against the purchase price of Receivables purchased by you, that do not exceed the amount eighty-five percent (85%) specified in paragraph 5(d) above, interest shall be charged at two and one-half percent (2.50%) above the rate of interest designated by The Wall Street Journal as the “Prime Rate” or “Base Rate,” as the case may be. (ii) As to average daily advances against the purchase price of Receivables purchased by you that exceed the amount eighty-five percent (85%) specified in paragraph 5(d) above, interest shall be charged at five percent (5.00%) per annum above the rate of interest designated by The Wall Street Journal as the “Prime Rate” or “Base Rate,” as the case may be. If, during any month, our reserve account or credit balance, subject to the terms and conditions of this Agreement, shall be in a net credit balance (i.e., the reserve or credit balance exceeds outstanding Receivables), then you agree to credit our reserve account as of the last day of each month with interest at a rate equal to five percent (5.00%) below the rate of interest designated by The Wall Street Journal as the “Prime Rate” or “Base Rate,” as the case may be, but in any event, not greater than two percent (2.00%) annually. All such interest shall be computed for the actual number of days elapsed on the basis of year consisting of 360 days. Any adjustment in your interest rate, whether downward or upward, will become effective on the first day of the month following the month in which the prime rate of interest is reduced or increased.
HOWEVER, in no event shall the rate of interest agreed to or charged to us hereunder exceed the maximum rate of interest permitted to be agreed to or charged to us under applicable law. IT IS
THE INTENTION OF THE PARTIES HERETO NOT TO MAKE ANY AGREEMENT VIOLATIVE OF THE LAWS OF THE STATE OF FLORIDA OR THE UNITED STATES RELATING TO USURY. IN NO EVENT,
THEREFORE, SHALL ANY INTEREST DUE HEREBUNDER BE AT A RATE IN EXCESS OF THE HIGHEST LAWFUL RATE, i.e., IN NO EVENT SHALL YOU CHARGE OR SHALL WE BE REQUIRED TO PAY ANY
INTEREST THAT, TOGETHER WITH ANY OTHER CHARGES HEREBUNDER THAT MAY BE DEEMED TO BE IN THE NATURE OF INTEREST, HOWEVER COMPUTED, EXCEEDS THE MAXIMUM LAWFUL RATE OF
INTEREST ALLOWABLE UNDER THE LAWS OF THE STATE OF FLORIDA AND/OR OF THE UNITED STATES. SHOULD ANY PROVISION OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US BE
CONSTRUED TO REQUIRE THE PAYMENT OF INTEREST THAT EXCEEDS SUCH MAXIMUM LAWFUL RATE, ANY SUCH EXCESS SHALL BE AND IS EXPRESSLY HEREBY WAIVED BY YOU. SHOULD ANY
EXCESS INTEREST IN FACT BE PAID, SUCH EXCESS SHALL BE DEEMED TO BE A PAYMENT OF THE PRINCIPAL AMOUNT OF OUTSTANDING INDEBTEDNESS OWING BY US TO YOU AND SHALL BE APPLIED
TO SUCH PRINCIPAL.

c. The first sentence in Paragraph 10 is hereby deleted in its entirety and the following is inserted in lieu thereof:

This Agreement shall continue in full force and effect until February 1, 2014 and shall be deemed renewed from year to year thereafter unless we give you notice in writing, by registered or
certified mail, not less than thirty (30) and not more than sixty (60) days prior to the expiration of the original term of this Agreement (or any renewal term thereof) of our intention to terminate this Agreement as of the end of such term.

2. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

3. Except as above amended, the Agreement remains in full force and effect and binding upon the Client without any defenses, setoffs or counterclaims of any kind whatsoever.
CLR ROASTERS LLC
a Florida limited liability company
By: /s/ Scott Pumper
Scott Pumper, President
Javalution Coffee Company, 100% owner of CLR Roaster LLC

/s/ David Briskie
By: David Briskie
Its: Managing Member/CEO

CRESTMARK BANK
a Michigan banking corporation
By: James S. Rothman
Its: Executive Vice President
The undersigned, being the guarantors of the obligations of Client to Crestmark under the term of that Guarantee dated February 12, 2010 (the “Guarantee”), hereby consent to the above Amendment to Factoring Agreement and reaffirm the Guarantee and confirm that the Guarantee is in full force and effect and binding upon the undersigned without any defenses, setoffs or counterclaims of any kind whatsoever.

/s/ David Briskie  
David Briskie

/s/ Scott Pumper  
Scott Pumper

JAVALUTION COFFEE COMPANY

/s/ Scott Pumper  
By: Scott Pumper Its: President
THIS AMENDMENT TO FACTORING AGREEMENT is effective as of 2-1-2013 and between CLR ROASTERS LLC, a Florida limited liability company ("Client"), and CRESTMARK BANK, a Michigan banking corporation ("Crestmark").

WITNESSETH

WHEREAS, Client and Crestmark entered into a Factoring Agreement dated February 12, 2010 and Amendment dated April, 6, 2011 (the "Agreement"), and

WHEREAS, Client and Crestmark desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, it is hereby agreed as follows:

1. The terms of the Agreement are hereby amended as follows:

   a. Paragraph 5(e) is hereby deleted in its entirety and the following is inserted in lieu thereof:

      "(e) Interest upon the daily net balance of any moneys remitted, paid, advanced or otherwise charged to us or for our account before the payment date (including any advance made pursuant to subparagraph 5(d) above), and interest applicable to the charges or to the expenses referred to in this Agreement, shall be charged to our reserve account as of the last day of each month at a rate the greater of five and one-quarter percent (5.25%) per annum or: (i) As to average daily advances against the purchase price of Receivables purchased by you, that do not exceed the amount eighty-five percent (85%) specified in paragraph 5 (d) above, interest shall be charged at two and one-half percent (2.50%) above the rate of interest designated by The Wall Street Journal as the “Prime Rate” or “Base Rate,” as the case may be; (ii) As to average daily advances against the purchase price of Receivables purchased by you that exceed the amount eighty-five percent (85%) specified in paragraph 5 (d) above, interest shall be charged at five and one-quarter percent (5.25%) per annum above the rate of interest designated by The Wall Street Journal as the “Prime Rate” or “Base Rate”, as the case may be. If, during any month, our reserve account or credit balance, subject to the terms and conditions of this Agreement, shall be in a net credit balance (i.e., the reserve or credit balance exceeds outstanding Receivables), then you agree to credit our reserve account as of the last day of each month with interest at a rate equal to five percent (5.00%) below the rate of interest designated by The Wall Street Journal as the "Prime Rate" or “Base Rate,” as the case may be, but in any event, not greater than two percent (2.00%) annually. All such interest shall be computed for the actual number of days elapsed on the basis of year consisting of 360 days. Any adjustment in your interest rate, whether downward or upward, will become effective on the first day of the month following the month in which the prime rate of interest is reduced or increased. HOWEVER, in no event shall..."
the rate of interest agreed to or charged to us hereunder exceed the maximum rate of interest permitted to be agreed to or charged to us under applicable law. IT IS THE INTENTION OF THE PARTIES HERETO NOT TO MAKE ANY AGREEMENT VIOLATIVE OF THE LAWS OF THE STATE OF FLORIDA OR THE UNITED STATES RELATING TO UsURY. IN NO EVENT, THEREFORE, SHALL ANY INTEREST DUE HEREBY BE AT A RATE IN EXCESS OF THE HIGHEST LAWFUL RATE, i.e., IN NO EVENT SHALL YOU CHARGE OR SHALL WE BE REQUIRED TO PAY ANY INTEREST THAT TOGETHER WITH ANY OTHER CHARGES HEREUNDER THAT MAY BE DEEMED TO BE IN THE NATURE OF INTEREST, HOWEVER COMPUTED, EXCEEDS THE MAXIMUM LAWFUL RATE OF INTEREST ALLOWABLE UNDER THE LAWS OF THE STATE OF FLORIDA AND/OR OF THE UNITED STATES. SHOULD ANY PROVISION OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US BE CONSTRUED TO REQUIRE THE PAYMENT OF INTEREST THAT EXCEEDS SUCH MAXIMUM LAWFUL RATE, ANY SUCH EXCESS SHALL BE AND IS EXPRESSLY HEREBY WAIVED BY YOU. SHOULD ANY EXCESS INTEREST IN FACT BE PAID, SUCH EXCESS SHALL BE DEEMED TO BE A PAYMENT OF THE PRINCIPAL AMOUNT OF OUTSTANDING INDEBTEDNESS OWING BY US TO YOU AND SHALL BE APPLIED TO SUCH PRINCIPAL.

b. Paragraph 6(a) is hereby deleted in its entirety and the following is inserted in lieu thereof:

"(a) For your services hereunder, we shall pay and you shall be entitled to receive a factoring commission equal to one percent (1.00%) of the gross Invoice Amount of each Receivable for annual sales volume up to Ten Million Dollars ($10,000,000); a factoring commission equal to seven eighths of one percent (0.875%) of the gross Invoice Amount of each Receivable for annual sales volume over Ten Million Dollars ($10,000,000), which commission shall be due and payable to you on the date such Receivable arises, even if we should fail to assign any such Receivable to you. Factoring commissions shall be chargeable to our account with you. You shall be entitled to receive a surcharge equal to at least one percent (1.00%) of the gross Invoice Amount of all Receivables arising out of our sales to Debtors-In-Possession or special account relationships. The minimum factoring commission on each invoice or credit memo shall be Five dollars ($5.00)."

c. Paragraph 6(c) is hereby deleted in its entirety and the following is inserted in lieu thereof:

"(c) The minimum aggregate factoring commissions payable under this Agreement for each contract year (which shall mean each consecutive twelve (12) month period commencing upon the date of this Agreement) hereof shall be Ninety Thousand Dollars ($90,000), which shall be payable at the rate of Seven Thousand Five Hundred Dollars ($7,500) per month. To the extent of any deficiency (after giving effect to commissions payable under the foregoing subparagraphs), the difference between the minimum and the amount already charged shall be chargeable to our account with you."

-2-
d. The first sentence in Paragraph 10 is hereby deleted in its entirety and the following is inserted in lieu thereof:

“This Agreement shall continue in full force and effect until February 1, 2016 and shall be deemed renewed from year to year thereafter unless we give you notice in writing, by registered or certified mail, not less than thirty (30) and not more than sixty (60) days prior to the expiration of the original term of this Agreement (or any renewal term thereof) of our intention to terminate this Agreement as of the end of such term.”

2. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

3. Except as above amended, the Agreement remains in full force and effect and binding upon the Client without any defenses, setoffs or counterclaims of any kind whatsoever.

WITNESSES:

/s/ X
Witness:

/s/ X
Witness:

/s/ X
Witness:

/s/ X
Witness:

CLR ROASTERS LLC
a Florida limited liability company

By: /s/ David Briskie
By: David Briskie, CFO
AL International Inc. f/k/a Javalution Coffee Company. 100% owner of CLR Roaster LLC

CRESTMARK BANK
a Michigan banking corporation

By: Its:
The undersigned, being the guarantors of the obligations of Client to Crestmark under the term of that Guarantee dated February 12, 2010 (the “Guarantee”), hereby consent to the above Amendment to Factoring Agreement and reaffirm the Guarantee and confirm that the Guarantee is in full force and effect and binding upon the undersigned without any defenses, setoffs or counterclaims of any kind whatsoever.

__________________
Dave Briskie

__________________
Scott Pumper

AL INTERNATIONAL INC. f/k/a JAVALUTION COFFEE COMPANY

/s/ Dave Briskie
By: Dave Briskie
Its: CFO
THIS STANDARD WAREHOUSE LEASE AGREEMENT (sometimes hereinafter referred to as the “Lease”) made and entered into this 19th day of March 2013 (“Effective Date”), by and between PERC ENTERPRISES | 72nd WAREHOUSES, hereinafter called “Landlord”, whose address for the purpose hereof is 169 EAST FLAGLER STREET, PENTHOUSE, MIAMI, FL. 33131 and CLR ROASTERS LLC, a Florida limited liability company bearing document number L07000102507 with the state of Florida (hereafter called “Tenant”), whose address for purposes hereof is 2131 NW 72nd Avenue, Miami, FL. 33122. This Lease supersedes any prior agreements between the parties and renders them null and void upon the Commencement Date as defined herein.

WITNESSETH

DEMISED PREMISES

1. Subject and upon the terms, provisions, covenants and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease, demise and let to Tenant and Tenant does hereby lease, demise and let from Landlord those certain premises (hereinafter sometimes called the “Premises” or “Demised Premises”) in the building known as PERC ENTERPRISES | 72nd WAREHOUSES (hereinafter called the “Building”) located at 2131 NW 72nd Avenue, Miami, FL. 33122 containing approximately 39,516 square feet of Net Rentable Area (hereinafter defined) of the Building constituting a proportionate share of 50% of the Building. The amount of Net Rentable Area, as provided herein, is stipulated and agreed to by Landlord and Tenant and is reflected on the attached Exhibit A: Site Plan-Landlord Work.

The term “Net Rentable Area”, as used herein shall refer to (i) in the case of a single tenancy floor, all space measured from the inside surface of the outer glass of the Building to the inside surface of the opposite outer wall, excluding only the areas (“Service Areas”) within the outside walls used for building stairs, fire towers, elevator shafts, fuses, vents, pipe shafts and vertical ducts, but including any such areas which are for the specific use of the particular tenants such as special stairs or elevators, and (ii) in the case of a multi-tenancy floor, all space within the inside surface of the outer glass enclosing the tenant occupied portion of the floor and measured to the midpoint of the walls separating the areas leased by or held for lease to other tenants or for areas devoted to corridors, elevator foyers, rest rooms and other similar facilities for the use of all tenants on the particular floor (herein called “Common Areas”), but including a proportionate part of the Common Areas located on such floor.

No reductions from Net Rentable Areas are made for columns necessary to the Building. The Net Rentable Areas in the Demised Premises and in the Building have been calculated on the basis of the foregoing definition and are hereby stipulated above as to the Demised Premises, whether the same should be more or less as a result of minor variations resulting from actual construction and completion of the Demised Premises, for occupancy so long as such work is done substantially in accordance with the approved plans.

TERM

2. This Lease shall be for the term of Ten (10) Years commencing upon the earlier to occur of (i) occupancy of the Premises by Tenant or (ii) substantial completion of Landlord’s improvements as provided for on the attached Exhibit A: Site Plan – Landlord Work and ending Ten (10) Years thereafter, (hereinafter sometimes referred to as the “Lease Term” or “Term”) unless sooner terminated or extended as provided herein.

