

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM333328

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|---|--|----------------------------------|------------------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Nutri-Health Supplements, LLC | | 10/01/2014 | LIMITED LIABILITY COMPANY: ARIZONA |
| RECEIVING PARTY DATA | | | |
| Name: | Nutri-Health Direct, LLC | | |
| Street Address: | 1301 Sawgrass Corporate Parkway | | |
| City: | Sunrise | | |
| State/Country: | FLORIDA | | |
| Postal Code: | 33323 | | |
| Entity Type: | LIMITED LIABILITY COMPANY: UNITED STATES | | |
| PROPERTY NUMBERS Total: 10 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 3796225 | IFLORA SERENE | |
| Registration Number: | 3686875 | FLORA CALM | |
| Registration Number: | 3677309 | FLORA SINUS | |
| Registration Number: | 3267602 | FLORA SOURCE | |
| Registration Number: | 3364308 | IFLORA | |
| Registration Number: | 2758327 | FLORA ZYME | |
| Registration Number: | 4081283 | FLORABRIGHT HEALTHY BREATH MINTS | |
| Registration Number: | 2871840 | ZYMAFLORA | |
| Registration Number: | 2850963 | IFLORA | |
| Registration Number: | 3835045 | FLORA SLEEP | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | | | |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i> | | | |
| Phone: | 9542333300x1235 | | |
| Email: | anthonyr@natures-products.com | | |
| Correspondent Name: | Anthony Robinson | | |
| Address Line 1: | anthonyr@natures-products.com | | |
| Address Line 4: | Sunrise, FLORIDA 33323 | | |

OP \$265.00 3796225

| | |
|---------------------------|--------------------|
| NAME OF SUBMITTER: | Anthony Robinson |
| SIGNATURE: | /Anthony Robinson/ |
| DATE SIGNED: | 02/26/2015 |

Total Attachments: 192

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ASSET PURCHASE AGREEMENT

between

NUTRI-HEALTH SUPPLEMENTS, L.L.C.,

and

NUTRI-HEALTH ACQUISITION COMPANY, LLC.

dated as of

September 12, 2014

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”), dated as of September 12, 2014, is entered into between Nutri-Health Supplements, L.L.C., an Arizona limited liability company with its principle place of business at 260 Justin Drive, Cottonwood, Arizona 86326 (“**Seller**”), and Nutri-Health Acquisition Company, LLC, a Nevada limited liability company with its principle place of business at 1301 Sawgrass Corporate Parkway, Sunrise, Florida 33323 (“**Buyer**”). Seller and Buyer are each hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, Seller is engaged in the business of manufacturing and selling probiotics and health supplements, primarily through the direct to consumer channel via catalogues and other direct mail (the “**Business**”); and

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets and liabilities of the Business, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

The following terms have the meanings specified or referred to in this **Article 1**:

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the preamble.

“**Annual Financial Statements**” has the meaning set forth in **Section 4.4**.

“**Asset or Liability Dispute**” has the meaning set forth in **Section 12.14(d)**.

“**Assigned Contracts**” has the meaning set forth in **Section 2.1(c)**.

“**Assignment and Assumption Agreement**” has the meaning set forth in **Section 3.2(a)(ii)**.

“**Assumed Liabilities**” has the meaning set forth in **Section 2.3**.

“**Balance Sheet Date**” means December 31, 2013.

“**Beneficial Easements**” has the meaning set forth in **Section 4.9(h)**.

“**Benefit Plan**” has the meaning set forth in **Section 4.14**.

“**Best Efforts**” means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible, provided, however, that a Person required to use his Best Efforts under this Agreement will not be thereby required to take actions that would result in a materially adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions, or to dispose of or make any change to its business, expend any material funds or incur any other material burden.

“**Bill of Sale**” has the meaning set forth in **Section 3.2(a)(i)**.

“**Books and Records**” has the meaning set forth in **Section 2.1(j)**.

“**Business**” has the meaning set forth in the recitals.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in the state of Arizona, the state of New York or the province of Quebec are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble.

“**Buyer Benefit Plans**” has the meaning set forth in **Section 7.1(c)**.

“**Buyer Group**” has the meaning set forth in **Section 6.1**.

“**Buyer Indemnified Persons**” has the meaning set forth in **Section 10.2**.

“**Buyer Parent**” means Nature’s Products, Inc., a Florida corporation.

“**Buyer Parent Guaranty**” means the guaranty in the form of Exhibit G.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

“**Closing**” has the meaning set forth in **Section 3.1**.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Confidentiality Agreement**” means the Confidentiality Agreement, dated as of April 29, 2014, between Buyer Parent and Seller Parent.

“**Consents**” means any approval, consent, ratification, waiver, or other authorization.

“**Contemplated Transactions**” means all of the transactions contemplated by this Agreement and the other Transaction Documents.

“**Contracts**” means all legally binding written or oral contracts, purchase orders, leases, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, and other agreements.

“**Copyrights**” means all applications for copyright registration and registered copyrights in both published works and unpublished works.

“**CPA Firm**” has the meaning set forth in **Section 2.6**.

“**Data Room**” means the electronic documentation site established by Davies Ward Phillips & Vineberg LLP on behalf of Seller containing the documents set forth in the index included in **Section 1.01(a)** of the Disclosure Schedules.

“**Deed**” has the meaning set forth in **Section 3.2(a)(iii)**.

“**Direct Claim**” has the meaning set forth in **Section 10.5(e)**.

“**Disclosure Schedules**” means the Disclosure Schedules delivered by Seller concurrently with the execution and delivery of this Agreement.

“**Dispute Notice**” has the meaning set forth in **Section 12.14(c)**.

“**Disputes**” has the meaning set forth in **Section 12.14(a)**.

“**Dollars**” or “**\$**” means the lawful currency of the United States.

“**Douglas Laboratories**” has the meaning set forth in **Section 7.7(b)**.

“**Drop Dead Date**” means October 15, 2014.

“**Effective Time**” means 12:01 a.m. in the State of Arizona on the date of the Closing.

“**Employees**” mean those Persons employed by Seller who worked for the Business immediately prior to the Closing.

“**Encumbrance**” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

“**Environmental Claim**” means any Governmental Order, action, suit, claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings,

investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law.

“**Environmental Law**” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Body: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term “Environmental Law” includes the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

“**Environmental Notice**” means any written directive, notice of violation or infraction, or notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**Excluded Assets**” has the meaning set forth in **Section 2.2**.

“**Excluded Liabilities**” has the meaning set forth in **Section 2.4**.

“**Financial Statements**” has the meaning set forth in **Section 4.4**.

“**Governing Documents**” means with respect to any particular entity, (a) if a corporation, the articles or certificate of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) any other charter or similar document adopted or filed in connection with the creation, formation or organization of a Person; (f) all equity holders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person, or relating to the rights, duties and

obligations of the equity holders of any Person; and (g) any amendment or supplement to any of the foregoing.

“Governmental Authorization” means any writ, judgment, injunction, decree, stipulation, determination, award, consent, license, or permit issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law.

“Governmental Body” means any: (a) nation, state, county, city, town, borough, village, district, or other jurisdiction; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (d) multi-national organization or body; (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power; (f) any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law); (g) any arbitrator, court or tribunal of competent jurisdiction; or (h) an official of any of the foregoing.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Body.

“Hazardous Materials” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“IFRS” means International Financial Reporting Standards issued by the International Accounting Standards Board.

“Indemnified Party” has the meaning set forth in **Section 10.5**.

“Indemnifying Party” has the meaning set forth in **Section 10.5**.

“Intellectual Property” means any and all of the following in any jurisdiction throughout the world: (a) the Marks; (b) the Copyrights; (c) trade secrets and confidential know-how; (d) patents and patent applications and inventions and discoveries that may be patentable; (e) Net Names; (f) works of authorship, whether or not copyrightable; and (g) all other intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing.

“Intellectual Property Assets” has the meaning set forth in **Section 2.1(d)**.

“Intellectual Property Licenses” means all licenses, sublicenses and other agreements by or through which other Persons, including Seller’s Affiliates, grant Seller exclusive or non-

exclusive rights or interests in or to any Intellectual Property that is used exclusively in connection with the Business.

“Intellectual Property Registrations” means all Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Body or authorized private registrar in any jurisdiction, including registered trademarks, domain names, and copyrights, issued and reissued patents and pending applications for any of the foregoing.

“Interim Balance Sheet” means the unaudited balance sheet of Seller as of August 31, 2014.

“Interim Balance Sheet Date” means August 31, 2014.

“Interim Financial Statements” has the meaning set forth in **Section 4.4**.

“Inventory” has the meaning set forth in **Section 2.1(b)**.

“Knowledge of Seller” or **“Seller’s Knowledge”** or any other similar knowledge qualification, means the actual knowledge of Thomas Callahan and/or Lyne Brousseau.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Body.

“Losses” means actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable attorneys’ fees.

“Marks” means Seller’s name, all assumed fictional business names, trading names, including registered and unregistered trademarks, service marks, and applications and the goodwill connected with the use of and symbolized by the foregoing that are used in connection with the Business and set forth on **Section 4.10(b)** of the Disclosure Schedule.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that, individually or in the aggregate is materially adverse to (a) the business (financial or otherwise), results of operations or financial condition (assets or liabilities) of the Business, taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby; *provided, however,* that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Business operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) any matter of which Buyer is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules (including IFRS) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions

contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Seller and the Business; (ix) any natural or man-made disaster or acts of God; or (x) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

“**Material Consents**” means each of the Consents relating to an Assigned Contract that is identified in Exhibit D.

“**Maximum Amount**” has the meaning set forth in **Section 10.4(b)**.

“**Net Names**” the websites and internet domain name registrations presently used by Seller in the Business.

“**Non-Competition Agreement**” means the non-competition agreement in the form of Exhibit E.

“**Ordinary Course of Business**” means, with respect to actions taken by a Person, that such action is (i) consistent with the past practices of such Person and (ii) taken in the ordinary course of the day-to-day operations of such Person.

“**Parties**” and “**Party**” have the meanings set forth in the preamble.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations and consents required to be obtained from Governmental Bodies.

“**Permitted Encumbrances**” means (a) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) mechanics’, carriers’, workmen’s, repairmen’s or other like liens arising or incurred in the ordinary course of business; (c) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property; and (d) other than with respect to the Real Property, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Body, unincorporated organization, trust, association or other entity.

“**Proceeding**” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“**Purchase Price**” has the meaning set forth in **Section 2.5**.

“**Purchased Assets**” has the meaning set forth in **Section 2.1**.

“**Qualified Benefit Plan**” has the meaning set forth in **Section 4.14(f)**.

“**Real Property**” means the real property and improvements located at 258/260 Justin Drive, Cottonwood, Arizona.

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Restricted Material Consent**” has the meaning set forth in **Section 2.7(a)**.

“**Restricted Period**” has the meaning set forth in **Section 7.7(a)**.

“**Seller**” has the meaning set forth in the preamble.

“**Seller Indemnified Persons**” has the meaning set forth in **Section 10.3**.

“**Seller Parent**” means Atrium Innovations Inc., a Canadian corporation.

“**Seller Parent Guaranty**” means the guaranty in the form of Exhibit F.

“**Tangible Personal Property**” has the meaning set forth in **Section 2.1(e)**.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Third Party Claim**” has the meaning set forth in **Section 10.5(a)**.

“**Transaction Documents**” means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Deed, the Non-Competition Agreement, the Seller Parent Guaranty, the Buyer Parent Guaranty and the other agreements, instruments and documents required to be delivered at the Closing.

“**Transferred Employees**” has the meaning set forth in **Section 7.1(a)**.

“**Transitional Services Agreement**” has the meaning set forth in **Section 7.10**.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale of Assets

Subject to the terms and conditions set forth herein, at the Closing, but effective as of the Effective Time, Seller shall assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of all Encumbrances other than Permitted Encumbrances, all of Seller's right, title and interest in, to and under the following assets, properties (whether real, personal or mixed, tangible and intangible, of every kind and description, wherever located) and rights of Seller (collectively, the "**Purchased Assets**"):

- (a) all accounts or notes receivable of the Business;
- (b) all inventory, finished goods, raw materials, work in progress, packaging (including labels and printed boxes), supplies, parts and other inventories of the Business ("**Inventory**");
- (c) all Contracts set forth on **Section 2.1(c)** of the Disclosure Schedules, the Intellectual Property Licenses set forth on **Section 4.10(a)** of the Disclosure Schedules, all other Contracts that are necessary to conduct the Business in the same manner as conducted prior to the Closing and all outstanding offers or solicitations made by or to Seller to enter into any Contract (collectively, the "**Assigned Contracts**"); provided that, for the avoidance of doubt, the Purchased Assets shall not include any purchase orders;
- (d) all of the intangible rights and property of Seller, including the Intellectual Property Registrations set forth on **Section 4.10(a)** of the Disclosure Schedules; any other Intellectual Property used in the Business, including e-mail addresses and websites (the "**Intellectual Property Assets**");
- (e) all furniture, fixtures, equipment, supplies, software and other tangible personal property of the Business listed on **Section 2.1(e)** of the Disclosure Schedules (the "**Tangible Personal Property**");
- (f) the Real Property;
- (g) all Permits listed on **Section 2.1(g)** of the Disclosure Schedules, but only to the extent such Permits may be transferred under applicable Law;
- (h) all prepaid expenses, advance payments, security, deposits, charges, claims for refunds, rights to offset in respect thereof and sums and fees, in each case, to the extent related to any Purchased Assets;
- (i) all of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;

- (j) all originals, or where not available, copies, of all books and records, including referral sources; production data; reports; service and warranty records; books of account; ledgers and general, financial and accounting records; machinery and equipment maintenance files and logs; customer lists; customer purchasing histories; price lists; telephone numbers; telecopy numbers; distribution lists; supplier lists; quality control records and procedures; customer complaints and inquiry files; research and development files; records and data (including all correspondence with any Governmental Body); operating guides and manuals; sales material and records; internal financial statements; creative materials; advertising materials; promotional and marketing materials; studies; reports; surveys; correspondence; technical information; process technology; plans; drawings; and blue prints that in each case primarily relate to the Business or the Purchased Assets and are in the possession of Seller, other than books and records set forth in **Section 2.2(c)** (“**Books and Records**”);
- (k) all goodwill and going concern value associated with any of the assets described in the foregoing clauses;
- (l) all insurance benefits, including rights and proceeds, arising from or relating to the Purchased Assets or the Assumed Liabilities prior to the Effective Time, unless expended in accordance with this Agreement; and
- (m) all claims of Seller against third parties relating to the Purchased Assets, whether choate or inchoate, known or unknown, contingent or non-contingent.

2.2 **Excluded Assets**

Other than the Purchased Assets subject to **Section 2.1**, Buyer expressly understands and agrees that it is not purchasing or acquiring, and Seller is not selling or assigning, any other assets or properties of Seller, and all such other assets and properties shall be excluded from the Purchased Assets (the “**Excluded Assets**”). Excluded Assets include the following assets and properties of Seller:

- (a) all cash and cash equivalents, bank accounts and securities of Seller;
- (b) all Contracts that are not Assigned Contracts;
- (c) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the organization of Seller, all employee-related or employee benefit-related files or records, other than personnel files of Transferred Employees, and any other books and records which Seller is prohibited from disclosing or transferring to Buyer under applicable Law and is required by applicable Law to retain;
- (d) all insurance policies of Seller;
- (e) subject to **Section 7.1(d)**, all Benefit Plans and trusts or other assets attributable thereto;

(f) all Tax assets (including duty and Tax refunds and prepayments and other governmental charges of whatever nature) of Seller or any of its Affiliates; and

(g) subject to **Section 2.1(m)**, all rights to any action, suit or claim of any nature available to or being pursued by Seller, whether arising by way of counterclaim or otherwise; and

(h) the rights which accrue or will accrue to Seller under the Transaction Documents.

2.3 Assumed Liabilities

Subject to the terms and conditions set forth herein, at the Closing, but effective as of the Effective Time, Buyer shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations of Seller arising out of or relating to the Business or the Purchased Assets on or after the Closing, other than those liabilities and obligations excluded pursuant to **Section 2.4** (collectively, the “**Assumed Liabilities**”), including the following:

(a) all trade accounts payable of Seller that are (i) reflected in the Interim Balance Sheet or (ii) that have been incurred by Seller in the Ordinary Course of Business between the date of the Interim Balance Sheet and the Closing Date which remain unpaid as of the Closing and are not delinquent as of the Closing (including, for the avoidance of doubt, those trade accounts payable of Seller to Seller Parent or its Affiliates for Inventory).

(b) all liabilities and obligations arising under or relating to the Assigned Contracts or arising out of or relating to a breach of such Assigned Contract that occurs after Closing;

(c) except as specifically provided in **Section 7.1**, all liabilities and obligations of Buyer or its Affiliates relating to employee benefits, compensation, or other arrangements with respect to any Transferred Employee arising on or after the Closing;

(d) all liabilities and obligations for (i) Taxes relating to the Business, the Purchased Assets, or the Assumed Liabilities for any taxable period beginning from and after the Effective Time and (ii) Taxes for which Buyer is liable pursuant to **Section 7.6**; and

(e) all other liabilities and obligations arising out of or relating to Buyer’s ownership or operation of the Business and the Purchased Assets on or after the Closing.

2.4 Excluded Liabilities

Other than any such liability relating to the Transferred Employees in respect of facts or circumstances that occur after the Effective Time, Buyer shall not assume and shall not be responsible to pay, perform or discharge any of the following liabilities or obligations of Seller (collectively, the “**Excluded Liabilities**”):

(a) other than those liabilities or obligations assumed by Buyer pursuant to **Section 2.3**, any liabilities or obligations arising out of or relating to Seller’s products, ownership, or operation of the Business and the Purchased Assets prior to the Closing;

- (b) any liabilities or obligations relating to or arising out of the Excluded Assets;
- (c) any liabilities or obligations for (i) Taxes relating to the Business, the Purchased Assets, or the Assumed Liabilities for any taxable period ending on or prior to the date of Closing and (ii) any other Taxes of Seller or any equity holders or Affiliates of Seller (other than Taxes allocated to Buyer under **Section 7.6**) for any taxable period; and (iii) any deferred Taxes of Seller of any nature;
- (d) except as specifically provided in **Section 7.1**, any liabilities or obligations of Seller relating to or arising out of (i) the employment, or termination of employment, of any Employee prior to the Closing, or (ii) workers' compensation claims of any Employee which relate to events occurring prior to the Closing;
- (e) any liabilities or obligations of Seller arising or incurred in connection with the negotiation, preparation, investigation, or performance of this Agreement, the other Transaction Documents, and the transactions contemplated hereby and thereby, including fees and expenses of counsel, accountants, consultants, advisers, and others;
- (f) all liabilities, obligations, or responsibilities arising from any action, suit or claim of any nature available to or being pursued by Seller or against Seller, including with respect to accounts payable, whether arising by way of counterclaim or otherwise;
- (g) any liability arising out of or relating to products of Seller to the extent sold prior to the Effective Time, including with respect to (x) any existing or future claims regarding Seller's trade accounts payable for charge backs, "unsalables", promotional allowances or equivalent deductions or charges however called, whether known or unknown, or (y) any returns other than in the Ordinary Course of Business;
- (h) any liability under any Assigned Contract that arises after the Effective Time, but which arises out of or relates to any breach of such Assigned Contract that occurred prior to the Effective Time;
- (i) any liability under any Contract that is not an Assigned Contract, including any liability arising out of or relating to Seller's or Seller Parent's credit facilities or any security interest related thereto;
- (j) any environmental, health and safety liabilities arising out of or relating to the operation of the Business prior to the Effective Time, or relating to the leasing, ownership or operation of real property by Seller;
- (k) any liability under the Employee Plans or relating to payroll, vacation, sick leave, worker's compensation, unemployment benefits, pension benefits, employee stock option or profit-sharing plans, health care plans or benefits, or any other employee plans or benefits of any kind for Seller's or any of its Affiliate's employees or former employees;
- (l) any liability under any employment, severance, retention or termination agreement with any Employee of Seller or any employee of an Affiliate of Seller;

(m) any liability arising out of or relating to any grievance of an Employee of Seller or any employee of an Affiliate of Seller;

(n) any liability to indemnify, reimburse or advance amounts to any officer, director, Employee or agent of Seller or any of its Affiliates;

(o) any liability arising out of any Proceeding involving Seller that is pending as of the Effective Time, whether or not set forth in the Disclosure Schedules;

(p) any liability arising out of any Proceeding involving the Business that is commenced after the Effective Time and arising out of, or relating to, any occurrence or event happening prior to the Effective Time;

(q) any liability arising out of or resulting from Seller's non-compliance with any Law;

(r) any liability of Seller under this Agreement or any other Transaction Document;
and

(s) any liability of Seller based upon Seller's acts or omissions occurring after the Effective Time.

2.5 Purchase Price

The aggregate purchase price for the Purchased Assets shall be \$5,200,000 (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities.

2.6 Allocation of Purchase Price

Within 60 days after the Closing, Seller shall deliver a schedule allocating the Purchase Price (including any Assumed Liabilities treated as consideration for the Purchased Assets for Tax purposes) (the "**Allocation Schedule**"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Code. The Allocation Schedule shall be deemed final unless Buyer notifies Seller in writing that Buyer objects to one or more items reflected in the Allocation Schedule within sixty (60) days after delivery of the Allocation Schedule to Buyer. In the event of any such objection, Seller and Buyer shall negotiate in good faith to resolve such dispute; *provided, however*, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within sixty (60) days after the delivery of the Allocation Schedule to Buyer, such dispute shall be resolved by an impartial nationally recognized firm of independent certified public accountants mutually appointed by Buyer and Seller (the "**CPA Firm**"). The fees and expenses of such accounting firm shall be borne equally by Seller and Buyer. Seller and Buyer agree to file their respective IRS Forms 8594 and all federal, state and local Tax Returns in accordance with the Allocation Schedule.

2.7 Consents

(a) If any Material Consent has not been obtained (or otherwise is not in full force and effect) as of the Closing, in the case of each Assigned Contract as to which such Material

Consents were not obtained (or otherwise are not in full force and effect) (the “**Restricted Material Contracts**”), Buyer may waive the closing conditions as to any such Material Consent, and either:

- (i) elect to have Seller continue its Best Efforts to obtain the Material Consents, or
- (ii) elect to have Seller retain that Restricted Material Contract and all liabilities arising therefrom or relating thereto.

If Buyer elects to have Seller continue its efforts to obtain any Material Consents and the Closing occurs, notwithstanding **Sections 2.1** and **2.4**, neither this Agreement nor the Assignment and Assumption Agreement nor any other document related to the consummation of the Contemplated Transactions shall constitute a sale, assignment, assumption, transfer, conveyance or delivery, or an attempted sale, assignment, assumption, transfer, conveyance or delivery, of the Restricted Material Contracts, and following the Closing, the Parties shall use Best Efforts, and cooperate with each other, to obtain the Material Consent relating to each Restricted Material Contract as quickly as practicable. Pending the obtaining of such Material Consents relating to any Restricted Material Contract, the Parties shall cooperate with each other in any reasonable and lawful arrangements designed to provide to Buyer the benefits of use of the Restricted Material Contract for its term (or any right or benefit arising thereunder, including the enforcement for the benefit of Buyer of any and all rights of Seller against a third party thereunder). Once a Material Consent for the sale, assignment, assumption, transfer, conveyance and delivery of a Restricted Material Contract is obtained, Seller shall promptly assign, transfer, convey and deliver such Restricted Material Contract to Buyer, and Buyer shall assume the obligations under such Restricted Material Contract assigned to Buyer from and after the date of assignment to Buyer pursuant to a special-purpose assignment and assumption agreement substantially similar in terms to those of the Assignment and Assumption Agreement (which special-purpose agreement the Parties shall prepare, execute and deliver in good faith at the time of such transfer, all at no additional cost to Buyer).

ARTICLE 3

CLOSING

3.1 Closing

Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the “**Closing**”) shall take place at the offices of Davies Ward Phillips & Vineberg LLP, 900 Third Avenue, 24th Floor, New York, NY 10022 at 12:00 pm EST on the later of (i) September 30, 2014 or (ii) the second Business Day following the satisfaction or waiver of all conditions set forth in **Article 8** and **Article 9**.

3.2 Closing Deliverables

- (a) At the Closing, Seller shall deliver to Buyer the following:

- (i) a bill of sale in the form of Exhibit A hereto (the “**Bill of Sale**”) and duly executed by Seller, transferring the tangible personal property included in the Purchased Assets to Buyer;
- (ii) an assignment and assumption agreement in the form of Exhibit B hereto (the “**Assignment and Assumption Agreement**”) and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;
- (iii) with respect to the Real Property, a recordable, special warranty deed in the form of Exhibit C hereto (the “**Deed**”), duly executed and notarized by Seller;
- (iv) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Code duly executed by Seller;
- (v) if requested by Buyer, any Consents or other instruments that may be required to permit Buyer’s qualification in each jurisdiction in which Seller is licensed or qualified to do business as a foreign corporation under the name “Nutri-Health Supplements, L.L.C.” or any derivative thereof;
- (vi) such other customary deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may be required to consummate the Contemplated Transactions in accordance with the terms hereof;
- (vii) the Non-Competition Agreement executed by Seller Parent;
- (viii) a certificate dated as of a date not earlier than the fifth Business Day prior to the Closing as to the good standing of Seller;
- (ix) a certificate executed by Seller as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with **Section 8.1** and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with **Section 8.2**;
- (x) a certificate executed by Seller stating, as of the Effective Time, the value of the accounts payable and accounts receivable of the Business;
- (xi) a certificate executed by Seller stating, as of the Effective Time, that the value of the Inventory, excluding any Inventory delivered prior to Closing that is described on **Section 8.6** of the Disclosure Schedules, is no less than \$385,000; and
- (xii) a certificate of the Secretary of Seller certifying, as complete and accurate as of the Closing, copies of the Governing Documents of Seller, all

requisite resolutions or actions of Seller's board of directors (or similar management body) and equity holders approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and the change of name contemplated by **Section 6.8** and certifying to the incumbency and signatures of the officers of Seller executing this Agreement and any other document relating to the Contemplated Transactions, and accompanied by the requisite documents for amending the relevant Governing Documents of Seller required to effect such change of name in form sufficient for filing with the appropriate Governmental Body.

- (b) At the Closing, Buyer shall deliver to Seller the following:
- (i) the Purchase Price;
 - (ii) the Assignment and Assumption Agreement duly executed by Buyer;
 - (iii) the Non-Competition Agreement executed by Buyer;
 - (iv) a certificate executed by Buyer as to the accuracy of its representations and warranties as of the date of this Agreement and as of the Closing in accordance with **Section 9.1** and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before the Closing in accordance with **Section 9.2**; and
 - (v) a certificate of the Secretary of Buyer certifying, as complete and accurate as of the Closing, copies of the Governing Documents of Buyer, all requisite resolutions or actions of Buyer's board of directors approving the execution and delivery of this Agreement and the consummation of the Contemplated Transactions and certifying to the incumbency and signatures of the officers of Buyer executing this Agreement and any other document relating to the Contemplated Transactions.

3.3 Signing Deliverables

Concurrently with the execution hereof, Seller shall deliver to Buyer the Seller Parent Guaranty duly executed by Seller Parent, and Buyer shall deliver to Seller the Buyer Parent Guaranty duly executed by Buyer Parent.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this **Article 4** are true and correct as of the date hereof.

4.1 Organization and Qualification

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona. Seller has full power and authority and all necessary licenses, permits, and authorizations to conduct the Business as it has been and is now being conducted, and to own, lease, or use the properties and assets that it purports to own or use, and to perform all its obligations under the Assigned Contracts.

(b) Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification. **Section 4.1(b)** of the Disclosure Schedules contains a complete and accurate list of all jurisdictions in which Seller is qualified to do business as a foreign company.

4.2 Authority

(a) Seller has absolute and unrestricted right, power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, and to carry out its obligations under this Agreement and the other Transaction Documents.

(b) The execution and delivery by Seller of this Agreement and any other Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder, and the consummation of the Contemplated Transactions have been duly authorized by all requisite limited liability company action on the part of Seller.

(c) This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution, and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms.

(d) When each other Transaction Document to which Seller is a party has been duly executed and delivered by it (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Seller, enforceable against it in accordance with its terms.

4.3 No Conflicts; Consents

(a) Except as set forth in **Section 4.3(a)** of the Disclosure Schedules, the execution, delivery and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the Contemplated Transactions, do not and will not:

- (i) result in (x) a violation or breach of any provision of Seller's Governing Documents, or (y) any resolution adopted by the board of directors (or other similar management body) of Seller;
- (ii) result in a violation or breach of any provision of any Law or give any Governmental Body the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Law to which Seller or any of the Purchased Assets, may be subject;

- (iii) other than with respect to those Assigned Contracts identified on **Section 2.1(c)** of the Disclosure Schedule as requiring Consent, to the Knowledge of Seller, conflict with, result in a contravention, violation, or breach of, constitute a default under or result in the acceleration of any Assigned Contract;
- (iv) contravene, conflict with, or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by Seller or that otherwise relates to the Purchased Assets or to the Business;
- (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Purchased Assets; or
- (vi) result in any equity holder of Seller having the right to exercise dissenters' appraisal rights.

(b) Except as set forth in **Section 4.3(b)** of the Disclosure Schedules, Seller is not required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(c) To Seller's Knowledge, no Permit, Governmental Authorization, declaration or filing with, or notice to, any Governmental Body is required by or with respect to Seller in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the Contemplated Transactions.

