

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

|                       |                          |
|-----------------------|--------------------------|
| SUBMISSION TYPE:      | NEW ASSIGNMENT           |
| NATURE OF CONVEYANCE: | Stock Purchase Agreement |

**CONVEYING PARTY DATA**

| Name              | Formerly | Execution Date | Entity Type             |
|-------------------|----------|----------------|-------------------------|
| True Colors, Inc. |          | 01/01/2004     | CORPORATION: CALIFORNIA |

**RECEIVING PARTY DATA**

|                   |                               |
|-------------------|-------------------------------|
| Name:             | LBC Global, Inc.              |
| Street Address:   | 3605 West MacArthur Boulevard |
| Internal Address: | Suite 702                     |
| City:             | Santa Ana                     |
| State/Country:    | CALIFORNIA                    |
| Postal Code:      | 92704                         |
| Entity Type:      | CORPORATION: NEVADA           |

**PROPERTY NUMBERS Total: 5**

| Property Type        | Number   | Word Mark              |
|----------------------|----------|------------------------|
| Serial Number:       | 76371994 | TRUE COLORS UNIVERSITY |
| Serial Number:       | 77656692 | COLORBOT               |
| Registration Number: | 3208136  |                        |
| Registration Number: | 2589606  | READING COLORS         |
| Registration Number: | 1605983  | TRUE COLORS            |

**CORRESPONDENCE DATA**

Fax Number: (949)855-6371  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 949-855-1246  
 Email: trademark@stetinalaw.com  
 Correspondent Name: Kit M. Stetina  
 Address Line 1: 75 Enterprise  
 Address Line 2: Suite 250  
 Address Line 4: Aliso Viejo, CALIFORNIA 92656

CH \$140.00 76371994

|   |                |
|---|----------------|
| ATTORNEY DOCKET NUMBER:   | COLRS-000      |
| NAME OF SUBMITTER:  | Kit M. Stetina |
| Signature:  | /kms/          |
| Date:   | 01/07/2010     |
| <p>Total Attachments: 21</p> <p>source=StockPurchaseAgreement#page1.tif<br/> source=StockPurchaseAgreement#page2.tif<br/> source=StockPurchaseAgreement#page3.tif<br/> source=StockPurchaseAgreement#page4.tif<br/> source=StockPurchaseAgreement#page5.tif<br/> source=StockPurchaseAgreement#page6.tif<br/> source=StockPurchaseAgreement#page7.tif<br/> source=StockPurchaseAgreement#page8.tif<br/> source=StockPurchaseAgreement#page9.tif<br/> source=StockPurchaseAgreement#page10.tif<br/> source=StockPurchaseAgreement#page11.tif<br/> source=StockPurchaseAgreement#page12.tif<br/> source=StockPurchaseAgreement#page13.tif<br/> source=StockPurchaseAgreement#page14.tif<br/> source=StockPurchaseAgreement#page15.tif<br/> source=StockPurchaseAgreement#page16.tif<br/> source=StockPurchaseAgreement#page17.tif<br/> source=StockPurchaseAgreement#page18.tif<br/> source=StockPurchaseAgreement#page19.tif<br/> source=StockPurchaseAgreement#page20.tif<br/> source=StockPurchaseAgreement#page21.tif</p> |                |

## STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") effective January 1, 2004, is by and between LBC Global, Inc. ("Buyer", "LBC", or "LBC Global"), a Nevada corporation; True Colors, Inc., a California corporation, dba True Colors Communications ("Seller" or "TCC"); and Don Lowry ("Don") and Erica Echols Lowry ("Erica"), the shareholders of TCC (collectively, "Owners").

### RECITALS:

A. LBC desires to acquire 100% of the ownership interests of TCC (the "TCC Shares") in exchange for [REDACTED] shares of the common stock of LBC Global, Inc, a Nevada corporation (the "LBC Shares") and [REDACTED] in cash.

B. It is the intention of the parties hereto that: (i) LBC shall acquire 100% of the issued and outstanding ownership interests of TCC in exchange for [REDACTED] shares of LBC Global, Inc. and [REDACTED] in cash payable as set forth below (the "Exchange"); and (ii) the Exchange shall qualify as a transaction in securities exempt from registration or qualification under the Securities Act of 1933, as amended, and under the applicable securities laws of Nevada.

C. The Board of Directors of LBC deems it to be in its best interest to acquire 100% of the issued and outstanding interests of TCC.

D. The Owners of TCC deem it to be in their best interest to sell 100% of the issued and outstanding ownership interests of TCC for [REDACTED] shares of LBC Global, Inc., [REDACTED] in cash, and such other things as provided herein.

NOW; THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the parties hereto agree as follows:

### SECTION 1. EXCHANGE OF SHARES AND CASH

1.1 Acquisition of Shares. The Owners agree that they shall, on the Closing Date (effective January 1, 2004), transfer all of their TCC Shares such that, after transfer of these TCC Shares, LBC will own 100% of the issued and outstanding ownership interests of TCC for a total of [REDACTED] shares of LBC Global, Inc. (valued at [REDACTED] per share) and [REDACTED] in cash (the "Cash Consideration"). The Cash Consideration shall be payable as follows: [REDACTED] on the Closing Date and the remainder in twelve (12) equal monthly payments of [REDACTED] commencing on May 1, 2004.