If the Landlord is unable to give possession of the Demised Premises on the date of the commencement of the aforesaid Lease Term by reason of the holding over of any prior tenant or tenants or any other reasons, an abatement or diminution of the rent to be paid hereunder shall be allowed Tenant under such circumstances until possession is given to Tenant, but nothing herein shall operate to extend the initial Term of the lease beyond the agreed expiration date, and said abatement in rent shall be the full extent of Landlord's liability to Tenant for any loss or damage to Tenant on account of said delay in obtaining possession of the Premises. There shall be no delay in the commencement of the term of this Lease and/or payment of rent when Tenant fails to occupy premises when same are ready for occupancy, or when Landlord shall be delayed in substantially completing such Demised Premises as a result of:

(a) Tenant’s failure to promptly furnish working drawings and plans as required or
(b) Tenant's failure to approve cost estimates within one (1) week or
(c) Tenant’s failure to promptly select materials, finishes, or installation or
(d) Tenant's changes in plans (notwithstanding Landlord’s approval of any such changes), or
(e) Any other act of omission by Tenant or its Agents, or failure to promptly make other decisions, necessary to the preparation of the Demised Premises for occupancy.

-1-
The commencement of the Term and the payment of rent shall not be affected, delayed or deferred on account of any of the foregoing. For the purpose of this paragraph, the Demised Premises shall be deemed substantially completed and ready for occupancy by Tenant when Landlord's Supervising Architect certifies that the work required of Landlord, if any, has been substantially completed in accordance with said approved plans and specifications.

Taking possession of the Demised Premises by Tenant shall be conclusive evidence as against Tenant that the Demised Premises were in good and satisfactory condition when possession was taken.

If Tenant, with Landlord's consent, shall occupy the Demised Premises prior to the beginning of the Lease Term as specified herein above, all provisions of this Lease shall be in full force and effect commencing upon such occupancy, and Tenant shall pay rent for such period at the same rate herein specified.

**BASE RENT**

3. Tenant agrees to pay Landlord a total "Base Rent" of Three Million Five Hundred Ten Thousand Eight Hundred One and 58/100 Dollars ($3,510,801.58) in equal monthly installments every calendar month of the Term of this Lease, without any offset or deduction whatsoever, in lawful (legal tender for public or private debts) money of the United States of America, at the Management Office for the Building or elsewhere as designated from time to time by Landlord's written notice to Tenant, as follows:

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<th>Year</th>
<th>Monthly Rate</th>
<th>Annual Rate</th>
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</thead>
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</tr>
<tr>
<td>10</td>
<td>$33,298.79</td>
<td>$399,585.48</td>
</tr>
</tbody>
</table>

* Provided Tenant is not in default of the Lease, Landlord shall provide the following abatement of Base Rent:
  - $9,471.79 in Base Rent during the first (1st), second (2nd) and third (3rd) months of the Lease Term,
  - $9,755.95 in Base Rent during the thirteenth (13th) month of the Lease Term,
  - $10,048.62 in Base Rent during the twenty-fifth (25th) month of the Lease Term, and
  - $10,350.08 in Base Rent during the thirty-seventh (37th) month of the Lease Term

The balance of the total Base Rental is payable in equal monthly installments as specified above, on the first day of each month hereinafter ensuing. If the Term of this Lease commences on any day of a month excepting the first day, Tenant shall pay Landlord rental as provided for herein for such commencement month on a pro rata basis (such proration to be based on the actual number of days in the commencement month), and the first month's rent paid by Tenant, if any, upon execution of this Lease shall apply and be credited to the next full month's rent due hereunder. Rental for any partial month of occupancy at the end of the Term of this Lease will be prorated, such proration to be based on the actual number of days in the partial month.

In addition to Base Rental, Tenant shall and hereby agrees to pay to Landlord each month a sum equal to any sales tax, tax on rentals and any other charges, taxes and/or impositions now in existence or hereafter imposed based upon the privilege of renting the space leased hereunder or upon the amount of rentals collected therefor. Nothing herein shall, however, be taken to require Tenant to pay any part of any Federal and State Taxes on income imposed upon Landlord.
4. All Base Rent and Additional Rent shall be made payable to:

PERC ENTERPRISES
C/O TILIA REAL ESTATE
169 East Flagler Street
Penthouse
Miami, FL 33131

or at such other address designated in writing by Landlord.

As used herein, the term “Lease Year” is defined as the twelve (12) month period beginning with the Commencement Date and succeeding anniversaries thereof.

5. Tenant shall pay, as additional rent, all sums of money other than Base Rent or other impositions specifically set forth herein as “Additional Rent,” whether or not such sums are due and payable to Landlord or to a third party, and regardless of whether such sums are designated as Additional Rent. Landlord shall have the same rights and remedies for Tenant’s failure to pay Additional Rent as for Tenant’s failure to pay any Base Rent. “Rent” shall mean and include Base Rent and all Additional Rent.

6. Tenant agrees that Tenant will promptly pay said rents (Base Rental as the same may be adjusted from time to time and Additional Rent) at the time and place stated above; that Tenant will pay charges for work performed on order of Tenant and any other charges that accrue under this Lease; that if any part of the rent or above mentioned charges shall remain due and unpaid for five days next after the same shall become due and payable, Landlord shall have the option (in addition to all other rights and remedies available to it by law or equity) of declaring the balance of the entire rent of the entire term of this Lease to be immediately due and payable, and Landlord may then proceed to collect all of the unpaid rent called for by this Lease by distress or otherwise. If the Landlord agrees to accept a rental installment more than five days after its due date, Tenant shall pay, as Additional Rent, a late charge equal to 10% of the delinquent rental installment.

Tenant shall be assessed a fee of $125 for any returned check which may not be honored at either Tenant's bank or Landlord's bank.

7.1 Payment of Security Deposit. Tenant currently has Thirty-Three Thousand Three Hundred Eighty-One and $33,381.83 on deposit with Landlord from its previous Lease at the Premises which shall extend to this Lease. Tenant shall deposit an additional Twenty Thousand Six-Two and $20,062.73, as Security Deposit for a Total Security Deposit of Fifty-Three Thousand Four Hundred Forty-Four and $53,444.56.
7.2 Application of Security. If Tenant defaults in its payment of Rent or performance of any of its other obligations under this Lease, and any renewals or extensions thereof, Landlord may, at its sole option, whether before or after enforcing its remedies against the Tenant in accordance with the terms of this Lease or any thereof, retain, use, or apply the whole or any part of the Security to the extent required for payment of any:

a) Base Rent;
b) Additional Rent;
c) Any other amounts Tenant is obligated to pay under the Lease;
d) Any amount that Landlord may expend or may be required to expend by reason of Tenant’s Default of this Lease;
e) Loss or damage that Landlord may suffer by reason of Tenant’s default, including, without limitation, any damages incurred by Landlord or deficiency resulting from the reletting of the Premises, whether such damages or deficiency accrues before or after summary proceedings or other reentry by Landlord;

7.3 Remedies Not Affected by Security.

(i) In no event shall Landlord be obligated to apply the Security. In addition, the application of the Security is not a prerequisite to Landlord’s right to resort to its remedies against Tenant under any terms of the Lease hereof or by law or in equity; and

(ii) Landlord’s right to resort to its remedies in accordance with the terms of this Lease, including, but not limited to, its right to bring an action or special proceedings to recover damages, or obtain possessions of the Premises, whether before or after Landlord terminates this Lease for nonpayment of Rent or for any other reason, or by law or in equity, shall not be affected by Landlord’s decision not to apply the security.

7.4 Security Does Not Limit Damages. The Security shall not be a limitation on Landlord’s damages or the other rights and remedies available under this Lease, or at law or equity, nor shall the Security be a payment of liquidated damages.

7.5 Security Is Not Advance on Rent. The Security shall not be an advance payment of the Rent.

7.6 Restoration of Used Portion. If Landlord uses, or applies or retains all or any portion of the Security, Tenant shall restore the Security to its original amount within five (5) days after written demand from Landlord. Tenant shall be in Default of this Lease if Tenant fails to timely comply with this Paragraph.

7.7 Security May Be Commingled. Landlord shall not be required to keep the Security separate from its own funds, and may commingle the Security with its own funds, except as required by law.

7.8 Security Not Held in Trust. Landlord shall have no fiduciary responsibilities or trust obligations whatsoever with regard to the Security and shall not assume the duties of a trustee for the Security except as required by law.

7.9 No Interest-Bearing Account Required. Landlord shall not be required to keep the Security in an interest-bearing account, except required by law. If Landlord keeps the Security in an interest-bearing account, Landlord shall receive all of the interest that accrues.

7.10 Return of Security. Provided that Landlord has determined, in its sole discretion, that Tenant has fully and faithfully complied with all the terms, provisions, covenants, and conditions of this Lease, and any modification, extension, or renewal thereof, Landlord shall return any unused part of the Security to Tenant within sixty (60) days after the expiration or earlier termination of the Lease.
7.11 Sale or Lease of Landlord’s Interest. In the event of a sale or foreclosure of the Property or the Building, or any part thereof which includes the Premises, or a lease of the Building, Landlord shall have the right to transfer the Security to the purchaser or tenant, as the case may be, and Landlord shall thereupon be released by Tenant from all liability for the return of the Security, and Tenant agrees to look solely to the purchaser or tenant for the return of the Security.

7.12 No Encumbrances on Security. The Security shall not be mortgaged or encumbered by Tenant, and neither Landlord nor its successors or assigns shall be bound by any such mortgage or encumbrance.

7.13 Security Doesn’t Make Lease Effective. The acceptance by Landlord of the Security submitted by Tenant shall not render this Lease effective unless and until Landlord delivers to Tenant a fully executed copy of this Lease.

USE

8. The Tenant will use and occupy the Demised Premises for the following use or purpose and for no other use or purpose: Wholesale of Packaged Coffee Products and related offices. Tenant covenants that it has verified its Use is permitted in the Building by the city in which the Premises is located and applicable governmental and/or quasi-governmental authorities and is in conformity with all covenants, conditions and restrictions which the Building is subject to, and expressly takes the Premises subject to all governmental and/or quasi-governmental rules and regulations and all covenants, conditions and restrictions by which the Building and its occupants are subject to.

QUIET ENJOYMENT

9. Upon Payment of the Tenant of the rents herein provided, and upon the observance and performance of all terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant shall, subject to all the terms, provisions, covenants and conditions of this Lease Agreement, peaceably and quietly hold and enjoy the Demised Premises for the terms hereby demised.

REAL ESTATE TAXES

10. (a) Tenant shall pay to the Landlord its proportionate share of any and all increases in Real Estate Taxes (as defined below) relating to the Premises that exceed the Real Estate Taxes paid during the base year of 2013 (the "Base Year"), within twenty (20) days’ written demand therefor, or the Landlord shall be entitled at any time or times in any calendar year, upon at least twenty (20) days’ prior written notice to the Tenant to require the Tenant to pay to the Landlord the estimated increase in said Real Estate Taxes (over the Base Year) for such calendar year in equal monthly installments. Estimated Real Estate Taxes for 2013 are $1.13 per square foot of Net Rentable Area of the Demised Premises. Such monthly amount shall be determined by dividing the estimated increase in the Real Estate Taxes (over the Base Year) by the number of months for the period from January 1 in each calendar year of the Term until the due date of the final installment of Real Estate Taxes as established by the applicable taxing authority from time to time in each calendar year ("Installment Period") and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date of payment of monthly rental payments during the Installment Period. All amounts received under this provision in any calendar year on account of the estimated amount of such Real Estate Taxes shall be applied by the Landlord in payment of the actual amount of such increase in Real Estate Taxes for such calendar year (over the Base Year). If the amount received is less than the actual Real Estate Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within twenty (20) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the actual increase in Real Estate Taxes (over the Base Year), the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the calendar year in respect of which such payments were made or, at the Landlord’s option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant.

(b) The term “Real Estate Taxes” shall mean all general and special taxes and assessments (including special improvement assessments) whether ad valorem or non-ad valorem, foreseeable or unforeseeable, or ordinary or extraordinary, levied, assessed or imposed at any time by any governmental body or authority upon or against the Premises and this Lease. “Real Estate Taxes” shall not include any of Landlord's franchise, business privilege, payroll, or federal or state income tax or any estate or inheritance taxes, gross receipts tax, capital stock or franchise tax, or value added tax. Tenant shall only be responsible for Real Estate Taxes imposed for tax years (or the pro rata portion thereof for partial tax years) during the Term of this Lease and any Option Periods, and hold-over periods hereof. A “tax year” shall be deemed to be a calendar year, notwithstanding the assessment or collection thereof on a different basis by any taxing authority. Tenant shall not be responsible for any penalties incurred or increased payments required as a result of Landlord’s failure, inability or unwillingness to make payments and/or to file any tax or informational returns prior to delinquency.

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(c) Tenant may, at its sole cost and expense, contest any assessment or levy of Real Estate Taxes, provided that Tenant either pays such Real Estate Taxes under protest or deposits with Landlord, prior to the date on which the Real Estate Taxes are due and payable, an amount which is necessary to pay the total amount of such Real Estate Taxes, together with all penalties and interest, in the event that such contest is unsuccessful. To the extent necessary therefore, Landlord (at Tenant's expense) will consent to execute such documents and participate in such proceedings as may be reasonably necessary. If Landlord also elects to contest Real Estate Taxes, the parties shall cooperate in order to coordinate such contest of Real Estate Taxes. At the conclusion of any such contest, Tenant shall pay the charge contested to the extent it is held valid, together with all court costs, interest, penalties and other expenses relating thereto and will indemnify and hold harmless Landlord from any costs, expenses and damages incured in connection with such proceedings, including reasonable attorneys' fees. Nothing herein contained, however, shall be construed as to allow such items to remain unpaid for such length of time as shall permit the Premises (or any part thereof) to be sold by governmental, city or municipal authorities for the non-payment of the same. Despite contesting Real Estate Taxes, Tenant shall be responsible for all other charges and payments due under this Lease.

(d) Landlord (at Tenant's expense) will cooperate with Tenant, execute such documents and participate in such proceedings as may be reasonably necessary for Tenant to qualify for and obtain any available abatements of Real Estate Taxes, or other municipal inducements available to Tenant in connection with Tenant’s decision to locate its business in the Premises.

INSURANCE PREMIUMS

11. If the Landlord's insurance premiums exceed the standard premium rates because the nature of Tenant's operation results in extra hazardous exposure, then the tenant shall, upon receipt of appropriate invoices from Landlord, reimburse Landlord for such increase in premiums. It is understood and agreed between the parties hereto that such increase in premiums shall be considered as rent due and shall be included in any lien for rent.