4.4 Financial Statements

(a) Attached to **Section 4.4(a)** of the Disclosure Schedules are copies of the unaudited financial statements consisting of the balance sheet of Seller as of December 31 in each of the years 2011, 2012 and 2013 and the related before tax statements of income (the "**Annual Financial Statements**"); provided that, the Parties hereby acknowledge that the Annual Financial Statements for 2011, 2012 and 2013 (other than the balance sheet for 2011) contain the business conducted by Seller and of "Sedona Labs" but exclude the business of "Sedona Pro" and the balance sheet for 2011 contains the business conducted by Seller, of "Sedona Labs" and of "Sedona Pro".

(b) Attached to **Section 4.4(b)** of the Disclosure Schedules are copies of the unaudited financial statements consisting of the Interim Balance Sheet and the related before tax statements of income (the "**Interim Financial Statements**" and together with the Annual Financial Statements, the "**Financial Statements**"); provided that, the Parties hereby acknowledge that the Interim Financial Statements contain the business conducted by Seller and of "Sedona Labs" but exclude the business of "Sedona Pro".

(c) The Financial Statements have been prepared in accordance with IFRS applied on a consistent basis throughout the period involved, subject to the absence of notes and certain tax

adjustments, the income statements not reflecting any taxes and, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments.

(d) The Financial Statements present the complete and correct (i) financial position and assets and liabilities of the Seller as of each respective period before certain tax adjustments and (ii) results of Seller's operations in conformity with IFRS applied on a consistent basis, subject, in the case of the Interim Financial Statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be significant), the absence of notes (that, if presented, would not differ materially from those included in the Annual Financial Statements) and the income statements not reflecting any taxes.

(e) The Financial Statements have been prepared in accordance with the accounting Books and Records of Seller.

(f) All accounts receivable reflected in the Interim Financial Statements and all accounts receivable of the Business arising after the Interim Balance Sheet Date have arisen only in the Ordinary Course of Business, consistent with past practice and, to the Knowledge of Seller, are not subject to defenses, set-offs or counterclaims. All such accounts receivable are generally due within thirty (30) days after being accrued on the books of Seller and are collectible within ninety (90) days after billing, in the full aggregate recorded amounts thereof, less the amount of the allowance for doubtful accounts shown on the Interim Financial Statements or, with respect to such accounts receivable arising after the Interim Balance Sheet Date, on the accounting records of the Business. The allowance for such doubtful accounts has been determined in accordance with IFRS consistent with past practice.

(g) **Section 4.4(g)** of the Disclosure Schedules contains a summary of each and every individual refundable deposit, prepaid expense and deferred charge made by Seller as of August 31, 2014, and, prior to Closing, the Data Room will contain copies of the documents and other materials that underlie each such individual refundable deposit, prepaid expense, and deferred charge.

(h) As of 5:00 p.m. EST on September 11, 2014, (i) the accounts receivable of the Business that are included within the Purchased Assets are set forth on **Section 4.4(h)(i)** of the Disclosure Schedules and (ii) the accounts payable of the Business that are included within the Assumed Liabilities are set forth on **Section 4.4(h)(ii)** of the Disclosure Schedules.

4.5 Absence of Certain Changes, Events and Conditions

Except as expressly contemplated by this Agreement, from the Interim Balance Sheet Date until the date of this Agreement, Seller has operated the Business only in the ordinary course of business and there has not been, with respect to the Business, any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, a Material Adverse Effect;

(b) amendment to the Governing Documents of Seller;

- (c) incurrence of any indebtedness for borrowed money in connection with the Business in an aggregate amount exceeding \$50,000, except unsecured current obligations and liabilities incurred in the ordinary course of business;
- (d) sale or other disposition of any of the Purchased Assets shown or reflected in the Interim Balance Sheet, except for the sale of Inventory in the ordinary course of business;
- (e) cancellation of any debts or claims or amendment, termination or waiver of any rights constituting Purchased Assets, except in the ordinary course of business;
- (f) entry into, termination of, or receipt of notice of termination of (i) any license, distributorship, dealer, sales representative, joint venture, credit, or similar Contract that is an Assigned Contract, or (ii) any Assigned Contract or transaction regardless of value;
- (g) indication by any customer or supplier of an intention to discontinue or change the terms of its relationship with Seller;
- (h) capital expenditures or capital addition or betterment in each case in excess of \$25,000 except such as may be involved in the ordinary repair, maintenance, and replacement of the assets of Seller;
- (i) imposition of any Encumbrance upon any of the Purchased Assets, except for Permitted Encumbrances;
- (j) payment or increase by Seller of any bonuses, salaries, advance, loan or other compensation to any director, officer or Employee or entry by Seller into any employment, severance, or similar Contract with any director, officer or Employee, other than as provided for in any written agreements or in the ordinary course of business;
- (k) damage to or destruction or loss of any Purchased Asset, whether or not covered by insurance, in excess of \$10,000 in the aggregate;
- (l) material change in the accounting methods used by Seller;
- (m) adoption, termination, amendment or modification of any Benefit Plan other than as set forth on **Section 4.5(m)** of the Disclosure Schedules;
- (n) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;
- (o) purchase or other acquisition of any property or asset that constitutes a Purchased Asset for an amount in excess of \$50,000, except for purchases of Inventory or supplies in the ordinary course of business; or
- (p) any agreement to do any of the foregoing, or any action or omission that would result in any of the foregoing.

4.6 **Assigned Contracts**

(a) Each of the Assigned Contracts is valid and enforceable in accordance with its terms. To the Knowledge of Seller, (i) no party to an Assigned Contract is in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained therein, and (ii) no event has occurred which with or without the giving of notice or lapse of time, or both, would constitute a default under any Assigned Contract.

(b) No Assigned Contract, in the reasonable opinion of Seller, contains any contractual requirement with which there is a reasonable likelihood any party thereto will be unable to comply.

(c) Other than with respect to those Assigned Contracts identified on **Section 2.1(c)** of the Disclosure Schedule as requiring Consent, the failure of the Seller or Parent Seller to obtain the Consent or approval of any party to any Assigned Contract prior to the consummation of the Contemplated Transactions will not result in a default, termination, breach, renegotiation or acceleration of any such Assigned Contract.

(d) Included on **Section 2.1(c)** of the Disclosure Schedules is a specification as to whether the Consent of any third Person or agency is required for the effective assignment of each Assigned Contract.

4.7 **Title to Tangible Personal Property**

(a) All Tangible Personal Property is (i) in good operating condition and repair and (ii) in conformity with applicable Laws.

(b) Seller has good and valid title to, or a valid leasehold interest in, all Tangible Personal Property, free and clear of Encumbrances except for Permitted Encumbrances.

(c) The Inventory conforms to all applicable Laws and is useable and saleable in the Ordinary Course of Business and does not include items below standard quality that are nonsalable. As of the date hereof, the Inventory has a value of not less than \$385,000 determined at the lower of the cost or market, exclusive of freight.

(d) No Person other than Seller owns any Tangible Personal Property other than Tangible Personal Property that has been leased to Seller. All Tangible Personal Property is presently located at the Real Property and will not be removed from the Real Property by Seller without the prior consent of the Buyer.

4.8 **Sufficiency of Assets**

The Purchased Assets (i) constitute all of the assets, tangible and intangible, of any nature whatsoever of Seller other than the Excluded Assets and (ii) are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted.

4.9 Real Property

(a) Seller has good and marketable fee simple title to the Real Property, free and clear of all Encumbrances, except Permitted Encumbrances and those Encumbrances set forth on **Section 4.9(a)** of the Disclosure Schedules.

(b) **Section 4.9(b)** of the Disclosure Schedules contains a list of all reports of inspection by a Governmental Body of the Business, including with respect to the Real Property, since January 1, 2012 under all applicable federal, state and local health and safety Law.

(c) The Real Property is the only real property in which Seller has a fee simple interest, leasehold interest or other interest.

(d) Seller has not received any written notice of existing, pending or threatened (i) condemnation proceedings affecting the Real Property, or (ii) zoning, building code or other moratorium proceedings, or similar matters which would reasonably be expected to materially and adversely affect the ability to operate the Real Property as currently operated. Neither the whole nor any material portion of the Real Property has been damaged or destroyed by fire or other casualty.

(e) Complete and correct copies of each and every of the following, if any, in the possession of Seller or Seller Parent have been made available, prior to the date hereof, for the review of Buyer:

- (i) Title reports, title binders, survey documents and data affording information or opinions with respect to, certifying to, or evidencing the extent, current title, title history, title marketability, use, possession, restriction or regulation, if any, (government or otherwise), and compliance with applicable Laws of the Real Property; and
- (ii) Deed or title holding or trust agreements, if any, under which the Real Property may have been conveyed to Seller or under which the Real Property may be held for the benefit of Seller.

(f) Except as set forth on **Section 4.9(f)** of the Disclosure Schedules, during the three (3) years prior to the date hereof, Seller has not received any written notice that it is, and to Seller's Knowledge it is not, in material violation of any planning, health, safety, fire, zoning, use, occupancy or building regulation, wetlands or Environmental Law or other Law or requirement relating to the Real Property, including the Americans With Disabilities Act, or any order, regulation, deed restriction, covenant, site plan approval, subdivision regulations, urban redevelopment plan, covenant or requirement, and the use being made of the Real Property at present is in compliance in all material respects with the certificate of occupancy issued for the Real Property.

(g) To the Knowledge of Seller, there are no existing or threatened, (i) proceedings to rezone any portion of the Real Property or (ii) condemnation or eminent domain proceedings affecting the Real Property or any portion thereof.

(h) The covenants, conditions, rights-of-way, easements and similar restrictions burdening all or any portion of the Real Property do not, in each case, impair in any material respect the use of any such Real Property in the operation of the Business as currently conducted by Seller, and to the Knowledge of Seller, no default or breach exists thereunder by Seller. Upon consummation of the Contemplated Transactions and conveyance of the Purchased Assets to Buyer, Buyer shall be entitled to enjoy the benefit of all covenants, conditions, rights-of-way, easements, access agreements and similar agreements benefiting all or any portion of the Real Property which Seller enjoys as of the date hereof (collectively, the “**Beneficial Easements**”), or, if the rights, privileges and benefits granted to Seller pursuant to any such Beneficial Easement are not transferable by their terms to Buyer, then Seller shall obtain for Buyer, at Buyer’s request and prior to Closing, at Seller’s expense and subject to Buyer’s reasonable approval thereof, all such agreements, easements, written arrangements and other instruments as may be reasonably required by Buyer in order to receive all rights, privileges and benefits equivalent to those held by Seller pursuant to any such Beneficial Easement.

(i) Seller has good and valid rights of ingress and egress to and from the Real Property from and to the public street systems for all usual street, road and utility purposes and other purposes necessary or incidental to the operation of the Business as currently operated by Seller or has access to such public street system via a permanent, irrevocable easement benefiting the Real Property.

(j) All improvements, buildings and structures located on the Real Property are supplied with adequate utilities and other services necessary for the operation of the Business as currently conducted by Seller. The Real Property is served, as of the date hereof, with water and sanitary sewer service provided by the local municipality in such quality, quantity and manner as are sufficient for the use and operation of the Real Property as currently operated by Seller. The Purchased Assets include all existing agreements, written arrangements, easements and other instruments, if any, providing for the delivery and provision of electric, gas, fuel, water and other utility services to the Real Property.

4.10 Intellectual Property

(a) **Section 4.10(a)** of the Disclosure Schedules contains a complete and accurate list and summary description of all Intellectual Property Registrations and Intellectual Property Licenses. Seller owns or has the right to use all Intellectual Property necessary to conduct the Business as currently conducted. To Seller’s Knowledge, (i) Seller’s conduct of the Business as currently conducted does not infringe, violate, dilute or misappropriate the Intellectual Property of any Person; and (ii) no Person is infringing, violating, diluting or misappropriating any Intellectual Property Assets. No person owns or has any proprietary, financial or other interest, direct or indirect, in any unpatented design or device which is currently used in the Business or the use of which is necessary in the operation of the Business as currently conducted.

(b) With respect to the Marks:

(i) All Marks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of

use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the Closing.

- (ii) Other than as set forth on **Section 4.10(b)(ii)** of the Disclosure Schedules, no Mark has been and is now involved in any opposition, invalidation, or cancellation Proceeding and no such action is threatened with respect to any of the Marks.
 - (iii) To the Knowledge of Seller, there is no potentially interfering trademark or trademark application of any other Person.
 - (iv) No Mark is infringed or, to Seller's Knowledge, has been challenged or threatened in any way. None of the Marks used by Seller infringes or is alleged to infringe any trade name, trademark, or service mark of any other Person.
 - (v) All products and materials containing a Mark bear the proper federal registration notice where permitted by Law.
- (c) With respect to Copyrights, to the extent applicable:
- (i) All of the registered Copyrights used in the Business are currently in compliance with formal legal requirements, are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the date of Closing.
 - (ii) No Copyright used in the Business is infringed or, to Seller's Knowledge, has been challenged or threatened in any way. None of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any other Person or is a derivative work based on the work of any other Person.
 - (iii) All works encompassed by the Copyrights have been marked with the proper copyright notice.
- (d) With respect to trade secrets and confidential know-how, including proprietary software, proprietary technical information, proprietary data, process technology, plans, drawings and blue prints, to the extent applicable:
- (i) The documentation relating to each trade secret and confidential know-how used in the Business is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.
 - (ii) Seller has taken all reasonable precautions to protect the secrecy, confidentiality, and value of all trade secrets and confidential know-how used in the Business, including enforcing a policy prohibiting the

unauthorized distribution or release of private or confidential information to non-employees or to other employees of Seller, who do not have a business-related need to know, as determined by the Seller.

- (iii) Seller has good title and an absolute right to use the trade secrets and confidential know-how used in the Business. The trade secrets and confidential know-how used in the Business are not part of the public knowledge or literature, and, to Seller's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other than Seller) or to the detriment of Seller. To Seller's Knowledge, no trade secrets and confidential know-how used in the Business is subject to any adverse claim or has been challenged or threatened in any way or infringes any intellectual property right of any other Person.
- (e) With respect to the Net Names, to the extent applicable:
 - (i) All Net Names of Seller have been registered in the name of Seller and are in compliance with all formal legal requirements.
 - (ii) No Net Name of Seller has been or is now involved in any dispute, opposition, invalidation or cancellation Proceeding and, to Seller's Knowledge, no such action is threatened with respect to any Net Name of Seller.
 - (iii) To Seller's Knowledge there is no domain name application pending of any other person who would or would potentially interfere with or infringe any Net Name of Seller.
 - (iv) No Net Name of Seller is infringed or, to Seller's Knowledge, has been challenged, interfered with or threatened in any way. No Net Name of Seller infringes, interferes with or is alleged to interfere with or infringe the trademark, copyright or domain name of any other Person.

4.11 Proceedings; Governmental Orders

(a) There are no material outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Business or the Purchased.

(b) **Section 4.11(b)** of the Disclosure Schedules contains a summary of all Proceedings that are pending, or, to the Knowledge of Seller, threatened against Seller, the officers or directors of Seller as such officers or directors, or relating to any of the Purchased Assets or to which Seller or its officers or directors as such officers or directors, is a party, as plaintiff, defendant or otherwise. Other than as set forth in **Section 4.11(b)** of the Disclosure Schedules, there are no Proceedings related to the Business.

4.12 **Compliance With Laws; Permits**

(a) To Seller's Knowledge, Seller is in compliance with all material Laws applicable to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets.

(b) **Section 2.1(g)** of the Disclosure Schedule contains all Permits necessary in the conduct of the Business or for the ownership and use of the Purchased Assets.

(c) All Permits set forth on **Section 2.1(g)** of the Disclosure Schedule have been obtained by Seller and are valid and in full force and effect.

(d) None of the representations and warranties in **Section 4.12** shall be deemed to relate to environmental matters (which are governed by **Section 4.13**), employee benefits matters (which are governed by **Section 4.14**), employment matters (which are governed by **Section 4.15**) or tax matters (which are governed by **Section 4.16**).

4.13 **Environmental Matters**

(a) The operations of Seller with respect to the Business and the Purchased Assets are in compliance in all material respects with all Environmental Laws. Seller has not received from any Person, with respect to the Business or the Purchased Assets, any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the date hereof.

(b) The Real Property has not been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(c) There has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the Business, the Purchased Assets or the Real Property, and Seller has not received any Environmental Notice that the Business or any of the Purchased Assets or Real Property has been contaminated with any Hazardous Material which would reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law by, Seller.

(d) Seller has previously made available to Buyer in the Data Room any and all material environmental reports, studies, audits, records, sampling data, site assessments and other similar documents with respect to the Business, the Purchased Assets or the Real Property which are in the possession or control of Seller.

(e) During the five (5) years prior to the date hereof, Seller has not received any written notice of a material violation, nor, to the Knowledge of Seller, is any material claim or action pending or threatened, asserting actual or potential Liability under any Environmental Law in respect to the Business.

(f) The representations and warranties set forth in this **Section 4.13** are the Seller's sole and exclusive representations and warranties regarding environmental matters.

4.14 **Employee Benefit Matters**

(a) **Section 4.14** of the Disclosure Schedules contains each and every name, current annual compensation rates (including bonuses and commissions), accrued bonus, accrued sick leave, accrued severance pay and accrued vacation pay of all present Employees.

(b) **Section 4.14(b)** of the Disclosure Schedules contains a list of each employment, advisory or consulting agreement that has been entered into by Seller and is currently in effect.

(c) **Section 4.14(c)** of the Disclosure Schedules contains a list of each confidentiality or other agreement protecting the proprietary processes, formulae or information of the Business that Seller has entered into with an Employee or consultant and that is currently in effect.

(d) **Section 4.14(d)** of the Disclosure Schedules contains a list, including all amendments thereto, of all pension, benefit, profit-sharing, other retirement plans, employee stock ownership plans, deferred compensation, ownership, stock purchase, performance share, individual or group bonus or other deferred incentive plans, severance plans, hospitalization, insurance, vacation, death benefit, collective bargaining, union or other employee association agreements, or other similar plans in each case covering employees of Seller (as listed on **Section 4.14** of the Disclosure Schedules, each, a “**Benefit Plan**”).

(e) The latest annual report on Form 5500 for each Benefit Plan and each Internal Revenue Service determination letter regarding each Benefit Plan has been made available to Buyer in the Data Room.

(f) Each Benefit Plan complies with all applicable Laws (including ERISA and the Code and the regulations promulgated thereunder). Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a “**Qualified Benefit Plan**”) has received a favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that could reasonably be expected to cause the revocation of such determination letter from the Internal Revenue Service or the unavailability of reliance on such opinion letter from the Internal Revenue Service, as applicable. With respect to any Benefit Plan, no event has occurred or is reasonably expected to occur that has resulted in or would subject Seller to a Tax under Section 4971 of the Code or the Purchased Assets to a lien under Section 430(k) of the Code.

(g) Except as set forth in **Section 4.14(g)** of the Disclosure Schedules, no Benefit Plan is subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code. To Seller’s Knowledge,, Seller has not: (A) withdrawn from any pension plan under circumstances resulting (or expected to result) in liability; or (B) engaged in any transaction which would give rise to a liability under Section 4069 or Section 4212(c) of ERISA.

(h) Except as set forth in **Section 4.14(h)** of the Disclosure Schedules and other than as required under Section 4980B of the Code or other applicable Law, no Benefit Plan provides benefits or coverage in the nature of health, life or disability insurance following retirement or

other termination of employment (other than death benefits when termination occurs upon death).

(i) Except as set forth in **Section 4.14(i)** of the Disclosure Schedules, and to Seller's Knowledge, no Benefit Plan exists that could: (i) result in the payment to any Employee, director or consultant of the Business of any money or other property; or (ii) accelerate the vesting of or provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any Employee, director or consultant of the Business, in each case, as a result of the execution of this Agreement. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(j) The representations and warranties set forth in this **Section 4.14** are the Seller's sole and exclusive representations and warranties regarding employee benefit matters.

4.15 Employment Matters

(a) Seller is not a party to, or bound by, any collective bargaining or other agreement with a labor organization representing any of the Employees. Since the Balance Sheet Date, there has not been, nor, to Seller's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting Seller or any of the Employees.

(b) To Seller's Knowledge, Seller is in compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to the Employees.

(c) The representations and warranties set forth in this **Section 4.15** are the Seller's sole and exclusive representations and warranties regarding employment matters.

4.16 Taxes

(a) Seller has filed or caused to be filed on a timely basis all Tax Returns and all reports with respect to Taxes of Seller that are or were required to be filed pursuant to applicable Law. All Tax Returns and reports filed by Seller are true, correct and complete. Seller has paid, or made provision for the payment of, all Taxes that have or may have become due for all periods covered by the Tax Returns or pursuant to any assessment received by Seller.

(b) No claim has ever been made or is expected to be made by any Governmental Body in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Encumbrances on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Tax, and, to Seller's Knowledge, there is no basis for assertion of any claims attributable to Taxes which, if adversely determined, would result in any such Encumbrance.

(c) There is no dispute or claim concerning any Taxes of Seller that is either (i) claimed or raised by any Governmental Body in writing or (ii) within Seller's Knowledge.

(d) Seller is not a party to any waiver or extension of any statute of limitations relating to the payment of Taxes of Seller or for which Seller may be liable.

(e) Seller is not a “foreign person” as that term is used in Treasury Regulations Section 1.1445-2.

(f) Except for certain representations related to Taxes in **Section 4.14**, the representations and warranties set forth in this **Section 4.16** are Seller’s sole and exclusive representations and warranties regarding Tax matters.

4.17 Brokers

No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

4.18 No Other Businesses

Seller does not own shares of any corporation and does not have any ownership or other investment interest, either of record, beneficially or equitable, in any association, partnership, joint venture, or other legal entity.

4.19 Insurance

The assets, properties and business of the Seller are insured under various policies of general liability, products liability and other forms of insurance. Seller has not failed to give any notice or present any claim under any such policy in a timely fashion or in the manner or detail required by such policy. No notice of cancellation or nonrenewal with respect to or disallowance of any claim under, any such policy has been received by Seller. There are no outstanding unpaid premiums or claims, and there are no provisions for retroactive or retrospective premium adjustments.

4.20 Customers

Section 4.20 of the Disclosure Schedules sets forth each customer who has paid aggregate consideration to Seller for goods or services rendered in an amount greater than or equal to \$10,000 during the most recent fiscal year of the Business.

4.21 No Other Representations and Warranties

Except for the representations and warranties contained in this **Article 4** (including the related portions of the Disclosure Schedules), none of Seller, Seller Parent or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty as to the accuracy or completeness of any information regarding the Business and the Purchased Assets furnished or made available to Buyer and its Representatives (including any information, documents or material made available to Buyer in the Data Room, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue,

profitability or success of the Business, or any representation or warranty arising from statute or otherwise in law.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this **Article 5** are true and correct as of the date hereof.

5.1 Organization and Qualification

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada. Buyer has full power and authority and all necessary licenses, permits, and authorizations to conduct its business as it has been and is now being conducted, and to own, lease, or use the properties and assets that it purports to own or use.

(b) Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification.

5.2 Authority of Buyer

(a) Buyer has absolute and unrestricted right, power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, and to carry out its obligations under this Agreement and the other Transaction Documents.

(b) The execution and delivery by Buyer of this Agreement and any other Transaction Documents to which it is a party, the performance of its obligations hereunder and thereunder, and the consummation of the Contemplated Transactions have been duly authorized by all requisite limited liability company action on the part of Buyer.

(c) This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution, and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms.

(d) When each other Transaction Document to which Buyer is a party has been duly executed and delivered by it (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer, enforceable against it in accordance with its terms.

5.3 No Conflicts; Consents

(a) The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the Contemplated Transactions, does not and will not:

- (i) result in (x) a violation or breach of any provision of Buyer's Governing Documents, or (y) any resolution adopted by the board of directors (or other similar management body) of Buyer;
- (ii) result in a violation or breach of any provision of any Law or give any Governmental Body the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Law to which Buyer may be subject;

(b) Buyer is not required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(c) To the knowledge of Buyer, no Permit, Governmental Authorization, declaration or filing with, or notice to, any Governmental Body is required by or with respect to Buyer in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the Contemplated Transactions.

5.4 Brokers

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

5.5 Solvency

Immediately after giving effect to the transactions contemplated hereby, Buyer shall be solvent and shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors of Buyer or Seller. In connection with the transactions contemplated hereby, Buyer has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

5.6 Legal Proceedings

There are no actions, suits, claims, investigations, FDA notifications, recalls, or other legal proceedings pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the Contemplated Transactions.

5.7 Independent Investigation

Buyer has conducted its own independent investigation, review and analysis of the Business and the Purchased Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and

data of Seller for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in **Article 4** of this Agreement (including related portions of the Disclosure Schedules); and (b) neither Seller nor any other Person has made any representation or warranty as to Seller, the Business, the Purchased Assets or this Agreement, except as expressly set forth in **Article 4** of this Agreement (including the related portions of the Disclosure Schedules).

ARTICLE 6

COVENANTS OF SELLER PRIOR TO CLOSING

6.1 Access and Investigation

(a) Between the date of this Agreement and the Closing, and upon reasonable advance notice received from Buyer, Seller shall (a) afford Buyer and its Representatives and prospective lenders and their Representatives (collectively, “**Buyer Group**”) full and free access, during regular business hours, to Seller’s management personnel (to the extent that such personnel have been informed of the Contemplated Transaction), the Real Property, Assigned Contracts, Governmental Authorizations, Books and Records, and other documents and data, such rights of access to be exercised in a manner that does not unreasonably interfere with the operations of Seller, (b) furnish Buyer Group with copies of all such Assigned Contracts, Governmental Authorizations, Books and Records, and other existing documents and data as Buyer may reasonably request, (c) furnish Buyer Group with such additional financial, operating, and other relevant data and information as Buyer may reasonably request, and (d) otherwise cooperate and assist, to the extent reasonably requested by Buyer, with Buyer’s investigation of the properties, assets and financial condition related to Seller. In addition, Buyer shall have the right to have the Real Property and Tangible Personal Property inspected by Buyer Group, at Buyer’s sole cost and expense, for purposes of determining the physical condition and legal characteristics of the Real Property and Tangible Personal Property.

(b) Buyer shall have the right, at its sole cost and expense, to perform on-site invasive testing of the Real Property, including any borings, drillings or other samplings, in connection with any Phase I or Phase II environmental report performed for Buyer. Investor shall give Seller written notice that it will be performing such on-site invasive testing, including the identity of the company or persons who will perform such testing and the proposed scope and methodology of the testing. Any such on-site testing conducted by Buyer or its Representatives shall be conducted during normal business hours. In conducting any such on-site testing, Buyer shall: (1) not interfere with the operation and maintenance of the Business and the Real Property; (2) comply with all applicable Laws; (3) promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Real Property; (4) not permit any Encumbrances to attach to the Real Property; (5) promptly repair any damage to the Real Property resulting directly or indirectly from any such on-site testing; and (6) indemnify and hold harmless the Seller Indemnified Persons from any Losses suffered in connection with such on-site testing.

6.2 Operation of Business of Seller

Between the date of this Agreement and the Closing, Seller shall:

- (a) conduct its business only in the Ordinary Course of Business;
- (b) except as otherwise directed by Buyer in writing, and without making any commitment on Buyer's behalf, use its Best Efforts to preserve intact its current business organization, keep available the services of its officers, employees, and agents, and maintain its relations and good will with suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with it;
- (c) confer with Buyer prior to implementing operational decisions of a material nature;
- (d) otherwise report periodically to Buyer concerning the status of the Business, including its operations and finances;
- (e) make no material changes in management personnel without prior consultation with Buyer;
- (f) maintain the Purchased Assets in a state of repair and condition which complies with Law and is consistent with the requirements and normal conduct of the Business;
- (g) keep in full force and effect, without amendment, all material rights relating to the Business;
- (h) comply in all material respects with all Laws applicable to the operations of the Business and with the terms of each Assigned Contract;
- (i) continue in full force and effect insurance coverage under the policies currently held by Seller or substantially equivalent policies;
- (j) except as required to comply with ERISA or to maintain qualification under Section 401(a) of the Code, not amend, modify or terminate any Benefit Plan without the express written consent of Buyer, and except as required under the provisions of any Benefit Plan, not make any contributions to or with respect to any Benefit Plan without the express written consent of Buyer, provided that Seller shall contribute that amount of cash to each Benefit Plan necessary to fully fund all of the benefit liabilities of such Benefit Plan as of the Closing;
- (k) cooperate with Buyer and assist Buyer in identifying the Governmental Authorizations required by Buyer to operate the Business from and after the Closing and either transferring existing Governmental Authorizations of Seller to Buyer, where permissible, or assisting Buyer in obtaining new Governmental Authorizations;
- (l) maintain all Books and Records of Seller relating to the Business in the Ordinary Course of Business.

6.3 **Negative Covenant**

Except as otherwise expressly permitted herein, between the date of this Agreement and the Closing Date, Seller shall not without the prior written Consent of Buyer (not to be unreasonably withheld, conditioned or delayed), (a) make any modification to any material Assigned Contract or Governmental Authorization, (b) take any affirmative action, or fail to take any reasonable action within its control, as a result of which any of the changes or events listed in **Section 4.5** would be likely to occur or (c) allow the levels of raw materials, supplies or other materials included in the Inventories to vary materially from the levels customarily maintained.

6.4 **Required Approvals**

To the extent applicable, Seller shall cooperate with Buyer and its Representatives with respect to all filings that Buyer is required to make pursuant to applicable Law in connection with the Contemplated Transactions.

6.5 **Notification**

Between the date of this Agreement and the Closing, Seller shall promptly notify Buyer in writing if it becomes aware of (i) any fact or condition that causes or constitutes a breach of any of Seller's representations and warranties made as of the date of this Agreement or (ii) the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or Seller's discovery of, such fact or condition. During the same period, Seller also shall promptly notify Buyer of the occurrence of any breach of any covenant of Seller in this **Article 6** or of the occurrence of any event that may make the satisfaction of the conditions in **Article 8** impossible or unlikely.