1.2 Delivery of Shares. On the Closing Date, the Owners will tender 100% of the issued and outstanding ownership interests of TCC for [REDACTED] shares of LBC Global and

will deliver to LBC the pertinent documents representing these interests, duly endorsed (or with executed stock powers) so as to make LBC the sole owner thereof. On the Closing Date, LBC will deliver to the Owners of TCC, certificates representing [REDACTED] shares of LBC Global, Inc.

1.3 Acknowledgment of Debt. LBC acknowledges a debt due by TCC to Educational Systems International ("ESI") in the amount of [REDACTED] (the "ESI Debt"). On the Closing Date, LBC will issue an additional [REDACTED] shares of common stock to ESI in total satisfaction of the ESI Debt.

1.4 Restricted Securities. The LBC Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be resold unless the resale thereof is registered under the Securities Act or an exemption from such registration is available. Each certificate representing the LBC Shares will have a legend thereon in substantially the following form:

The Shares represented by the certificate have not been registered under the Securities Act of 1933, as amended (the "Act"). The shares have been acquired for investment and may not be sold or transferred in the absence of an effective Registration Statement for the resale of the shares under the Act unless in the opinion of counsel satisfactory to the Company, registration is not required under the Act.

1.5.1 Qualified Floor Provision. LBC shall provide a [REDACTED] qualified floor provision as described in Schedule 1.5.1. In addition, in the event that on or before December 31, 2005, LBC is not a publicly traded company, Owners may, at their sole election, rescind this entire transaction, and return the [REDACTED] shares of LBC and such portion of the Cash Consideration paid to Owners, and 100% of the issued and outstanding ownership interests of TCC shall be returned to Owners.

1.5.2 Cash Payment Remedy. If LBC fails to pay any portion of the Cash Consideration on or before April 30, 2005, Owners may, at their sole election, rescind this entire transaction, and return the [REDACTED] shares to LBC and such portion of the Cash Consideration paid to Owners, and 100% of the issued and outstanding ownership interests of TCC shall be returned to Owners.

1.6 Consulting Agreements. On the Closing Date, Don and Erica shall execute Consulting Agreements, attached hereto as Exhibits B and C and incorporated herein by reference (the "Consulting Agreements"). ~~During the term of the Consulting Agreements, Don and Erica shall be prohibited from~~ to the appointment of Mitch Mondo and Deron Whitney as new TCC Board members. In the event that during the earlier of (a) the first twenty-one (21) months of the Consulting Agreements and (b) when LBC becomes a publicly traded company, any of the compensation provided in the Consulting Agreements is not paid as provided, Don and Erica may, at their sole election, rescind the entire transaction, and return the 750,000

shares of LBC and such portion of the Cash Consideration paid to Owners, and 100% of the issued and outstanding ownership interests of TCC shall be returned to Owners.

1.7 Joint Venture Agreements. On the Closing Date, TCC shall execute a joint venture agreement with [REDACTED] attached hereto as Exhibit A and incorporated herein by reference, and TCC shall execute a joint venture agreement with ESI, attached hereto as Exhibit D and incorporated herein by reference (collectively, the "Joint Venture Agreements").

1.8 Gross Receipts Agreement. On the Closing Date, TCC shall execute a gross receipts agreement with Don, attached hereto as Exhibit E and incorporated herein by reference (the "Gross Receipts Agreement").

1.9 Furniture and Equipment. On or before the Closing Date, Owners and Buyer shall inventory the furniture and equipment located at 2825 Laguna Canyon Road, Laguna Beach, California (the "Furniture and Equipment") and determine which Furniture and Equipment is to be the property of TCC after the Closing.

1.10 Royalty Agreement. After the Closing, TCC and Don shall negotiate a royalty agreement for the products developed by Don that are used by TCC. TCC and Don acknowledge that the negotiation of this agreement will probably not be concluded until TCC's financial situation is reviewed.

1.11 Automobiles. The parties understand that as of the Closing there should not be any automobiles owned by TCC and that to the extent an automobile was previously listed as an asset TCC it was in error.

## SECTION 2. REPRESENTATIONS AND WARRANTIES OF LBC GLOBAL

LBC Global, Inc. hereby represents and warrants as follows:

2.1 Organization and Good Standing. LBC Global, Inc. is a corporation, duly organized, validly existing and in good standing under the laws of Nevada. The Company has the corporate power and authority to carry on its business as presently conducted, and is qualified to do business in all jurisdictions where the failure to be so qualified would have a material adverse effect on its business.