Tenant shall pay to the Landlord its proportionate share of any and all increases in the premiums for the insurance policies maintained by Landlord under Section 50 herein (the “Insurance Costs”) that exceed the insurance premiums relating to the Premises during the Base Year of 2013 within twenty (20) days written demand therefore, or the Landlord shall be entitled at any time or times in any calendar year to cause Tenant to pay estimated increases monthly (to be reconciled annually based on actual Insurance Costs) in the same manner as for monthly payments of Real Estate Taxes as described above. Estimated Insurance Premiums for 2013 are $0.19 per square foot of Net Rentable Area of the Demised Premises.

OPERATING EXPENSES

12. Tenant shall pay to the Landlord its proportionate share of any and all increases in the operating expenses paid by Landlord (the “Operating Expenses”) that exceed the operating expenses during the Base Year of 2013 within twenty (20) days written demand therefore, or the Landlord shall be entitled at any time or times in any calendar year to cause Tenant to pay estimated increases monthly (to be reconciled annually based on actual Operating Expenses) in the same manner as for monthly payments of Real Estate Taxes and Insurance Costs as described above. Operating Expenses shall include but not be limited to any and all other costs incurred by Landlord to operate the Building including, but not limited to, electric in the common areas, security, landscaping and general maintenance, administrative costs and fees and other routine maintenance required to maintain the Building. Operating Expenses for 2013 are $2.11 per square foot of Net Rentable Area of the Demised Premises. The foregoing limitation shall not apply to: (a) “non-controllable” costs such as insurance, real estate taxes, electric, water, garbage and any other utilities; or (b) maintenance items which are incurred less often than once per annum or that are necessitated by an unforeseeable event such as a tropical windstorm.
RULES AND REGULATIONS

13. Tenant agrees to comply with all rules and regulations Landlord may adopt from time to time for operation of the Building and protection and welfare of Building, its tenants, visitors and occupants. The present rules and regulations, which Tenant hereby agrees to comply with, entitled “Rules and Regulations” are attached hereto and are by this reference incorporated herein. Any future rules and regulations shall become a part of this Lease, and Tenant hereby agrees to comply with the same upon delivery of a copy thereof to Tenant, provided the same do not materially deprive Tenant of its rights established under this Lease.

GOVERNMENTAL REQUIREMENTS

14. Tenant shall faithfully observe in the use of the Demised Premises all municipal and county ordinances and codes state and federal statutes now in force or which may hereafter be in force. In the event, Tenant shall violate any municipal and county report, Tenant shall indemnify and hold Landlord harmless for any loss, including any costs or attorneys fees incurred by Landlord.

SERVICES

15. (a) Landlord shall maintain the Common Areas, including lobbies, stairs, elevators and corridors in the Building in reasonably good order and condition except for damage occasioned by the act of Tenant, which damage shall be repaired by Landlord at Tenant's expense. Tenant shall during the Term of this Lease, keep in first-class order and condition and repair the Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Premises, and fixture, interior walls, ceilings, windows, skylights, entrances and vestibules located within the Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings in the Premises whenever replacement of said equipment is required during the Term of this Lease.

(b) Landlord shall furnish (1) electricity for lighting and air conditioning the Common Area as well as water to the Common Area and, only if the Premises are not separately metered for electric and/or water, for the Premises as well (as applicable), subject to Tenant reimbursing Landlord for Tenant's Percentage Share of the same and the Excess Use (defined in section (c) below), (2) elevator service for the Common Area, (3) lighting replacement for the Common Area (for building standard lights), (4) restroom supplies for the Common Areas, (5) janitor service for the Common Area. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services (ii) failure to furnish or delay in furnishing any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Premises or to the Property, or (iii) the limitation, curtailment, rationing or restrictions on use of water, electricity, gas or any other form of energy serving the Premises or the Property. The failure by Landlord to any extent to furnish, or the interruption or termination of the foregoing services, in whole or in part, resulting from causes beyond the reasonable control of Landlord, shall not be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in the provision of such services for any cause cease to function properly, Tenant shall have no claim for offset or abatement of rent or damages on account of an interruption in service occasioned thereby or resulting therefrom.

(c) No electric current shall be used by Tenant except that furnished or approved by Landlord, nor shall electric cable or wire be brought into the Premises, except upon the written consent and approval of the Landlord. Tenant shall use only machines and equipment that operate on the Building's standard electric circuits, but which in no event shall overload the Building's standard electric circuits from which the Tenant obtains electric current. In the event Tenant's electric consumption is not separately metered, then any consumption of electric current in excess of that considered by Landlord to be used, normal and customary for all tenants in the Building, or which require special circuits or equipment (the installation of which shall be at Tenant's expense after approval in writing by the Landlord) (“Excess Use”), shall be paid for by the Tenant as additional rent, based upon Landlord's estimated cost of such excess electric current consumption. Tenant shall pay for all separately metered utilities, including but not limited to light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Tenant, together with any local, state or federal taxes thereon. Tenant shall directly pay the provider of such separately metered services.

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16. It is understood and agreed between the parties hereto that any charges against Tenant by Landlord for services or for work done on the Demised Premises by order of Tenant, or otherwise accruing under this Lease, shall be considered as rent due and shall be included in any lien for rent.

**REPAIR OF DEMISED PREMISES**

17. Tenant shall during the Term of this Lease, keep in first-class order condition and repair the Demised Premises and every part thereof, including without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Demised Premises, fixture, interior walls, ceilings, windows, skylights, entrances and vestibules located within the Demised Premises. Tenant shall paint the interior surface of exterior walls as often as may be required to keep the Demised Premises neat and attractive. Tenant shall replace the heating, air conditioning, ventilating, light bulbs and floor coverings whenever replacement of said equipment is required during the Term of this Lease.

If Tenant fails to perform its obligation under this paragraph 14, Landlord may at its option and after five (5) days written notice to Tenant enter upon the Demised Premises and put the same in good order, condition and repair and the cost thereof shall become due and payable as Additional Rental by Tenant to Landlord upon demand.

Tenant will make no alterations, additions or improvements in or to the Demised Premises without the written consent of the Landlord, which shall not be unreasonably withheld, but may be predicated upon but not limited to Tenant's use of contractors who are acceptable to Landlord, and all additions, fixtures, carpet or improvements, except only office furniture and fixtures which shall be readily removable without injury to the Demised Premises, shall be and remain part of the Demised Premises at the expiration of this Lease.

It is further agreed that this Lease is made by the Landlord and accepted by the Tenant with the distinct understanding and agreement that the Landlord shall have the right and privilege to make and build additions to the Building of which the Demised Premises are a part, and make such alterations and repairs to said Building as it may seem wise and advisable, without disturbing the Tenant's right to Use and Quiet Enjoyment of the Demised Premises, without any liability to the Tenant thereof. Landlord, at all times, will indemnify and keep Tenant harmless for all losses, damages, liabilities and expenses, which may arise or be claimed against Tenant or occasioned upon Tenant arising from any negligence, acts, omissions, neglect or fault of Landlord, his agents, servants, employees, licensees, visitors, customers, patrons or invitees, or consequent upon or arising from Landlord's failure to comply with any laws, statutes, ordinances, codes or regulations as herein provided.

**LIEN & INDEMNIFICATION**

18. Tenant further agrees that Tenant will pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit discharging the said Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent.

Neither Tenant nor anyone claiming by, through or under Tenant shall place any lien of any kind or character (including but not limited to mechanics, materialmen’s or laborers liens) or an encumbrance of any kind or character on the Demised Premises and notice is hereby given that no contractor, subcontractor or anyone else that may furnish any material, service or labor to the Demised Premises (including but not limited to all “liens” as defined by Chapter 713 Florida Statutes, at any time, shall be, or become, entitled to any lien thereon whatsoever. Tenant shall provide notice of this restriction in advance to any and all contractors, subcontractors, or other persons, firms or corporations that may furnish any such material, service or labor to the Demised Premises. Landlord shall have the right to record a notice of the following provision in the public records of the county in which the Demised Premises is located, to wit:

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All persons to whom these presents may come are put upon notice of the fact that Tenant shall never, under any circumstances, have the power to subject the interest of Landlord in the Demised Premises or any portion of the Building to any mechanics' or materialmen's lien or liens of any kind. All persons who may hereafter, during the continuance of this Lease, furnish work, labor, services or materials to the Demised Premises, or any portion of the Building upon the request or order of Tenant, or any person claiming under, by or through Tenant, must look wholly to the interest of Tenant and not to that of Landlord.

Tenant shall not permit or suffer to be filed or claimed against the Demised Premises or any portion of the Building during the continuance of this Lease any lien or liens of any kind arising out of the action of Tenant; and if any such lien be claimed or filed, Tenant covenants, within the time now about to be limited, to cause the Demised Premises and the Building to be released from such claim or lien ("Claim"), either through the deposit into court pursuant to statute of the necessary sums of money, or in any other way which is competent legally to effect the release ("Release") of the Demised Premises and the Building from the Claim. The time within which Tenant must affect such Release of the Demised Premises and/or the Building, as aforesaid, is as follows:

1. If the Claim shall have been evidenced through the giving of a written notice of lien claim, and if such notice be filed amongst the Public Records of Miami-Dade County, Florida, then Tenant shall affect such Release from such Claim within thirty (30) days after the time when such Claim shall have been filed amongst the Public Records.

2. If the Claim be evidenced, without notice having been given as aforesaid, through the filing of a suit in any court having jurisdiction of the subject matter, in which suit the Claim is asserted and sought to be enforced, then Tenant must effect the Release within ten (10) days after the time when service of process shall have been completed against Tenant or Landlord in the suit.

In the event that the Tenant shall violate the terms and provisions of this paragraph, such violations shall constitute an immediate Default under this Lease.

ESTOPPEL STATEMENT

19. Tenant agrees that from time to time, upon not less than ten (10) days prior request by Landlord, Tenant will deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications); (b) the dates to which the rent and other charges have been paid; and (c) that Landlord is not in default under any provisions of this lease, or, if in default, the nature thereof in detail.

SUBORDINATION

20. If the building and/or Demised Premises are at any time subject to a mortgage and/or deed of trust, and Tenant has received written notice from Mortgagor of same, then in any instance in which Tenant gives notice to Landlord alleging default by landlord hereunder, Tenant will also simultaneously give a copy of such notice to each Landlord's Mortgagor and each Landlord's Mortgagor shall have the right (but not the obligation) to cure or remedy such default during the period that is permitted to Landlord hereunder, plus an additional period of thirty (30) days, and Tenant will accept such curative or remedial action (if any) taken by Landlord's Mortgagor with the same effect as if such action had been taken by Landlord.

This Lease shall at Landlord's option, which option may be exercised at any time during the Lease Term, be subject and subordinate to any first mortgage now or hereafter encumbering the Building, but in no way shall this adversely affect or diminish Tenant's right to Use and Quiet Enjoyment of the Demised Premises during the term of this Lease or any extensions thereof. This provision shall be self-operative without the execution of any further instruments. Notwithstanding the foregoing, however, Tenant hereby agrees to execute any instrument(s) which Landlord may deem desirable to evidence the subordination of this Lease to any and all such mortgages.
ATTORNMENT

21. If the interest of Landlord under this Lease shall be transferred voluntarily or by reason of foreclosure or other proceedings for enforcement on any first mortgage on the Demised Premises, Tenant shall be bound to such transferee (herein sometimes called the “Purchaser”) for the balance of the Term remaining, and any extensions or renewals thereof which may be effective in accordance with the terms and conditions hereof with the same force and effect as if the purchaser were the Landlord under this Lease, and Tenant does hereby agree to attorn to the Purchaser, including the Mortgagee if it be the Purchaser succeeding to the interest of the Landlord under this Lease. The respective rights and obligations of Tenant and the Purchaser upon such attornment, to the extent of the then remaining balance of the Term of this Lease and any such extensions and renewals shall be and are the same as those set forth herein. In the event of such transfer of Landlord's interest, Landlord shall be released and relieved from all liability and responsibility thereafter accruing to Tenant under Lease or otherwise and Landlord’s successor by acceptance of rent from Tenant hereunder shall become liable and responsible to Tenant in respect to all obligations of the Landlord under this Lease. Landlord, in the event this provision becomes effective, shall use reasonable efforts to obtain and provide Tenant with a letter duly executed by the Landlord and acknowledged by Transferee providing that any rents or other monies paid in advance by Tenant to Landlord as well as the Security Deposit have been transferred to and are in the possession of Transferee thereby giving Tenant full credit for said monies.

ASSIGNMENT

22. Without the written consent of the Landlord first obtained in each case, Tenant shall not assign, transfer, mortgage, pledge or otherwise encumber or dispose of this Lease or underlet the Demised Premises or any part thereof or permit the Demised Premises to be occupied by other persons. In the case of a subletting, Landlord's consent, which shall not be unreasonably withheld, may be predicated, among other things, upon Landlord becoming entitled to collect and retain all rentals payable under the sublease. If this Lease be assigned, or if the Demised Premises or any part thereof be underlet or occupied by anybody other than Tenant, the Landlord may, after default by the Tenant, collect or accept rent from the assignee, undertenant or occupant and apply the net amount collected or accepted to the rent herein reserved, but no such collection or acceptance shall be deemed a waiver of this covenant or the acceptance of assignee, undertenant or occupant as Tenant, nor shall it be construed as or implied to be a release of the Tenant from the further observance and performance by the Tenant of the terms, provisions, covenants and conditions herein contained.

The acceptance by Landlord of the payment of rent following any assignment or other transfer prohibited by this Paragraph shall not be deemed to be a consent by Landlord to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder.

If Landlord shall consent to any transfer or subletting to any party, Tenant shall in consideration therefore pay to Landlord as additional rent the Transfer Consideration. For purposes of this paragraph, the term “Term Consideration” shall mean in any Lease Year: (i) any rents, additional charges or other consideration payable to Tenant by the transferee or sub-tenant of the transfer which is in excess of the Base Rental and additional Base Rental accruing during such Lease Year; and (ii) all sums paid for the sale or rental of Tenant’s fixtures, leasehold improvements, equipment, furniture or other personal property. The Transfer Consideration shall be paid to Landlord as and when paid by the transferee or sub-tenant to Tenant. Landlord shall have the right to audit Tenant’s books and records upon reasonable notice to determine the amount of Transfer Consideration payable to Landlord. In the event such audit reveals an understatement of Transfer Consideration in excess of 5% of the actual Transfer Consideration due Landlord, Tenant shall pay for the cost of such audit within ten days after Landlord’s written demand for same.