6.6 **No Negotiation**

From the date hereof until such time as this Agreement shall be terminated pursuant to **Section 11.1**, Seller shall not directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Buyer) relating to any business combination transaction involving Seller, including the sale of Seller's stock, the merger or consolidation of Seller, or the sale of the Business or any of the Purchased Assets (other than in the Ordinary Course of Business). Seller shall notify Buyer of any such inquiry or proposal within one (1) Business Day of receipt of the same by Seller (it being acknowledged that Seller shall be under no obligation to disclose any information (including the name of the Person making the proposal or the amount of the proposal) to Buyer other than that it received a proposal).

6.7 **Best Efforts**

Seller shall use its Best Efforts to cause the conditions in Article 8 to be satisfied.

6.8 **Change of Name**

On or before the Closing, Seller shall (a) amend its Governing Documents and take all other actions necessary to change its name to one sufficiently dissimilar to Seller's present name, in Buyer's reasonable judgment, to avoid confusion and (b) take all actions requested by Buyer to enable Buyer to change its name to Seller's present name.

6.9 **Payment of Liabilities**

Seller shall pay or otherwise satisfy in the Ordinary Course of Business all of its liabilities and obligations.

ARTICLE 7 **COVENANTS**

7.1 **Employees and Employee Benefits**

(a) Buyer shall, or shall cause an Affiliate of Buyer to, offer employment effective as of the Effective Time, to all Employees other than Michael (Hyung) Lee, Karl Canto and Lyne Brousseau, including Employees who are absent due to vacation, family leave, short-term disability or other approved leave of absence (the Employees who accept such employment and commence employment as of the Effective Time, the "**Transferred Employees**").

(b) During the period commencing on the Closing and ending on the date which is twelve (12) months after the Closing (or if earlier, the date of the Transferred Employee's termination of employment with Buyer or an Affiliate of Buyer), Buyer shall, or shall cause an Affiliate of Buyer to, provide each Transferred Employee with: (i) base salary or hourly wages which are no less than the base salary or hourly wages provided by Seller on the Interim Balance Sheet Date; (ii) target bonus opportunities (excluding equity-based compensation), if any, which are no less than the target bonus opportunities (excluding equity-based compensation) provided by Seller immediately prior to the Closing; (iii) retirement and welfare benefits that are no less favorable in the aggregate than those provided by Seller immediately prior to the Closing; and (iv) severance benefits that are no less favorable than the practice, plan or policy in effect for such Transferred Employee immediately prior to the Closing.

(c) With respect to any employee benefit plan maintained by Buyer or an Affiliate of Buyer (collectively, "**Buyer Benefit Plans**") for the benefit of any Transferred Employee, effective as of the Closing, Buyer shall, or shall cause its Affiliate to, recognize all service of the Transferred Employees with Seller, as if such service were with Buyer, for vesting, eligibility and accrual purposes; provided, however, such service shall not be recognized to the extent that (x) such recognition would result in a duplication of benefits or (y) such service was not recognized under the corresponding Benefit Plan.

(d) Effective as soon as practicable after the Effective Time, Seller, or any applicable Affiliate, shall effect a transfer of assets and liabilities (including outstanding loans) from the defined contribution retirement plan that it maintains to the defined contribution retirement plan maintained by Buyer, with respect to the Transferred Employees, in connection with the transactions contemplated by this Agreement. Any such transfer shall be in an amount sufficient

to satisfy Section 414(l) of the Code. Upon the transfer of assets and liabilities into Buyer's plan, all transferred account balances from Seller's plan shall become fully vested.

(e) Effective as of the Closing, the Transferred Employees shall cease active participation in the Benefit Plans. Seller shall remain liable for all eligible claims for benefits under the Benefit Plans that are incurred by the Employees prior to the Closing. For purposes of this Agreement, the following claims shall be deemed to be incurred as follows: (i) life, accidental death and dismemberment, short-term disability, and workers' compensation insurance benefits, on the event giving rise to such benefits; (ii) medical, vision, dental, and prescription drug benefits, on the date the applicable services, materials or supplies were provided; and (iii) long-term disability benefits, on the eligibility date determined by the long-term disability insurance carrier for the plan in which the applicable Employee participates.

(f) Buyer and Seller intend that the transactions contemplated by this Agreement should not constitute a separation, termination or severance of employment of any Employee who accepts an employment offer by Buyer that is consistent with the requirements of **Section 7.1(b)**, including for purposes of any Benefit Plan that provides for separation, termination or severance benefits, and that each such Employee will have continuous employment immediately before and immediately after the Closing. Buyer shall be liable and hold the Seller harmless for: (i) any statutory, common law, contractual or other severance with respect to any Employee, other than an Employee who has received an offer of employment by Buyer on terms and conditions consistent with **Section 7.1(b)** hereof and declines such offer; and (ii) any claims relating to the employment of any Transferred Employee arising in connection with or following the Closing.

(g) This **Section 7.1** shall be binding upon and inure solely to the benefit of each of the Parties, and nothing in this **Section 7.1**, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this **Section 7.1**. Nothing contained herein, express or implied, shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement. The Parties acknowledge and agree that the terms set forth in this **Section 7.1** shall not create any right in any Transferred Employee or any other Person to any continued employment with Buyer or any of its Affiliates or compensation or benefits of any nature or kind whatsoever.

7.2 **Confidentiality**

Buyer acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential information provided to Buyer pursuant to this Agreement.

7.3 **Books and Records**

In order to facilitate the resolution of any claims made against or incurred by Seller after the Closing, for a period of three (3) years after the Closing, Buyer shall:

- (a) retain the Books and Records (including personnel files) relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of Seller; and

- (b) upon reasonable notice, afford the Seller's Representatives reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such Books and Records.

7.4 Public Announcements

Unless otherwise required by applicable Law (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

7.5 Bulk Sales Laws

The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer.

7.6 Transfer Taxes.

All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by Buyer when due.

7.7 Non-competition; Non-solicitation

(a) For a period of twenty-four (24) months after the Closing (the "**Restricted Period**") Seller shall not (and Seller shall not permit any of its Affiliates to) directly or indirectly, (i) engage in the business of selling any vitamins, probiotics supplements, and health and nutritional supplements through catalogues, or direct mail to the general public within the United States; or (ii) cause, induce or encourage any material client, customer, supplier or licensor of the Business to terminate or modify its relationship with the Business in the United States. For the avoidance of doubt, (x) nothing herein shall in any manner restrict the right of Seller, Seller Parent or any of their Affiliates from, at any time, selling any vitamins, probiotics supplements, and health and nutritional supplements to consumers through the Internet or to health care professionals through catalogues and (y) the sale through any channel (including catalogue and direct mail) by any distributor or other Person that is not an Affiliate of Seller or Seller Parent of any, vitamins, probiotics supplements or health and nutritional supplements that were sold to such distributor or other Person by Seller prior to the Effective Time shall not be a breach of this **Section 7.7(a)**.

(b) At no time after Closing shall Seller or any of its Affiliates sell any products using the Marks; provided that, notwithstanding the foregoing, Hi-Vidomin Laboratories, Inc., d/b/a Douglas Laboratories ("**Douglas Laboratories**"), who is an Affiliate of Seller, may continue to use the Mark "MULTI-PROBIOTICS" pursuant to that certain Trademark Coexistence and

Covenant Not to Sue Agreement, dated September 10, 2014, between Douglas Laboratories and Seller.

(c) During the Restricted Period, Seller shall not (and Seller shall not permit any of its Affiliates to) directly or indirectly, hire or solicit any person who is offered employment by Buyer pursuant to **Section 7.1(a)** or is or was employed in the Business during the Restricted Period, or encourage any such employee to leave such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, that* nothing in this **Section 7.7(c)** shall prevent Seller, Seller Parent or any of their Affiliates from soliciting or hiring (i) Michael (Hyung) Lee, Karl Canto or Lyne Brousseau, (ii) any employee whose employment has been terminated by Buyer or (iii) after 180 days from the date of termination of employment, any employee whose employment has been terminated by the employee.

(d) Neither Party shall prohibit any consultant that performs work for the other Party from performing such work.

(e) If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in this **Section 7.7** is invalid or unenforceable, then the Parties agree that such provisions shall automatically be modified to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision and a court or arbitrator is hereby expressly authorized to so modify this Agreement. This **Section 7.7** will be enforceable as so modified after the expiration of the time within which the judgment may be appealed. This **Section 7.7** is reasonable and necessary to protect and preserve Buyer's legitimate business interests and the value of the Purchased Assets and to prevent any unfair advantage conferred on Seller.

7.8 Best Efforts

Buyer shall use its Best Efforts to cause the conditions in **Article 9** to be satisfied.

7.9 Required Approvals

To the extent applicable, Buyer shall cooperate with Seller and its Representatives with respect to all filings that Seller is required to make pursuant to applicable Law in connection with the Contemplated Transactions.

7.10 Transitional Services Agreement

(a) Between the date hereof and Closing, Seller and Buyer shall cooperate with one another in good faith in order to negotiate and agree upon a transition services agreement (the "**Transitional Services Agreement**") pursuant to which Seller and its Affiliates will provide certain services to Buyer (and make certain Employees available to Buyer, including Michael (Hyung) Lee, Karl Canto and Lyne Brousseau) that are necessary for the continued operation of the Business for a transition period not to exceed forty-five (45) days after Closing on terms and conditions and remuneration as will be reasonably agreed by the Parties. The general services to be provided under the Transitional Services Agreement shall be the following (in each case

solely to the extent related to the Business, the Purchased Assets, the Assumed Liabilities and/or the Transferred Employees):

(i) **Legal Services.** Seller shall provide Buyer with reasonably requested assistance with regard to the legal aspects to (i) its intellectual property portfolio and in the acquisition of domain names, and similar properties; (ii) data privacy and security policies and procedures; (iii) employment matters; (iv) contract management; (v) risk control; (vi) compliance; and (vii) any other reasonably requested knowledge transfer and general assistance regarding corporate legal matters and threatened or active Proceedings.

(ii) **Finance and Accounting Services.** Seller shall provide Buyer with reasonably requested assistance with regard to (i) preparation and processing of certain journal entries and allocations related to the payroll accounting function; (ii) certain reconciliations, subledger maintenance procedures, and systems conversion related to the fixed asset accounting function; (iii) support during the conversion process related to the time and expense reporting function; (iv) standard setup, processing, maintenance, and assistance with systems conversion related to the financial, operational, and inventory management systems; (v) performance of closing of each calendar month end during the term of the Transitional Services Agreement; (vi) and other reasonably requested knowledge transfer and general assistance regarding Seller's finance and accounting practices, policies, and procedures.

(iii) **Human Resources Administration and Benefits Services.** Seller shall provide Buyer with reasonably requested assistance with regard to the management of the transfer of the employee benefits for the Transferred Employees.

(iv) **Information Technology Support Services.** Seller shall provide information technology, network services, information technology management, and telecommunications support in the transition from Seller's to Buyer's IT systems, policies, and procedures.

(v) **Product Formulation and Development Services.** Seller shall provide Buyer with reasonably requested assistance with regard to the transition of Seller's product formulations and developmental plans to the extent necessary for Buyer to conduct the Business and realize the intended value of the Purchased Assets.

(vi) **Transfer of Purchased Assets.** Seller shall provide Buyer with reasonably requested assistance with regard to the coordination of the transfer of the Purchased Assets to Buyer's manufacturing facilities.

(b) Between the date hereof and Closing, Seller and Buyer shall cooperate with one another in good faith in order to negotiate and agree upon an Escrow Agreement for the receipt and transfer to buyer of all cash assets received by Seller during the term of Transitional Services Agreement, other than Excluded Assets. Upon Closing, Seller and Buyer shall establish an escrow account to receive said cash assets, which will be deposited at the close of each business day into an account owned exclusively by Buyer.

7.11 **Further Assurances**

Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

ARTICLE 8 **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE**

Buyer's obligation to purchase the Purchased Assets and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

8.1 **Accuracy of Representations**

The representations and warranties of Seller contained in **Sections 4.1, 4.2, 4.7(b)** and **4.9(a)** shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made.

8.2 **Seller's Performance**

All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

8.3 **Consents**

Each of the Material Consents shall have been obtained and shall be in full force and effect.

8.4 **Documents**

Seller has caused the documents and instruments required by **Section 3.2(a)** to be delivered (or tendered subject only to Closing) to Buyer.

8.5 **No Injunction or Proceedings**

There shall not be in effect any Law or an injunction or other Governmental Authorization that (a) prohibits the consummation of the Contemplated Transactions and (b) has been adopted or issued, or has otherwise become effective, since the date hereof.

8.6 **Inventory**

Seller shall have received shipments of the products set forth on **Section 8.6** of the Disclosure Schedules in the quantities set forth on **Section 8.6** of the Disclosure Schedules, and shall have received such other products and quantities as the Parties may agree each acting reasonably.

ARTICLE 9 **CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE**

9.1 **Accuracy of Representations**

The representations and warranties of Seller contained in **Sections 5.1** and **5.2** shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made. All of Buyer's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been (giving effect to any "Knowledge" qualifiers and/or dollar thresholds but without giving effect to materiality qualifiers) accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made, except where the failure of such representations and warranties to be accurate in all material respects has not had or would not reasonably be expected to have a material effect on Buyer's ability to consummate the Contemplated Transactions.

9.2 **Buyer's Performance**

All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of these covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

9.3 **Documents**

Buyer has caused the documents and instruments required by **Section 3.2(b)** to be delivered (or tendered subject only to Closing) to Seller.

9.4 **No Injunction**

There shall not be in effect any Law or an injunction or other Governmental Authorization that (a) prohibits the consummation of the Contemplated Transactions and (b) has been adopted or issued, or has otherwise become effective, since the date hereof.

ARTICLE 10
INDEMNIFICATION

10.1 **Survival**

All representations, warranties, covenants, and obligations in this Agreement, the Disclosure Schedules, the certificates delivered pursuant to **Section 3.2**, and any other certificate or document delivered pursuant to this Agreement shall survive the Closing and the consummation of the Contemplated Transactions, subject to **Section 10.8**. Subject to **Section 10.4(g)**, (x) the right to indemnification, reimbursement, or other remedy based on such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time after the execution and delivery of this Agreement or the Closing, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation and (y) the waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, reimbursement, or other remedy based on such representations, warranties, covenants and obligations.

10.2 **Indemnification and Reimbursement By Seller**

Seller will indemnify and hold harmless Buyer, and its Representatives, equity holders, subsidiaries, and Affiliates (collectively, the “**Buyer Indemnified Persons**”), and will reimburse the Buyer Indemnified Persons, for any Losses arising from or in connection with:

(a) any breach of any representation or warranty made by Seller in (i) this Agreement, (ii) the Disclosure Schedules, (iii) the certificates delivered pursuant to **Section 3.2(a)**, (iv) any transfer instrument delivered pursuant this Agreement or (v) any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(b) any breach of any covenant or obligation of Seller in this Agreement or in any other certificate, document, writing or instrument delivered by Seller pursuant to this Agreement;

(c) any liability arising out of the ownership or operation of the Purchased Assets prior to the Effective Time other than the Assumed Liabilities;

(d) any brokerage or finder’s fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any Person with Seller or Seller Parent (or any Person acting on their behalf) in connection with any of the Contemplated Transactions;

(e) any product or component thereof manufactured by or shipped, or any services provided by, Seller, in whole or in part, prior to the Effective Time (other than to the extent such Losses were caused or exacerbated by Buyer’s actions after the Effective Time);

(f) any noncompliance with any bulk sales Laws or fraudulent transfer Law in respect of the Contemplated Transactions;

(g) subject to **Section 7.1(d)**, any Employee Plan established or maintained by Seller;
or
any Excluded Liabilities.

10.3 Indemnification By Buyer

Buyer will indemnify and hold harmless Seller and its Representatives, shareholders, subsidiaries, and Affiliates (collectively, the “**Seller Indemnified Persons**”), and will reimburse the Seller Indemnified Persons, for any Losses arising from or in connection with:

(a) any breach of any representation or warranty made by Buyer in (i) this Agreement, (ii) the certificates delivered pursuant to **Section 3.2(b)**, (iii) any transfer instrument delivered pursuant this Agreement or (iv) any other certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;

(b) any breach of any covenant or obligation of Buyer in this Agreement or in any other certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;

(c) any liability arising out of the ownership or operation of the Business after the Effective Time;

(d) any brokerage or finder’s fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any Person with Buyer (or any Person acting on its behalf) in connection with any of the Contemplated Transactions;

(e) any product or component thereof manufactured by or shipped, or any services provided by, Buyer, in whole or in part, after the Effective Time (other than to the extent such Losses were caused or exacerbated by Seller’s actions prior to the Effective Time); or

(f) any Assumed Liability.

10.4 Certain Limitations

The Party making a claim under this **Article 10** is referred to as the “**Indemnified Party**”, and the Party against whom such claims are asserted under this **Article 10** is referred to as the “**Indemnifying Party**”. The indemnification provided for in **Section 10.2** and **Section 10.3** shall be subject to the following limitations:

(a) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification under **Section 10.2(a)** or **Section 10.3(a)**, as the case may be, until the aggregate amount of all Losses in respect of indemnification under **Section 10.2(a)** or **Section 10.3(a)** exceeds \$50,000 (the “**Deductible**”), in which event the Indemnifying Party shall only be required to pay or be liable for Losses in excess of the Deductible. With respect to any claim as to which the Indemnified Party may be entitled to indemnification under **Section 10.2(a)** or **Section 10.3(a)**, as the case may be, the Indemnifying Party shall not be liable for any individual

or series of related Losses which do not exceed \$15,000 (which Losses shall not be counted toward the Deductible).

(b) The aggregate amount of all Losses for which an Indemnifying Party shall be liable pursuant to **Section 10.2(a)** or **Section 10.3(a)**, as the case may be, shall not exceed \$1,000,000 (the “**Maximum Amount**”).

(c) Payments by an Indemnifying Party pursuant to **Section 10.2** or **Section 10.3** in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(d) Payments by an Indemnifying Party pursuant to **Section 10.2** or **Section 10.3** in respect of any Loss shall be reduced by an amount equal to any Tax benefit realized or reasonably expected to be realized as a result of such Loss by the Indemnified Party.

(e) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(g) Seller shall not be liable under this **Article 10** for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller if Buyer had knowledge of such inaccuracy or breach prior to the date hereof. Buyer shall not be liable under this **Article 10** for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Buyer if Seller had Knowledge of such inaccuracy or breach prior to the date hereof.

10.5 Indemnification Procedures

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a “**Third Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies

of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party.

(b) The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to **Section 10.5(d)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party.

(c) The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to **Section 10.5(d)**, pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of **Section 7.2**) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(d) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this **Section 10.5(d)**. If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to **Section 10.5(a)**, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(e) **Direct Claims.** Any claim by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified

Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. During such 30-day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

10.6 Tax Treatment of Indemnification Payments

All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

10.7 Exclusive Remedies

Subject to **Section 12.11**, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud on the part of a Party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article 10**. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Party and such other Party's Affiliates and Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **Article 10**. Nothing in this **Section 10.7** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to **Section 12.11** or to seek any remedy on account of any fraud by either Party.

10.8 Time Limitations

(a) If the Closing occurs, Seller will have liability (for indemnification or otherwise) with respect to any breach of (i) a covenant or obligation to be performed or complied with prior to the Closing (other than those in **Article 7**, as to which a claim may be made at any time prior

to ninety (90) calendar days following the expiration of any obligation thereof in accordance with its terms) or (ii) a representation or warranty (other than those in **Sections 4.1, 4.2, 4.7(b)** and **4.9(a)**) as to which a claim may be made at any time and **Section 4.13** as to which a claim may be made any time before the eighteenth (18th) month anniversary of the Closing), but only if on or before the one (1) year anniversary of the Closing Buyer notifies Seller of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Buyer.

(b) If the Closing occurs, Buyer will have liability (for indemnification or otherwise) with respect to any breach of (i) a covenant or obligation to be performed or complied with prior to the Closing (other than those in **Article 7**, as to which a claim may be made at any time prior to ninety (90) calendar days following the expiration of any obligation thereof in accordance with its terms) or (ii) a representation or warranty (other than those in **Sections 5.1** and **5.2** as to which a claim may be made at any time), but only if on or before the one (1) year anniversary of the Closing Seller notifies Buyer of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by Seller.

ARTICLE 11 **TERMINATION**

11.1 **Termination**

This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by Buyer by written notice to Seller if:
 - (i) Buyer is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article 8** and such breach, inaccuracy or failure cannot be cured by Seller by the Drop Dead Date; or
 - (ii) any of the conditions set forth in **Article 8** shall not have been satisfied by the Drop Dead Date, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;
- (c) by Seller by written notice to Buyer if:
 - (i) Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article 9** and such breach, inaccuracy or failure cannot be cured by Buyer by the Drop Dead Date; or

- (ii) any of the conditions set forth in **Article 9** shall not have been fulfilled by the Drop Dead Date, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or
- (d) by Buyer or Seller in the event that:
 - (i) there shall be any Law that makes consummation of the Contemplated Transactions illegal or otherwise prohibited; or
 - (ii) any Governmental Body shall have issued a Governmental Order restraining or enjoining the Contemplated Transactions, and such Governmental Order shall have become final and non-appealable.

11.2 Effect of Termination

In the event of the termination of this Agreement in accordance with this **Article 11**, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto except (i) as set forth in this **Article 11, Section 7.2** and **Article 12** hereof; and (ii) that nothing herein shall relieve any Party hereto from liability for any intentional breach of any provision hereof.

ARTICLE 12 MISCELLANEOUS

12.1 Expenses

Except as otherwise expressly provided herein (including **Section 7.6** hereof), all costs and expenses, including 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.

12.2 Notices

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 12.2**):

If to Seller: c/o Atrium Innovations Inc.
2 Place Alexis-Nihon
3500, boul. de Maisonneuve Ouest,
Bureau 2405
Westmount (Québec) H3Z 3C1 Canada
Facsimile: (514) 221-3971
E-mail: dt@atrium-innovations.com
Attention: David Torralbo, Vice
President, Corporate & Legal Affairs

with a copy to: Davies Ward Phillips & Vineberg LLP
900 Third Avenue, 24th Floor
New York, New York 10022
Facsimile: (212) 308-0132
E-mail: pwatkins@dwpv.com
Attention: Paul Watkins

If to Buyer: 1301 Sawgrass Corporate Parkway
Sunrise, Florida 33323
E-mail: josem@natures-products.com
Attention: Jose Minski, President

with a copy to: Nature's Products, Inc.
E-mail: anthonyr@natures-products.com
Attention: Anthony Robinson,
General Counsel

12.3 Interpretation

For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

12.4 Headings

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

12.5 Severability

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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 a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

12.6 Entire Agreement

This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits, the Schedules and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

12.7 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

12.8 No Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

12.9 Amendment and Modification; Waiver

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by either Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by either Party shall operate or be construed as a waiver in respect of any failure,

breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

12.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the state of New York or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY ONLY BE INSTITUTED IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT THEREOF, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.10(c).

12.11 **Specific Performance**

The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

12.12 **Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

12.13 **Non-recourse**

This Agreement may only be enforced against, and any claim, action, suit or other legal proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, Affiliate, agent, attorney or other Representative of any party hereto or of any Affiliate of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party hereto under this Agreement or for any claim, action, suit or other legal proceeding based on, in respect of or by reason of the transactions contemplated hereby.

12.14 **Dispute Resolution**

(a) Except with respect to the matters to be resolved by the CPA Firm as set forth in **Section 2.6**, which shall be resolved in accordance with the terms thereof, from and after the Closing, the resolution of any and all disputes arising from or in connection with this Agreement, whether based on contract, tort, or otherwise (collectively, “**Disputes**”), shall be exclusively governed by and settled in accordance with the provisions of this **Section 12.14**; provided, however, that this **Section 12.14** shall not preclude any Party from seeking injunctive relief in a court of competent jurisdiction without complying with the following provisions of this **Section 12.14**.

(b) The Parties hereto shall use all commercially reasonable efforts to settle all Disputes without resorting to mediation, arbitration or otherwise.

(c) The Party asserting a Dispute shall deliver to the other Party a written notice setting forth the basis for the issue in detail, and identifying the section of this Agreement that provides the basis for such Dispute (the “**Dispute Notice**”). Within ten (10) Business Days of receipt of a Dispute Notice, the issue shall be elevated to a designated panel of four individuals, which shall be comprised of two representatives from Buyer and two representatives of Seller who are familiar with the Business (one who shall be a business representative, and the other

who shall be a technical or accounting representative, as appropriate). The panel may be assisted by other advisors, including accountants, attorneys, and employees, in its discussions and review. Such representatives shall be empowered and authorized to bind their respective companies with respect to the matter in dispute, and to settle the issue on behalf of their respective companies. These representatives shall for thirty (30) Business Days after receipt of the Dispute Notice, confer and in good faith make a reasonable effort to resolve the issue.

(d) In the event that the Dispute involves whether any asset is intended to be a Purchased Asset or whether any liability is intended to be an Assumed Liability, in each case consistent with the terms hereof (an “**Asset or Liability Dispute**”), and the panel is unable to reach an agreement under **Section 12.14(c)** above within thirty (30) Business Days of receipt of the Dispute Notice, then each of Buyer and Seller shall call for a higher level resolution discussion, pursuant to which each of Buyer and Seller shall designate in writing by notice to the other Party within ten (10) Business Days after the expiration of such thirty (30) Business Day period a higher level management employee to discuss and attempt to resolve the dispute. Such higher level management employees may be assisted by other advisors, including accountants, attorneys, and employees, in their discussions and negotiations with the other Party. Buyer and Seller agree to negotiate in good faith with one another for an additional period ending sixty (60) Business Days after receipt of the Dispute Notice.

(e) In the event that any Asset or Liability Dispute remains unsettled after the procedures set forth in **Section 12.14(d)** or in the event any other Dispute remains unsettled after the procedures set forth in **Section 12.14(c)**, the Parties must submit the dispute to JAMS for mediation. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the matter has been submitted to JAMS for mediation. Either Party may commence mediation by providing a written request for mediation to JAMS and the opposing Party that sets forth the subject of the dispute and the relief requested. The Parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in scheduling the mediation proceedings. The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either Party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither Party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, or forty-five (45) days after the date of filing the written request for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire. The provisions of this **Section 12.14** may be enforced by any court of competent jurisdiction, and the Party seeking enforcement shall be entitled to an award of all reasonable out-of-pocket costs, fees and expenses, including attorneys’ fees, to be paid by the Party against whom enforcement is ordered.

(f) In the event that any Dispute or Asset or Liability Dispute remains unsettled after the procedures set forth in **Section 12.14(c)-(e)** a Party may commence proceedings in any court specified in **Section 12.10**.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective representatives thereunto duly authorized.

NUTRI-HEALTH SUPPLEMENTS, L.L.C.

By 
Name: David Torralba
Title: Authorized Signatory

NUTRI-HEALTH
ACQUISITION COMPANY, LLC


By 
Name:
Title:

EXHIBIT A

Form of Bill of Sale

BILL OF SALE

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Nutri-Health Supplements L.L.C., an Arizona limited liability company (“**Seller**”), does hereby grant, bargain, transfer, sell, assign, convey and deliver to Nutri-Health Acquisition Company, a Nevada limited liability company (“**Buyer**”), all of its right, title and interest in and to the Tangible Personal Property set forth on Exhibit A hereto, to have and to hold the same unto Buyer, its successors and assigns, forever.

Capitalized terms not defined herein shall have the meanings set forth in the Asset Purchase Agreement, dated as of September ____, 2014, by and between Seller and Buyer (the “**Purchase Agreement**”).

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed and transferred by this Bill of Sale.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of _____, 2014

NUTRI-HEALTH SUPPLEMENTS L.L.C.

By _____

Name:

Title:

EXHIBIT A
TANGIBLE PERSONAL PROPERTY

EXHIBIT B

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement, dated _____, 2014 (this “**Assignment**”) is by and between Nutri-Health Supplements L.L.C., an Arizona limited liability company (“**Assignor**”), and Nutri-Health Acquisition Company, a Nevada limited liability company (“**Assignee**”).

RECITALS

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of September [●], 2014, by and between Assignee and Assignor (the “**Purchase Agreement**”), Assignor, among other things, has agreed to sell, assign, transfer, convey and deliver, and Assignee has agreed to accept and assume, each of (i) the Assigned Contracts set forth on Exhibit A hereto, (ii) the Permits set forth on Exhibit B hereto and (iii) all of the intangible rights and property of Seller, including the Property Registrations set forth on Exhibit C, and all other Intellectual Property used in the Business (collectively, the “**Assigned Assets**”). [NTD – Exhibit A to include all Contracts and Intellectual Property Licenses transferred pursuant to Section 2.1(c) of the Purchase Agreement. Exhibit B to include all Permits transferred pursuant to Section 2.1(g) of the Purchase Agreement. Exhibit C to include all Intellectual Property Registrations transferred pursuant to Section 2.1(d) of the Purchase Agreement.]

NOW, THEREFORE, for and in consideration of the mutual covenants, payments and agreements contained herein, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Assignor and Assignee agree as follows:

Defined Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Assignment. Assignor hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller’s right, title and interest in and to the Assigned Assets. Buyer hereby accepts such assignment and assumes all of Seller’s duties and obligations under the Assigned Assets and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller under the Assigned Assets.

Terms of Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assigned Assets are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between

the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

Counterpart Copies. This Assignment may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. Copies of executed counterparts transmitted by facsimile or other electronic transmission service shall be considered original executed counterparts for purposes of this section.