2.2 Corporate Authority. LBC has the power to operate as a corporation and to perform any corporate obligations hereunder. The consummation of the transaction contemplated hereby is not in violation of any State, Governmental or corporate restrictions governing these transactions. The execution and performance of this Agreement will not constitute a material breach of any agreement, indenture, mortgage, license or other instrument or document to which LBC is a party and will not violate any judgment, decree, order, writ, rule, statute, or regulation applicable to LBC or its

properties. The execution and performance of this Agreement will not violate or conflict with any provision of the laws of the state of Nevada.

2.3 Receipt of Corporate Information; Independent Investigation; Access. All requested documents, records and books pertaining to LBC and LBC Shares will be delivered to TCC as requested. All of TCC's questions and requests for information will be answered to TCC's satisfaction. Owners acknowledge that they, in making the decision to buy the LBC Shares in exchange for the TCC Shares, will rely upon independent investigations made by them or their representatives, if any, and they will have, prior to the Closing Date, been given access to and the opportunity to examine all material contracts and documents relating to this transaction and an opportunity to ask questions of, and to receive information from, LBC or any person acting on its behalf concerning the terms and conditions of this Agreement.

2.4 Approvals. No approval, authorization, consent, order or other action of, or filing with, any person, firm or corporation or any court, administrative agency or other governmental authority is required in connection with the execution and delivery of this Agreement by LBC for the consummation of the transactions described herein, other than as set forth on Schedule 2.4.

2.5 Financial Statements, Books and Records. Attached as Schedule 2.5 are the financial statements (balance sheet, income statement, notes) of LBC, through December 31, 2002 (the "Financial Statements"). The books of account and other financial records of LBC are in all respects complete and correct in all material respects and are maintained in accordance with good business and accounting practices

2.6 No Material Adverse Changes. Since December 31, 2002 there has not been:

(i) any material adverse change in the financial position of the LBC, except changes arising in the ordinary course of business, which changes will in no event materially and adversely affect the financial position of any one of the companies;

(ii) any damage, destruction or loss materially affecting the assets, prospective business, operations or condition (financial or otherwise) of the companies, whether or not covered by insurance;

(iii) any declaration, setting aside or payment of any dividend or distribution with respect to any redemption or repurchase of capital interests with respect to each of the companies;

(iv) any sale of an asset (other than in the ordinary course of business) or any mortgage or pledge by LBC of any properties or assets belonging to the company; or

(v) adoption of any pension, profit sharing, retirement, stock bonus, stock option or similar plan or arrangement.

2.7 Taxes. LBC has filed all material tax, governmental and/or related forms and reports (or extensions thereof) due or required to be filed and has paid or made adequate provisions for all taxes or assessments which had become due as of the Closing Date, and there are no deficiency notices outstanding. No extensions of time for the assessment of deficiencies for any year is in effect. No deficiency notice is proposed or, threatened against LBC. The tax returns have never been audited.

2.8 Compliance with Laws. LBC has complied with all federal, state, county and local laws, ordinances, regulations, inspections, orders, judgments, injunctions, awards or decrees applicable to it or its business which, if not complied with, would materially and adversely affect the business of LBC.

2.9 No Breach. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not:

(i) violate any provision of the Articles of Incorporation or the Bylaws of LBC;

(ii) violate, conflict with or result in the breach of any of the terms of, result in a material modification of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time, or both constitute) a default under any contract or other agreement to which LBC is a party or by or in which it or any of its assets or properties may be bound or subject;

(iii) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against, or binding upon, LBC or upon the properties or business of LBC; or

(iv) violate any statute, law or regulation of any jurisdiction applicable to the transactions contemplated herein which could have a material, adverse effect on the business or operations of LBC.

2.10 Actions and Proceedings. LBC is not a party to any material pending litigation or, to the knowledge of LBC, after reasonable inquiry, any governmental investigation or proceeding not reflected in the Financial Statements and, no material litigation, claims, assessments or non-governmental proceedings are threatened against LBC except as set forth on Schedule 2.10 attached hereto and made a part hereof.

2.11 Agreements. Schedule 2.11 sets forth any material contract or arrangement to which LBC is a party or by or to which it or its assets, properties or business are bound or subject, whether written or oral.

2.12 Brokers or Finders. LBC will be solely responsible to pay the 10% broker's fee to Incovid, Inc. after closing in connection with the transactions contemplated by this Agreement. There are no other broker's or finder's fees payable by LBC in connection with the transactions contemplated by this Agreement.

2.13 Real Estate. Except as set forth on Schedule 2.13, LBC owns no other real property nor is a party to any leasehold agreement. All uses of the real property by LBC conform in all material respects to all applicable building and zoning ordinances, laws and regulations.

LBC has been issued all required federal, state and local licenses, certificates or permits relating to all applicable environmental laws. There are no visible signs of releases, spills, discharges, leaks or disposal (collectively, referred to as "Releases") of hazardous substances at, upon, under or within the real property owned by LBC.