In lieu of consenting or not consenting, Landlord may, at its option, (i) in case of the proposed assignment or subletting of Tenant's entire leasehold interest, terminate this Lease in its entirety, or (ii) in the case of the proposed assignment or subletting of a portion of the Premises, terminate this Lease as to that portion of the Premises which Tenant has proposed to assign or sublet. In the event Landlord elects to terminate this Lease pursuant to clause (ii) of this paragraph, Tenant's obligations as to base Rental and Additional Rent shall be reduced in the same proportion that the net Rentable Area of the portion of the Premises taken by the proposed assignee or subtenant bears to the total Net Rentable Area of the Premises.

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To review any proposed assignment Landlord will require sixty (60) days to review Tenant's submission of (i) the name of the entity receiving such transfer (the “Transferee”); (ii) a detailed description of the business of the Transferee; (iii) audited financial statements of the Transferee; (iv) all written agreements governing the transfer; and (v) any information reasonably requested by the Landlord with respect to the transfer or the Transferee; and (vi) a fee of one thousand and No/100 dollars ($1,000.00) to compensate Landlord for legal fees, costs of administration, and other expenses incurred in connection with the review and processing of such documentation. Notwithstanding the foregoing, Landlord's consent will not be deemed unreasonably withheld should Tenant request an assignment of this lease within the first eighteen (18) months of the initial lease term. If Tenant assigns this Lease more than once within twelve (12) months following the date of any previous assignment hereof, Tenant shall pay Landlord a fee of five thousand and No/100 ($5,000.00).

SUCCESSORS AND ASSIGNS

23. All terms, provisions, covenants, and conditions to be observed and performed by Tenant shall be applicable and binding upon Tenant's respective heirs, administrators, executors, successors and assigns, subject, however, to the restrictions as to assignment or subletting by Tenant as provided herein. All expressed covenants of this Lease shall be deemed to be covenants running with the land.

HOLD HARMLESS OF LANDLORD

24. In consideration of said Premises being leased to Tenant for the above rental, Tenant agrees: that Tenant, at all times, will indemnify and keep Landlord harmless for all losses, damages, liabilities and expenses, which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, consequent upon or arising from the use or occupancy of said Premises by Tenant or consequent upon or arising from any negligence, acts, omissions, neglect or fault of Tenant, his agents, servants, employees, licensees, visitors, customers, patrons or invitees, or consequent upon or arising from Tenant’s failure to comply with any laws, statutes, ordinances, codes or regulations as herein provided; that Landlord shall not be liable to Tenant for any damages losses or injuries to the persons or property of Tenant which may be caused by the acts, neglect, omissions or faults of any persons, firms or corporations, except when such injury, loss or damage results from gross negligence or intentional acts or omissions of Landlord, its agents or employees, and that Tenant will indemnify and keep harmless Landlord from all damages, liabilities, losses, injuries, or expenses which may arise or be claimed against Landlord and be in favor of any persons, firms or corporations, where said injuries or damages arose about or upon said Premises, as a result of the negligence of Tenant, his agents, employees, servants, licensees, visitors, customers, patrons, or invitees. All personal property placed or moved into the Demised Premises or Building shall be at the risk of Tenant or owner thereof, and Landlord shall not be liable to Tenant for any damage to said personal property. Tenant shall maintain at all times during the Term of this Lease an insurance policy or policies in an amount of amounts sufficient in Landlord's opinion, to indemnify Landlord or pay Landlord's damages, if any, resulting from any matters set forth hereinafore in this paragraph.

In case Landlord shall be made a party to any litigation commenced against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation and appeal thereof.

ATTORNEYS' FEES

25. If either party defaults in the performance of any of the terms, provisions, covenants and conditions of this Lease and by reason thereof the other party employs the service of an attorney to enforce performance of the covenants, or to perform any service based upon defaults, then in any of said events the prevailing party shall be entitled to reasonable attorneys' fees and all expenses and costs incurred by the prevailing party pertaining thereto (including costs and fees relating to any appeal) and in enforcement of any remedy. Further, in the event Landlord is required to file an action for Tenant Removal (Eviction) because of a default by Tenant, and thereafter Landlord permits Tenant to cure such default and retain possession of the Leased Premises, Tenant shall pay Landlord, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action. In the event Landlord is required to file an action against Tenant to collect unpaid rent after a Tenant Removal action, Landlord may recover from Tenant, as Additional Rent, the attorney’s fees incurred by Landlord and the costs of the Tenant Removal action.

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DAMAGE OR DESTRUCTION

26. In the event the Demised Premises shall be destroyed or so damaged or injured by fire or other casualty, during the Term of this Lease, whereby the same shall be rendered untenable, then the Landlord shall have the right, but not the obligation, to render such Demised Premises tenantable by repairs within 180 days therefrom.

Landlord agrees that, within 60 days following damage or destruction, it shall notify Tenant with respect of whether or not the Landlord intends to restore the Premises. If such Premises are not rendered tenantable within the aforesaid 180 days it shall be optional with either party hereto to cancel this Lease, and in the event of such cancellation the rent shall be paid only to the date of which the term is terminated. The cancellation herein mentioned shall be evidenced in writing. During any time that the Demised Premises are untenable due to causes set forth in this paragraph, the rent, or a just and fair proportion thereof shall be abated. Notwithstanding the foregoing, should damage, destruction or injury occur by reason of Tenant's negligence, Landlord shall have the right, but not the obligation, to render the Demised Premises tenantable within 180 days of the date of damage, destruction or injury and no abatement of rent shall occur.

Notwithstanding the foregoing, should damage or destruction occur during the last twelve months of the Lease Term either Landlord or Tenant shall have the option to terminate this Lease, effective on the date of damage or destruction, provided notice to terminate is given within 30 days of the date of such damage or destruction. Notwithstanding the foregoing, should the damage or destruction occur by reason of Tenant's negligence, Tenant shall not have such option to terminate.

EMINENT DOMAIN

27. If there shall be taken during the Term of this Lease any part of the Demised Premises or Building other than a part not interfering with maintenance, operation or use of the Demised Premises, Landlord may elect to terminate this Lease or to continue same in effect. If Landlord elects to terminate the Lease, the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damage to the Demised Premises or Building resulting from such taking. If any part of the Demised Premises is taken by condemnation or Eminent Domain which renders the Premises unsuitable for its intended use, this Lease shall continue in effect and the rental shall be reduced in proportion to the area of the Demised Premises so taken and Landlord shall repair any damages to the Demised Premises resulting from such taking. If all of the Demised Premises is taken by condemnation or Eminent Domain this Lease shall terminate on the day of the taking. All sums awarded (or agreed upon between landlord and the condemning authority) for the taking of the interest of Landlord and/or Tenant, whether as damages or as compensation, and whether for partial or total condemnation, will be the property of Landlord. If the Lease shall be terminated under any provisions of this paragraph, rentals shall be payable up to the date of that possession is taken by the authority, and Landlord will refund to Tenant any prepaid unaccrued rent less any sum or amount then owing by Tenant to Landlord. Tenant shall have the right, with the assistance of the Landlord, to pursue a claim against the condemning authority(ies) for its loss of business and any other compensable claim and any award shall be the sole property of the Tenant.

ABANDONMENT

28. If during the Term of this Lease, Tenant shall abandon, vacate or remove from the Demised Premises the major portion of the goods, wares, equipment or furnishings usually kept on said Demised Premises, or shall cease doing business in said Demised Premises, or shall suffer the rent to be in arrears. Landlord may at its option, cancel the Lease in the manner stated in Paragraph 24 hereof; or Landlord may enter said Premises as the agent of Tenant by force or otherwise, without being liable in any way therefore and relet the Demised Premises with or without any furniture that may be therein, as the agent of Tenant, at such price and upon such terms and for such duration of time as Landlord may determine, and receive the rent therefor, applying the same to the payment of the rent due by these presents, and if the full rental herein provided shall not be realized by Landlord over and above the expenses to Landlord of such relating, Tenant shall pay any deficiency.
INSOLVENCY

29. It is agreed by the parties hereto that: if Tenant shall be adjudicated a bankrupt or an insolvent or take the benefit of any federal reorganization or composition proceeding or make a general assignment or take the benefit of any insolvency law, or if Tenant's leasehold interest under this Lease shall be sold under any execution or process of law, or if a trustee in bankruptcy or a receiver be appointed or elected or had for Tenant (whether under Federal or State laws), or if said Premises shall be abandoned or deserted; or if Tenant shall fail to perform any of the terms, provisions, covenants or conditions of this Lease on Tenant's part to be performed, or if this Lease or the Term thereof be transferred or passed to or devolved under any persons, firms, officers or corporations other than by death of the Tenant, operation of law or otherwise, than in any such events, at the option of Landlord, the total remaining unpaid Base Rental for the Term of this Lease shall become due and payable or this Lease and the Term of this Lease shall expire and end five (5) days after Landlord has given Tenant written notice (in the manner hereinafter provided) of such act, condition or default and Tenant hereby agrees immediately then to pay said Base Rental or quit and surrender said Demised Premises to Landlord; but this shall not impair or affect Landlord's right to maintain summary proceedings for the recovery of the possession of the Demised Premises in all cases provided for by law. If the Term of this Lease shall be so terminated, Landlord may immediately, or at any time thereafter, re-enter or repossess the Demised Premises and remove all persons and property therefrom without being liable for trespass or damages.

LIEN FOR PAYMENT OF RENT

30. In addition to and independent of any lien in favor of Landlord arising by operation of law, Tenant hereby grants to Landlord a security interest, to secure payment of all Base Rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, in and upon all goods, wares, equipment, fixtures, furnishings, inventory, improvements and other personal property of Tenant presently or which hereafter may be situated in or on the Premises, and all proceeds therefrom, and such property shall not be removed therefrom without the consent of Landlord until any and all other sums of money then due to Landlord hereunder. first shall have been paid and discharged, and all covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. At any time and from time to time, Tenant agrees to execute any UCC-1 Financing Statement or such other documents or instruments as Landlord may request to perfect or confirm the security interest created by this Paragraph. Upon any failure by Tenant to do so, Tenant agrees that Landlord may execute same for and on behalf of Tenant as Tenant's attorney-in-fact. Tenant hereby waives all exemption laws to the extent permitted by law. This lien and security interest may be foreclosed with or without court proceedings, by public or private sale, with or without notice, and Landlord shall have the right to become purchaser upon being the highest bidder at such sale. Landlord, as secured party, shall be entitled to all the rights and remedies afforded a secured party under the Uniform Commercial Code of the State in which the Premises are located, which rights and remedies shall be in addition to and cumulative of the Landlord's liens and rights provided by law, in equity or by the terms and provisions of this Lease.

WAIVER OF DEFAULT

31. Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/ or in equity. No waiver by Landlord of a default by Tenant shall be implied, and no express waiver by Landlord shall affect any default other than the default specified in such waiver and only for the time and extension therein stated.

No waiver of any term, provision, condition or covenant of this Lease by Landlord shall be deemed to imply or constitute a further waiver by Landlord of any other Term, provision, condition or covenant of this Lease. In addition to any rights and remedies specifically granted by Landlord herein, Landlord shall be entitled to all rights and remedies available at law and in equity in the event that tenant shall fail to perform any of the terms, provisions, covenants and conditions on this Lease on Tenant's part to be performed or fail to pay Base Rental, additional Rental or any other sums due Landlord hereunder when due. All rights and remedies specifically granted to Landlord herein by law and equity shall be cumulative and not mutually exclusive.
RIGHT OF ENTRY

32. Landlord, or any of his agents, shall have the right to enter the Demised Premises during all reasonable hours to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort or preservation thereof, or to said Building, or to exhibit said Demised Premises within one hundred and eighty (180) days before the expiration of this Lease. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease.

NOTICE

33. Any notice given to Landlord as provided for in this Lease shall be sent to Landlord by registered mail addressed to Landlord at Landlord's Management Office for the Building. Any notice to be given Tenant under the Terms of this Lease, unless otherwise stated herein, shall be in writing and shall be sent by certified mail or hand delivered to the office of Tenant in the Building. Either party, from time to time, by such notice, may specify another address to which subsequent notices shall be sent.

LANDLORD CONTROLLED AREAS

34. All automobile parking areas, driveways, entrances and exits thereto, Common Areas, and other facilities furnished by Landlord, including all parking areas, truck way or ways, loading areas, pedestrian walkways and ramps, landscaped areas, stairways, corridors and other areas and improvements provided by Landlord for the general use, in common, of Tenants, their officers, employees, servants, invitees, licensees, visitors, patrons and customers, shall be at all times subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce rules and regulations with respect to all facilities and areas and improvements; to police same, from time to time to change the area, level and location and arrangement of parking areas and other facilities hereinabove referred to, to restrict parking to tenants, their officers, agents, invitees, employees, servants, licensees, visitors, patrons and customers; to close all or any portion of said areas or facilities to such extent as may in the opinion of Landlord's counsel be legally sufficient to prevent a dedication thereof or the accrual of any right to any person or the public therein; to close temporarily all or any portion of the facilities; to discourage non-tenant parking; and to do and perform such other acts in and to said areas and improvements as, in the sole judgement of Landlord, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their officers, agents, employees, servants, invitees, visitors, patrons, licensees and customers. Landlord will operate and maintain the Common Areas and other facilities referred to in such reasonable manner, as Landlord shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to designate a manager of the parking facilities and/or Common Areas and other facilities who shall have full authority to make and enforce rules and regulations regarding the use of the same or to employ all personnel and to make and enforce all rules and regulations pertaining to and necessary for the proper operation and maintenance of the parking areas and/or Common Areas and other facilities. Reference in this paragraph to parking areas and/or facilities shall in no way be construed as giving Tenant hereunder any rights and or privileges in connection with such parking areas and/or privileges. Notwithstanding the aforementioned, Tenant shall be entitled to utilize its Proportionate Share of the parking available in and around the Building.

CONDITION OF DEMISED PREMISES ON TERMINATION OF LEASE/HOLDING OVER

35. Tenant, upon expiration or termination of this Lease, whether by lapse of time or otherwise, agrees to surrender peaceably to Landlord the keys and the Demised Premises in broom clean condition and in good working order and repair and as required by this Lease. In the event that Tenant shall fail to surrender the Demised Premises upon demand, Landlord, in addition to all other remedies available to it hereunder, shall have the right to receive, for all the time Tenant shall so retain possession of the Demised Premises or any part or portion thereof, an amount equal to the maximum amount allowable under Florida Statutes Section 83.06, as amended, of the Base Rent specified herein, as applied to such period, as well as all other Additional Rents, as specified herein.