Governing Law. This Assignment shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made in and to be wholly performed in such state, without regard to principles of conflicts of laws to the extent that such principles would permit or require the application of laws of another jurisdiction. The parties consent to the jurisdiction of the courts of the State of New York sitting in New York County, and the United States District Court of the Southern District of New York and any appellate court thereof for any action arising out of matters related to this Agreement.

Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment as of the date first written above.

NUTRI-HEALTH SUPPLEMENTS, L.L.C.

By _____

Name:

Title:

NUTRI-HEALTH ACQUISITION
COMPANY, LLC

By _____

Name:

Title:

EXHIBIT A
ASSIGNED CONTRACTS

EXHIBIT B
ASSIGNED PERMITS

EXHIBIT C
INTELLECTUAL PROPERTY REGISTRATIONS

EXHIBIT C

Form of Special Warranty Deed

WHEN RECORDED, RETURN TO:

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **NUTRI-HEALTH SUPPLEMENTS, L.L.C., an Arizona limited liability company** (“Grantor”), does hereby grant and convey to **NUTRI-HEALTH ACQUISITION COMPANY, LLC, a Nevada limited liability company** (“Grantee”), the following real property situated in Yavapai County, Arizona together with all of Grantor’s rights in and to the following: (a) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders; (b) any rights to any adjoining strips or gores of property and any land lying within the bed of any adjoining street; and (c) any other rights or privileges appurtenant to such real property or used in connection therewith (collectively, the “Property”), such real property more particularly described on Exhibit “A” attached hereto and incorporated herein by this reference.

SUBJECT TO: (i) real property taxes and assessments not yet due and payable; (ii) reservations in patents from the United States or the State of Arizona; (iii) all easements, right-of-way, covenants, conditions and restrictions and any other matters of record affecting the Property as may appear of record; and (iv) any matters that a correct survey or physical inspection of the Property would disclose.

The Grantor hereby binds itself and its successors to warrant and defend the title against all acts of Grantor herein and no other, subject only to the matters above set forth.

SIGNATURE AND ACKNOWLEDGMENT PAGE TO FOLLOW

DATED this ____ day of _____, 2014.

GRANTOR:

NUTRI-HEALTH SUPPLEMENTS, L.L.C.,
an Arizona limited liability company

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by _____ as _____ of Nutri-Health Supplements, L.L.C., an Arizona limited liability company, who acknowledged that he/she executed the foregoing document for the purposes therein contained.

Notary Public

My Commission Expires:

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT D

Material Consents

1. Datalogix, Inc. Master Services Agreement (2012-04-25)
2. Keynote Systems, Inc. Service Agreement (2014-03-21)
3. Mercent Corporation Retail Services Agreement (2013-12-09)
4. Rackspace Hosting Services Agreement (2013-10-04)
5. Smart Focus US, Inc. Sales order (2014-03-31)
6. GTC Nutrition License Agreement (2009-07-09)
7. Naturex Inc. Trademark License Agreement (2009-07-09)
8. Bionergy Inc. Agreement of Sale and Assignment (2011-01-24)
9. Hi-Vidomin Laboratories d/b/a Douglas Laboratories -Trademark coexistence Agreement and Covenant not to Sue

EXHIBIT E

Form of Non-Competition Agreement

NON-COMPETITION AGREEMENT

This NON-COMPETITION AGREEMENT (this “**Agreement**”), dated as of _____, 2014, is entered into between Atrium Innovations Inc., a Canadian corporation (the “**Seller Parent**”) and Nutri-Health Acquisition Company, a Nevada limited liability company (the “**Buyer**”).

RECITALS

WHEREAS, the Buyer and Nutri-Health Supplements, L.L.C., an Arizona limited liability company (“**Seller**”), are parties to that certain Asset Purchase Agreement, dated September ____, 2014 (the “**Asset Purchase Agreement**”);

WHEREAS, Seller is a wholly-owned indirect subsidiary of Seller Parent; and

WHEREAS, as an inducement to Buyer’s execution and delivery of the Asset Purchase Agreement and its consummation of the transactions contemplated thereby, Seller Parent has agreed to enter into this Agreement in order to protect and preserve Buyer’s legitimate business interests and the value of the Purchased Assets.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement.

2. For a period of twenty-four (24) months after the Closing (the “**Restricted Period**”) Seller Parent shall not (and Seller Parent shall not permit any of its Affiliates to) directly or indirectly, (i) engage in the business of selling any vitamins, probiotics supplements, and health and nutritional supplements through catalogues, or direct mail to the general public within the United States; or (ii) cause, induce or encourage any material client, customer, supplier or licensor of the Business to terminate or modify its relationship with the Business in the United States. For the avoidance of doubt, (x) nothing herein shall in any manner restrict the right of Seller, Seller Parent or any of their Affiliates from, at any time, selling any vitamins, probiotics supplements, and health and nutritional supplements to consumers through the Internet or to health care professionals through catalogues and (y) the sale through any channel (including catalogue and direct mail) by any distributor or other Person that is not an Affiliate of Seller or Seller Parent of any, vitamins, probiotics supplements or health and nutritional supplements that were sold to such distributor or other Person by Seller prior to the Effective Time shall not be a breach of this Section 2.

3. At no time after Closing shall Seller Parent or any of its Affiliates sell any products using the Marks; provided that, notwithstanding the foregoing, Hi-Vidomin Laboratories, Inc.,

d/b/a Douglas Laboratories (“**Douglas Laboratories**”), who is an Affiliate of Seller Parent, may continue to use the Mark “MULTI-PROBIOTICS” pursuant to that certain Trademark Coexistence and Covenant Not to Sue Agreement, dated September 10, 2014, between Douglas Laboratories and Seller.

4. During the Restricted Period, Seller Parent shall not (and Seller Parent shall not permit any of its Affiliates to) directly or indirectly, hire or solicit any person who is offered employment by Buyer pursuant to Section 7.1(a) of the Asset Purchase Agreement or is or was employed in the Business during the Restricted Period, or encourage any such employee to leave such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, that* nothing in this Section 3 shall prevent Seller, Seller Parent or any of their Affiliates from soliciting or hiring (i) Michael (Hyung) Lee, Karl Canto or Lyne Brousseau, (ii) any employee whose employment has been terminated by Buyer or (iii) after 180 days from the date of termination of employment, any employee whose employment has been terminated by the employee.

5. Neither Party shall prohibit any consultant that performs work for the other Party from performing such work.

6. If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained herein is invalid or unenforceable, then the parties agree that such provisions shall automatically be modified to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision and a court or arbitrator is hereby expressly authorized to so modify this Agreement. This Agreement will be enforceable as so modified after the expiration of the time within which the judgment may be appealed. This Agreement is reasonable and necessary to protect and preserve Buyer’s legitimate business interests and the value of the Purchased Assets and to prevent any unfair advantage conferred on Seller Parent.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within that State. The parties consent to the jurisdiction of the courts of the State of New York sitting in New York County, and the United States District Court of the Southern District of New York and any appellate court thereof for any action arising out of matters related to this Agreement.

8. Any notice, demand, statement or request (each a “**Notice**”) to be given under this Agreement shall be in writing and addressed to Buyer or Seller Parent, as the case may be, at such address as such party has set forth in the Asset Purchase Agreement (notices to Seller Parent shall be addressed to Seller). A Notice sent in compliance with the provisions of Section 12.2 of the Asset Purchase Agreement shall be deemed given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d)

on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid

9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign its rights or obligations hereunder without the prior written consent of the other party.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ATRIUM INNOVATIONS INC.

By _____

Name:

Title:

NUTRI-HEALTH ACQUISITION
COMPANY, LLC

By _____

Name:

Title:

EXHIBIT F

Form of Seller Parent Guaranty

GUARANTY

This GUARANTY (this “**Guaranty**”), dated as of _____, 2014, is executed by Atrium Innovations Inc., a Canadian corporation (the “**Guarantor**”), for the benefit of Nutri-Health Acquisition Company, LLC, a Nevada limited liability company (the “**Beneficiary**”).

RECITALS

WHEREAS, the Beneficiary and Nutri-Health Supplements, L.L.C., an Arizona limited liability company (“**NHS**”), are parties to that certain Asset Purchase Agreement, dated September __, 2014 (the “**Asset Purchase Agreement**”);

WHEREAS, NHS is a wholly-owned indirect subsidiary of the Guarantor; and

WHEREAS, as an inducement to the Beneficiary’s execution and delivery of the Asset Purchase Agreement and its consummation of the transactions contemplated thereby, the Guarantor has agreed to provide in favor of the Beneficiary the guaranty contemplated by this Guaranty.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Guarantor hereby agrees as follows:

1. The Guarantor hereby unconditionally, absolutely and irrevocably guaranties to the Beneficiary, as primary obligor and not as a surety, the prompt payment in full when due of any and all payment obligations owed by NHS to the Beneficiary under Section 10.2 of the Asset Purchase Agreement (the “**Subject Obligations**”); provided that, for the avoidance of doubt, Guarantor shall have all defenses of NHS with respect to the Subject Obligations under the Asset Purchase Agreement (including, without limitation, with respect to the limitations on indemnification set forth in Sections 10.4 and 10.8 of the Asset Purchase Agreement).

2. The guaranty obligations of the Guarantor set forth in Section 1 hereto (a) shall constitute a guaranty of payment and not just collection, (b) shall be absolute, continuing, irrevocable and unconditional, (c) shall not be conditioned upon the pursuit by the Beneficiary of all available rights or remedy that it may have against NHS, any other person or any collateral or other guaranties or indemnities held by the Beneficiary, or the joining of any party in any proceeding to enforce any Subject Obligation, and (d) shall not be diminished or relieved in any way because of any insolvency, bankruptcy, receivership, assignment for the benefit of creditors, or similar proceeding by or against NHS, or any merger, reorganization, restructuring, dissolution, sale of all or substantially all assets, or similar event with respect to NHS.

3. The Guarantor expressly waives (a) notice that any Subject Obligation is due or notice of default, dishonor or non-payment with respect to any Subject Obligation, (b) any right to a jury trial in any action brought at any time or from time to time with respect to this

Guaranty, (c) any renewal or extension of time for performance of the Subject Obligations, (d) any change in the terms of, or any other change in, any Subject Obligation, (e) any defense based on the suretyship defenses of extension of time and modification of the underlying obligation, and (f) any defense based on any statute of limitations or any failure of consideration.

4. The Guarantor warrants that it has adequate means of obtaining information with respect to, and assumes all responsibility for being and keeping itself informed of, NHS's financial condition and assets and all other circumstances bearing upon the risk of non-payment or non-performance of the Subject Obligation, and the nature, scope and extent of the risks hereby assumed. The Guarantor further agrees that the Beneficiary shall not have any obligation to advise the Guarantor of information known to the Beneficiary regarding any such circumstances or risks.

5. The Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all of the Subject Obligations, if any, it shall waive any claim and shall not exercise any right or remedies, direct or indirect, arising by reason of any performance by it of its guarantee in Section 1, whether by subrogation or otherwise, against NHS. To the maximum extent permitted by applicable law, one or more successive or concurrent actions may be brought against the Guarantor, either in the same action in which NHS is sued or in separate actions.

6. The Guarantor hereby represents and warrants to the Beneficiary that, as of the date hereof:

- (a) the Guarantor has the capacity to enter into this Guaranty;
- (b) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms;
- (c) the execution and delivery of this Guaranty and performance by the Guarantor of its obligations hereunder does not contravene any law, regulation, rule, decree, order, judgment or contractual restriction binding on or affecting it or its undertakings, property and assets; and
- (d) no consent, approval, order or authorization or the giving of notice to or the registration with, or the taking of any other action in respect of any governmental authority or agency is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty.

7. This Guaranty is a continuing guaranty and shall not terminate or be discharged until the earliest of the performance and indefeasible payment and performance of all of the Subject Obligations, if any. If demand for, or acceleration of the time for, payment by NHS to the Beneficiary of any Subject Obligation is stayed upon the bankruptcy, insolvency, reorganization, receivership or proposed compromise or arrangement with creditors of NHS, all of the Subject Obligation of which payment or performance is stayed that would otherwise be subject to the demand for payment or acceleration shall nonetheless be payable by the Guarantor immediately upon demand by the Beneficiary.

8. There are no conditions to the full effectiveness of this Guaranty, and, other than the existence of a Subject Obligation, there are no conditions to the right to make demand under this Guaranty.

9. This Guaranty cannot be modified, revoked or terminated except by an instrument in writing signed by Guarantor and the Beneficiary.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within that State. The Guarantor consents to the jurisdiction of the courts of the State of New York sitting in New York County, and the United States District Court of the Southern District of New York and any appellate court thereof for any action arising out of matters related to this Agreement.

11. If any provision of this Guaranty or its application in any circumstance is invalid or unenforceable to any extent, the remainder of this Guaranty shall not be affected.

12. Any notice, demand, statement or request (each a “**Notice**”) to be given under this Guaranty shall be in writing and addressed to the Beneficiary or to the Guarantor, as the case may be, at such address as such party has set forth in the Asset Purchase Agreement (notices to the Guarantor shall be addressed to Seller). A Notice sent in compliance with the provisions of Section 12.2 of the Asset Purchase Agreement shall be deemed given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid

13. This Guaranty shall inure to the benefit of the successors or permitted assigns of the Beneficiary. This Guaranty is binding upon the Guarantor and his successors and permitted assigns. The Guarantor shall not assign any of his obligations hereunder to any other person or entity without the prior written consent of the Beneficiary, and any purported assignment in violation of this provision shall be void.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the date first above written.

GUARANTOR

ATRIUM INNOVATIONS INC.

By _____

Name:

Title:

EXHIBIT G

Form of Buyer Parent Guaranty

GUARANTY

This GUARANTY (this “**Guaranty**”), dated as of _____, 2014, is executed by Nature’s Products, Inc., a Florida corporation (the “**Guarantor**”), for the benefit of Nutri-Health Supplements, L.L.C., an Arizona limited liability company (the “**Beneficiary**”).

RECITALS

WHEREAS, the Beneficiary and Nutri-Health Acquisition Company, LLC, a Nevada limited liability company (“**Buyer**”), are parties to that certain Asset Purchase Agreement, dated September __, 2014 (the “**Asset Purchase Agreement**”);

WHEREAS, Buyer is a [**wholly-owned indirect subsidiary**] of the Guarantor; and

WHEREAS, as an inducement to the Beneficiary’s execution and delivery of the Asset Purchase Agreement and its consummation of the transactions contemplated thereby, the Guarantor has agreed to provide in favor of the Beneficiary the guaranty contemplated by this Guaranty.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Guarantor hereby agrees as follows:

1. The Guarantor hereby unconditionally, absolutely and irrevocably guaranties to the Beneficiary, as primary obligor and not as a surety, the prompt payment in full when due of any and all payment obligations owed by Buyer to the Beneficiary under the Asset Purchase Agreement (the “**Subject Obligations**”); provided that, for the avoidance of doubt, Guarantor shall have all defenses of Buyer with respect to the Subject Obligations under the Asset Purchase Agreement (including, without limitation, with respect to the limitations on indemnification set forth in Sections 10.4 and 10.8 of the Asset Purchase Agreement).

2. The guaranty obligations of the Guarantor set forth in Section 1 hereto (a) shall constitute a guaranty of payment and not just collection, (b) shall be absolute, continuing, irrevocable and unconditional, (c) shall not be conditioned upon the pursuit by the Beneficiary of all available rights or remedy that it may have against Buyer, any other person or any collateral or other guaranties or indemnities held by the Beneficiary, or the joining of any party in any proceeding to enforce any Subject Obligation, and (d) shall not be diminished or relieved in any way because of any insolvency, bankruptcy, receivership, assignment for the benefit of creditors, or similar proceeding by or against Buyer, or any merger, reorganization, restructuring, dissolution, sale of all or substantially all assets, or similar event with respect to Buyer.

3. The Guarantor expressly waives (a) notice that any Subject Obligation is due or notice of default, dishonor or non-payment with respect to any Subject Obligation, (b) any right to a jury trial in any action brought at any time or from time to time with respect to this

Guaranty, (c) any renewal or extension of time for performance of the Subject Obligations, (d) any change in the terms of, or any other change in, any Subject Obligation, (e) any defense based on the suretyship defenses of extension of time and modification of the underlying obligation, and (f) any defense based on any statute of limitations or any failure of consideration.

4. The Guarantor warrants that it has adequate means of obtaining information with respect to, and assumes all responsibility for being and keeping itself informed of, Buyer's financial condition and assets and all other circumstances bearing upon the risk of non-payment or non-performance of the Subject Obligation, and the nature, scope and extent of the risks hereby assumed. The Guarantor further agrees that the Beneficiary shall not have any obligation to advise the Guarantor of information known to the Beneficiary regarding any such circumstances or risks.

5. The Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all of the Subject Obligations, if any, it shall waive any claim and shall not exercise any right or remedies, direct or indirect, arising by reason of any performance by it of its guarantee in Section 1, whether by subrogation or otherwise, against Buyer. To the maximum extent permitted by applicable law, one or more successive or concurrent actions may be brought against the Guarantor, either in the same action in which Buyer is sued or in separate actions.

6. The Guarantor hereby represents and warrants to the Beneficiary that, as of the date hereof:

- (a) the Guarantor has the capacity to enter into this Guaranty;
- (b) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms;
- (c) the execution and delivery of this Guaranty and performance by the Guarantor of its obligations hereunder does not contravene any law, regulation, rule, decree, order, judgment or contractual restriction binding on or affecting it or its undertakings, property and assets; and
- (d) no consent, approval, order or authorization or the giving of notice to or the registration with, or the taking of any other action in respect of any governmental authority or agency is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty.

7. This Guaranty is a continuing guaranty and shall not terminate or be discharged until the earliest of the performance and indefeasible payment and performance of all of the Subject Obligations, if any. If demand for, or acceleration of the time for, payment by Buyer to the Beneficiary of any Subject Obligation is stayed upon the bankruptcy, insolvency, reorganization, receivership or proposed compromise or arrangement with creditors of Buyer, all of the Subject Obligation of which payment or performance is stayed that would otherwise be subject to the demand for payment or acceleration shall nonetheless be payable by the Guarantor immediately upon demand by the Beneficiary.

8. There are no conditions to the full effectiveness of this Guaranty, and, other than the existence of a Subject Obligation, there are no conditions to the right to make demand under this Guaranty.

9. This Guaranty cannot be modified, revoked or terminated except by an instrument in writing signed by Guarantor and the Beneficiary.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed wholly within that State. The Guarantor consents to the jurisdiction of the courts of the State of New York sitting in New York County, and the United States District Court of the Southern District of New York and any appellate court thereof for any action arising out of matters related to this Agreement.

11. If any provision of this Guaranty or its application in any circumstance is invalid or unenforceable to any extent, the remainder of this Guaranty shall not be affected.

12. Any notice, demand, statement or request (each a “**Notice**”) to be given under this Guaranty shall be in writing and addressed to the Beneficiary or to the Guarantor, as the case may be, at such address as such party has set forth in the Asset Purchase Agreement (notices to the Guarantor shall be addressed to Buyer). A Notice sent in compliance with the provisions of Section 12.2 of the Asset Purchase Agreement shall be deemed given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid

13. This Guaranty shall inure to the benefit of the successors or permitted assigns of the Beneficiary. This Guaranty is binding upon the Guarantor and his successors and permitted assigns. The Guarantor shall not assign any of his obligations hereunder to any other person or entity without the prior written consent of the Beneficiary, and any purported assignment in violation of this provision shall be void.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the date first above written.

GUARANTOR

NATURE'S PRODUCTS, INC.

By _____

Name:

Title:

NHS DISCLOSURE SCHEDULES

Reference is made to the Asset Purchase Agreement among Nutri-Health Supplements, L.L.C. (“NHS”) and Nutri-Health Acquisition Company, LLC. dated September 12, 2014 (the “**Agreement**”).

These NHS Disclosure Schedules are incorporated into the Agreement and are made a part thereof as if set out in full therein. The section or subsection numbers of these NHS Disclosure Schedules correspond to specific sections or subsections of the Agreement, and are not intended to constitute, and shall not be construed as constituting, representations or warranties of NHS, except as and to the extent specifically provided in the Agreement. The inclusion of any matter, information or item in these NHS Disclosure Schedules shall not be deemed to constitute an admission of any liability by NHS to any third party or otherwise imply that any such matter, information or item is material or creates a measure for materiality for the purposes of the Agreement. Matters disclosed in these NHS Disclosure Schedules are not necessarily limited to matters that are required by the Agreement to be disclosed herein. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature or impose any duty or obligation to disclose any information beyond what is required by the Agreement. Any matter, information or item disclosed in these NHS Disclosure Schedules under any specific representation or warranty or section or subsection number hereof, shall be deemed to have been disclosed for all purposes of the Agreement in response to every representation or warranty in the Agreement in respect of which such disclosure is reasonably apparent on its face. Headings have been inserted in these NHS Disclosure Schedules for convenience of reference only, and shall to no extent have the effect of amending or changing the express description of the sections or subsections set forth in the Agreement.

SECTION 1.01(a)
DATA ROOM INDEX

Please see attached.
















Nutri-Health

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-   1.1 Articles of Amendment - feb 2011 (change of managers) EXECUTED.pdf
-   1.2 Articles of Amendment - Feb 2013 (change of managers) FILED.pdf
-   1.3 NHS Amended and Restated Operating Agmt - Dec. 31, 2008.pdf
-   1.4 NHS Amended and Restated Operating Agmt - June 28, 2007.pdf
-   1.5 NHS Articles of Amendment (Jan 14, 2009).pdf
-   1.6 NHS Constatng Documents (as of Oct 15 2010).pdf
-   1.7 NHS Operating Agreement - December 6, 2005.pdf

2. Corporate



2.1. Resolutions - 2009

-   2.1.1 2009.pdf



2.2. Resolutions - 2010

-   2.2.1 2010.pdf



2.3. Resolutions 2011

-   2.3.1 2011.pdf



2.4. Resolutions 2012



-   2.4.1 2012.pdf

2.5. Resolutions 2013



-   2.5.1 2013.pdf

2.6. Resolutions 2014

-   2.6.1 2014.pdf

-   2.1 Certificate of Good Standing.pdf

-   2.2 Cottonwood Business Registration 2014.pdf

-   2.3 Non-RX Retailer Permit_valid until Oct. 2015_ (non-transferable).pdf

3. Material Agreements

- 3.1 Conrad Direct_List Management and Brokerage Agreement_April 10, 2012_Fully executed.pdf
- 3.2 Danisco USA Inc._Supply Agreement_August 1, 2011_Fully executed.pdf
- 3.3 Datalogix, Inc._MSA_April 20, 2012_Fully executed.pdf
- 3.4 DataTree_User License Agreement Amendment 1_April 12, 2013_Fully Executed.pdf
- 3.5 DataTree_User License Agreement Amendment 2_Nov. 1, 2013_Executed.pdf
- 3.6 DataTree_User License Agreement_February 19, 2013_Executed.pdf
- 3.7 Dydacomp_Service Agreement_July 19, 2013_Order form.pdf
- 3.8 Non-competition agreement - Thomas P. Callahan July 3, 2012_Fully executed.pdf
- 3.9 Promotion to President_Tom Callahan_August 15, 2012.pdf
- 3.10 CenturyLink NutriHealthSupplements service agreement_Nov. 7, 2013.pdf
- 3.11 GTC Lic Agreement fully executed 7 9 09 (NutraFlora).pdf
- 3.12 Keynote Systems - Service Contract (Fully Executed)_2014-03-21.pdf
- 3.13 Lauren Kent_Independent Contractor Agreement_October 18, 2012_Fully executed.pdf
- 3.14 Lauren Kent_Independent Contractor_2014 extension.pdf
- 3.15 Maypro MBP_2012-08-01.pdf
- 3.16 Mercent Corporation_Service Agreement_December 9, 2013_Fully executed.pdf
- 3.17 Service contract SPS Commerce for WebForms (Fully Executed)_2014-04-17.pdf
- 3.18 Waste Management_Service Agreement_July 22, 2011_Fully executed.pdf
- 3.19 Rackspace hosting Services Agreement (2013-10-04).pdf
- 3.20 Smart Focus_Upgrade to 1.7million Countersigned from March 2014 to March 2015.pdf
- 3.21 Proposed Agreement ADVANCED CELL RESCUE (DP 3-5-2014).DOC
- 3.22 Bergamonte Trademark License Agreement 2011 06 01.pdf
- 3.23 Naturex_Cereboost_TrademarkLicenseAgmt 2011-09-16.pdf
- 3.24 Phone system install and service.pdf
- 3.25 Defcon5 Managed IT agreement.pdf
- 3.26 Magento, Inc._License Software_2014-09-04.pdf
- 3.27 2014 09 10 Trademark Coexistence Agreement and Covenant not to sue (Fully Executed).pdf
- 3.28 Reevoov_Nutri Health Order Form_2012-11-20_Fully Executed.pdf
- 3.29 USPS_Service Agreement_August 20, 2013_Fully executed.pdf

4. Real Estate

- 4.1. Construction Doc Set
 - ★ 4.1.1 6281E1 Layout1 (1).pdf
 - ★ 4.1.2 6281E2 Layout1 (1).pdf
 - ★ 4.1.3 6281E3 Layout1 (1).pdf
 - ★ 4.1.4 6281E4 Layout1 (1).pdf
 - ★ 4.1.5 A-01 SITE PLAN-Layout1.pdf
 - ★ 4.1.6 A-02 DEMOLITION PLAN-Layout1.pdf
 - ★ 4.1.7 A-04 PLAN ENLARGED-Layout1.pdf
 - ★ 4.1.8 A-05 RCP-Layout1.pdf
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 - ★ 4.1.10 A-07 SCHEDULES-Layout1.pdf
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 - ★ 4.1.12 A-09 SPEC 1-Layout1.pdf
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- ★ 4.1 NHS - 2006 Phase I.pdf
- ★ 4.2 NHS - 2008 Phase I - Table and Exec Summary.pdf
- ★ 4.3 NHS - 2008 Phase I.pdf
- ★ 4.4 Special Warranty Deed - Registered Version 2008-12-31 (260 Justin Drive).pdf
- ★ 4.5 260 Justin Drive- Title Documents.pdf
- 5. Trademarks
 - 5.1. Abandoned Trademarks
 - ★ 5.1.1 2014-06-16 List of Abandoned Trademark__Nutri-Health Supplements.xls
 - 5.2. Active Trademarks
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★ 6.7 Consolidated NHS SL 1Q2014 - Add back Atrium only.pdf

★ 6.8 Consolidated NHS & SL 2011.xlsx

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★ 6.12 AR AGING 6.30.14 NH.pdf

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★ 6.14 AMEX summary statement 2013.xlsx

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- 6.49 Bank Statement 8-31-14.pdf
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7.1.1. Advanced Cell

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

















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 - ★ 7.1.3.1.1 AP pdfs for June mailing and archives.htm
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  7.2.11.2 FloraBright__PostCard.pdf



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 7.3.2.7 FSRM1310C, D,E 10-1-13 Half Off.pdf


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 7.3.2.10 MERM1310B,D,F,H POSTCARD 50% off 10-16-13.pdf


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 7.3.3.3 AZRM1311A 11-4-13 17% off.pdf


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TRADEMARK

REEL: 005466 FRAME: 0584

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- ★ 7.3.9.5 Focus Force_Try_Me3.pdf
- ★ 7.3.9.6 FSRMRO_ReplyDevice_052113.pdf
- ★ 7.3.9.7 FSR010_ReplyDevice_052113.pdf
- ★ 7.3.9.8 June ArthroZyme Plus_letter.pdf
- ★ 7.3.9.9 June ArthroZyme Plus_Premium.pdf
- ★ 7.3.9.10 June ArthroZyme Plus_Reply.pdf
- ★ 7.3.9.11 NHS_Half Off_Memoril_Reply.pdf
- ★ 7.3.9.12 NHS_June Memoril Reorder_Reply.pdf
- ★ 7.3.9.13 NHS_Summer_Savings_Letter.pdf
- ★ 7.3.9.14 NHS_Summer_Savings_Reply.pdf
- ★ 7.3.9.15 NH_0513_FloraSinus_WelcomeLetter_10-wGiftCert_FNS10A.pdf
- ★ 7.3.9.16 NH_0513_Memoril_WelcomeLetter_wGiftCert_MOS1A.pdf

7.3.10. 7-2013

- ★ 7.3.10.1 ArthroZyme_Recapture_Reply.pdf
- ★ 7.3.10.2 ArthroZyme_Reorder_Reply.pdf
- ★ 7.3.10.3 Customer Service - 2013 Retention Print.xlsx
- ★ 7.3.10.4 NHS_July GlucoProtect letter package_Reply.pdf
- ★ 7.3.10.5 NHS_Q3_2013_8-Page_Self-Mailer_2color5.pdf

- ★ 7.3.10.6 NHS_Q3_2013_8-Page_Self-Mailer_4c4.pdf
- ★ 7.3.10.7 NH_Green Sheet_2013_FINAL3.pdf
- ★ 7.3.10.8 Probiotic_Brochure.pdf
- ★ 7.3.10.9 Probiotic_letter.pdf
- ★ 7.3.10.10 Probiotic_Reply.pdf