2.14 Tangible Assets. LBC, prior to Closing, has full title and interest in all machinery, equipment, furniture, leasehold improvements, fixtures, projects, owned or leased by LBC, and to any related capitalized items or other tangible property material to the business of the company (the "Tangible Assets"). Other than as set forth in Schedule 2.14, LBC holds all rights, title and interest in all the Tangible Assets owned by it on the Balance Sheet or acquired by it after the date on the Balance Sheet free and clear of all liens, pledges, mortgages, security interests, conditional sales contracts or any other encumbrances. All of the Tangible Assets are in good operating condition and repair and are usable in the ordinary course of business and conform to all applicable laws, ordinances and government orders, rules and regulations relating to their construction and operation, except as set forth on Schedule 2.14 hereto. LBC has clear title to all of its fictional business names, trading names, registered and unregistered trademarks, service marks and applications (collectively, the "Marks") and the Marks are included as Tangible Assets.

2.15 Liabilities. LBC has no material direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known or unknown, fixed or unfixed, liquidated or unliquidated, secured or unsecured, accrued or absolute, contingent or otherwise, including, without limitation, any liability on account of taxes, any governmental charge or lawsuit (all of the foregoing collectively defined to as "Liabilities"), which are not fully, fairly and adequately reflected on the Financial Statements (annual and interim), except for any specific Liabilities set forth on Schedule 2.15 attached hereto and made a part hereof. As of the date of Closing, there will be no Liabilities, other than Liabilities fully and adequately reflected on the Financial Statements except for Liabilities incurred in the ordinary course of business and as set forth in Schedule 2.15.

2.16 Access to Records. The corporate financial records, minute books and other documents and records of LBC have been made available to TOC prior to the Closing of this transaction.



2.17 Operations of the Company. From the date of the Financial Statements through the date of Closing, LBC has not and will not, outside of the ordinary course of business, have:

- (i) incurred any indebtedness or borrowed money that is or will be charged against the company;
- (ii) declared or paid any dividend or declared or made any distribution of any kind, or made any direct or indirect redemption, retirement, purchase or other acquisition of any interests in its capital structure;
- (iii) made any loan or advance from LBC, or any officer, director, employee, consultant, agent or other representative or made any other loan or advance;
- (iv) disposed of any assets of the company;
- (v) materially increased the annual level of compensation of any executive employee of the company;
- (vi) increased, terminated, amended or otherwise modified any plan for the benefit of employees of the company;
- (vii) issued any equity securities or rights to acquire such equity securities with respect to the company; or
- (viii) entered into or modified any contract, agreement or transaction concerning the company.

2.18 Capitalization. The authorized capital of LBC is: [REDACTED] shares of stock, comprised of common shares, having a per value of [REDACTED], and no preferred shares. As of January 1, 2004, there are [REDACTED] shares of LBC stock issued and outstanding and [REDACTED] shares of LBC stock authorized but not issued and outstanding. There are no warrants, options, subscription rights nor any other commitments of any character relating to the issued or unissued shares of capital stock of the company.

2.19 Full Disclosure. No representation or warranty by LBC or in any document or schedule to be delivered by it pursuant to this agreement, and no written statement, certificate or instrument furnished or to be furnished by LBC in connection with the negotiation, execution or performance of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any fact necessary to

make any statement herein or therein not materially misleading or necessary to a complete and correct presentation of all material aspects of the business of LBC.

2.20 Ownership of Subsidiary. LBC Global owns 100% of LBC Training and Education, Inc., which will be the direct owner of the 100% interest in TCC.

### SECTION 3. REPRESENTATIONS AND WARRANTIES OF TCC

TCC hereby represents and warrants as follows:

3.1 Organization and Good Standing. TCC is a corporation, duly organized, validly existing and in good standing under the laws of California. The Company has the corporate power and authority to carry on its business as presently conducted, and is qualified to do business in all jurisdictions where the failure to be so qualified would have a material adverse effect on its business.

3.2 Corporate Authority. TCC has the power to operate as a corporation and to perform any corporate obligations hereunder. The consummation of the transaction contemplated hereby is not in violation of any State, Governmental or corporate restrictions governing these transactions. The execution and performance of this Agreement, ultimately effecting a change in control of TCC, will not constitute a material breach of any agreement, indenture, mortgage, license or other instrument or document to which TCC is a party and will not violate any judgment, decree, order, writ, rule, statute, or regulation applicable to TCC or its properties. The execution and performance of this Agreement will not violate or conflict with any provision of the laws of the state of California.

3.3 Receipt of Corporate Information; Independent Investigation; Access. All requested documents, records and books pertaining to TCC will be delivered to LBC as requested. All of LBC's questions and requests for information will be answered to LBC's satisfaction. LBC acknowledges that they, in making the decision to buy the TCC Shares in exchange for the LBC Shares, will rely upon independent investigations made by them or their representatives, if any, and they will have, prior to the Closing Date, been given access to and the opportunity to examine all material contracts and documents relating to this transaction and an opportunity to ask questions of, and to receive information from, TCC or any person acting on its behalf concerning the terms and conditions of this Agreement.