If Tenant remains in possession of the Demised Premises with Landlord's written consent but without a new Lease reduced to writing and duly executed, Tenant shall be deemed to be occupying the Demised Premises as a Tenant at Will from month to month, in accordance with Florida Statutes, as amended, subject otherwise to all terms, provisions, covenants, agreements, undertakings, and conditions of this Lease.

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If Tenant remains in possession of the Demised Premises without Landlord's consent, Tenant shall be deemed to be occupying the Demised Premises as a Tenant at Sufferance, in accordance with Florida Statutes, as amended, subject otherwise to all terms, provisions, covenants, agreements, undertakings, and conditions of this Lease.

No receipt of money by Landlord from Tenant after expiration of this Lease, or any extension thereof, or the service of any notice of commencement of any suit or final judgment for possession shall reinstate, continue or extend the Term of this Lease or affect any such notice, demand, suit or judgment.

No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept surrender of Demised Premises shall be valid unless it be made in writing and subscribed by a duly authorized officer or agent of Landlord.

**OCCUPANCY TAX**

36. Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes assessed during the Term of this Lease against occupancy interest or personal property of any kind, owned by or placed in, upon or about the Demised Premises by the Tenant, or used in the premises by Tenant.

**SIGNS**

37. Landlord shall have the right to install signs on the interior or exterior of the Building and Demised Premises and/or change the Building's name or street address. Any and all signs installed by Tenant which are visible from the exterior of the Demised Premises, whether placed on the interior or exterior of the Demised Premises, shall be subject to Landlord’s prior written approval and shall be at Tenant’s sole cost and expense. Additionally, all such signs shall be in accordance with any and all local laws and ordinances, which may include historic preservation guidelines applicable to the Building as determined by the appropriate governing party of the Landlord in its sole discretion.

Tenant, at Tenant's sole cost and expense, will install and maintain on the exterior of the Premises, adjacent to entrances to the Premises and above the entrances to the Premises, such sign or signs as have first received the written approval of the Landlord as to type, size, color, location, copy nature and display qualities. Landlord may withhold said approval in Landlord's sole and absolute discretion. The Landlord's current sign specifications are attached hereto as Exhibit E and made a part hereof, and may be changed by Landlord, in its sole discretion, from time to time. Landlord must also approve Tenant's signage contractor, which approval will not be unreasonably withheld. The installation and maintenance of any signs or other advertising matter will at all times be in strict compliance with any and all laws. If at any time Tenant's signs are not in compliance with any and all laws, Landlord shall have the right to remove or otherwise cause such signs to be in compliance. Tenant shall, promptly upon demand by Landlord, pay Landlord for all of Landlord's costs and expenses incurred as Additional Rent in such removal or other action, which such costs and expenses shall constitute additional rent hereunder. Upon expiration or the termination of this Lease, Tenant, at Landlord's election but at Tenant's expense, will remove any and all signs and restore the exterior of the Premises or wherever Tenant has installed signs in a manner satisfactory to Landlord.

**TRIAL BY JURY**

38. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and hereby do waive trial by jury in any action after having reasonable opportunity to consult with counsel or having waived such opportunity, proceeding or counterclaim brought by either of the parties hereto against the other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Premises.

**RELOCATION OF TENANT**

39. INTENTIONALLY OMITTED.
CROSS DEFAULT

40. If the term of any lease, other than this Lease, made by Tenant for any other space in the Building shall be terminated or terminable after the making of this Lease because of any default by Tenant under such other lease, such default shall, ipso facto constitute a default hereunder and empower Landlord at Landlord's sole option, to terminate this Lease as herein provided in the event of default.

INVALIDITY OF PROVISION

41. If any term, provision or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision, covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law. This Lease shall be construed in accordance with the laws of the State of Florida.

TIME OF ESSENCE

42. It is understood and agreed between the parties hereto that time is of the essence of all the terms, provisions, covenants and conditions of this Lease.

MISCELLANEOUS

43. The terms Landlord and Tenant as herein contained shall include singular and/or plural, masculine, feminine and/or neuter, heirs, successors, executors, administrators, personal representatives and/or assigns wherever the context so requires or admits. The terms, provisions, covenants and conditions of this Lease are expressed in the total language of this Lease Agreement and the paragraph headings are solely for the convenience of the reader and are not intended to be all inclusive. Any formally executed addendum to or modification of this Lease shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated herein.

Any time that this Lease provides that an act is to be done only in the discretion of the Landlord, such discretion shall not be unreasonably withheld.

EFFECTIVE DATE

44. Submission of this instrument for examination does not constitute an offer, right of first refusal, reservation of or option for the Leased Premises or any other space or premises in, on or about the Building. This instrument becomes effective as a Lease upon execution and delivery by both Landlord and Tenant.

ENTIRE AGREEMENT

45. This Lease contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing signed by Landlord and Tenant. No surrender of the Demised Premises, or of the remainder of the terms of this Lease, shall be valid unless accepted by Landlord in writing. Tenant acknowledges and agrees that Tenant has not relied upon any statement, representation, prior written or contemporaneous oral promises, agreements or warranties except such as are expressed herein.

BROKERAGE

46. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction other than Continental Real Estate Companies – Commercial Properties Corp and Tenant agrees to indemnify and hold harmless from and against claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction. The provisions of this paragraph shall survive the termination of this Lease.
FORCE MAJEURE

47. Neither Landlord nor Tenant shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Lack of money shall not be deemed force majeure.

SECURITY

48. Landlord and Tenant hereby agree that Landlord does not assume and has no duty to provide security in and about the Demised Premises, the Building, common and recreation areas and parking areas for protection of Tenant, its employees, agents, visitors, invitees or licensees from foreseeable criminal acts or criminal activity of any kind or nature whatsoever. Tenant hereby assumes all responsibility to provide security to protect Tenant, its employees, agents, visitors, invitees or licensees from and against all such foreseen or unforeseen criminal acts. Any provision for security services by Landlord shall not be construed as an assumption by Landlord of any duty to provide security and such services, if at any time provided, may discontinue at any time by Landlord at Landlord’s election without liability to Tenant or any third party.

INSURANCE REQUIREMENTS

49. Tenant hereby agrees to indemnify and hold harmless Landlord, its subsidiaries, directors, officers, agents, and employees from and against any and all damage, loss, liability or expense including but not limited to, attorneys' fees and legal costs suffered by same directly or by reason of any claim, suit or judgement brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death resulting anytime therefrom, and property damage sustained by such person or persons which arises out of, is occasioned by or in any way attributable to the use or occupancy of the Demised Premises and adjacent areas by Tenant or otherwise, the acts or omissions of Tenant, its agents, employees or any contractors brought onto said Premises by Tenant, except that caused by the sole negligence of Landlord or its employees, agents, customers and invitees. Such loss or damage shall include, but not be limited to any injury or damage to Landlord's personnel (including death resulting anytime therefrom) or Premises. Tenant agrees that the obligations assumed herein shall survive this Lease.

Tenant hereby agrees to maintain in full force and effect at all times during the Term of the Lease, at its own expense, for the protection of Tenant and Landlord, as their interest may appear, policies of insurance issued by a responsible carrier or carriers acceptable to Landlord which afford the following coverages:

(a) Comprehensive General Liability Insurance. Not less than $2,000,000.00 Combined Single Limit for both bodily injury and property damage.
(b) Fire and Extended Coverage, Vandalism and Malicious Mischief, Sprinkler Leakage (when applicable) insurance, to cover all of Tenant's stock in trade, fixtures, furnishings, removable floor coverings, trade equipment, signs and all other decorations placed by Tenant in or upon the Demised Premises.
(c) Worker's Compensation as required by Florida Statutes.
(d) Employers Liability. Not Less than $100,000.00

Tenant shall deliver to Landlord at least (30) days prior to the time such insurance is first required to be carried by Tenant and thereafter at least thirty (30) days prior to expiration of such policy, Certificates of Insurance evidencing the above coverage with limits no less than those specified above. Such Certificates shall name Landlord, its subsidiaries, directors, agents, and employees as additional insured and shall expressly provide that the interest of same therein shall not be affected by any breach by Tenant of any policy provision for which such Certificates evidence coverage. Further, all Certificates shall expressly provide that no less than thirty (30) days prior written notice shall be given Landlord in the event of material alteration to, or cancellation of, the coverages evidenced by such Certificates.
A FAILURE TO PROVIDE SUCH INSURANCE COVERAGE SHALL BE DEEMED A DEFAULT IN THIS LEASE

If on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then any loss or damage Landlord shall sustain by reason thereof shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill thereof and evidence of such loss.

Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant, and in the event Tenant believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide at its own expense, such additional insurance as Tenant deems adequate.

Landlord shall at all times during the Term of this Lease, at its expense, maintain a policy or policies of insurance, issued by and binding upon some solvent insurance company, insuring the Building against loss or damage by fire, explosion or other hazards and contingencies for the full insurable value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring or obtain upon the Demised Premises, or any additional improvements which Tenant may construct upon the Premises. Landlord reserves the right to self insure such building.

Anything in the Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claim, action or cause of action, against each other, their agents, officers and employees, for any loss or damage that may occur to the Demised Premises, the Building, improvements to the Building of which the Demised Premises are a part, personal property (building contents) within the Building, any furniture equipment, machinery, goods or supplies not covered by this Lease which the Tenant may bring or obtain upon the Demised Premises or any additional improvements which Tenant may construct upon the Demised Premises, by reason of fire, the elements or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of Landlord or Tenant and their agents, officers and employees.

LANDLORD INSURANCE

50. If on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then any loss or damage Landlord shall sustain by reason thereof shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill thereof and evidence of such loss.

Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant, and in the event Tenant or Landlord believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide at its own expense such additional insurance as Tenant deems adequate.

Landlord shall at all times during the Term of this Lease, at its expense, maintain a policy or policies of insurance, issued by and binding upon some solvent insurance company, insuring the Building against loss or damage by fire, explosion or other hazards and contingencies for the full insurable value, provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Tenant may bring or obtain upon the Demised Premises, or any additional improvements which Tenant may construct upon the Demised Premises. Landlord reserves the right to self insure such Building.

SURRENDER OF PREMISES

51. Tenant shall, upon the expiration of the Term, or any earlier termination of this Lease for any cause, surrender to Landlord the Premises, including, without limitation, all building apparatus and equipment then upon the Premises, and all alterations, improvements and other additions which may be made or installed by either party to, in, upon or about the Premises (other than Tenant's personal property and trade fixtures which Tenant chooses to or is required to remove as provided herein, which shall remain the property of Tenant), in good order, repair and condition and without any damage, injury or disturbance thereto, or payment therefor. Without limiting the generality of the foregoing, additional provisions regarding the standards applicable to the surrender and vacation of the Premises are attached hereto as Exhibit D.
52. Landlord and Tenant each represent that neither Landlord or Tenant nor its constituents or affiliates are in violation of any Governmental Rules relating to terrorism or money laundering, including the Executive Order and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "Patriot Act").

HAZARDOUS SUBSTANCE

53. (a) Tenant shall at all times and in all respects comply with all federal, state, and local laws, ordinances and regulations ("Hazardous Materials Law") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste or other hazardous toxics, contaminated, or polluting materials, substances, or wastes, including, without limitation, any "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any such laws, ordinances or regulations (collectively, "Hazardous Materials").

(b) Tenant shall, at its own cost and expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant's use of the Leased Premises including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Leased Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials brought to the Leased Premises by Tenant to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall in all respects handle, treat, deal with and manage any and all Hazardous Materials brought in, on, under, or about the Leased Premises by Tenant in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regarding management of such Hazardous Materials. All reporting obligations imposed by Hazardous Materials Laws are strictly the responsibility of Tenant. Tenant is "in charge" of Tenant's "facility" as such terms are used in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986.

Upon expiration or earlier termination of the Term of this Lease, Tenant shall cause all Hazardous Materials brought to the Leased Premises by Tenant to be removed from the Leased Premises and transported for use, storage, or disposal in accordance and compliance with all applicable Hazardous Materials Laws. Tenant shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Leased Premises or the Project, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Leased Premises or the Project, without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene, or otherwise appropriately assert and protect Landlord's interest with respect thereto. In addition, at Landlord's request, Tenant shall remove any tanks or fixtures brought to the Leased Premises by Tenant which contain, contained or are contaminated with Hazardous Materials.

(c) Tenant shall immediately notify Landlord in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person or party against Tenant, the Leased Premises or the Project relating to damage, contribution, cost recovery compensation, loss, or injury resulting from or claimed to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, on, or removed from the Leased Premises or the Project, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, asserted violations relating in any way to the Leased Premises, the Project or Tenant's use thereof. Tenant shall promptly deliver to Landlord copies of Hazardous Waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Leased Premises.

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(d) Tenant shall indemnify, defend (by counsel acceptable to Landlord) and hold Landlord and each of Landlord's partners, employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses, or expenses (including attorney's fees and disbursements) for death of or injury to any person or damage to any property whatsoever (including water tables and atmosphere) arising from or caused in whole or in part, directly or indirectly, by (i) the presence in, on, under, or about the Leased Premises or the Project or discharge in or from the Leased Premises or the Project of any Hazardous Materials brought to the Leased Premises by Tenant from and after Tenant's occupancy of the Leased Premises, or Tenant's use, analysis, storage, transportation, disposal, release, threatened release, discharge, or generation of Hazardous Materials to, in, on, under, about, or from the Leased Premises or the Project, or (ii) Tenant's failure to comply with any Hazardous Materials Law, whether knowingly or unknowingly, the standard herein being one of strict liability. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup, detoxification, or decontamination of the Leased Premises or the Project, and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith, and shall survive the expiration or earlier termination of the Term of this Lease. For purposes of the release and indemnity provision hereof, any acts or omissions of Tenant, or by employees, agents, assignees, subtenants, contractors, or subcontractors of Tenant or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful, or unlawful), shall be strictly attributable to Tenant.