7.3.11. 8-2013

- ★ 7.3.11.1 APRM1308A&B 17%_August ArthroZyme PlusReply1.pdf
- ★ 7.3.11.2 APRM1308C-G 50%_August ArthroZyme PlusReply22.pdf
- ★ 7.3.11.3 FNRMHALF_ReplyForm072913.pdf
- ★ 7.3.11.4 FNRMRO_ReplyDevice_060713.pdf
- ★ 7.3.11.5 FSRM1308A ReplyDevice_072413.pdf
- ★ 7.3.11.6 FSRM1308D,E HALF_ReplyDevice_072413.pdf
- ★ 7.3.11.7 FSRM1308B&C_ReplyDevice_072313.pdf
- ★ 7.3.11.8 NHS_Half Off_Memoril_Reply.pdf
- ★ 7.3.11.9 NHS_Memoril Reorder_Reply (2).pdf
- ★ 7.3.11.10 Nutri_Health_BGCor_postcard.pdf
- ★ 7.3.11.11 SleepWave_PostCard_20%_btl.pdf
- ★ 7.3.11.12 SleepWave_PostCard_40%.pdf

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- ★ 7.3.12.1 AUTRM10A, 25A, 35A Autumn Savings.pdf
- ★ 7.3.12.2 GPRM1309A&B 9-4-2013.pdf
- ★ 7.3.12.3 GPRM1309C&D 50% off 9-4-2013.pdf
- ★ 7.3.12.4 NHRM1309B&C, free shipping pc.pdf
- ★ 7.3.12.5 NHS_TrBone_TryMe1.pdf

7.4. 2014

7.4.1. 1-2014

7.4.1.1. AZ Plus

- ★ 7.4.1.1.1 APRM1401A 20% off 1-21-2014.pdf
- ★ 7.4.1.1.2 APRM1401B,C,D,E up to 50% 1-21-2014.pdf

7.4.1.2. Flora Sinus

- ★ 7.4.1.2.1 FNRM1401A B C up to 50% 1-28-2014.pdf

7.4.1.3. Flora Source

- ★ 7.4.1.3.1 FSRM1401A&B 1-3-2014 FS 20% letter.pdf

- 7.4.1.3.2 FSRM1401A&B 1-3-2014 FS 20% order form.pdf
- 7.4.1.3.3 FSRM1401C,D,E 1-3-2014 FS 50% letter.pdf
- 7.4.1.3.4 FSRM1401C,D,E 1-3-2014 FS 50% order form.pdf
- 7.4.1.4. FloraBright
 - 7.4.1.4.1 FBRM1401A&B 20% FB 1-10-2014.pdf
- 7.4.1.5. GllucoProtect
 - 7.4.1.5.1 GPRM1401A & B 1-6-2014 GP 20% letter.pdf
 - 7.4.1.5.2 GPRM1401A & B 1-6-2014 GP 20% order form.pdf
 - 7.4.1.5.3 GPRM1401C,D,E 1-6-2014 GP 50% letter.pdf
 - 7.4.1.5.4 GPRM1401C,D,E 1-6-2014 GP 50% order form.pdf
- 7.4.1.6. Memorii
 - 7.4.1.6.1 MERM1401A + free D3 1-28-2014.pdf
 - 7.4.1.6.2 MERM1401B C D E up to 50% off 1-28-14.pdf
- 7.4.1.7. NHS Products
 - 7.4.1.7.1 NHRM1401A-C Catalog 1-24-2014.pdf
 - 7.4.1.7.2 NHRM1401E&F free NH-D3 & shipping 1-10-14.pdf
- 7.4.1.8. Sleep Wave
 - 7.4.1.8.1 SWRM1401A&B 20% SW 1-10-2014.pdf
- 7.4.1.9. TruBone
 - 7.4.1.9.1 TBRM1401A 20% + free AZ 1-10-2014.pdf
- 7.4.1.10. TruDigest
 - 7.4.1.10.1 TDRM1401A 20% TD 1-10-2014.pdf
- 7.4.2. 2-2014
 - 7.4.2.1 AZRM1402A free D3 2-4-2014.pdf
 - 7.4.2.2 AZRM1402B,C,D 2-4-2014.pdf
 - 7.4.2.3 FSRM1402A&B 2-18-2014.pdf
 - 7.4.2.4 GPRM1402A&B 2-18-2014.pdf
 - 7.4.2.5 NHS_Winter_Savings_Package_letter_edits.pdf
 - 7.4.2.6 NHS_Winter_Savings_Package_reply_edits.pdf
- 7.4.3. 3-2014
 - 7.4.3.1 APRM1403A 3-7-2014 reorder.pdf
 - 7.4.3.2 APRM1403B-E 3-7-14 half off 6 btis.pdf

- 7.4.3.3 FBRM1403A&B 3-18 20% off.pdf
- 7.4.3.4 FNRM1403ABC 3-25-14 half off 6 btls.pdf
- 7.4.3.5 MERM1403A 3-25-14 free D3 reorder.pdf
- 7.4.3.6 MERM1403B-E 3-25-14 half off 6 btls.pdf
- 7.4.3.7 NHRM1403A-H SPR Savings 3-18-2014.pdf
- 7.4.3.8 Seasonal Savings Postcard NHRM1403A-H 3-18-2014.docx
- 7.4.3.9 SWRM1403ABC 3-18 20% off.pdf
- 7.4.3.10 TBRM1403A&B 3-18 20% off with free trial AP.pdf

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- 7.4.4.1 April 8-page multi-product Word Search Savings.docx
- 7.4.4.2 FSRM1404A reorder 4-22-2014.pdf
- 7.4.4.3 FSRM1404C,D,E,F up to 50% off 4-22-2014.pdf
- 7.4.4.4 GPRM1404A&B with D3 4-22-2014.pdf
- 7.4.4.5 GPRM1404C,D&E, up to 50% off 4-22-2014.pdf
- 7.4.4.6 NHRM1404A,B,C 8-Page_Self-Mailer.pdf
- 7.4.4.7 NHRM1404D & WORDSRCH 8-Page Insert.pdf
- 7.4.4.8 NHRP1404F&1404B Order Form & Coupon 4-14-2014.pdf

7.4.5. 5-2014

- 7.4.5.1 APRM1405A-H 5-2-2014.pdf
- 7.4.5.2 AZRM1405A with free D3 5-9-2014.pdf
- 7.4.5.3 AZRM1405B,C,D,E 5-9-2014.pdf
- 7.4.5.4 BTRM1405A-D 20% off 5-23-2014.pdf
- 7.4.5.5 FNRM1405A 5-16-2014.pdf
- 7.4.5.6 FNRM1405B, C,D,E 5-16-2014.pdf
- 7.4.5.7 MERM1405A,B,C,D 5-6-2014.pdf
- 7.4.5.8 NHRM1405A,B&C 20% off free SH 5-23-2014.pdf
- 7.4.5.9 SPGRM15,25,35,45 savings 5-13-2014.pdf
- 7.4.5.10 SWRM1405AB&C 20% off 5-23-2014.pdf
- 7.4.5.11 TBRM1405A&B 20% off free D3 5-23-2014.pdf
- 7.4.5.12 TDRM1405A&B 20% off 5-23-2014.pdf

7.4.6. 6-2014

- 7.4.6.1 FSRM1406A&B save 20% 6-2-2014.pdf
- 7.4.6.2 FSRM1406C,D&E save up to 50% 6-2-2014.pdf

- ★ 7.4.6.3 GPRM1406A&B free D3 6-2-2014.pdf
- ★ 7.4.6.4 GPRM1406C,D&E save up to 50% 6-4-2014.pdf
- ★ 7.4.6.5 NHScatalog_2014.pdf

7.4.7. 7-2014

- ★ 7.4.7.1 APRM1407A-D 7-7-2014.pdf
- ★ 7.4.7.2 FNRM1407A-D 7-11-2014.pdf
- ★ 7.4.7.3 July Reorder Mail Segments.docx
- ★ 7.4.7.4 MERM1407A-D 7-9-2014.pdf

7.5. Ret Mail Series

7.5.1. 2012

7.5.1.1. Flora Source

- ★ 7.5.1.1.1 FSS1215B 4-25-12.pdf
- ★ 7.5.1.1.2 FSS1215B offer.pdf

7.5.1.2. Sleep Wave

- ★ 7.5.1.2.1 SWS1215B 4-25-12.pdf
- ★ 7.5.1.2.2 SWS1215B offer.pdf

- ★ 7.5.1.1 Flora Sinus_FSS5A_5_SWS5A_5___PROOF.pdf
- ★ 7.5.1.2 Mail Series List from Judy 9-4-12.xlsx
- ★ 7.5.1.3 Mail Series List Reduced Coding 9-10-2012.xlsx
- ★ 7.5.1.4 RETENTION MAIL SERIES Package Inventory Numbers.docx

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7.5.2.1. 2013 Weekly Codes

- ★ 7.5.2.1.1 10-18-2013 #2 Mail Series Codes.docx
- ★ 7.5.2.1.2 10-18-2013 Mail Series Codes.docx
- ★ 7.5.2.1.3 10-25-2013 Mail Series Codes.docx
- ★ 7.5.2.1.4 10-4-2013 Mail Series Codes.docx
- ★ 7.5.2.1.5 11-1-2013 Mail Series Codes.docx
- ★ 7.5.2.1.6 11-15-13 #2 Mail Series.docx
- ★ 7.5.2.1.7 11-15-13 Mail Series Codes.docx
- ★ 7.5.2.1.8 12-16-2013 Mail Series Codes.docx
- ★ 7.5.2.1.9 12-2-2013 Mail Series Codes.docx
- ★ 7.5.2.1.10 12-2013 EXPIRED SERIES CODES.docx

- ★ 7.5.2.1.11 12-31-2013 Mail Series Codes.docx
- ★ 7.5.2.1.12 2-11-13 Mail Series Codes.docx
- ★ 7.5.2.1.13 7-1-13 Mail Series Codes.docx
- ★ 7.5.2.1.14 7-15-13 Mail Series Codes.docx
- ★ 7.5.2.1.15 7-22-13 Mail Series Codes.docx
- ★ 7.5.2.1.16 7-29-13 Mail Series Codes.docx
- ★ 7.5.2.1.17 7-8-13 Mail Series Codes.docx
- ★ 7.5.2.1.18 8-12-13 Mail Series Codes.docx
- ★ 7.5.2.1.19 8-19-13 Mail Series Codes.docx
- ★ 7.5.2.1.20 8-26-13 Mail Series Codes.docx
- ★ 7.5.2.1.21 8-5-13 Mail Series Codes.docx
- ★ 7.5.2.1.22 9-16-2013 Mail Series Codes.docx
- ★ 7.5.2.1.23 9-23-2013 Mail Series Codes.docx
- ★ 7.5.2.1.24 9-3-2013 Mail Series Codes.docx
- ★ 7.5.2.1.25 9-30-2013 Mail Series Codes.docx
- ★ 7.5.2.1.26 9-9-2013 Mail Series Codes.docx

- ★ 7.5.2.1 AP Cust Series eff. 11-1-2013.pdf
- ★ 7.5.2.2 New Mail Series Criteria 9-10-13.xls
- ★ 7.5.2.3 NHS NEW MAIL SERIES 9-9-2013.pdf

- 7.5.3. 2014 Cust Series
 - 7.5.3.1. EXPIRED CODES
 - ★ 7.5.3.1.1 Apr 2014 Expired Codes.docx
 - ★ 7.5.3.1.2 Feb 2014 Expired Codes.docx
 - ★ 7.5.3.1.3 Jan 2014 Expired Codes.docx
 - ★ 7.5.3.1.4 June 2014 Expired Codes.docx
 - ★ 7.5.3.1.5 Mar 2014 Expired Codes.docx
 - ★ 7.5.3.1.6 May 2014 Expired Codes.docx

 - ★ 7.5.3.1 1-15-2014 New Cust Mail Series.docx
 - ★ 7.5.3.2 2-10-2014 New Cust Mail Series.docx
 - ★ 7.5.3.3 3-14-2014 New Cust Mail Series.docx
 - ★ 7.5.3.4 April 2014 New Cust Mail Series.docx
 - ★ 7.5.3.5 June 2014 New Cust Mail Series.docx
 - ★ 7.5.3.6 May 2014 New Cust Mail Series.docx

- 7.5.4. Flora Sinus

- 7.5.4.1 Flora_Sinus_Letter 3-4-2013.pdf

- 7.5.4.2 Flora_Sinus_Reply 3-4-2013.pdf

- 7.5.4.3 RET FN Reorder 3-4-13.pdf

- 7.5.5. GlucoProtect

- 7.5.5.1 GP Gift Cert Welcome Letter.pdf

- 7.5.5.2 GP Re-Order Mail Series 1-28-13.pdf

- 7.5.5.3 GP x-sell letter.pdf

- 7.1 AllCampaignsThru6302014.xls

- 7.2 ExcelReports.zip

- 7.3 N-H Demo Rpt for Online Groups 7.1.2013.xlsx

- 7.4 N-H June 2013 Agenda.docx

- 7.5 Nutri Health Ethnicity Breakdown.xlsx

- 7.6 Nutri-Health June 2013 Meeting.pptx

- 7.7 PriorityTransactionSummaryReport[1].pdf

- 7.8 UPDATED 2013 Production Category overlap to Nutrihealth (2) (3) (2).xlsx

- 7.9 AccountStructureReport[1].pdf

- 7.10 2014 Customer Care Outbound Overview.pptx

- 7.11 Outside vs House Names Mailed 2012-2013.xlsx

- 7.12 Top 10 products 2011-Q1 2014.xlsx

- 7.13 Testimonials.xls

- 7.14 Orders taken via - followup.xlsx

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- 7.16 Nutri-Health booking 7-1-13 to 6-29-14.xlsx

- 7.17 Nutri-Health Imbalance 1st qtr 2014 mgmt usage & brokerage usage.xlsx

- 7.18 SL customer list 2012-2013-2014.xls

- 7.19 Analytics www.nutri-health.com Audience Overview 20140201-20140228.pdf

- 7.20 Analytics www.nutri-health.com Audience Overview 20140301-20140331.pdf

- 7.21 Analytics www.nutri-health.com Audience Overview 20140401-20140430.pdf

- 7.22 Analytics www.nutri-health.com Audience Overview 20140501-20140531.pdf

- 7.23 Analytics www.nutri-health.com Audience Overview 20140101-20140131.pdf

- 7.24 Online Marketing Revenue Tracker 06-30-14.xlsx

- 8. Product Formulas

TRADEMARK

REEL: 005466 FRAME: 0592

8.1 NH FG COGs & Exp 062414.xls

8.2 SL FG COGs & EXP 062414.xls

9. Product Labels

9.1 NH_11506-012_D-Ribose Gold M_Label.jpg

9.2 NH_11508-011_TrueBone Complete_Label.jpg

9.3 NH_11601-010_Memoril_Label.jpg

9.4 NH_11703-010_NH-D3 Capsules_Label.jpg

9.5 NH_11802-012_Advanced Cell Rescue_Label.jpg

9.6 NH_11805-013_Bi-Optium_Label.jpg

9.7 NH_11902-011_BGCORHeartHealth_Label.jpg

9.8 NH_11903-013_GlucoProtect_Label.jpg

9.9 NH_11904-012_AdvancedQ_Label.jpg

9.10 NH_10400-016_Flora Source Caps_Label.jpg

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9.13 NH_10402-013_Flora Source Women_Label.jpg

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9.19 NH_10503-012_AthroZyme Plus_Label.jpg

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9.21 NH_11201-010_TrueDigest_Label.jpg

9.22 NH_11406-013_Sleep Wave_Label.jpg

9.23 NH_11412-010_FloraBright_Label.jpg

9.24 NH_11505-012_D-Ribose Gold_Label.jpg

9.25 SL_21007-010_SerraPhase_Label.jpg

9.26 SL_21011-011_Normalizer-3_Label.jpg

9.27 SL_21013-011_iFlora Nasal_Label.jpg

9.28 SL_21402-010_ColostrumCaps_Label.jpg

9.29 SL_21403-010_NZ Colostrum 12oz Powder_Label.jpg

9.30 SL_21505-011_Sedona D-Ribose_label.jpg

9.31 SL_21506-011_Sedona D-Ribose M_label.jpg

- 9.32 SL_21601-010__Focus-Memory&Mood_Label.jpg
- 9.33 SL_21710-010_GlucoPhenoL_Label.jpg
- 9.34 SL_21805-010_Vision Protect_Label.jpg
- 9.35 21001SAMPLE-011 iFlora Caps Sample Packet_Label.jpg
- 9.36 21003SAMPLE-011 iFlora Women Sample Packet_Label.jpg
- 9.37 21007SAMPLE-011 SerraPhase Sample_Label.jpg
- 9.38 21013SAMPLE-011 iFlora Nasal Sample Packet_Label.jpg
- 9.39 SL_21001-012_iFlora Caps_Label.jpg
- 9.40 SL_21003-011_iFlora Women_Label.jpg
- 9.41 SL_21004-012_iFloraPowder_Label.jpg
- 9.42 SL_21005-010__iFlora Oral Care_label.jpg
- 9.43 57621P-60.pdf
- 9.44 201864-60.pdf
- 9.45 201870-120.pdf
- 9.46 201871-90.pdf
- 9.47 201872-60.pdf
- 9.48 57618P-60.pdf
- 9.49 57619P-680.pdf
- 9.50 57620P-180.pdf

10. Regulatory

10.1. SOPs

- 10.1.1 SOP-AUD-0001.2 Internal Audits.doc
- 10.1.2 SOP-AUD-0005.2 Handling Government Audits.doc
- 10.1.3 SOP-CUS-0005.2 Handling Complaints Received in Customer Service.doc
- 10.1.4 SOP-CUS-0010.2 Reporting Complaints Received Outside of Customer Service.docx
- 10.1.5 SOP-CUS-0015.2 Tracking Product Complaint Trends.doc
- 10.1.6 SOP-CUS-0020.3 Reporting Adverse Events.doc
- 10.1.7 SOP-CUS-0025.3 Reporting Serious Adverse Events.doc
- 10.1.8 SOP-CUS-0029.1 Determining Market Withdrawals and or Recalls.doc
- 10.1.9 SOP-CUS-0030.2 Recalling or Withdrawing Dietary Supplements.doc
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- 10.1.11 SOP-CUS-0036.1 Receiving and Releasing Returned Dietary Supplements DRAFT.doc

- 10.1.12 SOP-DIS-0010.2 Processing Finished Goods for Shipment.doc
- 10.1.13 SOP-DIS-0015.5 Cleaning of Distribution Bins and Shipping and Receiving Area.doc
- 10.1.14 SOP-DIS-0020.2 Receiving Returned Finished Goods into Inventory.doc
- 10.1.15 SOP-DIS-0025.3 Receiving Controlled Items from Quarantine.doc
- 10.1.16 SOP-DOC-0001.5 Document Change Control.doc
- 10.1.17 SOP-DOC-0005.3 Titling and Reviewing Standard Operating Procedures and Associated Forms.doc
- 10.1.18 SOP-DOC-0010.2 Document Control.doc
- 10.1.19 SOP-DOC-0015.2 Records Retention and Disposition.doc
- 10.1.20 SOP-FAC-0001.2 Pest Control.doc
- 10.1.21 SOP-FAC-0005.3 Waste Removal.doc
- 10.1.22 SOP-FAC-0015.3 General Maintenance and Upkeep of Grounds in and around the Facilities.doc
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- 10.1.24 SOP-PER-0001.4 Visitors.doc
- 10.1.25 SOP-PER-0005.3 Personnel Qualification Requirements 9 15 09.doc
- 10.1.26 SOP-PER-0010.4 Employee Training on GMP and SOPs 9 15 09.doc
- 10.1.27 SOP-PER-0030.3 Safety Committee and Sanitary Inspections.doc
- 10.1.28 SOP-QCA-0034. 3 Receiving and Releasing Finished Dietary Supplements 112113 - Copy.doc
- 10.1.29 SOP-QCA-0035.4 Rejected Goods 112113.doc
- 10.1.30 SOP-QCA-0050.6 Inspecting and Restocking Returned Goods 112113.doc
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10.2. DOCs

- 10.2.1 DOC-AUD-0001.1 Audited Documents Sheet.xls
- 10.2.2 DOC-AUD-0005.1 Signature Sheet.doc
- 10.2.3 DOC-CUS-0001.3 Product Documentation Form.doc
- 10.2.4 DOC-CUS-0002.1 Complaint Action Form.docx

- 10.2.5 DOC-CUS-0005.3 Customer Complaint Form.xlsx
- 10.2.6 DOC-CUS-0020.3 Adverse Event Form.doc
- 10.2.7 DOC-CUS-0035.2 Product Return Form.xlsx
- 10.2.8 DOC-DIS-0025.4 Inventory Adjustment form.docx
- 10.2.9 DOC-DOC-0001.5 Document Change Form.xlsx
- 10.2.10 DOC-DOC-0015.3 Letter of Document Destruction.xlsx
- 10.2.11 DOC-PER-0001.1 Training Acknowledgement Form.docx
- 10.2.12 DOC-PER-0002.1 Visitor Sign in Sheet.doc
- 10.2.13 DOC-PER-0030.2 Safety-Sanitary Inspection Checklist.xlsx
- 10.2.14 DOC-QCA-0005.6 Letter of Destruction.xlsx
- 10.2.15 DOC-QCA-0033.4 Inventory Lot Reconciliation Worksheet and Checklist.xls
- 10.2.16 DOC-QCA-0055.1 Deviation Form.xlsx
- 10.2.17 DOC-QCA-T015.4 Table 2 FG Retention Sample Size.xlsx
- 10.1 NH Adverse Event Log 6-2014.xlsx
- 10.2 QC SOP&DOC Index.xls
- 11. Human Resources
 - 11.1 NHS Enrollment Book 7.1.14.pdf
 - 11.2 NHS Handbook 9 2013 .pdf
 - 11.3 QHDHP W_HSA OA MC (\$2000 ded).pdf
 - 11.4 \$750 OA MC POS.pdf
 - 11.5 \$1250 OA MC POS.pdf
 - 11.6 Enrollment Instructions.pdf
 - 11.7 NHS Org Chart 6-4-19.pptx
 - 11.8 NHS Census and Ratings 2013-3-3.xlsx
 - 11.9 PTO Accrual List.pdf
 - 11.10 Retention Agreement (S Cogan).pdf
 - 11.11 Retention Agreement (R Cave).pdf
 - 11.12 Retention Agreement (M Asar).pdf
 - 11.13 Retention Agreement (L Klins).pdf
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 - 11.15 Retention Agreement (J Tobey).pdf
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- 11.18 Retention Agreement (T Kessner).pdf
- 11.19 Retention Agreement (M Nash).pdf
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- 11.22 Retention Agreement (K Canto).pdf
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- 11.24 Employee Acknowledgment - Drug Testing - HR.doc
- 11.25 ePlan IRS Determination Letter.pdf
- 11.26 Form 9955-SSA - HR.pdf
- 11.27 Form5500Filing - HR.pdf
- 11.28 Loss Report CNA - HR.PDF
- 11.29 NHS Summary Plan Description - HR.pdf
- 11.30 Confidentiality & Intellectual Property Agreements A-H.pdf
- 11.31 Confidentiality & Intellectual Property Agreements I-Z.pdf
- 11.32 Payroll information as of 8-31-2014.xlsx

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**SECTION 2.1 (C)
ASSIGNED CONTRACTS**

| ASSIGNED CONTRACTS | CONSENT REQUIRED |
|--|-------------------------|
| Conrad Direct List Management and Brokerage Agreement (2012-04-10) | No |
| Danisco USA Inc. Supply Agreement (2011-08-01) | No |
| Datalogix, Inc. Master Services Agreement (2012-04-25) | Yes |
| DataTree User License Agreement (2013-02-19) | No |
| DataTree User License Agreement 1 st Amendment (2013-04-12) | |
| DataTree_User License Agreement 2 nd Amendment (2013-11-01) | |
| Reevoo Inc. Form – North America (2012-11-20) | No |
| USPS Service Agreement (2013-08-20) | No |
| CenturyLink Total Advantage Agreement (2013-11-07) | No |
| Keynote Systems, Inc. Service Agreement (2014-03-21) | Yes |
| Maypro MBP Usage, Labeling and Advertising Agreement (2012-08-01) | No |
| Mercent Corporation Retail Services Agreement (2013-12-09) | Yes |
| SPS Commerce Scope and Proposal for Webforms (2014-04-17) | No |
| Waste Management Commercial Service Agreement (2011-07-20) | No |
| Rackspace Hosting Services Agreement (2013-10-04) | Yes |
| Smart Focus US, Inc. Sales order (2014-03-31) | Yes |
| Defcon 5 Technologies Managed IT proposal (2014-07-31) | No |

| | |
|--|-----|
| Magento, Inc. License Software (2014-09-04) | No |
| BCS Phone system install and support (2013-10-29) | No |
| GTC Nutrition License Agreement (2009-07-09) | Yes |
| Herbal Powers Corp Bergamonte Trademark License Agreement (2011-06-01) | No |
| Naturex Inc. Trademark License Agreement (2009-07-09) | Yes |
| Bionergy Inc. Agreement of Sale and Assignment (2011-01-24) | Yes |
| Letter promoting Thomas P. Callahan Jr. to President of Nutri-Health Supplements, L.L.C (2012-08-15) | No |
| Lauren Kent-Independent Contractor Agreement dated (2012-10-18 as amended 2012-10-04) | No |
| Hi-Vidomin Laboratories d/b/a Douglas Laboratories - Trademark coexistence Agreement and Covenant not to Sue | Yes |
| Dydacomp – Invoice for MOM Services (2013-07-19) | No |

SECTION 2.1 (e)
TANGIBLE PERSONAL PROPERTY

1) Equipment

- Air Compressor
- Data Loggers
- Warehouse Flow Racks & Conveyors
- Standup Forklift

2) Furniture

- Product Bins
- Distribution Containers
- Trade Show Booth Additions
- 55 inch Flat Screen Vizio TV
- Desks
- Store Display Case
- San Diego Scale
- Karston Chairs (x26)
- BCS New Phone System

3) IT Equipment

- Physical Servers
- Servers (Cloud call center)
- Desktops
- Laptops
- Thin Clients (For Virtual Desktops)
- IP Phones – ShoreTel
- Switches
- Lexmark Color Laser Printer
- Epson Printer

4) Software

- Work Order Module - GMP
- New Server Software
- MOM Report Builder

- MOM Software Pkg
 - Mom Implementation (Destop Marketing)
 - Magento-Gorilla Software
- 5) All other Tangible Personal Property owned by NHS and used in connection with the Business.

SECTION 2.1 (G)
PERMITS

1. City of Cottonwood Business Registration number 14-0367 (Non Transferable)
2. Arizona State Board of Pharmacy Non-RC Category II Permit (Non Transferable)

For the avoidance of doubt the above permits do not form part of the Purchased Assets.

SECTION 4.1 (B)
JURISDICTIONS IN WHICH SELLER IS QUALIFIED TO DO BUSINESS AS A
FOREIGN COMPANY

None.

**SECTION 4.3 (A)
NO CONFLICTS**

None.