3.4 Approvals. No approval, authorization, consent, order or other action of, or filing with, any person, firm or corporation or any court, administrative agency or other governmental authority is required in connection with the execution and delivery of this Agreement by TCC for the consummation of the transactions described herein, other than as set forth on Schedule 3.4.

3.5 Financial Statements, Books and Records. Attached as Schedule 3.5 are the financial statements (balance sheet, income statement, notes) of TCC, through December 31, 2002 (the "Financial Statements"). The books of account and other financial records of TCC are in all respects complete and correct in all material respects and are maintained in accordance with good business and accounting practices.

3.6 No Material Adverse Changes. Since December 31, 2002 there has not been:

(i) any material adverse change in the financial position of the TCC, except changes arising in the ordinary course of business, which changes will in no event materially and adversely affect the financial position of any one of the companies;

(ii) any damage, destruction or loss materially affecting the assets, prospective business, operations or condition (financial or otherwise) of the companies, whether or not covered by insurance;

(iii) any declaration, setting aside or payment of any dividend or distribution with respect to any redemption or repurchase of capital interests with respect to each of the companies;

(iv) any sale of an asset (other than in the ordinary course of business) or any mortgage or pledge by TCC of any properties or assets belonging to the company; or

(v) adoption of any pension, profit sharing, retirement, stock bonus, stock option or similar plan or arrangement.

3.7 Taxes. TCC has filed all material tax, governmental and/or related forms and reports (or extensions thereof) due or required to be filed and has paid or made adequate provisions for all taxes or assessments which had become due as of the Closing Date, and there are no deficiency notices outstanding. No extensions of time for the assessment of deficiencies for any year is in effect. No deficiency notice is proposed or, after reasonable inquiry, threatened against TCC. The tax returns have never been audited.

3.8 Compliance with Laws. TCC has complied with all federal, state, county and local laws, ordinances, regulations, inspections, orders, judgments, injunctions, awards or decrees applicable to it or its business which, if not complied with, would materially and adversely affect the business of TCC.

3.9 No Breach. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not:

(i) violate any provision of the Articles of Incorporation or the Bylaws of TCC;

(ii) violate, conflict with or result in the breach of any of the terms of, result in a material modification of, otherwise give any other contracting party the right to terminate, or constitute (or with notice or lapse of time, or both constitute) a default under any contract or other agreement to which TCC is a party or by or to which it or any of its assets or properties may be bound or subject;

(iii) violate any order, judgment, injunction, award or decree of any court, arbitrator or governmental or regulatory body against, or binding upon, TCC or upon the properties or business of TCC; or

(iv) violate any statute, law or regulation of any jurisdiction applicable to the transactions contemplated herein which could have a material, adverse effect on the business or operations of TCC.

3.10 Actions and Proceedings. TCC is not a party to any material pending litigation or, to the knowledge of TCC, after reasonable inquiry, any governmental investigation or proceeding not reflected in the Financial Statements and no material litigation, claims, assessments or non-governmental proceedings are threatened against TCC except as set forth on Schedule 3.10 attached hereto and made a part hereof.

3.11 Agreements. Schedule 3.11 sets forth any material contract or arrangement to which TCC is a party or by or to which it or its assets, properties or business are bound or subject, whether written or oral.

3.12 Brokers or Finders. No broker's or finder's fee will be payable by TCC in connection with the transactions contemplated by this Agreement after Closing.

3.13 Real Estate. Except as set forth on Schedule 3.13, TCC owns no other real property nor is a party to any leasehold agreement. All uses of the real property by TCC conform in all material respects to all applicable building and zoning ordinances, laws and regulations.

TCC has been issued all required federal, state and local licenses, certificates or permits relating to all applicable environmental laws. There are no visible signs of releases, spills, discharges, leaks or disposal (collectively, referred to as "Releases") of hazardous substances at, upon, under or within the real property owned by TCC.

3.14 Tangible Assets. TCC, prior to Closing, has full title and interest in all machinery, equipment, furniture, leasehold improvements, fixtures, projects, owned or leased by TCC, and to any related capitalized items or other tangible property material to the business of the company (the "Tangible Assets"). Other than as set forth in Schedule 3.14, TCC holds all rights, title and interest in all the Tangible Assets owned by it on the Balance Sheet or acquired by it after the date on the Balance Sheet free and clear of all liens, pledges, mortgages, security interests, conditional sales contracts or any other

encumbrances. All of the Tangible Assets are in good operating condition and repair and are usable in the ordinary course of business and conform to all applicable laws, ordinances and government orders, rules and regulations relating to their construction and operation, except as set forth on Schedule 3.14 hereto. Except as set forth on Schedule 3.14, TCC, has clear title to all of its fictional business names, trading names, registered and unregistered trademarks, service marks and applications (collectively, the "Marks") and Marks are included as Tangible Assets. The Tangible Assets include, but are not limited to, the telephone numbers, facsimile numbers and Internet domain names.