(e) If at any time it reasonably appears to Landlord that Tenant is not maintaining sufficient insurance or other means of financial capacity to enable Tenant to fulfill its obligation to Landlord hereunder, whether or not then accrued, liquidated, conditional, or contingent, Tenant shall, upon Landlord's demand, procure and thereafter maintain in full force and effect such insurance or other form of financial assurance, with or from companies or persons and in forms reasonably acceptable to Landlord, as Landlord may from time to time reasonably request. Landlord may, but shall be under no obligation to, procure such insurance if Tenant fails to meet its obligation hereunder and Tenant agrees to pay to Landlord the cost thereof as additional rent, immediately upon demand.

(f) If Tenant's use of the Leased Premises shall involve Hazardous Materials of any kind in any fashion, Landlord shall have the right to require Tenant to undertake and submit to Landlord a periodic environmental audit from a qualified environmental engineering firm or auditor which audit will evaluate Tenant's compliance with the terms of this Lease and all Hazardous Material Laws.

RIGHT OF FIRST OFFER/REFUSAL

54. ROFO - Provided Landlord has not previously leased the adjacent space as outlined in the attached Exhibit A-1-Right of First Offer Space floor plan, containing approximately 6,622 rentable square feet (“ROFO Space”), Tenant shall have a Right of First Offer to lease the ROFO Space. Tenant may elect with thirty (30) days prior written notice, to add the ROFO Space at the same Base Rent as the Premises (Base Rent being increased proportionally). Provided there are not less than three (3) years remaining on the Lease Term, Landlord shall demise the ROFO Space from the remaining space in the Building and connect the Premises to the ROFO Space at its sole cost and expenses.

ROFR - Continuing throughout the Lease Term, and with respect to the ROFO Space, and provided Tenant is then in good standing and not in default and no event of default has occurred that with the giving of notice and/or the passage of time would give rise to an event of default, then Tenant shall have a right of first refusal (as further described below, the “ROFR”) to execute an amendment to this Lease so as to add the ROFO Space (together with such additional space which may be a part of a bona-fide offer or letter of intent to lease) to the Demised Premises (the “Expansion Space”). Landlord shall notify Tenant in writing if and when Landlord receives a bona-fide offer or letter of intent to lease the Adjacent Space (together with such additional space which may be a part of a bona-fide offer or letter of intent to lease) (the “ROFR Notice”). Tenant shall have seven (7) days from receipt of such ROFR Notice in which to notify Landlord if written in its desire to exercise its ROFR, and seven (7) days thereafter in which to execute an Amendment to Lease in form and substance reasonably acceptable to Landlord. In the event the ROFR Notice contains the Adjacent Space together with additional space in the Building, the Tenant’s election to exercise the ROFR must be on all space contemplated in the ROFR Notice. The Amendment to Lease shall provide, among other things, that (a) the Base Rent and Additional Rent on the Expansion Space shall be same per square foot and term as contemplated in the ROFR Notice, (b) the Lease term for the Expansion Space shall be the same as contemplated in the ROFR Notice, (c) The Expansion Space shall be accepted in its AS-IS condition and (d) all other terms and conditions of this Lease shall apply equally to the Expansion Space. Should Tenant fail to exercise the ROFR or to execute the Amendment to Lease in form and substance reasonably acceptable to Landlord within the above stated periods, time being of the essence, then Tenant shall have waived its ROFR.
RENEWAL OPTION

55. Tenant shall have one five (5) year option to renew the lease at then-current market rates as defined by Landlord. Tenant shall provide not less than six (6) months, and not more than seven (7) months, prior written notice to Landlord of its intention to renew the Lease. Upon receipt of an amendment to renew the Lease, which Landlord shall make reasonable efforts to provide within thirty (30) days of receipt of Tenant’s written notice of its intention to renew the Lease, Tenant shall execute such amendment within ten (10) days or the Renewal Option provided for herein shall be null and void and of no further effect. Landlord shall have no responsibility for additional improvements of any kind in association with such Renewal Option.

IMPROVEMENT ALLOWANCE

56. Landlord shall provide a tenant improvement allowance equal to $25,000 (“Allowance”) to be applied towards improvements to the Premises by Tenant. Such Allowance shall be applied as additional rent abatement upon completion of Tenant’s improvements and receipt by Landlord of evidence of payment for such improvements by Tenant. Tenant shall complete such improvement and request reimbursement as provided for herein within six (6) months of the Effective Date or the Allowance shall be considered null and void. All work done by Tenant shall be completed in accordance with the attached Exhibit B – Tenant Work.

EXHIBITS

57. All exhibits attached to this Lease are made a part of this Lease.

- EXHIBIT A: Site Plan – Landlord Work
- EXHIBIT A-1: Right of First Offer Space
- EXHIBIT B: Tenant Work
- EXHIBIT C: Move Out Standards
- EXHIBIT D: Rules and Regulations
- EXHIBIT E: Standards Sign Criteria
- EXHIBIT F: Guaranty of Lease

-- signatures on following page --
IN WITNESS WHEREOF, the parties hereto, have signed, sealed and delivered this Lease in duplicate at Miami-Dade County, Florida, on the date and year above written.

LANDLORD

PERC ENTERPRISES | 72 & WAREHOUSES

/s/ Gary Ressler
GARY RESSLER, AGENT

TENANT

CLR ROASTERS LLC
A Florida limited liability company

Signature: /s/ David S. Briskie
Printed Name: David S. Briskie
Title: CFO

2 WITNESSES EACH SIGNATURE:

/s/ S. Hurwitz

/s/ Nathan Longas

2 WITNESSES EACH SIGNATURE:

/s/ S. Hurwitz

/s/ Nathan Longas

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Landlord shall deliver the Premises in accordance with the following Site Plan in its current “as-is” condition provided however that Landlord shall complete the following improvements at its sole cost and expense:

- Demolish the existing CBS storage/office and interior of office space as indicated below.
- Remove door & leave CBS wall from column to column (subject to engineering provided by Landlord)
- Relocate power to separate electric from the Premises and the remaining space in the Building
- Erect new gypsum wall floor to ceiling and paint
- Tenant shall have access to the existing power supplied within the Premises.
- Landlord shall make reasonable efforts to coordinate the staging of Landlord’s Work with Tenant so that Tenant can move its equipment into the Demised Premises prior to completion of Landlord’s Work. Such equipment occupancy shall not be considered to be deemed “occupancy” under Section 2(i) of this Lease.
- Tenant shall be permitted to stage its equipment in the ROFO Space during the build out of Landlord’s Work prior to permanent occupancy of the Premises.
No changes, modifications or alterations shall be done to the Demised Premises without Landlord’s prior written consent and with any and all applicable permits as required by the appropriate governing authority. Any changes, modifications, or alterations requested by Tenant and approved by Landlord, shall be completed by Tenant’s contractor, at Tenant’s sole cost and expense. All work shall be completed by Tenant with all required permits and shall meet all applicable codes. Tenant shall provide specifications on all wiring, electrical, plumbing, mechanical, furniture, fixtures and equipment as may be necessary for Landlord to provide prior written approval as required herein.

Tenant shall submit its complete permit set of plans including architectural, electrical, plumbing, mechanical, furniture and life safety plans to Landlord for its prior written approval, which approval shall not be unreasonably withheld. Landlord shall respond within five (5) business days or the plans shall be considered approved by Landlord.

Tenant will pay for any utility charges, impact fees and equivalent residential connection fees (ERCs) associated with the Demised Premises during and after Tenant’s construction of the Demised Premises.

Tenant will require any contractor or sub-contractor to remove and dispose of, at least once a week, all debris and rubbish caused by the Tenant’s Work and upon completion to remove all temporary structures, debris and rubbish of whatever kind remaining on any part of the Building.

Tenant and/or Tenant's contractors and subcontractors shall be required to provide, in addition to the insurance required to be maintained by Tenant, the following types of insurance and the following minimum amounts naming Landlord and any other persons having interest in the whole Building as additional insureds as their interest may appear, issued by companies approved by Landlord.

(a) Workmen's Compensation coverage with limits of at least $500,000 for the employer's liability thereunder.
(b) Builder's Risk-Completed Value fire and extended coverage covering damage to the construction and improvements to be made by Tenant in amounts at least equal to the estimated completed cost of said construction and improvements with 100% coinsurance protection.
(c) Automobile Liability coverage with bodily injury limits of at least $500,000 per person. $1,000,000 per accident, and $500,000 per accident for property damage.

Original or duplicate policies for all of the foregoing insurance shall be delivered to Landlord before Tenant’s Work is started and before any contractor's equipment is moved to any part of the Building. In all other respects the insurance coverage above mentioned shall comply with the provisions of this Lease.

All work done by Tenant to be by licensed contractors. Landlord may post notice of lien prohibition in accordance with the Lease.

Notwithstanding anything in the Lease to the contrary, Tenant shall not at any time make any alterations, improvements, demolitions and/or other modifications to the Demised Premises which would directly or indirectly cause the Common Areas and/or any other portion of the Building to be in violation of any applicable governmental and/or quasi-governmental laws, codes, rules and/or regulations including but not limited to the Americans with Disabilities Act.
Landlord and Tenant agree that the Lease is hereby modified and supplemented as follows:

At the expiration of the Lease, Tenant shall surrender the Premises in the condition required in the Lease, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and non-permanent trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration of the Lease, the same shall be deemed abandoned and shall become the property of the Landlord.

1. Office and warehouse lights will be fully operational with all bulbs functioning.
2. Dock Levelers & Roll Up Doors: Should be in comparable working condition to the condition as of the Commencement Date of the Lease.
4. Warehouse Floor: Swept with no racking bolts and other protrusions left in floor. Cracks should be repaired with an epoxy or polymer (but Tenant is responsible only for cracks caused by Tenant, its agents, employees, or contractors due to, for example, moving and/or storing items that exceed the floor load capacity of the warehouse floor, as opposed to cracks caused by the general settling of the foundation of the Building).
5. Tenant-Installed Equipment & Wiring: Removed and space turned to original condition when originally leased. (Remove air lines, junction boxes, conduit, etc. to the ceiling line.)
6. Walls: Sheetrock (drywall) damage should be patched and fire-taped so that there are no holes in either office or warehouse.
7. Roof: Any Tenant-installed equipment must be removed and roof penetrations properly repaired by licensed roofing contractor.
8. Signs: All exterior signs must be removed and holes patched and paint touched up as necessary. All window signs should likewise be removed.
9. Heating & Air Conditioning System: A written report from a licensed HVAC contractor within the last three months stating that all evaporative coolers and/or heaters within the warehouse are operational and safe and that the office HVAC system is also in good and safe operating condition.
10. Overall Cleanliness: Clean windows, sanitize bathroom(s), vacuum carpet, and remove any and all debris from office and warehouse. Remove all pallets and debris from exterior of Premises.
11. Upon Completion: Contact Landlord's property manager to coordinate date of turning off power, turning in keys, and obtaining final Landlord inspection of Premises which, in turn, will facilitate refund of security deposit.
EXHIBIT D

RULES AND REGULATIONS

1. **Return of Keys.** At the end of the Term, Tenant shall promptly return to Landlord all keys for the Building and Premises which are in the possession of Tenant. In the event Tenant fails to return keys, Landlord may retain $250.00 of Tenant's security deposit for locksmith work and administration.

2. **Water Fixtures.** Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.

3. **Personal Use of Premises.** The Premises shall not be used or permitted to be used for residential, lodging, or sleeping purposes or for the storage of personal effects or property not required for business purposes.

4. **Animals.** Tenant shall not bring any animals into the Building (except bona fide service animals), and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by Landlord for such purposes.

5. **Food and Beverages.** Except for food preparation and vending machines for Tenant's employees, Tenant shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving, or distribution of food or beverages.

6. **Refuse.** Tenant shall place all refuse in proper receptacles provided by Tenant at its expense at the Premises or in receptacles (if any) provided by the Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, dugs, and shafts of the Building, free of all refuse.

7. **Proper Conduct.** Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building.

8. **Music/Sound.** Tenant, its officers, agents, servants and employees shall not permit the operation of any musical or sound producing instruments or device which may be heard outside Demised Premises or Building, or which may emanate electrical waves which will impair radio or television broadcasting or reception from or in Building.

9. **Employees, Agents, and Invitees.** In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

10. **Employees, Agents, and Invitees.** In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

11. **Employees, Agents, and Invitees.** In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

12. **Employees, Agents, and Invitees.** In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.

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13. Landlord will not be responsible for lost or stolen property, equipment, money or any article taken from Demised Premises or Building regardless of how or when loss occurs.

14. No additional locks shall be placed on any door or changes made to existing locks in Building without the prior written consent of Landlord; Landlord will furnish a key to each lock on doors in the Demised Premises and Landlord, upon request of Tenant, shall provide additional duplicate keys at Tenant’s expense; Landlord may at all times keep a passkey to the Demised Premises. All keys shall be returned to Landlord promptly upon termination of this Lease.

15. Tenant, its officers, agents, servants or employees shall do no painting or decorating in Demised Premises, or mark, paint or cut into, drive nail or screw into or in any way deface any part of the Demised Premises or Building without prior written consent of Landlord. If Tenant desires signal, communication, alarm or other utility service connection installed or changed, such work will be done at the expense of Tenant, with the approval and under the direction of Landlord.

16. All plate and other glass now in Demised Premises or Building which is broken through cause attributable to Tenant, its officers, agents, servants, employees, patrons, licensees, customers, visitors or invitees shall be replaced by and at expense of Tenant under the direction of Landlord.

17. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, and electric facilities, or any part or appurtenance of Demised Premises.

18. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and expense of any breakage, stoppage, or damage resulting by a violation of this provision shall be borne by Tenant.

19. All contractors and/or technicians performing work for Tenant within the Demised Premises or Building shall be referred to Landlord for approval before performing such work. This shall apply to all work including, but not limited to installation of telephones, computer equipment, electrical devises and attachments, and all installation affecting floors, walls, windows, doors, ceiling, equipment or any other physical feature of the Building or Demised Premises. Tenant shall do none of this work without Landlord’s written approval.

20. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules without the prior written consent of Landlord.

21. Tenant shall be responsible for any damage to the Demised Premises, including carpeting and flooring, as a result of rust or corrosion of file cabinets, roller chairs, metal objects or spills of any type of liquid.

22. If the Premises demised to any Tenant becomes infested with vermin, such Tenant, at its sole cost and expense, shall cause its premises to be exterminated from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved by Landlord.

23. Tenant shall not install any antenna or serial wires, or radio or television equipment, inside or outside the Building, without Landlord’s prior approval in writing and upon such terms and conditions as may be specified by Landlord in each and every instance.

24. Tenant shall not advertise the business, profession or activities of Tenant in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto, or use the name of the Building for any purpose other than that of business address of Tenant or use any letterheads, envelopes, circulars, notices, advertisements, containers, or wrapping material, without Landlord’s express consent in writing.