SECTION 4.3 (B)
CONSENTS

1. Unanimous written consent of the board of managers of Nutri-Health Supplements, L.L.C. dated September 12, 2014
2. Written consent of the sole Shareholder of Nutri-Health Supplements, L.L.C. dated September 12, 2014

SECTION 4.4 (A)
ANNUAL FINANCIAL STATEMENTS

1. Annual Financial Statements for 2011
2. Annual Financial Statements for 2012
3. Annual Financial Statements for 2013

**Balance Sheet
As of 12/31/2011**

**Nutri-Health Supplements, LLC (SUP)
Consolidated Trial Balance (Includes Sedona)**

Assets

Cash

| | | | |
|------------|------------------------|----|------------|
| 1000-00-00 | Wells Fargo - Checking | \$ | 131,577.07 |
| 2410-00-00 | Prepaid Orders | \$ | -11.20 |
| 1050-00-00 | Petty Cash | \$ | 200.00 |

Total Cash: \$ 131,765.87

Accounts Receivable

| | | | |
|------------|--|----|------------|
| 1105-00-00 | Accounts Receivable - Direct | \$ | -1,522.59 |
| 1110-00-00 | Accounts Receivables - Sedona Labs Retail | \$ | 44,325.31 |
| 1116-00-00 | AR -- SL Pro-Sales | \$ | 78,629.40 |
| 1120-00-00 | A/R -- List Rental Incom | \$ | 94,552.00 |
| 1137-00-00 | Affiliated AR - Pure | \$ | 27,082.51 |
| | Affiliated AR ABI | \$ | 523,950.00 |
| 1250-00-00 | S-T Investment - Unisource Energy 11/21/2012 | \$ | 3,200.00 |

Total Accounts Receivable: \$ 770,216.63

Inventory

| | | | |
|------------|------------------------------------|----|------------|
| 1360-00-00 | Inv FG Nutri-Health-Sales | \$ | 875,780.66 |
| 1370-00-00 | Inv FG - SL Retail-Sales | \$ | 436,617.47 |
| 1399-00-00 | Reserve for Inventory Obsolescence | \$ | -24,572.89 |

Total Inventory: \$ 1,287,825.24

Prepaid Expense

| | | | |
|------------|--------------------------|----|------------|
| 1410-00-00 | Prepaid Expenses | \$ | 483,723.71 |
| 1450-00-00 | Frt Exp Allocation-Sales | \$ | 13,113.82 |

Total Prepaid Expense: \$ 496,837.53

Capital Assets

| | | | |
|------------|--------------------------|----|--------------|
| 1701-00-00 | Fixed Assets - Land | \$ | 365,000.00 |
| 1710-00-00 | Fixed Assets - Building | \$ | 1,229,583.85 |
| 1715-00-00 | Bldg Improvement | \$ | 14,290.89 |
| 1720-00-00 | Fixed Assets - Equipment | \$ | 18,351.14 |
| 1730-00-00 | Fixed Assets - Computers | \$ | 206,298.60 |
| 1750-00-00 | Fixed Assets - Furniture | \$ | 210,998.24 |
| 1810-00-00 | Dep - Building | \$ | -92,167.38 |
| 1815-00-00 | Dep - Bldg Improvem | \$ | -32.92 |
| 1820-00-00 | Dep - Equipment | \$ | -3,978.63 |
| 1830-00-00 | Dep - Computers | \$ | -150,667.68 |
| 1850-00-00 | Dep - Furniture | \$ | -119,335.27 |

Total Capital Assets: \$ 1,678,340.84

Other Assets

| | | | |
|------------|-------------------------|----|---------------|
| 1910-00-00 | Goodwill | \$ | 21,720,572.00 |
| 1920-00-00 | Trademarks/Patents | \$ | 1,400,000.00 |
| 1740-00-00 | Fixed Assets - Software | \$ | 162,874.09 |
| 1980-00-00 | Amort - Software-Sales | \$ | -48,003.75 |

Total Other Assets: \$ 23,235,442.34

Total Assets: \$ 27,600,428.45

Liabilities

Current Liabilities

| | | | |
|------------|---------------------------|----|------------|
| 2210-00-00 | Accounts Payable (aging) | \$ | 263,337.24 |
| 2250-00-00 | Affiliated AP - Atrium | \$ | 30,041.47 |
| 2255-00-00 | Affiliated AP - HVL | \$ | 198,739.56 |
| 2260-00-00 | Affiliated AP - GOL-Sales | \$ | 2,592.50 |

Total Current Liabilities: \$ 494,710.77

Other Liabilities

| | | | |
|------------|---------------------|----|------------|
| 2510-00-00 | Accrued Expense | \$ | 103,904.31 |
| 2520-00-00 | Cust Refund Reserve | \$ | 84,984.00 |
| 2610-00-00 | Accrued Sales Tax | \$ | 3,102.97 |

Other Liabilities

(Continued)

Total Other Liabilities: \$ 191,991.28

Income Tax Liability

| | | | | |
|---------------|--|----|---------------|------------------|
| 2850-00-00 | Current Taxes Payabl-Sales | \$ | 659,801.00 | |
| 2860-00-00 | Fut Income Tax Liab-Sales | \$ | 1,211,000.00 | |
| | Total Income Tax Liability: | | | \$ 1,870,801.00 |
| | Total Liabilities: | | | \$ 2,557,503.05 |
| Equity | | | | |
| 2910-00-00 | Issued Capital Interest | \$ | 21,590,218.35 | |
| 2920-00-00 | Retained Earnings | \$ | -528,810.94 | |
| 2810-00-00 | Dividends Paid | \$ | -4,950,000.00 | |
| 2930-00-00 | Profit or (Loss) | \$ | 7,130,335.92 | |
| 2930-00-00 | Retained Earnings-Current Year | \$ | 1,801,182.07 | |
| | Total Equity: | | | \$ 25,042,925.40 |
| | Total Liabilities & Equity: | | | \$ 27,600,428.45 |

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YEAR-TO-DATE |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| REVENUE | | | | | | | | | | | | | |
| Gross Sales | | | | | | | | | | | | | |
| 3100 Sales | \$ 1,311,092 | \$ 1,543,181 | \$ 1,802,215 | \$ 930,202 | \$ 1,070,617 | \$ 946,122 | \$ 978,210 | \$ 923,147 | \$ 1,179,887 | \$ 1,245,332 | \$ 1,116,089 | \$ 1,234,695 | \$ 14,274,700 |
| 3201 List Rental | 64,910 | 46,295 | 22,470 | 50,040 | 36,178 | 26,391 | 41,616 | 16,054 | 19,275 | 36,382 | 20,383 | 16,211 | 396,204 |
| 3450 Miscellaneous Income | - | - | - | - | - | - | 50 | 24 | 7 | 9 | 3 | 21 | 113 |
| 3801 Customer Freight Revenue | 14,487 | 20,004 | 17,796 | 6,535 | 8,575 | 5,473 | 4,878 | 6,842 | 9,143 | 16,430 | 10,620 | 12,785 | 133,667 |
| Total Revenue | \$ 1,390,489 | \$ 1,609,480 | \$ 1,842,481 | \$ 986,777 | \$ 1,115,389 | \$ 977,986 | \$ 1,024,854 | \$ 948,067 | \$ 1,202,311 | \$ 1,298,153 | \$ 1,147,095 | \$ 1,263,921 | \$ 14,804,683 |
| Returns & Allowances | | | | | | | | | | | | | |
| 3501 Customer Refunds | \$(126,389) | \$(106,446) | \$(94,624) | \$(72,137) | \$(48,533) | \$(41,346) | \$(33,270) | \$(29,497) | \$(32,600) | \$(36,227) | \$(52,304) | \$(49,970) | \$(723,344) |
| 3505 Customer Refunds Reserve | 3,023 | 42,364 | (21,216) | 42,228 | 38,167 | (2,240) | 23,908 | 15,955 | (7,663) | (12,698) | 1,094 | 769 | 123,691 |
| 3601 Customer Discounts | (8,808) | (12,669) | (5,652) | (5,673) | (5,005) | (810) | (1,351) | (1,745) | (1,655) | (1,574) | (1,775) | (1,361) | (48,376) |
| 3701 Bad Debt | (2,492) | (2,661) | (1,327) | (1,639) | (2,884) | (758) | (68) | (702) | 26 | (890) | (2,126) | (52) | (14,965) |
| Total Returns & Allowances | \$(134,665) | \$(79,412) | \$(123,119) | \$(37,221) | \$(17,655) | \$(45,154) | \$(10,796) | \$(15,888) | \$(41,890) | \$(51,389) | \$(55,111) | \$(50,614) | \$(683,013) |
| OPERATING REVENUE | \$ 1,255,824 | \$ 1,530,067 | \$ 1,719,362 | \$ 949,556 | \$ 1,097,714 | \$ 932,832 | \$ 1,014,058 | \$ 930,079 | \$ 1,160,422 | \$ 1,246,764 | \$ 1,091,985 | \$ 1,213,007 | \$ 14,141,670 |
| COST OF GOODS | | | | | | | | | | | | | |
| 4101 Manufacturing Cost | \$ 195,046 | \$ 240,665 | \$ 322,400 | \$ 159,227 | \$ 178,007 | \$ 160,959 | \$ 154,227 | \$ 147,251 | \$ 188,169 | \$ 250,639 | \$ 179,936 | \$ 204,062 | \$ 2,381,588 |
| 4106 Overhead Sold | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4108 Overhead Applied Inventory | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4110 Shipping Supplies | 11,952 | 1,941 | 5,346 | 3,099 | 6,824 | 2,012 | 1,834 | 1,688 | 2,495 | 1,953 | 4,328 | 5,868 | 49,350 |
| 4115 Production Supplies | - | - | - | - | 70 | 536 | 536 | 1,985 | 70 | 520 | 520 | 3,061 | 3,061 |
| 4120 Other Mfg Cost | (23,951) | 2,018 | 3,653 | 6,444 | 3,612 | (209) | 1,431 | 1,692 | 838 | 497 | 1,130 | (65) | (2,910) |
| 4125 Royalties - Bienergy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4210 Spoilage Raw Mat'l | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4250 Spoilage - F/G | 940 | 940 | 268 | 791 | 439 | 709 | 361 | 794 | 13,275 | 1,949 | 7,298 | 7,298 | 193,663 |
| 4410 Lab Reports | 1,176 | 5,509 | (6,596) | 287 | 1,098 | 1,073 | - | 1,731 | - | - | 53 | - | 4,387 |
| 4510 In-Bound Frt. | 74,202 | 47,761 | 57,857 | 21,207 | 33,389 | 36,485 | 33,600 | 31,997 | 37,096 | 42,599 | 42,338 | 44,263 | 433,916 |
| 4710 Customer Freight Exp | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cost of Goods | \$ 259,368 | \$ 297,915 | \$ 382,887 | \$ 191,056 | \$ 281,863 | \$ 201,029 | \$ 200,975 | \$ 275,057 | \$ 245,982 | \$ 308,964 | \$ 236,755 | \$ 287,358 | \$ 3,148,428 |
| GROSS MARGIN | \$ 996,458 | \$ 1,232,153 | \$ 1,336,675 | \$ 758,500 | \$ 815,831 | \$ 731,803 | \$ 813,083 | \$ 655,021 | \$ 914,439 | \$ 937,800 | \$ 855,230 | \$ 945,948 | \$ 10,933,242 |
| Gross Margins % | 79.3% | 80.5% | 77.7% | 79.9% | 74.3% | 78.4% | 80.2% | 70.4% | 78.6% | 75.2% | 76.3% | 78.0% | 77.7% |
| MARKETING EXPENSE | | | | | | | | | | | | | |
| DIRECT MAIL | | | | | | | | | | | | | |
| Printing | \$ 218,469 | \$ 168,320 | \$ 4,547 | \$ 133,205 | \$ 57,574 | \$ 57,329 | \$ 83,746 | \$ 117,483 | \$ 97,828 | \$ 209,868 | \$ 215,902 | \$ 44,700 | \$ 1,408,971 |
| Postage | 419,759 | 397,596 | 9,578 | 156,927 | 50,945 | 39,987 | 81,214 | 94,465 | 236,173 | 259,911 | 294,349 | 32,576 | 2,073,481 |
| List Rental | 133,725 | 108,872 | 137 | 17,918 | 15,037 | 94 | 18,738 | 23,640 | 68,937 | 70,591 | 95,418 | 6,810 | 587,917 |
| Royalties | 38,344 | 30,888 | 1,334 | 11,104 | 5,737 | - | 969 | 5,913 | 18,652 | 30,862 | 42,069 | (12,031) | 173,841 |
| Copywriters & Graph Designers | 64,750 | 32,811 | - | 455 | 4,102 | 4,102 | 55,214 | 52,013 | 9,333 | 14,170 | 48,543 | 41,627 | 323,018 |
| Legal - Compliance | 1,211 | 7,598 | 11,503 | 11,732 | 10,072 | 4,099 | 770 | 1,165 | 1,165 | 948 | 3,960 | 2,263 | 54,719 |
| Deeba & Kenny | 14,000 | 12,000 | 15,000 | 13,000 | 12,500 | 9,000 | 16,500 | 9,000 | 16,500 | 12,750 | 9,000 | 9,000 | 148,250 |
| TOTAL DIRECT MAIL | \$ 890,286 | \$ 769,085 | \$ 42,100 | \$ 343,886 | \$ 152,320 | \$ 114,610 | \$ 257,151 | \$ 302,513 | \$ 448,588 | \$ 599,100 | \$ 708,642 | \$ 124,944 | \$ 4,740,197 |
| OTHER MARKETING COSTS | | | | | | | | | | | | | |
| Print Advertising | 1,274 | 1,102 | - | 2,700 | 5,100 | 4,939 | - | - | - | 2,300 | - | - | 17,415 |
| Trade show | 5,375 | 6,100 | 8,669 | 6,199 | 5,474 | 5,169 | 6,460 | 14,763 | 9,594 | 8,000 | 7,288 | 5,000 | 50,474 |
| Miscellaneous | 50 | 51 | 50 | 74 | 50 | 50 | 50 | 51 | 1,575 | 485 | 1,795 | 50 | 4,332 |
| Promotional Material | 685 | 316 | 4,540 | 4,368 | 26,712 | 7,156 | 1,826 | 51 | 189 | - | - | - | 45,813 |
| Misc. printing | 7,339 | 569 | 1,434 | 7,075 | 17,137 | 9,870 | 7,646 | 14,908 | 2,621 | - | - | 2,404 | 71,004 |
| Endorsement | 5,200 | 5,200 | 5,200 | 5,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 54,400 |
| TOTAL OTHER MARKETING COSTS | \$ 20,093 | \$ 13,338 | \$ 69,955 | \$ 28,029 | \$ 58,673 | \$ 31,384 | \$ 19,982 | \$ 33,972 | \$ 17,990 | \$ 14,985 | \$ 13,472 | \$ 11,654 | \$ 331,528 |
| WEB / EMAILS / SOCIAL NETWORKS | | | | | | | | | | | | | |
| Email Marketing | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Video Production | 30,600 | 1,000 | - | 7,138 | - | 1,500 | - | - | - | - | - | - | 6,638 |
| Website Designer | - | - | - | - | - | - | - | - | - | - | - | - | 31,600 |
| Affiliates Commissions | - | - | 650 | 85 | 705 | 3,625 | 1,099 | 1,574 | 4,093 | 4,407 | 6,239 | 4,732 | 27,209 |

| | | | | | | | | | |
|---------------------------------------|---------|---------|-----------|---------|-----------|----------|---------|---------|-----------|
| TV | 8,092 | 6 | 968 | 66 | 200 | 750 | 267 | 145 | 10,495 |
| Web Advertising | - | 1,665 | 4,500 | 1,665 | - | - | 7,763 | 213 | 20,234 |
| Web Consultant | - | - | - | - | - | - | - | - | - |
| Web Misc. | 9,434 | 4,408 | 22,269 | 14,188 | 13,115 | 20,526 | 11,114 | 12,465 | 9,778 |
| Monthly SEO,SEM, Blog, Domain | 40,094 | 13,500 | 33,992 | 17,527 | 20,241 | 23,299 | 23,237 | 17,744 | 14,510 |
| TOTAL WEB/EMAILS/SOC.NETWORKS | - | - | - | - | - | - | - | - | - |
| Endorsement | - | - | - | 40,415 | - | (68,856) | - | - | (28,441) |
| Video Development | - | - | - | - | - | - | - | - | - |
| Media Buys | - | - | - | - | - | - | - | - | - |
| TOTAL TV | - | - | - | 40,415 | - | (68,856) | - | - | (28,441) |
| CONTINUITY | 7,323 | 9,715 | 8,314 | 3,322 | 1,879 | 435 | 286 | 706 | 37,763 |
| Gifts | 7,323 | 9,715 | 8,314 | 3,322 | 1,879 | 435 | 286 | 706 | 37,763 |
| TOTAL CONTINUITY | - | - | - | - | - | - | - | - | - |
| Total Marketing Expense | 957,708 | 794,638 | 1,296,615 | 407,268 | 1,681,113 | 292,689 | 488,102 | 741,912 | 1,520,015 |
| OPERATING CONTRIBUTION | 38,750 | 437,515 | 1,207,060 | 351,232 | 563,690 | 521,094 | 428,337 | 305,475 | 793,633 |
| Operating Contribution % | 3.1% | 28.6% | 70.2% | 37.0% | 49.5% | 60.4% | 36.7% | 24.5% | 85.4% |
| VARIABLE OVERHEAD EXPENSE | | | | | | | | | |
| Salary & Wages | 13,192 | 11,473 | 12,568 | 12,395 | 13,792 | 9,525 | 13,008 | 12,561 | 13,707 |
| Commissions | 271 | 782 | 632 | 144 | 47 | 13 | 8 | 5 | 15 |
| Employee Wages - OT | 518 | 592 | 490 | 10 | 185 | 1,571 | 1,478 | 1,329 | 81 |
| Consultant | 218 | 138 | 137 | 161 | 134 | 159 | 178 | 150 | 163 |
| Vacation Accrual | - | - | - | - | - | - | - | - | - |
| Payroll Processing Fees | 14,198 | 12,984 | 14,027 | 12,710 | 14,561 | 11,268 | 14,673 | 14,724 | 15,225 |
| Total Salary & Wages Distribution | 54,449 | 40,034 | 50,952 | 49,090 | 46,364 | 43,683 | 42,974 | 44,528 | 46,017 |
| Commissions | 3,972 | 3,456 | 2,863 | 7,629 | 3,505 | 6,890 | 6,877 | 5,071 | 5,416 |
| Employee Wages - OT | 486 | 1,374 | 2,246 | 2,032 | 1,287 | (2) | 6 | 78 | 17 |
| Incentive Compensation | 6,330 | 4,384 | 6,890 | 6,369 | 16,286 | 9,646 | 11,249 | 10,091 | 12,201 |
| Consultant | 2,777 | 1,675 | 1,971 | (410) | 201 | 6,412 | 2,561 | 2,906 | 2,769 |
| Vacation Accrual | 1,051 | 561 | 675 | 925 | 664 | 833 | 898 | 677 | 710 |
| Payroll Processing Fees | 71,078 | 51,484 | 70,397 | 65,636 | 66,317 | 67,461 | 64,565 | 63,350 | 66,415 |
| Total Salary & Wages Cust.Serv.Rep. | 2,009 | 2,764 | 1,788 | 2,390 | 1,981 | 2,377 | 2,352 | 2,077 | 1,141 |
| Payroll Taxes | 256 | 133 | 156 | 244 | 197 | 256 | 393 | 209 | 269 |
| Health Insurance | 108 | 88 | 88 | 96 | 77 | 99 | 101 | 81 | 106 |
| 401K | - | - | - | - | - | - | - | - | - |
| Drug Testing | 2,373 | 2,984 | 2,071 | 2,731 | 2,286 | 2,732 | 2,645 | 2,367 | 1,516 |
| Total Employee Benefits Distribution | 9,069 | 6,538 | 7,583 | 10,490 | 7,556 | 9,132 | 10,162 | 7,671 | 8,058 |
| Payroll Taxes | 2,864 | 1,619 | 2,477 | 2,549 | 1,777 | 3,315 | 2,680 | 2,129 | 1,676 |
| Health Insurance | 517 | 374 | 395 | 534 | 330 | 665 | 739 | 474 | 523 |
| 401K | - | - | - | - | - | - | - | - | - |
| Drug Testing | 12,451 | 8,531 | 10,455 | 13,574 | 9,663 | 14,532 | 13,581 | 10,275 | 11,181 |
| Total Employee Benefits Cust.Serv.Rep | 11,677 | 5,346 | 4,624 | 4,814 | 1,216 | 2,220 | 2,300 | 3,936 | 4,646 |
| Telephone Expense (in contact, VOCE) | 11,209 | 12,441 | 8,311 | 1,654 | 1,650 | 3,272 | 5,300 | 8,120 | 6,866 |
| Answering Service | 3,089 | 3,704 | 5,332 | 2,233 | 2,071 | 2,490 | 2,484 | 2,465 | 2,716 |
| Insurance - Liability | 29,427 | 32,231 | 32,001 | 21,727 | 19,961 | 19,332 | 21,588 | 25,406 | 24,847 |
| Credit Card Fees | 155,500 | 129,706 | 147,219 | 124,278 | 118,172 | 123,307 | 127,936 | 130,014 | 131,701 |
| TOTAL VARIABLE OVERHEAD EXPENSES | 155,500 | 129,706 | 147,219 | 124,278 | 118,172 | 123,307 | 127,936 | 130,014 | 131,701 |

| | | | | | | | | | | | | |
|-----------------------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|----------|---------|-----------|
| CONTRIBUTION MARGIN | 307,809 | 1,059,841 | 226,954 | 425,402 | 439,937 | 397,787 | 243,519 | 299,002 | 175,462 | (16,109) | 661,932 | 4,104,785 |
| Contribution margin % | 20.1% | 61.6% | 29.9% | 38.8% | 47.2% | 39.2% | 26.2% | 25.8% | 14.1% | (1.5%) | 54.6% | 29.0% |

FIXED OVERHEAD EXPENSE

| | | | | | | | | | | | | |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|-----------|
| Salary & Wages | | | | | | | | | | | | |
| 6001 Salary & Wages | 59,693 | 87,315 | 89,336 | 104,912 | 102,390 | 84,440 | 99,269 | 92,534 | 90,548 | 100,290 | 98,780 | 1,142,591 |
| 6005 Yearly Incentive | - | - | - | - | - | - | - | - | - | - | - | - |
| 6011 Employee Wages - OT | 2,033 | 1,482 | 1,159 | 220 | 5 | 43 | 11 | 4 | 7 | 5 | 1 | 6,792 |
| 6015 Incentive Compensation | 9,260 | 12,071 | 28,187 | 9,079 | 8,374 | 8,678 | 9,046 | 8,673 | 6,614 | (32,444) | (30,785) | 45,675 |
| 6020 Consultant | - | - | - | - | - | - | - | - | - | - | - | - |
| 6050 Vacation Accrual | 4,478 | 4,747 | (59) | 3,006 | 3,026 | 11,836 | 1,984 | 3,725 | 5,614 | 9,044 | 9,203 | 60,694 |
| 6070 Payroll Processing Fees | 1,502 | 1,278 | 1,708 | 1,574 | 1,066 | 1,401 | 1,017 | 1,248 | 1,091 | 1,290 | 1,252 | 8,388 |
| Total Salary & Wages | 111,366 | 103,684 | 120,331 | 118,730 | 114,881 | 106,597 | 111,357 | 106,194 | 103,873 | 78,185 | 78,451 | 1,264,139 |

| | | | | | | | | | | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Employee Benefits | | | | | | | | | | | | |
| 6101 Payroll Taxes | 16,251 | 12,964 | 13,469 | 16,419 | 11,704 | 15,166 | 10,719 | 13,091 | 12,557 | 14,143 | 13,431 | 166,688 |
| 6105 Severance Pay | 18,206 | 16,783 | 18,444 | 29,493 | 1,594 | 5,871 | 1,594 | 5,871 | 5,500 | 5,500 | 5,500 | 116,567 |
| 6110 Health Insurance | 9,116 | 5,992 | 7,690 | 7,026 | 5,813 | 8,419 | 4,297 | 7,748 | 6,028 | 4,521 | 7,451 | 83,506 |
| 6115 401K | 3,072 | 2,256 | 2,007 | 2,415 | 1,655 | 2,041 | 1,559 | 1,946 | 1,561 | 1,557 | 2,206 | 24,434 |
| 6120 Drug Testing | - | - | 15 | 1,671 | - | - | - | - | - | - | - | 1,686 |
| Total Employee Benefits | 46,645 | 37,995 | 41,625 | 56,788 | 20,767 | 31,497 | 16,575 | 22,785 | 20,146 | 25,721 | 23,688 | 394,881 |

| | | | | | | | | | | | | |
|----------------------------------|--------|--------|--------|--------|--------|--------|----------|--------|--------|--------|--------|---------|
| Departmental Expenses | | | | | | | | | | | | |
| 6205 Office Expenses | 3,930 | 945 | 2,764 | 732 | 1,781 | 740 | 3,346 | 2,066 | 1,715 | 1,125 | 1,403 | 30,327 |
| 6210 Post & Delivery | 2,282 | 2,337 | 3,629 | 330 | 879 | 888 | 1,088 | 734 | 540 | 963 | 256 | 16,862 |
| 6215 HR Recruiting | - | 808 | - | - | 25 | - | - | - | - | - | 2,855 | 3,976 |
| 6220 Employee Recreation | - | - | - | 84 | - | - | - | 52 | 92 | 31 | 3,330 | 3,619 |
| 6230 Training & Education | - | 78 | - | 37 | 37 | 38 | 38 | 38 | 1,652 | 38 | 38 | 4,764 |
| 6235 R & D Prod Samples | 104 | - | 591 | 29 | 130 | 71 | 129 | 148 | 169 | 63 | 325 | 1,758 |
| 6240 Security Expense | 305 | - | 203 | - | - | 566 | 100 | (50) | 171 | - | - | 1,566 |
| 6250 Vehicle Expense | 203 | - | 56 | 64 | 123 | 70 | 167 | 70 | - | - | (18) | 770 |
| 6260 Legal Expense | 7,817 | - | 654 | - | 155 | 425 | 114 | 297 | - | - | 634 | 10,155 |
| 6261 Internal IT | - | - | - | - | - | - | - | - | - | - | - | - |
| 6262 Consultant IT | 370 | 10,904 | 2,963 | 21,579 | 2,755 | 8,560 | 2,400 | 4,200 | - | - | 2,900 | 66,128 |
| 6263 Prof. Services & Consulting | 126 | 2,624 | 1,474 | 1,539 | 10,495 | 10,249 | 12,732 | 10,889 | 14,069 | 16,249 | 13,101 | 96,080 |
| 6265 Accounting Expenses | 1,698 | 1,751 | 1,702 | 1,688 | 1,703 | 1,722 | 1,736 | 1,730 | 1,730 | 1,730 | 1,730 | 21,601 |
| 6275 Management Fees - Atrium | 27,119 | 27,199 | 27,072 | 26,864 | 27,060 | 27,276 | 27,500 | 27,500 | 27,500 | 27,500 | 27,500 | 327,103 |
| 6280 Dues & Subscriptions | 2,485 | 2,455 | 1,685 | 2,430 | 2,612 | 1,831 | 2,360 | 1,845 | 1,845 | 1,845 | 1,845 | 24,845 |
| 6285 Contributions | - | - | 394 | - | - | 32,309 | (32,309) | 426 | 2,720 | - | 945 | 4,485 |
| 6287 Gifts | 147 | - | - | - | - | 66 | - | - | 43 | - | 336 | 592 |
| 6270 Sales Samples | - | - | - | - | - | - | - | - | - | - | - | - |
| 6290 Telephone Expense | 9,541 | - | 8,686 | 7,919 | 7,453 | 8,180 | 7,863 | 8,428 | 9,453 | 9,217 | (635) | 92,925 |
| Total Departmental Expenses | 56,127 | 57,625 | 51,226 | 63,343 | 55,209 | 92,960 | 27,193 | 56,347 | 61,720 | 59,740 | 55,445 | 707,617 |

| | | | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|--------|
| Repair & Maintenance | | | | | | | | | | | | |
| 6301 Repair & Maintenance | 3,367 | 1,410 | 1,642 | 6,921 | 2,021 | 1,244 | 959 | 1,900 | 1,489 | 1,317 | 897 | 24,489 |
| 6305 R&M Production Equip | - | 309 | - | - | - | - | - | - | - | - | - | 309 |
| 6310 Equipment Rental/Lease | 191 | 160 | 27 | 185 | - | 28 | 161 | 28 | 28 | 161 | 28 | 997 |
| 6315 Equipment Rental/Lease - Prod | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Repair & Maintenance | 3,558 | 1,878 | 1,669 | 7,106 | 2,021 | 1,271 | 1,120 | 1,927 | 1,517 | 1,478 | 925 | 25,795 |

| | | | | | | | | | | | | |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Utilities | | | | | | | | | | | | |
| 6401 Utilities - Gas | 2,144 | 1,386 | 623 | 53 | 17 | 17 | (964) | 51 | 22 | 494 | 1,048 | 6,138 |
| 6411 Utilities - Electric | 2,127 | 2,446 | 2,389 | 3,006 | 3,445 | 4,670 | 4,186 | 4,192 | 3,232 | 2,425 | 2,169 | 36,817 |
| 6421 Utilities - Other | 649 | 653 | 640 | 727 | 744 | 739 | 491 | 460 | 422 | 466 | 431 | 7,103 |
| Total Utilities | 4,920 | 4,485 | 3,652 | 4,460 | 4,205 | 5,425 | 3,713 | 4,702 | 3,676 | 3,385 | 3,648 | 50,057 |

| | | | | | | | | | | | | |
|----------------------------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Travel & Meals | | | | | | | | | | | | |
| 6501 Travel | - | 2,016 | 605 | 4,293 | 3,332 | 3,142 | 4,354 | 1,961 | 9,517 | 1,864 | 4,468 | 38,160 |
| 6510 Meals & Entertainment | 475 | 344 | 206 | 486 | 415 | 19 | 520 | 318 | 904 | 299 | 207 | 4,750 |
| 6515 Conference & Meetings | 68 | - | 1,731 | 2,847 | 10 | 10 | 10 | 885 | 885 | 10 | 10 | 5,668 |

| | | | | | | | | | | | | | | |
|------|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| 6520 | Travel - F. Auzenne | \$ 543 | \$ 2,360 | \$ 2,542 | \$ 7,615 | \$ 3,233 | \$ 3,757 | \$ 3,172 | \$ 4,884 | \$ 2,288 | \$ 11,306 | \$ 2,173 | \$ 4,705 | \$ 48,578 |
| | Total Travel & Meals | | 0 | | | | | | | | | | | |
| | Computer Related Expenses | | | | | | | | | | | | | |
| 6701 | Computer Maintenance | \$ 1,707 | \$ 2,044 | \$ 1,615 | \$ 2,173 | \$ 1,047 | \$ 254 | \$ 2,660 | \$ 2,771 | \$ 1,804 | \$ 1,995 | \$ 2,108 | \$ 1,725 | \$ 21,902 |
| 6730 | Internet Expense | | 0 | | | | | | | | | | | |
| | Total Computer Expense | \$ 1,707 | \$ 2,044 | \$ 1,615 | \$ 2,173 | \$ 1,047 | \$ 254 | \$ 2,660 | \$ 2,771 | \$ 1,804 | \$ 1,995 | \$ 2,108 | \$ 1,725 | \$ 21,902 |
| | Insurance, Rent & Other | | | | | | | | | | | | | |
| 6820 | Insurance - Auto | \$ 5,372 | \$ 5,710 | \$ 5,684 | \$ 5,671 | \$ 5,640 | \$ 5,681 | \$ 5,726 | \$ 5,773 | \$ 3,586 | \$ 2,386 | \$ 3,586 | \$ 3,586 | \$ 58,403 |
| 6827 | Insurance - Other | | | (276) | | | | | | 24 | | | 20 | (232) |
| 6830 | Permits & Licenses | | | | | | | | | | | | | |
| 6840 | Sales Taxes | | | | | | | | | | | | | |
| 6860 | Rent Property | 156 | 156 | 156 | 155 | 154 | 155 | 157 | | | | | | 1,089 |
| 6870 | Bank Charges | 1,085 | 795 | 795 | 872 | 394 | 322 | 302 | 253 | 250 | 382 | 544 | 645 | 6,337 |
| 6880 | Property Tax | 2,721 | 2,737 | 2,716 | 2,711 | 2,686 | 2,715 | 2,737 | 2,759 | 3,878 | 3,630 | 3,209 | 3,124 | 35,632 |
| | Total Insur/Tax/Other | \$ 9,334 | \$ 9,157 | \$ 9,015 | \$ 9,409 | \$ 8,884 | \$ 8,874 | \$ 8,922 | \$ 8,788 | \$ 7,738 | \$ 6,398 | \$ 7,339 | \$ 7,375 | \$ 101,230 |
| 987 | Total Overhead Expense | \$ 234,199 | \$ 219,629 | \$ 221,782 | \$ 264,681 | \$ 262,957 | \$ 209,988 | \$ 252,504 | \$ 176,399 | \$ 206,777 | \$ 210,630 | \$ 180,130 | \$ 175,361 | \$ 2,614,199 |