3.14.1 Mutual Use of True Colors Brand. TCC, post-closing, shall share the ownership of the True Colors brand (excluding the True Colors Classrunner mark, which is being transferred solely to BSI) with True Colors Studios. The True Colors brand shall include, but not be limited to, all trademarks, servicemarks and other intellectual property rights owned by TCC. TCC and True Colors Studios shall have simultaneous and equal rights to the True Colors brand in all markets worldwide. TCC will have exclusive rights (shared only with True Colors Studios) to the True Colors brand with regard to electronic commerce on the Internet. No third party can be licensed the brand by True Colors Studios for use of the brand with regard to electronic commerce on the Internet. ~~True Colors Studios will have the exclusive rights (shared only with TCC) to the True Colors brand with regard to the entertainment industry.~~ No third party can be licensed the brand by TCC for use of the brand with regard to the entertainment industry. With respect to the mutual use of the True Colors brand, TCC and True Colors Studios agree that they will maintain the quality control standards previously established by TCC and that they agree to make whatever remedial measures are reasonably requested by the other party to maintain such quality control standards.

3.15. Liabilities. TCC has no material direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known or unknown, fixed or unfixed, liquidated or unliquidated, secured or unsecured, accrued or absolute, contingent or otherwise, including, without limitation, any liability on account of taxes, any governmental charge or lawsuit (all of the foregoing collectively defined to as "Liabilities"), which are not fully, fairly and adequately reflected on the Financial Statements (annual and interim), except for any specific Liabilities set forth on Schedule 3.15 attached hereto and made a part hereof. As of the date of Closing, there will be no Liabilities, other than Liabilities fully and adequately reflected on the Financial Statements except for Liabilities incurred in the ordinary course of business and as set forth in Schedule 3.15.

3.16 Access to Records. The financial records, minute books and other documents and records of TCC have been made available to LBC prior to the Closing.

3.17 Operations of the Company. From the date of the Financial Statements through the date of Closing, TCC has not and will not, outside of the ordinary course of business, have:

(i) incurred any indebtedness or borrowed money that is or will be charged against the company;

(ii) declared or paid any dividend or declared or made any distribution of any kind, or made any direct or indirect redemption, retirement, purchase or other acquisition of any interests in its capital structure;

(iii) made any loan or advance from TCC, or any manager, member, officer, director, employee, consultant, agent or other representative or made any other loan or advance;

(iv) disposed of any assets of the company;

(v) materially increased the annual level of compensation of any executive employee of the company;

(vi) increased, terminated, amended or otherwise modified any plan for the benefit of employees of the company;

(vii) issued any equity securities or rights to acquire such equity securities with respect to the company; or

(viii) entered into or modified any contract, agreement or transaction concerning the company.

3.18 Capitalization. The authorized capital of TCC is ~~10,000,000~~. As of January 1, 2004 there are ~~1,000,000~~ of TCC stock issued and outstanding.

3.19 Full Disclosure. No representation or warranty by TCC or in any document or schedule to be delivered by them pursuant hereto, and no written statement, certificate or instrument furnished or to be furnished by TCC pursuant hereto or in connection with the negotiation, execution or performance of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state any fact necessary to make any statement herein or therein not materially misleading or necessary to a complete and correct presentation of all material aspects of the business of TCC.

#### SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions Precedent to the Obligation of LBC. All obligations of LBC under this Agreement are subject to the fulfillment, prior to or as of the Closing Date, as indicated below, of each of the following conditions:

(a) The representations and warranties by or on behalf of TOC contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof shall be true in all material respects at and as of Closing Date as though such representations and warranties were made at and as of such time.

(b) TOC shall have performed and complied in all material respects, with all covenants, agreements, and conditions set forth in, and shall have executed and delivered all documents required by this Agreement to be performed or complied with or executed and delivered by them prior to or at the Closing.

(c) All instruments and documents delivered to LBC pursuant to provisions hereof shall be reasonably satisfactory to legal counsel for LBC.

(d) ESI will have agreed to accept [REDACTED] of LBC common stock in total satisfaction of ESI's [REDACTED] to TOC.

(e) Don and Erica will have agreed to enter into the Consulting Agreements.

4.2 Conditions Precedent to the Obligations of TOC. All obligations of TOC under this Agreement are subject to the fulfillment, prior to or at Closing, of each of the following conditions:

(a) The representations and warranties by LBC contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof shall be true in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time.

(b) LBC shall have performed and complied with, in all material respects, with all covenants, agreements, and conditions set forth in, and shall have executed and delivered all documents required by this Agreement to be performed or complied or executed and delivered by them prior to or at the Closing.

(c) All instruments and documents delivered to TOC pursuant to provisions hereof shall be reasonably satisfactory to legal counsel to TOC.

(d) LBC will have agreed to issue to ESI [REDACTED] of LBC in total satisfaction of ESI's [REDACTED] loan to TOC.

(e) LBC will have agreed, on behalf of TCC post-closing, to the royalty structure for payments due Erica and the Gross Receipts Agreement for Don.

(f) LBC will have agreed, on behalf of TCC, to the post-closing Joint Venture Agreements with True Colors Studios and with ESI.