25. Tenant, its officers, employees, servants, patrons, customers, licensees, invitees and visitors shall not solicit business in the Building’s parking facilities or Common Areas, nor shall Tenant distribute any handbills or other advertising matter in automobiles parked in the Building parking facilities.
26. Tenant shall not conduct its business in such manner as to create any nuisance, or interfere with, annoy disturb any other Tenant in the Building, or Landlord in its operation of the Building or commit waste or suffer permit waste to be committed in the Demised Premises, Building or parking facilities. In addition, Tenant shall not allow its officers, agents, employees, servants, patrons, customers, licensees and visitors to conduct themselves in such manner as to create any nuisance or interfere with annoy or disturb any other Tenant in the Building or commit waste or suffer or permit waste to be committed in the Demised Premises, Building or parking facilities.

27. Tenant, its officers, agents, servants and employees shall not use the Demised Premises or Building for housing, lodging or sleeping purposes or for the cooking or preparation of food without the prior written consent of the Landlord.

28. Neither Tenant nor any officers, agents, employee, servant, patron, customers, visitors, licensees or invitees of any Tenant shall go upon the roof of the Building without the written consent of the Landlord or authorization of the Landlord.

29. Tenant, its officers, agents, servants and employees shall not install or operate any refrigerating, heating, air conditioning apparatus or carry on any mechanical operation or bring into the Demised Premises or Building any inflammable fluids or explosives without written permission of Landlord.

30. The Landlord reserves the right to make such other reasonable Rules and Regulations from time to time as is determined to be necessary or appropriate for the safety, care, protection, cleanliness, and good order of the Building and its Tenants. Any such other Rules and Regulations shall be binding upon each Tenant with the same force and effect as if the same had been included herein and in existence at the time the Tenant acquired his interest in the Demised Premises.
EXHIBIT E
LANDLORD'S STANDARD SIGN CRITERIA

1. Tenant shall be responsible for the supply and installation of all signage, including a transformer, at the Tenant's sole expense. Tenant will be responsible for preparing and submitting sign plans and specifications to Landlord for approval prior to installation.

2. In order to preserve uniformity, quality and character, thereby maintaining aesthetic harmony throughout the total development of the Building, Landlord shall maintain approval of the design, construction, location and installation of all signs in the Building.

Tenant shall therefore, conform with the following:

I. SPECIFICATIONS:
   A. Tenant shall be allowed one (1) outdoor facia sign in a width not to exceed 85% of the width of the Premises. The facia sign shall be comprised of individual reverse metal channel letters, of a size, style and finish specified by Landlord, back lighted by non-flashing neon. The vertical height for each letter shall not exceed 18 inches. Logos, if any, shall not exceed the size of one (1) typical letter.
   B. Electrical shall be as required by jurisdictional authority.

II. APPROVAL:
   A. Tenant shall provide Landlord with signage plans for approval as set forth herein.
   B. Landlord shall have the specific right of approval of size, content, colors, design, construction, and installation for all exterior and window signs and Tenant agrees that this approval right shall be absolute, so as to preserve the aesthetic harmony, uniformity, and decor of the Building. No sign work may be commenced until Landlord's final approval is obtained by Tenant.
   C. Sign approval by Landlord shall not relieve Tenant from the requirement of complying with any and all governmental signage laws, ordinances, and regulations.

III. INSTALLATION AND REMOVAL OF SIGNS:
   A. All signs and work shall be done at the Tenant's expense and in a good and workmanlike manner. Sign installation and electrical sign connections shall be performed by licensed sign contractors, which shall be designated or approved by Landlord. The sign company shall carry adequate insurance to cover any personal injury or damage to the property occurring during installation and removal of signs.
   B. Any damage to the facia or canopy of the Building occurring during the installation and removal of the signs shall be paid for by the Tenant or repaired by the Tenant at its expense. Tenant, upon vacation of the Premises or removal or alteration of its signs for any reason, shall be responsible for the repair, painting, and/or replacement of the surfaces where the signs were attached. All repair works have to be done to the satisfaction and approval of the Landlord.
EXHIBIT F

GUARANTY OF LEASE


The undersigned, AL INTERNATIONAL, INC A DELAWARE CORP, jointly and severally (“Guarantor”), whose address is 2400 Boswell Road, Chula Vista, Ca 91911, in consideration of the leasing of the Premises described in the annexed Lease to the above named Tenant, do hereby personally covenant and agree as follows:

I. If Tenant shall default in the performance of any of the covenants and obligations of said Lease on Tenant's part to be performed (including payment of all amounts due thereunder), then Guarantor will, on demand, perform the covenants and obligations of the Lease on Tenant's part to be performed and will, on demand, pay to Landlord any and all sums due to Landlord, including all damages and expenses that may arise in consequence of Tenant's default, and Guarantor does hereby waive all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach, notice of default or non-performance by Tenant.

II. This Guaranty is a guaranty of payment, and not of collection, for any sum of money owing from Tenant to Landlord.

III. Guarantor hereby waives:
   A. any right to require that any prior action be brought against Tenant;
   B. any right to require that resort be had to any security or to any other credit in favor of Tenant; and
   C. all suretyship defenses generally, and the right to petition for the marshaling of assets.

IV. This Guaranty shall remain and continue in full force and effect:
   A. as to any renewal, extension, hold over, modification or amendment of the Lease (including any expansion of the Premises and any increase in Tenant's obligations to Landlord) and this Guaranty shall remain and continue in full force and effect as to the Lease even though Tenant may have subleased all or any portion of the Premises or assigned all or any portion of Tenant's interest in the Lease. Guarantor waives notice of any and all such renewals, extensions, hold overs, modifications, amendments, subleases or assignments;
   B. even though Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral given as additional security (including other guaranties) or released Tenant from the performance of its obligation under the Lease;
   C. notwithstanding the institution by or against Tenant of bankruptcy, reorganization, readjustment, receivership or insolvency proceeding of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise; and
   D. until such time as Landlord has executed and delivered to Guarantor an instrument specifically releasing Guarantor, Guarantor may not be released by any actions or oral statements of Landlord or by implication.

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V. If the Lease shall be terminated due to a default by Tenant, Guarantor shall (without in any way limiting its liability under any other provision of this Guaranty), at the request of and within the complete discretion of Landlord, enter into a new Lease with Landlord on the same terms and conditions as contained in the Lease immediately prior to its termination, commencing on the termination date of said Lease and ending on the expiration date of said Lease; this provision shall not, however, vest Guarantor with any right to demand or require such a new Lease from Landlord. Landlord shall have sole and absolute discretion as to whether or not such a new lease shall be required.

VI. Guarantor shall submit to Landlord annually, or at such other times as Landlord shall request, financial statements and such other financial information as Landlord shall require, which shall be audited by a certified public accountant if required by Landlord.

VII. Guarantors acknowledge receipt of valuable consideration received in their undertaking of this Lease, and it is acknowledged by the Guarantors that the Lease herein guaranteed is of benefit and value to the Guarantors and would not have been negotiated or consummated by Landlord without this Guaranty being executed and delivered by the Guarantors.

VIII. This Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.

IX. Guarantor may, at Landlord's option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in the Lease and/or this Guaranty, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Guarantor.

X. If this Guaranty is signed by more than one party, their obligations shall be joint and several and the release of one of such Guarantors shall not release any other such Guarantors.

XI. The liability of Guarantor is co-extensive with that of Tenant and also joint and several; an action may be brought against Guarantor and carried to final judgment either with or without making Tenant a party thereto.

XII. Until all of Tenant's obligations under said Lease are fully performed, Guarantor (1) waives any rights that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligation of Guarantor under this Guaranty, and (2) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under said Lease.

XIII. This Guaranty and the Lease shall be governed by, interpreted under the laws of, and enforced in the courts of the state in which the Premises are located.

XIV. Guarantor hereby waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty and any plea or claim of lack of personal jurisdiction or improper venue in any action, suit or proceeding brought to enforce this Guaranty or any of the obligations arising hereunder. Guarantor specifically authorizes any such action to be instituted and prosecuted in any Circuit Court in the state in which the Premises are located or United States District Court of the state in which the Premises are located, at the election of Landlord, where venue would lie and be proper. Guarantor irrevocably appoints Tenant as its agent for service of process.

XV. Guarantor will pay to Landlord all of Landlord's expenses incurred in enforcing this Guaranty, including, but not limited to attorneys' fees and costs at the trial level and at all levels of appeal and in connection with any bankruptcy or administrative proceedings.

XVI. LANDLORD AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HERETO, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENTS CONTEMPLATED HEREBY TO BE EXECUTED IN CONJUNCTION HEREWIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LANDLORD'S ACCEPTANCE OF THIS GUARANTY.
IN WITNESS WHEREOF, the undersigned has executed this Guaranty this 19th day of March, 2013.

GUARANTOR(S):

/s/ David S. Briskie
Print Name: David S. Briskie
FOR: AL INTERNATIONAL, INC A DELAWARE CORP

Witnesses:
/s/ S. Hurwitz
/s/ D. Okon

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

Sworn to (or affirmed) and subscribed before me this 19th day of March 2013, by David Briskie.

NOTARY PUBLIC-STATE OF
Florida

Sign /s/ Suheyt Martinez
Print Suheyt Martinez
(Seal)

Personally Known _____; OR Produced Identification _____

Type of Identification Produced:

Drivers License
PURCHASE AGREEMENT

Ma Lan Wallach, Sole Member of 2400 Boswell, LLC,
a California Limited Liability Company &
AL International, Inc., a Delaware publicly traded corporation

WHEREAS, Seller has been doing business as 2400 Boswell, LLC, a single member California limited liability company since 2006; and
WHEREAS, 2400 Boswell, LLC, has as its only asset real property commonly known as 2400 Boswell Road, Chula Vista, California; and
WHEREAS, Seller has defaulted on a balloon payment required under the terms of the mortgage for the real property, 2400 Boswell Road, Chula Vista, California, which was due on or about November, 2011, and Buyer provided a loan to Seller to enable Seller to meet requirements to cure the default and obtain a due date extension; and
WHEREAS, Seller desires to sell all interest in the limited liability company, 2400 Boswell, LLC, and its assets before the extended due date on or about June 2013; and
WHEREAS, Buyer desires to purchase 2400 Boswell, LLC, and its assets, including the goodwill of the business; now
THEREFORE, the parties hereby agree as follows:

I. SALE AND PURCHASE OF ASSETS

Subject to the terms and conditions set forth in this Agreement and contingent on the receipt of a Promissory Note made out to the benefit of Ma Lan Wallach, Seller hereby sells, assigns, transfers, conveys, and delivers to Buyer, and Buyer hereby purchases all interest in 2400 Boswell, LLC, and its tangible and intangible assets, including all unknown and contingent rights.

II. PURCHASE PRICE AND PAYMENT

In consideration for the sale and transfer of said assets, Buyer hereby agrees to make the payment of an aggregate of Nine Hundred and Seventy Five Thousand Dollars ($975,000) in accordance with Appendix A.

A. As of the date of this Agreement, Buyer has delivered its Promissory Note to Ma Lan Wallach in the amount of Three Hundred Ninety-Three Thousand Three Hundred Ninety-Three Dollars and Thirty-six Cents ($393,393.36), see Appendix B
B. Note receivable of $333,751.90, including principle and accrued interest owed by 2400 Boswell to AL International shall be credited against the purchase price. C. Cash payment of $247,854.70 shall be made by AL International.

III. LIABILITIES

It is understood that, except as otherwise expressly provided in this Agreement, Buyer is assuming the liabilities or obligations of 2400 Boswell, LLC, specifically the mortgage secured by the building.

IV. APPROVAL, AUTHORITY, AND OWNERSHIP

All approvals required for Seller to enter into this Agreement and sell its assets have been duly obtained, and Seller has full power, authority, and ownership to enter into this Agreement and to effectuate all of the transactions contemplated, without any conflict with any other restrictions or limitations, whether imposed by or contained in Seller’s Operating Agreement, or by any known legal requirement, agreement, or otherwise.

V. FINANCIAL STATEMENTS AND BUSINESS CONDUCT

The financial statements of Seller, as provided to and from Buyer, reasonably reflect the financial condition of Seller.

VI. ASSETS CONDITION

All of the fixed assets and equipment transferred under this Agreement, are in good condition and repair and are fit for the particular purposes for which they are intended to be used.

VII. SELLER’S KNOWLEDGE AND DISCLOSURE

Seller does not know, or have reason to know, of any matters, occurrences, or other information that has not been disclosed to Buyer and that would materially and adversely affect the assets purchased by Buyer or its conduct of the business involving such assets. Moreover, no representation or warranty by Seller in this Agreement, or any documents furnished to Buyer by Seller, contains or will contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements contained in these sources accurate.

VIII. SELLER COVENANTS

Seller agrees and covenants as follows: Seller agrees to cooperate with Buyer, and on Buyer’s reasonable request, to execute all documents and take all actions as necessary to perfect and implement Buyer’s full ownership of the assets of Seller purchased under this Agreement, to protect the good will transferred, and to prevent any disruption of Buyer’s business.

IX. BUYER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS

Buyer represents and warrants that it has full authority and approval to enter into this Agreement and to effect all of the transactions contemplated to be performed by Buyer in this Agreement, and covenants that it will make all payments and perform all such actions as required of it by this Agreement.

X. DEFAULT OR BANKRUPTCY

This Agreement shall be subject to termination by either party on default by the other party in performance of any of the terms, conditions or covenants of this Agreement and on failure to remedy such default within thirty (30) days after notice or demand.

XI. NOTICES

All notices or other communications shall be in writing and shall be personally delivered or, if mailed, sent to the following relevant address or to such other address as the recipient party may have indicated to the sending party in writing:

If to Seller:
Ma Lan Wallach, 3435 Malito Drive, Bonita, California 91902

If to Buyer:
AL International, Inc., 2400 Boswell Road, Chula Vista, California 91914

Any such notice shall be deemed given as of the date as personally delivered, sent by fax or e-mail. If otherwise mailed, the notice shall be deemed given as of the earlier of the fourth business day after mailing or actual receipt.