| | | | | | | | | | | | | | | |
|---|---------|--------------|-----------|------------|-------------|------------|------------|------------|-----------|-----------|-------------|--------------|------------|--------------|
| EARNINGS BEFORE TAXES/INT/DEPR/AMORT | | | | | | | | | | | | | | |
| | EBITA | \$ (350,950) | \$ 88,181 | \$ 838,059 | \$ (37,907) | \$ 162,445 | \$ 229,988 | \$ 145,283 | \$ 67,119 | \$ 93,225 | \$ (35,168) | \$ (196,239) | \$ 486,571 | \$ 1,490,586 |
| | EBITA % | (27.9%) | 5.6% | 48.7% | (4.0%) | 14.8% | 24.7% | 14.3% | 7.2% | 8.0% | (2.8%) | (18.0%) | 40.1% | 10.5% |

| | | | | | | | | | | | | | | |
|----------------------------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| TAXES/INTEREST/DEPR/AMORT | | | | | | | | | | | | | | |
| | Interest | | | | | | | | | | | | | |
| 6950 | Interest | | | | | | | | | | | | | |
| 6940 | Depreciation | 11,590 | 10,535 | 11,610 | 11,211 | 11,559 | 11,272 | 12,190 | 12,300 | 11,894 | 12,327 | 11,959 | 12,221 | 140,659 |
| 6951 | Amortization | 2,728 | 2,471 | 2,724 | 2,630 | 2,703 | 2,635 | 2,744 | 2,767 | 2,677 | 2,767 | 2,677 | 2,767 | 32,269 |
| | Total Taxes/Interest/Depr/Amort | \$ 14,319 | \$ 13,007 | \$ 14,333 | \$ 13,842 | \$ 14,262 | \$ 13,907 | \$ 14,934 | \$ 15,057 | \$ 14,571 | \$ 15,094 | \$ 14,636 | \$ 14,888 | \$ 172,948 |

| | | | | | | | | | | | | | | |
|--|-----------------------------|--------------|-----------|------------|-------------|------------|------------|------------|-----------|-----------|-------------|--------------|------------|--------------|
| TOTAL NET INCOME / (LOSS) from Operations | | | | | | | | | | | | | | |
| | Total Net Income / (Loss) % | \$ (365,269) | \$ 75,174 | \$ 823,726 | \$ (51,748) | \$ 146,183 | \$ 216,082 | \$ 130,349 | \$ 52,063 | \$ 76,654 | \$ (50,282) | \$ (210,875) | \$ 477,563 | \$ 1,317,638 |
| | | (29.1%) | 4.9% | 47.9% | (6.4%) | 13.5% | 23.2% | 12.9% | 5.6% | 6.8% | (4.0%) | (19.3%) | 38.9% | 9.3% |

| | | | | | | | | | | | | | | |
|------|---|--------------|-----------|------------|-------------|------------|------------|------------|-----------|-----------|-------------|--------------|------------|--------------|
| 8801 | Gain/(Loss) Sale of Assets | | | | | | | | | | | | | 5,301 |
| 8820 | Miscellaneous Income | | | | | | | | | | | | | |
| | Total Net Income / (Loss) BEFORE TAXES | \$ (365,269) | \$ 75,174 | \$ 823,726 | \$ (51,748) | \$ 146,183 | \$ 216,082 | \$ 130,349 | \$ 52,063 | \$ 76,654 | \$ (50,282) | \$ (210,875) | \$ 478,863 | \$ 1,322,939 |
| | Total Net Income / (Loss) AFTER TAXES % | (29.1%) | 4.9% | 47.9% | (5.4%) | 13.5% | 23.2% | 12.9% | 5.6% | 6.8% | (4.0%) | (19.3%) | 39.3% | 9.4% |

| | | | | | | | | | | | | | | |
|------|---|--------------|-----------|------------|-------------|------------|------------|------------|-----------|-----------|-------------|--------------|------------|--------------|
| 9100 | Income Tax Exp | | | | | | | | | | | | | |
| 9200 | Future Income Tax Expense | | | | | | | | | | | | | |
| | Total Net Income / (Loss) AFTER TAXES | \$ (365,269) | \$ 75,174 | \$ 823,726 | \$ (51,748) | \$ 146,183 | \$ 216,082 | \$ 130,349 | \$ 52,063 | \$ 76,654 | \$ (50,282) | \$ (210,875) | \$ 476,883 | \$ 1,322,939 |
| | Total Net Income / (Loss) AFTER TAXES % | (29.1%) | 4.9% | 47.9% | (5.4%) | 13.5% | 23.2% | 12.9% | 5.6% | 6.8% | (4.0%) | (19.3%) | 39.3% | 9.4% |

| | | | | | | | | | | | | | | |
|--------------|------------------------|-------------|-------------|---------------|---------------|-------------|---------------|-------------|-------------|---------------|---------------|---------------|-------------|---------------|
| 27,119 | Atrium Management fees | 27,119 | 27,072 | 27,072 | 27,015 | 26,864 | 27,060 | 27,276 | 27,500 | 27,500 | 27,500 | 27,500 | 27,500 | 327,103 |
| 1933,940,571 | Adjusted EBITDA | 133,370,318 | 645,130,711 | 1,037,928,717 | 1,037,928,717 | 372,338,238 | 2,577,028,277 | 372,338,238 | 947,639,218 | 1,202,784,088 | 1,066,025,120 | (188,739,240) | 930,070,153 | 1,837,689,485 |
| 25.6% | | 7.5% | 30.3% | 11.3% | 17.3% | 10.2% | 30.4% | 10.2% | 15.5% | 16.5% | (8.5%) | 47.4% | 13.3% | |

**Balance Sheet
As of 12/31/2012**

**Nutri-Health Supplements, LLC (SUP)
Consolidated Trial Balance (Includes Sedona)**

Assets

Cash

| | | | | |
|------------|------------------------|----|------------|---------------|
| 1000-00-00 | Wells Fargo - Checking | \$ | 509,621.14 | |
| 2410-00-00 | Prepaid Orders | \$ | 1,889.50 | |
| 1050-00-00 | Petty Cash | \$ | 200.00 | |
| | Total Cash: | | | \$ 511,710.64 |

Accounts Receivable

| | | | | |
|------------|---|----|------------|---------------|
| 1105-00-00 | Accounts Receivable - Direct | \$ | -2,075.86 | |
| 1110-00-00 | Accounts Receivables - Sedona Labs Retail | \$ | 42,759.48 | |
| 1120-00-00 | A/R - - List Rental-Incom | \$ | 67,992.73 | |
| 1133-00-00 | AR - Atrium Biotech Investments-Sales | \$ | 98,926.22 | |
| | AR ABI | \$ | 599,955.00 | |
| 1137-00-00 | Affiliated AR - Pure | \$ | 304.00 | |
| | Total Accounts Receivable: | | | \$ 807,861.57 |

Inventory

| | | | | |
|------------|---------------------------------|----|--------------|-----------------|
| 1360-00-00 | Inv FG Nutri-Health-Sales | \$ | 1,278,217.57 | |
| 1370-00-00 | Inv FG - SL Retail-Sales | \$ | 147,944.24 | |
| 1395-00-00 | Affiliated Inv-in-Transit - HVL | \$ | 1,164.00 | |
| | Total Inventory: | | | \$ 1,427,325.81 |

Prepaid Expense

| | | | | |
|------------|-------------------------------|----|------------|---------------|
| 1410-00-00 | Prepaid Expenses | \$ | 360,929.27 | |
| 1410-20-00 | Prepaid Medical Insurance | \$ | -16,586.78 | |
| | Total Prepaid Expense: | | | \$ 344,342.49 |

Capital Assets

| | | | | |
|------------|--|----|--------------|-----------------|
| 1701-00-00 | Fixed Assets - Land | \$ | 365,000.00 | |
| 1710-00-00 | Fixed Assets - Building | \$ | 1,229,583.85 | |
| 1715-00-00 | Bldg Improvement | \$ | 30,079.67 | |
| 1720-00-00 | Fixed Assets - Equipment | \$ | 18,351.14 | |
| 1730-00-00 | Fixed Assets - Computers | \$ | 222,411.64 | |
| 1750-00-00 | Fixed Assets - Furniture | \$ | 210,998.24 | |
| 1790-00-00 | Fixed Assets - Construction-In-Progress Software | \$ | 15,611.51 | |
| 1810-00-00 | Dep - Building | \$ | -123,623.09 | |
| 1815-00-00 | Dep - Bldg Improvem | \$ | -32.92 | |
| 1820-00-00 | Dep - Equipment | \$ | -5,818.76 | |
| 1830-00-00 | Dep - Computers | \$ | -188,934.25 | |
| 1850-00-00 | Dep - Furniture | \$ | -161,650.52 | |
| | Total Capital Assets: | | | \$ 1,611,976.51 |

Other Assets

| | | | | |
|------------|----------------------------|----|--------------|-----------------|
| 1910-00-00 | Goodwill | \$ | 5,720,572.00 | |
| 1920-00-00 | Trademarks/Patents | \$ | 1,400,000.00 | |
| 1740-00-00 | Fixed Assets - Software | \$ | 162,874.09 | |
| 1980-00-00 | Amort - Software-Sales | \$ | -80,667.81 | |
| | Total Other Assets: | | | \$ 7,202,778.28 |

Income Tax Assets

| | | | | |
|------------|---------------------------|----|---------------|-----------------|
| 2860-00-00 | Fut Income Tax Liab-Sales | \$ | -4,937,033.00 | |
| | | | | \$ 4,937,033.00 |

Total Assets:

\$ 16,843,028.30

Liabilities

Current Liabilities

| | | | | |
|------------|---------------------------|----|------------|--|
| 2210-00-00 | Accounts Payable (aging) | \$ | 260,566.39 | |
| 2250-00-00 | Affiliated AP - Atrium | \$ | 285,618.32 | |
| 2252-00-00 | Aff AP - AMS-Sales | \$ | 50,137.48 | |
| 2255-00-00 | Affiliated AP - HVL | \$ | 830,651.02 | |
| | Affiliated HVL | | | |
| 2260-00-00 | Affiliated AP - GOL-Sales | \$ | 9,085.10 | |
| 2265-00-00 | Aff AP -- Pure-Sales | \$ | 229.90 | |

Total Current Liabilities: \$ 1,436,288.21

Other Liabilities

(Continued)

| | | |
|------------|---------------------|---------------|
| 2510-00-00 | Accrued Expense | \$ 199,897.72 |
| 2520-00-00 | Cust Refund Reserve | \$ 84,052.00 |
| 2610-00-00 | Accrued Sales Tax | \$ 2,744.05 |

Total Other Liabilities: \$ 286,693.77

Income Tax Liability

| | | |
|------------|----------------------------|----------------|
| 2850-00-00 | Current Taxes Payabl-Sales | \$ -101,118.00 |
|------------|----------------------------|----------------|

Total Income Tax Liability: \$ 101,118.00

Total Liabilities: \$ 1,824,099.98

Equity

| | | |
|------------|--------------------------------|------------------|
| 2910-00-00 | Issued Capital Interest | \$ 21,590,218.35 |
| 2920-00-00 | Retained Earnings | \$ -9,222,139.94 |
| 2930-00-00 | Profit or (Loss) | \$ 8,407,567.99 |
| | Retained Earnings Sedona | \$ 544,370.95 |
| 2810-00-00 | Dividends Paid | \$ -5,450,000.00 |
| 2930-00-00 | Retained Earnings-Current Year | \$ -851,089.03 |

Total Equity: \$ 15,018,928.32

Total Liabilities & Equity: \$ 16,843,028.30

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YEAR-TO-DATE |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| REVENUE | | | | | | | | | | | | | |
| Gross Sales | | | | | | | | | | | | | |
| 3100 Sales | \$ 1,282,431 | \$ 1,301,619 | \$ 1,541,203 | \$ 1,257,086 | \$ 2,015,875 | \$ 1,509,276 | \$ 2,160,052 | \$ 1,714,207 | \$ 1,471,926 | \$ 1,368,196 | \$ 1,158,490 | \$ 1,125,900 | \$ 17,906,282 |
| 3201 List Rental | 43,452 | 17,535 | 20,296 | 23,276 | - | - | 11,724 | - | 3,532 | - | 19,312 | 17,890 | 157,015 |
| 3450 Miscellaneous Income | 64 | 88 | 22 | 12 | 12 | 12 | 12 | 12 | 6 | 3 | 6 | 19 | 249 |
| 3801 Customer Freight Revenue | 12,212 | 13,846 | 12,499 | 8,764 | 20,065 | 14,073 | 27,410 | 16,208 | 10,605 | 8,090 | 5,675 | 4,647 | 154,113 |
| Total Revenue | \$ 1,338,159 | \$ 1,333,087 | \$ 1,574,020 | \$ 1,299,137 | \$ 2,035,971 | \$ 1,523,350 | \$ 2,199,197 | \$ 1,730,427 | \$ 1,486,082 | \$ 1,376,289 | \$ 1,183,483 | \$ 1,148,856 | \$ 18,217,659 |
| Returns & Allowances | | | | | | | | | | | | | |
| 3501 Customer Refunds | \$(62,179) | \$(54,156) | \$(72,683) | \$(65,211) | \$(71,341) | \$(104,580) | \$(99,286) | \$(138,666) | \$(89,508) | \$(96,263) | \$(65,719) | \$(48,376) | \$(967,969) |
| 3505 Customer Refunds Reserve | \$(6,102) | \$(3,151) | \$(6,965) | 355 | \$(2,122) | \$(8,790) | \$(7,108) | \$(7,975) | 29,825 | 12,097 | 10,074 | 10,734 | 932 |
| 3601 Customer Discounts | \$(669) | \$(882) | \$(1,894) | \$(1,021) | \$(2,030) | \$(1,514) | \$(2,005) | \$(1,493) | \$(3,294) | \$(2,431) | \$(2,066) | \$(8,300) | \$(27,479) |
| 3701 Bad Debt | \$(622) | \$(1,135) | \$(742) | \$(1,407) | \$(928) | \$(1,796) | \$(828) | \$(1,632) | \$(1,091) | \$(658) | \$(1,814) | 255 | \$(12,388) |
| Total Returns & Allowances | \$(69,572) | \$(59,324) | \$(82,084) | \$(87,285) | \$(96,481) | \$(116,820) | \$(109,227) | \$(149,786) | \$(84,068) | \$(87,256) | \$(59,545) | \$(45,887) | \$(1,006,914) |
| OPERATING REVENUE | \$ 1,268,587 | \$ 1,273,763 | \$ 1,491,935 | \$ 1,221,852 | \$ 1,939,491 | \$ 1,406,730 | \$ 2,089,970 | \$ 1,580,681 | \$ 1,421,995 | \$ 1,289,033 | \$ 1,123,938 | \$ 1,102,769 | \$ 17,210,725 |
| COST OF GOODS | | | | | | | | | | | | | |
| 4101 Manufacturing Cost | \$ 202,674 | \$ 230,011 | \$ 292,595 | \$ 229,235 | \$ 397,040 | \$ 297,123 | \$ 441,375 | \$ 367,050 | \$ 301,893 | \$ 273,038 | \$ 227,117 | \$ 142,207 | \$ 3,401,358 |
| 4105 Overhead Sold | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4106 Overhead Applied Inventory | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4110 Shipping Supplies | 1,560 | 2,673 | 5,074 | 4,045 | 5,139 | 4,071 | 8,207 | 4,716 | 5,405 | 5,401 | 4,023 | 3,588 | 53,902 |
| 4115 Production Supplies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4120 Other Mfg Cost | 2,397 | 1,569 | 2,881 | 3,266 | 29,799 | 11,059 | 1,822 | 2,288 | 11,264 | 16,527 | (1,148) | 923 | 58,000 |
| 4125 Royalties - Bienergy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4210 Spoilage Raw Mat'l | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4250 Spoilage - F/G | 11,557 | 4,500 | 4,500 | 8,500 | 8,500 | 8,500 | (16,207) | - | - | - | - | (42,631) | (12,781) |
| 4410 Lab Reports | 290 | 148 | 1,500 | 7,549 | 17,851 | 842 | 842 | 825 | 825 | (1,850) | 476 | 5,823 | 34,829 |
| 4510 In-Bound Frit | - | - | 2,045 | 2,045 | 1,850 | 1,850 | 2,674 | 1,850 | 1,850 | 1,850 | 476 | - | 5,194 |
| 4710 Customer Freight Exp | 45,400 | 46,881 | 55,291 | 50,307 | 70,210 | 54,608 | 96,601 | 76,859 | 60,538 | 41,872 | 47,370 | 35,922 | 661,860 |
| Total Cost of Goods | \$ 263,878 | \$ 285,783 | \$ 380,341 | \$ 298,899 | \$ 518,238 | \$ 381,094 | \$ 534,472 | \$ 451,754 | \$ 389,247 | \$ 334,987 | \$ 277,837 | \$ 145,632 | \$ 4,222,362 |
| GROSS MARGIN | \$ 1,004,709 | \$ 987,980 | \$ 1,111,594 | \$ 922,953 | \$ 1,421,253 | \$ 1,025,636 | \$ 1,555,499 | \$ 1,128,907 | \$ 1,052,748 | \$ 954,046 | \$ 846,101 | \$ 956,937 | \$ 12,988,363 |
| Gross Margins % | 79.2% | 77.6% | 75.8% | 75.5% | 73.3% | 72.9% | 74.4% | 71.4% | 74.0% | 74.0% | 75.3% | 86.8% | 75.5% |
| MARKETING EXPENSE | | | | | | | | | | | | | |
| DIRECT MAIL | | | | | | | | | | | | | |
| Printing | \$ 230,000 | \$ 157,171 | \$ 68,293 | \$ 307,180 | \$ 436,123 | \$ 23,007 | \$ 626,862 | \$ 226,903 | \$ 132,545 | \$ 153,608 | \$ 97,153 | \$ 47,684 | \$ 2,605,939 |
| Postage | 292,608 | 198,718 | 55,346 | 508,908 | 554,502 | 22,327 | 931,410 | 322,474 | 171,656 | 191,020 | 91,155 | 57,713 | 3,397,836 |
| List Rental | 104,048 | 72,991 | 13,105 | 165,406 | 149,791 | 136 | 284,101 | 63,138 | 29,945 | 27,476 | 7,614 | 6,764 | 924,515 |
| Royalties | 47,816 | 30,232 | 4,433 | 64,753 | 63,376 | (0) | 109,316 | 51,819 | 14,348 | 27,832 | 3,365 | (4,852) | 412,437 |
| Copywriters & Graph Designers | 64,485 | 43,063 | 108,940 | 17,358 | 9,889 | 70,363 | 37,527 | 34,520 | 36,250 | 18,187 | 40,765 | 3,243 | 484,628 |
| Legal - Compliance | 265 | 918 | - | 4,151 | 8,000 | 1,362 | 6,827 | 1,015 | 1,015 | 1,362 | 35,199 | 12,861 | 90,000 |
| Deeba & Kenny | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 90,000 |
| TOTAL DIRECT MAIL | \$ 748,222 | \$ 512,112 | \$ 289,116 | \$ 1,072,605 | \$ 1,226,891 | \$ 132,832 | \$ 1,999,231 | \$ 705,461 | \$ 390,607 | \$ 422,622 | \$ 249,072 | \$ 131,822 | \$ 7,860,553 |
| OTHER MARKETING COSTS | | | | | | | | | | | | | |
| Print Advertising | - | - | - | - | - | - | - | - | - | (3,000) | - | - | (3,000) |
| Trade show | 6,088 | 6,313 | 5,716 | 6,463 | 7,025 | 6,425 | 5,000 | 5,000 | (694,050) | 705,000 | 5,000 | 5,003 | 66,982 |
| Miscellaneous | 50 | 50 | 50 | 158 | 714 | 901 | 1,512 | 502 | 193 | - | 100 | 50 | 4,281 |
| Promotional Material | 2,646 | 4,806 | - | 544 | 2,870 | 3,207 | 3,808 | 7,806 | 2,578 | 4,090 | 2,043 | 981 | 35,380 |
| Endorsement | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 50,400 |
| TOTAL OTHER MARKETING COSTS | \$ 12,963 | \$ 15,368 | \$ 9,967 | \$ 11,365 | \$ 14,809 | \$ 14,733 | \$ 14,820 | \$ 17,508 | \$ (887,079) | \$ 710,290 | \$ 11,343 | \$ 10,234 | \$ 156,043 |
| WEB / EMAILS / SOCIAL NETWORKS | 3,000 | 13,505 | 2,755 | 9,050 | 16,028 | 2,678 | - | 11,056 | 385 | (865) | - | 1,500 | 58,573 |
| Video Production | 1,833 | 1,833 | - | - | - | 550 | 1,275 | 550 | - | 10,070 | 1,800 | 1,575 | 20,770 |
| Website Designer | 7,333 | 7,019 | 7,805 | 2,785 | 10,711 | 6,976 | 12,042 | 9,045 | 14,469 | 3,707 | 14,535 | 6,309 | 102,735 |

| | | | | | | | | | | | |
|----|-------------------------------|---------|---------|---------|-----------|-----------|---------|-----------|---------|-----------|-----------|
| TV | Web Advertising | 199 | 875 | 430 | 563 | 650 | 763 | (900) | 2,883 | 558 | 6,141 |
| | Web Consultant | 3,230 | 2,259 | 2,040 | 850 | 1,578 | 1,530 | 5,030 | 1,530 | 1,730 | 23,914 |
| | Web Misc. | - | - | - | - | - | - | - | - | - | - |
| | Monthly SEO,SEM, Blog, Domain | 11,334 | 10,680 | 13,359 | 3,531 | 4,646 | 3,922 | 5,129 | 3,256 | 4,193 | 74,423 |
| | TOTAL WEB/EMAILS/SOC.NETWORKS | 24,931 | 34,034 | 27,403 | 18,885 | 34,718 | 16,046 | 19,876 | 20,932 | 25,041 | 287,557 |
| | Endorsement | - | - | - | - | - | - | - | - | - | - |
| | Video Development | - | - | - | - | - | - | - | - | - | - |
| | Media Buys | - | - | - | - | - | - | - | - | - | - |
| | TOTAL TV | 36,165 | 77,073 | 67,852 | 41,266 | 70,334 | 45,614 | 50,001 | 66,863 | 70,871 | 436,005 |
| | CONTINUITY | - | - | - | - | - | - | - | - | - | - |
| | Gifts | 1,347 | 1,036 | 1,063 | 850 | 585 | 717 | 860 | 1,127 | 456 | 9,735 |
| | TOTAL CONTINUITY | 1,347 | 1,036 | 1,063 | 850 | 585 | 717 | 860 | 1,127 | 456 | 9,735 |
| | Total Marketing Expense | 787,483 | 562,551 | 297,546 | 1,103,674 | 1,276,944 | 184,328 | 2,034,490 | 750,759 | 1,154,301 | 8,303,888 |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|----|---------|----|---------|----|---------|----|-----------|----|---------|----|---------|----|-----------|----|-----------|----|-----------|----|---------|----|---------|----|-----------|
| OPERATING CONTRIBUTION | \$ | 217,226 | \$ | 425,429 | \$ | 834,046 | \$ | (180,721) | \$ | 144,309 | \$ | 861,308 | \$ | (478,991) | \$ | 1,327,887 | \$ | (200,255) | \$ | 580,553 | \$ | 795,556 | \$ | 4,864,475 |
| Operating Contribution % | | 17.1% | | 33.4% | | 55.9% | | (14.8%) | | 7.4% | | 61.2% | | (22.9%) | | 93.4% | | (15.5%) | | 48.9% | | 72.1% | | 27.2% |

VARIABLE OVERHEAD EXPENSE

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| Salary & Wages | \$ | 13,832 | \$ | 13,404 | \$ | 14,103 | \$ | 13,713 | \$ | 15,554 | \$ | 13,574 | \$ | 13,675 | \$ | 15,134 | \$ | 13,156 | \$ | 14,986 | \$ | 13,502 | \$ | 11,992 | \$ | 166,634 | | |
| 6001 Salary & Wages | | 286 | 408 | 14 | 31 | 920 | 283 | 623 | 7 | 226 | 32 | 6 | 32 | 6 | 32 | 6 | 32 | 6 | 32 | 6 | 32 | 6 | 32 | 6 | 32 | 6 | 3,015 | |
| 6005 Commissions | | - | - | - | 103 | - | 183 | - | 64 | 41 | - | 1,081 | - | 70 | - | 1,542 | - | 70 | - | 1,542 | - | 70 | - | 1,542 | - | 70 | 1,542 | |
| 6011 Employee Wages - OT | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6015 Incentive Compensation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8020 Consultant | | 914 | 945 | 584 | 475 | 309 | 561 | 1,100 | 361 | 313 | 397 | 1,363 | 313 | 397 | 1,363 | 313 | 397 | 1,363 | 313 | 397 | 1,363 | 313 | 397 | 1,363 | 313 | 397 | 9,473 | |
| 8050 Vacation Accrual | | 162 | 1,294 | 588 | 569 | 671 | 577 | 624 | 620 | 548 | 617 | 595 | 617 | 595 | 617 | 595 | 617 | 595 | 617 | 595 | 617 | 595 | 617 | 595 | 617 | 595 | 7,269 | |
| 8070 Payroll Processing Fees | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Salary & Wages Distribution | \$ | 15,174 | \$ | 16,051 | \$ | 15,290 | \$ | 14,891 | \$ | 17,454 | \$ | 15,177 | \$ | 16,222 | \$ | 16,186 | \$ | 14,295 | \$ | 17,111 | \$ | 15,466 | \$ | 14,618 | \$ | 187,934 | | |
| 6001 Salary & Wages | | 46,714 | 41,481 | 42,772 | 42,575 | 46,598 | 42,950 | 45,817 | 45,558 | 40,339 | 44,777 | 40,688 | 45,817 | 45,558 | 40,339 | 44,777 | 40,688 | 45,817 | 45,558 | 40,339 | 44,777 | 40,688 | 45,817 | 45,558 | 40,339 | 44,777 | 513,126 | |
| 6005 Commissions | | 18,097 | 19,139 | 25,496 | 18,049 | 23,870 | 19,866 | 20,705 | 21,526 | 18,619 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 15,187 | 18,545 | 33,858 |
| 6011 Employee Wages - OT | | 136 | 376 | 87 | 9 | 1,626 | 1,730 | 2,814 | 2,372 | 650 | 816 | 37 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 10,677 |
| 6015 Incentive Compensation | | 308 | - | - | 84 | 100 | 60 | 60 | 196 | 537 | 1491 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 2,929 |
| 8020 Consultant | | 3,434 | 4,266 | 1,494 | 651 | 888 | 639 | 1,283 | 1,915 | 917 | 3,064 | 3,690 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 2,345 | 24,587 | |
| 8050 Vacation Accrual | | 738 | 4,573 | 2,658 | 2,451 | 2,879 | 2,605 | 2,796 | 2,855 | 2,421 | 2,752 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 2,384 | 30,458 | |
| 8070 Payroll Processing Fees | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Salary & Wages Cust.Serv.Rep. | | 69,427 | 69,635 | 72,707 | 63,620 | 74,961 | 67,651 | 73,415 | 74,423 | 63,482 | 71,445 | 62,137 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 50,717 | 614,220 |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----|---------|--------|---------|--------|---------|--------|---------|--------|---------|----------|----------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|-----------|---------|--------|
| Employee Benefits | \$ | 2,038 | \$ | 1,810 | \$ | 1,671 | \$ | 1,144 | \$ | 1,284 | \$ | 1,103 | \$ | 1,193 | \$ | 1,186 | \$ | 1,048 | \$ | 1,331 | \$ | 1,138 | \$ | 1,082 | \$ | 16,028 | | |
| 6101 Payroll Taxes | | 259 | 397 | 213 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 6,414 | |
| 6110 Health Insurance | | 84 | 86 | 103 | 82 | 90 | 110 | 103 | 103 | 84 | 82 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 62 | |
| 6115 401K | | 433 | 420 | 429 | 415 | 490 | 421 | 455 | 354 | 400 | 434 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 413 | 5,116 | |
| 6120 Drug Testing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Employee Benefits Distribution | \$ | 2,814 | \$ | 2,714 | \$ | 2,416 | \$ | 1,877 | \$ | 2,099 | \$ | 1,869 | \$ | 1,975 | \$ | 1,876 | \$ | 1,768 | \$ | 3,241 | \$ | 3,053 | \$ | 2,985 | \$ | 26,638 | | |
| 6101 Payroll Taxes | | 9,156 | 6,968 | 6,064 | 4,942 | 5,507 | 4,987 | 5,427 | 5,618 | 4,770 | 5,814 | 4,560 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 3,982 | 67,803 | |
| 6105 Severance Pay | | 2,589 | 3,180 | 2,119 | 1,245 | 1,638 | 1,668 | 1,638 | 1,638 | 2,723 | 9,044 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 4,460 | 36,411 | |
| 6110 Health Insurance | | 547 | 639 | 634 | 525 | 683 | 1,008 | 540 | 609 | 651 | 949 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 322 | 8,025 | |
| 6115 401K | | 141 | 137 | 147 | 129 | 151 | 137 | 129 | 125 | 127 | 141 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1,610 | |
| 6120 Drug Testing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Employee Benefits Cust.Serv.Rep | | 12,433 | 10,923 | 9,163 | 6,840 | 7,979 | 7,799 | 7,752 | 8,032 | 8,429 | 15,519 | 10,094 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 10,541 | 115,504 | |
| 6290 Telephone Expense (in contact, VOCE) | | 4,015 | 3,865 | 4,346 | 3,326 | 6,435 | 5,115 | 6,855 | 7,342 | 5,420 | 2,276.91 | 2,675.66 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 70.77 | 51,946 |
| 6295 Answering Service | | 9,235 | 8,149 | 9,778 | 6,217 | 20,552 | 14,741 | 25,754 | 15,163 | 15,000 | 1,947 | 7,300 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 2,676 | 136,910 | |
| 8825 Insurance - Liability | | 2,821 | 2,863 | 3,391 | 2,766 | 4,483 | 3,320 | 4,752 | 3,461 | 3,120 | 2,901 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 38,681 | |
| 8875 Credit Card Fees | | 22,971 | 25,884 | 30,491 | 22,266 | 37,214 | 29,799 | 41,596 | 39,442 | 30,000 | 23,719 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 21,426 | 344,252 | |
| TOTAL VARIABLE OVERHEAD EXPENSES | \$ | 138,689 | \$ | 140,284 | \$ | 147,561 | \$ | 122,004 | \$ | 171,527 | \$ | 145,671 | \$ | 178,320 | \$ | 159,928 | \$ | 141,513 | \$ | 139,885 | \$ | 127,105 | \$ | 106,380 | \$ | 1,716,085 | | |