(g) LBC will have agreed, on behalf of TCC, to the post-closing transfer of ownership of the True Colors Classroom mark to ESI.

(h) LBC will have agreed, on behalf of TCC, to the post-closing transfer of co-ownership of the True Colors brand (excluding the True Colors Classroom mark which is being transferred solely to ESI) to True Colors Studios.

(i) LBC will have agreed, on behalf of TCC to the post-closing ownership of the Furniture and Equipment.



## SECTION 5. COVENANTS

5.1 Corporate Examinations and Investigations. Prior to the Closing Date, the parties acknowledge that they have been entitled, through their employees and representatives, to make such investigation of the assets, properties, business and operations, books, records and financial condition of the other as they each may reasonably require. No investigations, by a party hereto shall, however, diminish or waive any of the representations, warranties, covenants or agreements of the party under this Agreement.

5.2 Further Assurances. The parties shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated hereby. Each such party shall use its best efforts to fulfill or obtain the fulfillment of the conditions to the Closing, including, without limitation, the execution and delivery of any documents or other papers, the execution and delivery of which are necessary or appropriate to the Closing.

5.3 Confidentiality. In the event the transactions contemplated by this Agreement are not consummated, TCC and LBC agree to keep confidential any information disclosed to each other in connection therewith for a period of one (1) year from the date hereof, provided, however, such obligation shall not apply to information which:

- (i) at the time of the disclosure was public knowledge;
  - (ii) after the time of disclosure becomes public knowledge (except due to the action of the receiving party); or
  - (iii) the receiving party had within its possession at the time of disclosure;
- or
- (iv) is ordered disclosed by a Court of proper jurisdiction.

## SECTION 6. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Notwithstanding any right of either party to investigate the affairs of the other party, each party has the right to rely fully upon representations, warranties, covenants and agreements of the other party contained in this Agreement or in any document delivered to one by the other or any of their representatives, in connection with the transactions contemplated by this Agreement. All such representations, warranties, covenants and agreements shall survive the execution and delivery hereof and the closing hereunder for one year following the Closing.

## SECTION 7. INDEMNIFICATION

For a period of one (1) year from the Closing, Owners agree to indemnify and hold harmless LBC, its officers, directors and principal shareholders, and LBC agrees to indemnify and hold harmless Owners, at all times up to one (1) year after the date of this Agreement against and in respect of any liability, damage, or deficiency, all actions, suits, proceedings, demands, assessments, judgments, costs and expenses, including attorneys' fees, incident to any of the foregoing, resulting from any material misrepresentation made by any indemnifying party to an indemnified party, an indemnifying party's breach of a covenant or warranty or an indemnifying party's nonfulfillment of any agreement hereunder, or from any material misrepresentation or omission from any certificate, financial statement or tax return furnished or to be furnished hereunder for any period up to and including 120 days after execution of this Agreement.

If the indemnified party receives written notice of the commencement of any legal action, suit or proceeding with respect to which the indemnifying party is or may be obligated to provide indemnification pursuant to this Section, the indemnified party shall, within 30 days of the receipt of such written notice, give the indemnifying party written notice thereof (a "Claim Notice"). Failure to give such Claim Notice within such 30 day period shall not constitute a waiver by the indemnified party or its rights to indemnity hereunder with respect to such action, suit or proceeding unless the defense thereof is prejudiced thereby. Upon receipt by the indemnifying party of a Claim Notice from the indemnified party with respect to any claim for indemnification which is based upon a claim made by a third party ("Third Party Claim"), the indemnifying party may assume the defense of the Third Party Claim with counsel of its own choosing, as described below. The indemnified party shall cooperate in the defense of the Third Party Claim and shall furnish such records, information and testimony and attend all such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably required in connection therewith. The indemnified party shall have the right to employ its own counsel in any such action, but the fees and expenses of such counsel shall be at the expense of the indemnified party unless the indemnifying party shall not have with reasonable promptness employed counsel to assume the defense of the Third Party Claim, in which event such fees and expenses shall be borne solely by the indemnifying party. The indemnifying party shall not satisfy or settle any Third Party Claim for which indemnification has been sought and is available hereunder, without the prior written consent of the indemnified party, which consent shall not be delayed or which shall not be required if the indemnified party is granted a release in connection therewith. If the indemnifying party shall fail with reasonable promptness to defend such Third Party Claim, the indemnified party may defend, satisfy or settle the Third Party Claim at the expense of the indemnifying party and the indemnifying party shall pay to the indemnified party the amount of such Loss within ten days after written demand thereof. The indemnification provisions hereof shall survive the termination of this Agreement.