XII. CONSTRUCTION

Except as otherwise provided, this Agreement:
A. Covers the entire understandings of the parties regarding its subject matter, superseding all prior agreements and understandings, and no modification or amendment of its terms or conditions shall be effective unless in writing and signed by the parties;
B. Inures to the benefit of, and is binding on, the respective successors, assigns, distributees, heirs, and personal representatives of the parties;
C. Shall not be interpreted by reference to any of its titles or headings, which are inserted for purposes of convenience only;
D. Is subject to the waiver and release of any of its requirements, as long as the waiver or release is in writing and signed by the party to be bound, but any such waiver or release shall be construed narrowly and shall not be considered a waiver or release of any further, similar, or related requirement or occurrence, unless expressly specified;
E. Is made in, and shall be construed under, the laws of the State of California. Any controversy or claim arising out of or relating to this agreement, or its breach, shall be settled in the Superior Court for the State of California, in San Diego County, Central Branch Court.
F. May be executed in one or more counterparts, all of which, together, shall be deemed to constitute one and the same Agreement.

IN WITNESS, the parties have executed this Agreement as of the effective day and year first written above:

FOR SELLER:
By: /s/ Ma Lan Wallach
Ma Lan Wallach, Managing Member

FOR BUYERS:
AL International, Inc.
By: /s/ Stephan Wallach
1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of Three Million Six Hundred Twenty-five Thousand Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

- The interest rate on this Note will fluctuate. The initial interest rate is 5.75% per year. This initial rate is the Prime Rate in effect on the first business day of the month in which SBA received the loan application, plus 2.50%. The initial interest rate must remain in effect until the first change period begins unless reduced in accordance with SOP 50.10.

- Borrower must pay principal and interest payments of $22,805.11 every month beginning two months from the month of Initial disbursement on this Note; payments must be made on the first calendar day in the months they are due.

- Lender will apply each installment payment first to pay interest accrued to the day Lender receives the payment, then to bring principal current, then to pay any late fees, and will apply any remaining balance to reduce principal.
Lender and Borrower may agree to pay an additional amount into an escrow account for payment of real estate taxes and required insurance related to commercial real estate securing the loan. Any such account must comply with SOP 50 10.

The interest rate will be adjusted every calendar quarter (the “change period”).

The Prime Rate is the Prime Rate in effect on the first business day of the month (as published in the Wall Street Journal website) in which SBA received the application, or any interest rate change occurs. Base Rates will be rounded to two decimal places with .004 being rounded down and .005 being rounded up.

The adjusted interest rate will be 2.50% above the Prime Rate. Lender will adjust the interest rate on the first calendar day of each change period. The change in interest rate is effective on that day whether or not Lender gives Borrower notice of the change.

The spread as identified in the Note may not be changed during the life of the Loan without the written agreement of the Borrower.

For variable rate loans, the interest rate adjustment period may not be changed without the written consent of the Borrower. Lender must adjust the payment amount at least annually as needed to amortize principal over the remaining term of the note.

If SBA purchases the guaranteed portion of the unpaid principal balance, the interest rate becomes fixed at the rate in effect at the time of the earliest uncured payment default. If there is no uncured payment default, the rate becomes fixed at the rate in effect at the time of purchase.

Loan Prepayment:

Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note. Borrower may prepay 20 percent or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must:

a. Give Lender written notice;

b. Pay all accrued interest; and

c. If the prepayment is received less than 21 days from the date Lender receives the notice, pay an amount equal to 21 days’ interest from the date Lender receives the notice, less any interest accrued during the 21 days and paid under subparagraph b., above.

If Borrower does not prepay within 30 days from the date Lender receives the notice, Borrower must give Lender a new notice.

Subsidy Recoupment Fee. When in any one of the first three years from the date of initial disbursement Borrower voluntarily prepays more than 25% of the outstanding principal balance of the loan, Borrower must pay to Lender on behalf of SBA a prepayment fee for that year as follows:

a. During the first year after the date of initial disbursement, 5% of the total prepayment amount;

b. During the second year after the date of initial disbursement, 3% of the total prepayment amount; and

c. During the third year after the date of initial disbursement, 1% of the total prepayment amount.

All remaining principal and accrued interest is due and payable 25 years from date of initial disbursement.

Late Charge: If a payment on this Note is more than 10 days late, Lender may charge Borrower a late fee of up to 5.00% of the unpaid portion of the regularly scheduled payment.

4. DEFAULT: Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

A. Fails to do anything required by this Note and other Loan Documents;

B. Defaults on any other loan with Lender;

c. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;

D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;

E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;

F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;

G. Fails to pay any taxes when due;

H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;

I. Has a receiver or liquidator appointed for any part of their business or property;

J. Makes an assignment for the benefit of creditors;
K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT: Without notice or demand and without giving up any of its rights, Lender may:
   A. Require immediate payment of all amounts owing under this Note;
   B. Collect all amounts owing from any Borrower or Guarantor;
   C. File suit and obtain judgment;
   D. Take possession of any Collateral, or
   E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS: Without notice and without Borrower's consent, Lender may:
   A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price It chooses;
   B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender Incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
   C. Release anyone obligated to pay this Note;
   D. Compromise, release, renew, extend or substitute any of the Collateral; and
   E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES: When SBA is the holder, this Note will be interpreted and enforced under federal law, Including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS: Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:
   A. All individuals and entities signing this Note are jointly and severally liable.
   B. Borrower waives all suretyship defenses.
   C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
   D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
   E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
   F. If any part of this Note is unenforceable, all other parts remain in effect.
   G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.
10. STATE-SPECIFIC PROVISIONS:

California Mandatory Provision:
The following language must appear in all guarantees if any borrower, guarantor or any real estate collateral is located in California:

"Guarantor waives its rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive.

The guarantor waives all rights and defenses that the guarantor may have because the debtor's debt is secured by real property. This means, among other things:

(1) The creditor may collect from the guarantor without first foreclosing on any real or personal property collateral pledged by the debtor.

(2) If the creditor forecloses on any real property collateral pledged by the debtor:

(A) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B) The creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor.

This is an unconditional and irrevocable waiver of any rights and defenses the guarantor may have because the debtor's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

The guarantor waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the Code of Civil Procedure or otherwise."

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

BORROWER:

2400 Boswell LLC

By: /s/ Stephan R. Wallach
Stephan R. Wallach, Manager of 2400 Boswell LLC

Addendum to Promissory Note
(Inrevocable ACH Payment Authorization from Borrower Deposit Account)

This Addendum is incorporated into and made a part of that certain Promissory Note dated March 14, 2013 ("Note"), executed by 2400 Boswell LLC, as borrower ("Borrower"), in favor of Plaza Bank, as lender ("Lender"). In the event of any express conflict(s) between the terms and conditions of this Addendum and the terms and conditions of the Note, the terms and conditions of this Addendum shall prevail and control. Except as expressly modified hereby, each and all terms and conditions of the Note shall remain in full force and effect. The Note, together with all loan and security documents now or hereafter incident thereto or connected therewith (excluding any guaranties of the Note), are herein collectively referred to as the "Loan Documents".
Borrower acknowledges and agrees that the interest rate and other terms and conditions specified in the Note and other Loan Documents are conditioned upon Borrower maintaining at all times until the Note is repaid in full a deposit account established and maintained with Lender or with another bank or financial institution approved by Lender ("Deposit Account") in which Borrower deposits or maintains funds in an amount at least sufficient to fully and timely pay any and all payments as and when due to Lender from time to time under the Loan Documents (including without limitation any balloon payment of principal due at Note maturity, if any). During the continuance of any ACH Payment Default(s) (as defined in the immediately following paragraph), Borrower acknowledges and agrees that ACH Payment Fee(s) shall be payable to Lender as provided in the immediately following paragraph. Borrower agrees to execute any and all ordinary or appropriate documentation requested by the Lender (or its assignee or designee) from time to time in order to establish and maintain automatic payment(s) from the Deposit Account of all payments as and when due under the Loan Documents to Lender (or its assignee or designee) via Automatic Clearing House debit and payment procedures and documentation as the same may exist from time to time ("ACH Payments"). In the event of any express conflict between the terms and conditions of this Addendum and the terms and conditions of any other Deposit Account documentation, the terms and conditions of this Agreement shall control.

Borrower specifically and irrevocably authorizes and instructs Lender (or its assignee or designee) to receive all payments now or hereafter due under the Note or Loan Documents from time to time directly out of Borrower's funds now or hereafter in the Deposit Account by way of ACH Payments, without any further authorization or instruction from Borrower ("ACH Payment Authorization"); and Borrower agrees to execute and deliver to Lender (or its assignee or designee) within three (3) business days after request any and all documents necessary or appropriate to effect and maintain the ACH Payment Authorization. Borrower acknowledges, agrees, represents and warrants that (a) any ACH Payments made to Lender (or its assignee or designee) for Note payments are consensual and duly authorized and requested by Borrower, and (b) the ACH Payment Authorization is irrevocable. Despite the foregoing Borrower at any time attempts or purports to revoke, limit or modify its ACH Payment Authorization, or if Borrower at any time fails to maintain a balance in the Deposit Account sufficient to fully and timely pay all payments as and when due under the Loan Documents, or if Borrower at any time fails to execute and deliver to Lender (or its assignee or designee) within three (3) business days after request any and all documents necessary or appropriate to effect and maintain the ACH Payment Authorization, or if Borrower at any time challenges Lender's rights to receive ACH Payments from the Deposit Account, or if Lender is at any time otherwise fails to receive or is unable to safely receive (as determined by Lender from time to time) any ACH Payments therefrom, or if Borrower shall make any payment(s) due under the Note other than by ACH Payment(s) from the Deposit Account (the foregoing events being collectively referred to as "ACH Payment Default(s)"), then Borrower acknowledges and agrees that Borrower shall pay Lender (in addition to all other amounts otherwise payable under the Note or other Loan Documents) an ACH payment fee ("ACH Payment Fee") equal to five percent (5%) of the amount of each and all payments due under the Note during the continuance of any ACH Payment Default(s) (including without limitation as to each and all Note installment payments and/or any balloon payment of principal due at Note maturity), without any further notice by Lender to Borrower.

Borrower maintains the Deposit Account with Lender, Borrower hereby grants to the Lender (and shall at all times maintain in favor of Lender) a continuing, perfected, first priority security interest in and to the Deposit Account and any and all funds at any time deposited therein, and any and all proceeds thereof and any interest and/or accretions thereon, for purposes of securing any and all obligations now or hereafter owing by Borrower to Lender under the Loan Documents. Borrower maintains the Deposit Account with Lender, Borrower shall take any and all actions and execute such documents as Lender may request from time to time in order to perfect and/or confirm perfection of Lender's security interest and other rights in the Deposit Account and/or the funds now or hereafter therein. Borrower acknowledges and agrees that Lender has and shall at all times have a perfected first priority security interest by reason of Lender having control over the same, including without limitation as provided in California Commercial Code section 9104(a)(1).
Borrower hereby waives any and all rights and defenses it has or may hereafter have under California Code of Civil Procedure section 726 et seq. and/or present or future case law thereunder, including without limitation the "one action rule" thereunder (i.e., collectively, "CCP 726") which may now or hereafter exist in any manner or way by reason of the establishment or maintenance of the Deposit Account, the receipt by the Lender (or its assignee or designee) of any funds therein, the ACH Payment Authorization, and/or any ACH Payments made or received by Lender (or its assignee or designee) thereunder from time to time. Borrower forever waives and relinquishes and agrees not to raise or assert any rights or claims Borrower might now or hereafter have had at any time under or in connection with CCP 726 as regards any ACH Payments made or received by Lender (or its assignee or designee) at any time(s), and/or the application by the Lender (or its assignee or designee) to the obligations owing by Borrower under the Loan Documents of any funds and/or other amounts now or hereafter deposited or accruing in the Deposit Account. Borrower specifically acknowledges and agrees that the deposit and maintenance of funds in the Deposit Account and the making of ACH Payments to Lender (or its assignee or designee) thereunder pursuant to the ACH Payment Authorization is consensual and being done at the irrevocable request, authorization and instruction of Borrower. The aforesaid release and waiver of rights and defenses under Code of Civil Procedure section 726 is for full, fair and separate consideration. The ACH Payments and ACH Payment Authorization is merely a payment mechanism requested and agreed to by Borrower in order to obtain a lower interest rate under the Note than would otherwise apply thereunder, and in no event may Borrower (or his/her/their heirs, successors or assignees) claim or assert that the lien of any Deed of Trust now or hereafter securing the Note is adversely affected, released or impaired by reason thereof, or that such ACH Payments constitute a setoff or other nonconsensual payment to Lender (or its assignee or designee).

Borrower acknowledges and agrees that this Addendum (including without limitation the provisions hereof concerning the Deposit Account, the ACH Payments, and the irrevocable ACH Payment Authorization and the waivers and agreements of Borrower herein) are of material benefit to Borrower, in that Lender would not be willing to make the loan evidenced by the Note or agree to the interest rate otherwise accruing thereunder without the terms and conditions of this Addendum being fully valid and enforceable at all times. If for any reason any provision(s) of this Addendum are deemed or found to be unenforceable or are challenged by Borrower for any reason(s), then Lender may declare the entire balance due under the Note immediately due and payable, in addition to all other rights and remedies of Lender at law or in equity.

Lender's rights and remedies under this Addendum are cumulative and in addition to any and all Lender's rights and remedies under the Note, any other Addenda thereto, and/or the Loan Documents.

Dated: As of March 14, 2013

"Borrower"
2400 Boswell LLC
/s/ Stephan R. Wallach
Stephan R. Wallach
MANAGER
## Subsidiaries of the Registrant

<table>
<thead>
<tr>
<th>Subsidiary Name (*)</th>
<th>Names Under Which Subsidiary Does Business(***)</th>
<th>State or Jurisdiction of Incorporation or Organization</th>
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<tbody>
<tr>
<td>AL Global Corporation</td>
<td>Youngevity® Essential Life Sciences and DrinkACT</td>
<td>California</td>
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<tr>
<td>CLR Roasters, LLC</td>
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<td>Florida</td>
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<tr>
<td>Financial Destinations, Inc.</td>
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<td>New Hampshire</td>
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<tr>
<td>FDI Management, Inc.</td>
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<td>Youngevity NZ, Ltd.</td>
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<tr>
<td>Youngevity Australia Pty. Ltd.</td>
<td></td>
<td>Australia</td>
</tr>
<tr>
<td>2400 Bowell, LLC (***)</td>
<td></td>
<td>California</td>
</tr>
</tbody>
</table>

(*) All subsidiaries are wholly-owned by the Registrant unless otherwise specified by footnote.

(**) If different from the name of subsidiary.

(*** Effective March 15, 2013.

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All subsidiaries are wholly-owned by the Registrant unless otherwise specified by footnote. If different from the name of subsidiary. Effective March 15, 2013.