SECTION 8. DOCUMENTS AT CLOSING AND THE CLOSING

8.1 Documents at Closing. At the Closing the following transactions shall occur, all of such transactions being deemed to occur simultaneously:

- (a) LBC will deliver, or will cause to be delivered, to TCC and/or Owners the following:
  - (i) A certificate that all representations and warranties made by LBC under this Agreement are true and correct as of the Closing Date, the same as though originally given to TCC on said date;
  - (ii) A certificate from the relevant Nevada authority dated at or about the Closing Date to the effect that LBC is in good standing under the laws of said jurisdiction;
  - (iii) A resolution of the Board of Directors authorizing this transaction;
  - (iv) Certificates representing the LBC Shares to be transferred to Owners;
  - (v) Certificates for [REDACTED] shares of LBC stock to be transferred to ESI;
  - (vi) The Consulting Agreements executed by LBC on behalf of post-closing TCC;
  - (vii) The Joint Venture Agreements executed by LBC on behalf of post-closing TCC;
  - (viii) The Gross Receipts Agreement executed by LBC on behalf of post-closing TCC;
  - (ix) All other items as provided in this Agreement.
- (b) TCC and/or Owners will deliver or cause to be delivered to LBC:
  - (i) A certificate executed by TCC to the effect that all representations and warranties of TCC made under this Agreement are true and correct as of the Closing;
  - (ii) A certificate from the relevant California authority dated at or about the Closing to the effect that TCC is in good standing under the laws of said jurisdiction;

- (iii) Certificates representing the TOC Shares to be transferred to LBC;
- (iv) The Consulting Agreements executed by Don and Erica;
- (v) The Joint Venture Agreements executed by True Colors Studios and ESI;
- (vi) The Gross Receipts Agreement executed by Don;
- (vii) All other items as provided in this Agreement.

8.2 The Closing. The Closing shall take place at the time or place as may be agreed upon by the parties hereto, after all pre-conditions have been met. At the Closing, the parties shall provide each other with such documents as may be necessary. In no event however shall the Closing occur after March 31, 2004. If the transactions contemplated herein have not closed on or before such date this Agreement shall be terminated.

SECTION 9. MISCELLANEOUS

9.1 Waiver. The waiver of a breach of this Agreement or the failure of any party hereto to exercise any right under this Agreement shall in no way constitute waiver as to future breach whether similar or dissimilar in nature or as to the exercise of any further right under this Agreement.

9.2 Amendment. This Agreement may be amended or modified only by an instrument of equal formality signed by the parties or the duly authorized representatives of the respective parties.

9.3 Assignment. This Agreement is not assignable except by operation of law.

9.4 Notice. Until otherwise specified in writing, the mailing addresses and fax numbers of the parties of this Agreement shall be as follows:

To: ICC:

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

To: LBC Global:

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

With Copy To:

~~\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_~~

Any notice or statement given under this Agreement shall be deemed to have been given if sent by registered mail addressed to the other party at the address indicated above or at such other address which shall have been furnished in writing to the addressor.

9.5 Governing Law. This Agreement shall be construed, and the legal relations between the parties determined, in accordance with the laws of the California, thereby precluding any choice of law rules which may direct the application of the laws of any other jurisdiction.

9.6 Publicity. No publicity release or announcement concerning this Agreement or the transactions contemplated hereby shall be issued by either party hereto at any time

from the signing hereof without advance approval in writing of the form and substance by the other party.

9.7 Entire Agreement. This Agreement (including the Exhibits and Schedules to be attached hereto) and the collateral agreements executed in connection with the consummation of the transactions contemplated herein contain the entire agreement among the parties with respect to the exchange and issuance of the Shares and related transactions, and supersede all prior agreements, written or oral, with respect thereto.

9.8 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

9.9 Severability of Provisions. The invalidity or unenforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or provision of this Agreement shall in no way affect the validity or enforcement of any other provision or any part thereof.

9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed, shall constitute an original copy hereof, but all of which together shall consider but one and the same document.

9.11 Binding Effect. This Agreement shall be binding upon the parties hereto and inure to the benefit of the parties, their respective heirs, administrators, executors, successors and assigns.

9.12 Tax Treatment. TCC, Owners and LBC acknowledge that they each have been represented by their own tax advisors in connection with this transaction; that none of them has made a representation or warranty to any of the other parties with respect to the tax treatment accorded this transaction, or the effect individually or corporately on any party under the applicable tax laws, regulations, or interpretations; and that no opinion of counsel or private revenue ruling has been obtained with respect to the effects of this transaction under the Internal Revenue Code.

9.13 Press Releases. The parties will mutually agree as to the wording and timing of any informational releases concerning this transaction prior to and through Closing.

9.14 Expenses. Each party will bear its own expenses preceding and following Closing with respect to the actual exchange transaction, all appraisals and audits of TCC and any other expense attributable to this transaction, including normal legal, accounting and governmental reporting obligations of LBC that occur during the pendency of this transaction.

9.15 Attorneys' Fees. In the event of any controversy or dispute arising out of this Agreement, the prevailing party or parties shall be entitled to recover from the non-

prevailing party or parties, reasonable expenses, including, without limitation, attorneys' fees and costs actually incurred.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

True Colors, Inc.  
a California corporation

By:   
Don Lowry,  
President

LBC Global, Inc.,  
a Nevada corporation

By:   
Doug Menke,  
President

  
Don Lowry

  
Erica Echols Lowry