| | 76.337 | 285,145 | 686,465 | (302,725) | (27,218) | 715,637 | (657,311) | 218,221 | 1,186,354 | (340,140) | 433,448 | 690,176 | 2,966,390 | | | | | | | | | | | |
|------------------------------------|--------|---------|---------|-----------|----------|---------|-----------|---------|-----------|-----------|---------|---------|-----------|---------|----|---------|----|---------|----|---------|----|---------|----|---------|
| | 6.2% | 22.4% | 46.0% | (24.8%) | (1.4%) | 50.9% | (31.5%) | 13.6% | 83.4% | (26.4%) | 38.6% | 62.6% | 17.2% | | | | | | | | | | | |
| CONTRIBUTION MARGIN | | | | | | | | | | | | | | | | | | | | | | | | |
| Contribution margin % | | | | | | | | | | | | | | | | | | | | | | | | |
| FIXED OVERHEAD EXPENSE | | | | | | | | | | | | | | | | | | | | | | | | |
| Salary & Wages | | | | | | | | | | | | | | | | | | | | | | | | |
| 8001 Salary & Wages | \$ | 104,486 | \$ | 103,729 | \$ | 114,462 | \$ | 109,372 | \$ | 118,182 | \$ | 118,058 | \$ | 119,888 | \$ | 107,379 | \$ | 96,179 | \$ | 132,524 | \$ | 136,624 | | |
| 8005 Yearly Incentive | | 7,500 | | 7,500 | | 10,000 | | 10,000 | | 13,000 | | 13,000 | | 13,000 | | 13,000 | | 13,000 | | 13,000 | | 136,500 | | |
| 8011 Employee Wages - OT | 4 | 37 | 20 | 11 | 604 | 317 | 75 | 501 | 227 | 22 | 240 | 248 | 2,308 | | | | | | | | | | | |
| 8015 Incentive Compensation | 2,508 | 1,154 | 1,558 | 2,895 | 1,439 | 428 | 182 | 61 | 3,152 | 175 | 381 | 15,085 | | | | | | | | | | | | |
| 6020 Consultant | | 1,557 | | 2,623 | | 3,137 | | 4,779 | | 2,984 | | 4,674 | | | | 12,062 | | 18,041 | | 66,246 | | | | |
| 6050 Vacation Accrual | 1,197 | 9,179 | 6,466 | 4,625 | 7,688 | 5,574 | 6,019 | 5,580 | 6,044 | 5,853 | 6,674 | 4,623 | 66,674 | | | | | | | | | | | |
| 6070 Payroll Processing Fees | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | 117,252 | \$ | 124,222 | \$ | 132,918 | \$ | 128,703 | \$ | 147,149 | \$ | 142,435 | \$ | 146,793 | \$ | 138,739 | \$ | 132,472 | \$ | 181,437 | | | | |
| Total Salary & Wages | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee Benefits | | | | | | | | | | | | | | | | | | | | | | | | |
| 6101 Payroll Taxes | \$ | 14,472 | \$ | 8,828 | \$ | 12,676 | \$ | 9,600 | \$ | 13,493 | \$ | 10,064 | \$ | 11,133 | \$ | 9,108 | \$ | 8,481 | \$ | 124,700 | | | | |
| 6105 Severance Pay | | | | | | | | | | | | | | | | | | | | | | | | |
| 6110 Health Insurance | 6,725 | 8,366 | 7,510 | 7,991 | 7,598 | 7,637 | 7,966 | 7,833 | 8,268 | (1,033) | 3,581 | 3,729 | 76,172 | | | | | | | | | | | |
| 6115 401K | 1,437 | 1,457 | 1,855 | 1,479 | 1,841 | 1,894 | 2,677 | 2,102 | 2,700 | 1,357 | 2,613 | 1,357 | 22,613 | | | | | | | | | | | |
| 6120 Drug Testing | 223 | 223 | 322 | 236 | 343 | 236 | 249 | 205 | 237 | 262 | 251 | 240 | 3,027 | | | | | | | | | | | |
| | \$ | 22,857 | \$ | 18,873 | \$ | 22,463 | \$ | 19,286 | \$ | 22,913 | \$ | 20,273 | \$ | 18,829 | \$ | 15,641 | \$ | 13,807 | \$ | 226,512 | | | | |
| Total Employee Benefits | | | | | | | | | | | | | | | | | | | | | | | | |
| Departmental Expenses | | | | | | | | | | | | | | | | | | | | | | | | |
| 6205 Office Expenses | \$ | 1,796 | \$ | 2,212 | \$ | 3,956 | \$ | 6,783 | \$ | 9,265 | \$ | 6,507 | \$ | 9,848 | \$ | 6,071 | \$ | 6,601 | \$ | 75,170 | | | | |
| 6210 Post & Delivery | 1,326 | 637 | 2,481 | 17 | 1,785 | 414 | 1,735 | 2,385 | 1,340 | 580 | 1,960 | 1,107 | 15,785 | | | | | | | | | | | |
| 6215 HR Recruiting | | | | | | | | | | | | | | | | | | | | | | | | |
| 6220 Employee Recreation | 33 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 2,108 | | | | | | | | | | | |
| 6230 Training & Education | | | | | | | | | | | | | 450 | | | | | | | | | | | |
| 6235 R & D Prod Samples | 73 | 359 | 102 | 61 | 329 | 173 | 19 | 125 | 61 | 1375 | 32 | 1,146 | 1,375 | | | | | | | | | | | |
| 6240 Security Expense | 171 | 35 | 171 | 171 | 420 | 221 | 61 | 171 | 125 | 23 | 61 | 83 | 776 | | | | | | | | | | | |
| 6250 Vehicle Expense | 10 | 43 | 238 | 21 | 155 | 36 | 33 | 33 | 102 | 31 | 23 | 776 | 94,212 | | | | | | | | | | | |
| 6260 Legal Expense | | 1,823 | 30,845 | 136 | 980 | 123 | | | 304 | | | | | | | | | | | | | | | |
| 6261 Internal IT | | | | | | | | | | | | | | | | | | | | | | | | |
| 6262 Consultant IT | 400 | | 2,000 | | | 3,600 | | 818 | 998 | 1,122 | 1,337 | 3,055 | 13,330 | | | | | | | | | | | |
| 6263 Prof. Services & Consulting | 14,640 | 11,520 | 7,440 | 6,160 | 5,440 | 800 | | | 1,722 | 1,728 | 1,728 | 4,733 | 46,000 | | | | | | | | | | | |
| 6265 Accounting Expenses | 1,730 | 1,729 | 4,233 | 1,729 | 1,718 | 1,728 | 1,728 | 1,728 | 1,729 | 1,729 | 1,728 | 26,224 | 26,224 | | | | | | | | | | | |
| 6275 Management Fees - Atrium | 27,500 | 27,500 | 27,500 | 64,102 | 64,102 | 64,102 | 64,102 | 64,102 | 64,102 | 64,102 | 71,727 | 48,600 | 651,601 | | | | | | | | | | | |
| 6280 Dues & Subscriptions | 1,999 | 2,805 | 1,845 | 1,636 | 1,711 | 1,636 | 2,226 | 1,636 | 1,636 | 1,636 | 1,636 | 1,636 | 22,040 | | | | | | | | | | | |
| 6285 Contributions | 61 | 132 | | | 389 | | | | | 126 | | 704 | 1,412 | | | | | | | | | | | |
| 6287 Gifts | 47 | | | | 63 | | | | | | | 60 | 170 | | | | | | | | | | | |
| 6670 Sales Samples | | | | | | | | | | | | | | | | | | | | | | | | |
| 6290 Telephone Expense | 1,687 | 6,212 | 6,225 | 6,014 | 6,440 | 2,609 | 11,595 | 6,853 | 7,102 | 5,624 | 6,526 | 7,755 | 74,640 | | | | | | | | | | | |
| | \$ | 51,510 | \$ | 55,041 | \$ | 84,904 | \$ | 88,605 | \$ | 91,731 | \$ | 82,610 | \$ | 87,959 | \$ | 86,228 | \$ | 84,881 | \$ | 91,241 | \$ | 76,188 | \$ | 966,441 |
| Total Departmental Expenses | | | | | | | | | | | | | | | | | | | | | | | | |
| Repair & Maintenance | | | | | | | | | | | | | | | | | | | | | | | | |
| 6301 Repair & Maintenance | \$ | 2,770 | \$ | 1,136 | \$ | 1,364 | \$ | 1,886 | \$ | 707 | \$ | 1,596 | \$ | 1,745 | \$ | 967 | \$ | 837 | \$ | 16,944 | | | | |
| 6305 R&M Production Equip | | | | | | | | | | | | | | | | | | | | | | | | |
| 6310 Equipment Rental/Lease | 28 | 161 | (89) | 28 | 251 | 28 | 28 | 1,402 | (1,346) | 28 | 28 | 28 | 573 | | | | | | | | | | | |
| 6315 Equipment Rental/Lease - Prod | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$ | 2,798 | \$ | 1,298 | \$ | 1,275 | \$ | 1,914 | \$ | 987 | \$ | 1,624 | \$ | 399 | \$ | 995 | \$ | 865 | \$ | 17,517 | | | | |
| Total Repair & Maintenance | | | | | | | | | | | | | | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | | | | | | | | | | | | | |
| 6401 Utilities - Gas | \$ | 1,273 | \$ | 1,063 | \$ | 801 | \$ | 355 | \$ | 88 | \$ | 47 | \$ | 22 | \$ | 22 | \$ | 22 | \$ | 4,800 | | | | |
| 6411 Utilities - Electric | 2,146 | 2,134 | 2,222 | 2,567 | 3,031 | 3,536 | 4,204 | 4,023 | 3,729 | 2,771 | 2,089 | 1,883 | 94,336 | | | | | | | | | | | |
| 6421 Utilities - Other | 430 | 448 | 438 | 427 | 551 | 529 | 505 | 478 | 449 | 367 | 483 | 460 | 5,566 | | | | | | | | | | | |
| | \$ | 3,850 | \$ | 3,645 | \$ | 3,462 | \$ | 3,349 | \$ | 3,670 | \$ | 4,111 | \$ | 4,523 | \$ | 2,929 | \$ | 3,066 | \$ | 44,702 | | | | |
| Total Utilities | | | | | | | | | | | | | | | | | | | | | | | | |
| Travel & Meals | | | | | | | | | | | | | | | | | | | | | | | | |
| 6501 Travel | \$ | 111 | \$ | 5,889 | \$ | 5,820 | \$ | 2,724 | \$ | 1,393 | \$ | 1,400 | \$ | 1,323 | \$ | 5,840 | \$ | 1,198 | \$ | 93,206 | | | | |
| 6510 Meals & Entertainment | | | | | | | | | | | | | | | | | | | | | | | | |
| 6515 Conference & Meetings | 10 | 10 | 577 | 10 | 60 | 21 | 21 | 221 | 21 | 21 | 21 | 21 | 3,748 | | | | | | | | | | | |

**Balance Sheet
As of 12/31/2013**

**Nutri-Health Supplements, LLC (SUP)
Consolidated Trial Balance (Includes Sedona)**

Assets

Cash

| | | | | |
|------------|------------------------|----|------------|---------------|
| 1000-00-00 | Wells Fargo - Checking | \$ | 399,466.20 | |
| 2410-00-00 | Prepaid Orders | \$ | 5,724.39 | |
| 1050-00-00 | Petty Cash | \$ | 300.00 | |
| | Total Cash: | | | \$ 405,490.59 |

Accounts Receivable

| | | | | |
|------------|---|----|------------|---------------|
| 1105-00-00 | Accounts Receivable - Direct | \$ | -1,072.36 | |
| 1110-00-00 | Accounts Receivables - Sedona Labs Retail | \$ | 36,367.51 | |
| 1120-00-00 | A/R - - List Rental Incom | \$ | 35,168.28 | |
| | Income tax receivable | \$ | 232,082.00 | |
| | Total Accounts Receivable: | | | \$ 302,545.43 |

Inventory

| | | | | |
|------------|------------------------------------|----|------------|-----------------|
| 1360-00-00 | Inv FG Nutri-Health-Sales | \$ | 925,233.91 | |
| 1370-00-00 | Inv FG - SL Retail-Sales | \$ | 276,768.42 | |
| 1395-00-00 | Affiliated Inv-in-Transit - HVL | \$ | 77,267.85 | |
| 1399-00-00 | Reserve for Inventory Obsolescence | \$ | -70,012.58 | |
| | Total Inventory: | | | \$ 1,209,257.60 |

Prepaid Expense

| | | | | |
|------------|-------------------------------|----|------------|---------------|
| 1410-00-00 | Prepaid Expenses | \$ | 344,925.67 | |
| | Total Prepaid Expense: | | | \$ 344,925.67 |

Capital Assets

| | | | | |
|------------|---|----|--------------|-----------------|
| 1701-00-00 | Fixed Assets - Land | \$ | 365,000.00 | |
| 1710-00-00 | Fixed Assets - Building | \$ | 1,229,583.85 | |
| 1715-00-00 | Bldg Improvement | \$ | 30,079.67 | |
| 1720-00-00 | Fixed Assets - Equipment | \$ | 18,351.14 | |
| 1730-00-00 | Fixed Assets - Computers | \$ | 238,023.15 | |
| 1750-00-00 | Fixed Assets - Furniture | \$ | 213,813.76 | |
| 1790-05-00 | Fixed Assets - Construction-In-Progress Furniture | \$ | 68,750.03 | |
| 1810-00-00 | Dep - Building | \$ | -155,114.69 | |
| 1815-00-00 | Dep - Bldg Improvem | \$ | -32.92 | |
| 1820-00-00 | Dep - Equipment | \$ | -7,653.87 | |
| 1830-00-00 | Dep - Computers | \$ | -216,271.89 | |
| 1850-00-00 | Dep - Furniture | \$ | -203,986.78 | |
| | Total Capital Assets: | | | \$ 1,580,541.45 |

Other Assets

| | | | | |
|------------|--|----|--------------|-----------------|
| 1910-00-00 | Goodwill | \$ | 5,720,572.00 | |
| | Trademark | \$ | 1,400,000.00 | |
| 1740-00-00 | Fixed Assets - Software | \$ | 162,874.09 | |
| 1790-00-00 | Fixed Assets - Construction-In-Progress Software | \$ | 293,165.84 | |
| 1980-00-00 | Amort - Software-Sales | \$ | -113,230.68 | |
| | Total Other Assets: | | | \$ 7,463,381.25 |

Income Tax Assets

| | | | | |
|------------|---------------------------------|----|--------------|-----------------|
| 1950-00-00 | Income Tax Assets | \$ | 3,539,794.00 | |
| | Total Income Tax Assets: | | | \$ 3,539,794.00 |

Total Assets: \$ 14,845,935.99

Liabilities

Current Liabilities

| | | | | |
|------------|--------------------------------------|----|------------|--|
| 2210-00-00 | Accounts Payable (aging) | \$ | 144,473.94 | |
| 2215-00-00 | Accounts Payables Purchases Clearing | \$ | -25,962.50 | |
| 2225-00-00 | Checks on Hand-Sales | \$ | -84,490.56 | |
| 2250-00-00 | Affiliated AP - Atrium | \$ | 120,188.50 | |

| | | | | |
|-----------------------------|---|----|---------------|------------------|
| 2252-00-00 | Aff AP - AMS-Sales | \$ | 36,233.31 | |
| 2255-00-00 | Affiliated AP - HVL | \$ | 364,990.60 | |
| | Affiliated AP HVL (Trademark - Goodwill Sedona - net of tax) | \$ | 1,728,539.00 | |
| | AR ABH | \$ | -9,000.00 | |
| | AR ABI | \$ | 7,500.00 | |
| 2260-00-00 | Affiliated AP - GOL-Sales | \$ | 7,557.73 | |
| 2280-00-00 | Accrue Vacation Liab-Sales | \$ | 20,000.00 | |
| Current Liabilities | | | | (Continued) |
| 2300-00-00 | PR Liability Clearing | \$ | -0.09 | |
| 2310-05-00 | Payroll Liab:Health-Sales | \$ | -24,143.17 | |
| 2310-10-00 | Payroll Liab:- Dental Ins | \$ | -817.57 | |
| 2310-15-00 | Payroll Liab:HSA | \$ | 0.60 | |
| 2310-21-00 | Payroll Liab:401K Match | \$ | 13,402.18 | |
| 2310-30-00 | Payroll Liab:Vision | \$ | 53.50 | |
| 2310-45-00 | Payroll Liab:Supp Life | \$ | -916.43 | |
| 2310-50-00 | Payroll Liab:Cancer | \$ | 32.30 | |
| 2310-55-00 | Payroll Liab:ESPP | \$ | 100.39 | |
| 2310-60-00 | Payroll Liab:FSA | \$ | -2,848.68 | |
| 2310-65-00 | Payroll Liab:STD | \$ | 116.14 | |
| 2310-95-00 | Payroll Liab:Cobra | \$ | -28.06 | |
| | Total Current Liabilities: | | | \$ 2,294,981.13 |
| Other Liabilities | | | | |
| 2510-00-00 | Accrued Expense | \$ | 25,138.27 | |
| 2510-10-00 | Accrued bonus | \$ | 161,100.00 | |
| 2510-15-00 | Accrued Exp: Payroll | \$ | 88,731.29 | |
| 2510-20-00 | Accrued Exp: ESPP Match | \$ | 20.08 | |
| 2520-00-00 | Cust Refund Reserve | \$ | 73,431.00 | |
| 2610-00-00 | Accrued Sales Tax | \$ | 2,410.96 | |
| | Total Other Liabilities: | | | \$ 350,831.60 |
| Income Tax Liability | | | | |
| 2850-00-00 | Current Taxes Payabl-Sales | \$ | -0.00 | |
| | Total Income Tax Liability: | | | \$ -0.00 |
| | Total Liabilities: | | | \$ 2,645,812.73 |
| Equity | | | | |
| 2910-00-00 | Issued Capital Interest | \$ | 21,590,218.35 | |
| 2920-00-00 | Retained Earnings | \$ | -9,222,139.94 | |
| 2930-00-00 | Retained Earnings-Current Year | \$ | -115,140.73 | |
| 2810-00-00 | Dividends Paid | \$ | -8,739,883.22 | |
| | Retained Earnings Sedona | \$ | 1,130,589.84 | |
| 2930-00-00 | Profit or (Loss) | \$ | 7,556,478.96 | |
| | Total Equity: | | | \$ 12,200,123.26 |
| | Total Liabilities & Equity: | | | \$ 14,845,935.99 |

| REVENUE | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YEAR-TO-DATE |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|-------------------|
| Gross Sales | | | | | | | | | | | | | |
| 3100 Sales | 1,225,833 | 1,150,734 | 1,212,600 | 1,537,828 | 1,364,688 | 1,131,888 | 1,284,408 | 1,232,173 | 1,211,065 | 1,396,904 | 921,635 | 1,076,479 | 14,746,185 |
| 3201 List Rental | 21,324 | 5,253 | 239 | 8,865 | 5,599 | 1,746 | 15,037 | 3,380 | - | 8,571 | 4,639 | 14,757 | 88,911 |
| 3450 Miscellaneous Income | 3 | - | 3 | 12 | 15 | 11 | 27 | 3 | 15 | 9 | 15 | 13 | 124 |
| 3801 Customer Freight Revenue | 6,873 | 9,448 | 4,894 | 15,170 | 11,660 | 4,546 | 8,433 | 4,847 | 6,885 | 5,089 | 4,342 | 4,953 | 87,960 |
| Total Revenue | 1,254,033 | 1,165,434 | 1,217,736 | 1,561,376 | 1,381,961 | 1,138,202 | 1,307,904 | 1,240,404 | 1,217,905 | 1,411,372 | 930,631 | 1,096,242 | 14,923,200 |
| Returns & Allowances | | | | | | | | | | | | | |
| 3501 Customer Returns | (66,186) | (46,103) | (57,364) | (47,876) | (66,017) | (67,752) | (62,799) | (64,620) | (60,509) | (77,866) | (44,940) | (39,847) | (703,998) |
| 3505 Customer Returns Reserve | 136 | (2,616) | 1,969 | (13,924) | (10,389) | 16,617 | 4,267 | (4,169) | 4,692 | (5,423) | 9,031 | 10,430 | 10,621 |
| 3601 Customer Discounts | (2,037) | (1,757) | (4,352) | (5,021) | (3,472) | (4,819) | (7,755) | (2,740) | (6,122) | (7,567) | (5,300) | (6,086) | (57,028) |
| 3701 Bad Debt | (42) | (3,213) | 33 | (1,244) | 148 | (62) | (863) | (65) | (408) | (242) | (814) | (862) | (7,623) |
| Total Returns & Allowances | (68,129) | (53,690) | (59,714) | (68,065) | (81,730) | (56,015) | (67,150) | (71,582) | (62,347) | (91,218) | (42,023) | (36,364) | (758,029) |
| OPERATING REVENUE | 1,185,904 | 1,111,745 | 1,158,022 | 1,493,311 | 1,300,231 | 1,082,186 | 1,240,754 | 1,168,821 | 1,155,558 | 1,320,155 | 888,608 | 1,059,877 | 14,165,171 |
| COST OF GOODS | | | | | | | | | | | | | |
| 4101 Manufacturing Cost | 238,596 | 225,022 | 247,774 | 285,558 | 230,629 | 215,375 | 237,246 | 246,331 | 240,500 | 272,865 | 169,866 | 203,608 | 2,810,249 |
| 4105 Overhead Sold | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4106 Overhead Applied Inventory | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4110 Shipping Supplies | 2,911 | 4,339 | 3,247 | 5,381 | 4,428 | 3,331 | 1,171 | 2,570 | 2,777 | 2,697 | 1,953 | 1,864 | 36,670 |
| 4115 Production Supplies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4120 Other Mfg Cost | 1,138 | 142 | 1,444 | (1,507) | (385) | 875 | 807 | 257 | 2,007 | 1,988 | (20,346) | (20,287) | (33,868) |
| 4125 Royalties - Bienergy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4210 Spoilage Raw Mat'l | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4250 Spoilage - F/G | 10,000 | 10,000 | 22,066 | 10,000 | 10,000 | 21,869 | 6,026 | 7,450 | 8,967 | 6,935 | 7,236 | 59,065 | 179,614 |
| 4410 Lab Reports | 1,805 | 3,803 | 2,882 | 1,689 | 1,714 | 323 | 201 | 305 | 280 | 9150 | - | 12,277 | 12,277 |
| 4510 In-Bound Frl | 39,499 | 43,544 | 43,524 | 48,064 | 54,561 | 39,176 | 45,027 | 43,928 | 43,824 | 40,199 | 36,145 | 31,389 | 508,681 |
| Total Cost of Goods | 293,948 | 285,250 | 321,739 | 350,161 | 301,251 | 280,949 | 298,454 | 304,891 | 311,656 | 327,138 | 195,993 | 277,923 | 3,546,954 |
| GROSS MARGIN | 891,956 | 825,494 | 836,283 | 1,143,149 | 998,980 | 801,238 | 944,300 | 863,930 | 843,902 | 993,017 | 692,615 | 782,354 | 10,618,217 |
| Gross Margins % | 75.2% | 74.3% | 72.2% | 76.6% | 76.8% | 74.0% | 76.1% | 73.9% | 73.0% | 75.2% | 77.9% | 73.8% | 75.0% |
| MARKETING EXPENSE | | | | | | | | | | | | | |
| DIRECT MAIL | | | | | | | | | | | | | |
| Printing | 109,625 | 121,535 | 77,739 | 205,270 | 130,430 | 102,161 | 125,204 | 126,379 | 67,854 | 149,833 | 61,691 | 77,338 | 1,355,058 |
| Postage | 128,067 | 146,687 | 85,513 | 321,155 | 205,468 | 169,598 | 145,447 | 186,402 | 89,267 | 228,189 | 75,945 | 126,162 | 1,907,901 |
| List Rental | 24,087 | 24,718 | 16,775 | 63,311 | 40,130 | 35,742 | 19,175 | 38,044 | 10,530 | 42,281 | 11,539 | 24,825 | 350,904 |
| Royalties | 14,606 | 13,603 | 11,549 | 40,965 | 22,165 | 28,219 | 14,774 | 31,821 | 7,118 | 33,201 | 8,281 | 14,469 | 240,791 |
| Copywriters & Graph-Designers | 89,252 | 225 | 9,688 | 56,671 | 51,404 | 23,883 | 6,478 | 23,892 | 12,015 | 42,794 | 3,401 | 321,794 | 367,293 |
| Legal - Compliance | 2,892 | 3,000 | 3,000 | 1,913 | 966 | 4,220 | 5,022 | - | 5,706 | 2,500 | 4,727 | 2,758 | 36,723 |
| Deeba & Kenny | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | 105,000 |
| TOTAL DIRECT MAIL | 377,529 | 318,769 | 213,244 | 698,284 | 459,602 | 372,801 | 325,099 | 415,537 | 201,589 | 507,748 | 174,585 | 253,683 | 4,318,171 |
| OTHER MARKETING COSTS | | | | | | | | | | | | | |
| Print Advertising | - | - | - | 598 | - | - | - | 3,400 | - | - | 136 | - | 4,134 |
| Trade show | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consulting | 10,848 | 11,042 | 11,066 | 11,380 | 10,933 | 9,921 | 10,895 | 9,445 | 11,128 | 9,445 | 11,178 | 10,904 | 128,125 |
| Miscellaneous | 2,254 | 2,050 | 3,295 | 3,786 | 3,184 | 2,951 | 2,587 | 2,643 | 2,986 | 2,870 | 4,425 | 2,431 | 35,482 |
| Promotional Material | - | - | - | - | - | - | - | - | - | - | 686 | 7,461 | 8,147 |
| Misc-printing | 4,035 | 5,302 | 3,577 | 4,468 | 4,646 | 3,297 | 4,195 | 4,489 | 2,545 | 4,389 | 2,382 | 2,487 | 45,751 |
| Endorsement | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 | 50,400 |
| TOTAL OTHER MARKETING COSTS | 21,337 | 22,594 | 22,138 | 24,432 | 22,964 | 20,369 | 21,767 | 24,531 | 20,516 | 20,904 | 23,007 | 27,482 | 272,040 |
| WEB / EMAILS / SOCIAL NETWORKS | | | | | | | | | | | | | |
| Email Marketing | 7,162 | 9,945 | 13,490 | - | 13,105 | - | 4,610 | - | 11,721 | 8,168 | 2,250 | 3,625 | 74,275 |

| | | | | | | | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Video Production | 2,250 | 6,035 | 1,800 | 2,025 | 2,025 | 1,350 | 2,025 | 2,000 | 2,050 | 1,350 | 26,285 |
| Website Designer | 13,406 | 7,436 | 7,136 | 6,805 | 6,321 | 5,130 | 4,699 | 4,699 | 4,782 | 5,956 | 77,986 |
| Affiliates Commissions | 416 | 199 | (662) | 3,579 | 4,565 | 3,119 | 7,995 | (22) | 228 | (349) | 17,628 |
| Web Advertising | 1,680 | 1,530 | 2,133 | 2,170 | 2,270 | 3,497 | 2,946 | 762 | 747 | 847 | 22,720 |
| Web Consultant | - | 1,500 | 1,798 | 1,798 | 1,500 | 1,500 | 1,500 | 2,945 | 2,999 | 1,500 | 19,492 |
| Web Misc. | 13,608 | 8,165 | 7,322 | 8,150 | 13,346 | 9,791 | 10,423 | 10,268 | 21,138 | 12,174 | 144,343 |
| Monthly SEO,SEM, Blog, Domain | 38,523 | 34,809 | 32,719 | 24,632 | 48,031 | 28,996 | 21,372 | 42,574 | 39,411 | 24,596 | 382,929 |
| TOTAL WE/EMAILS/SOC/NETWORKS | - | - | - | - | - | - | - | - | - | - | - |
| Endorsement | - | - | - | - | - | - | - | - | - | - | - |
| Video Development | - | - | - | - | - | - | - | - | - | - | - |
| Media Buys | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL TV | - | - | - | - | - | - | - | - | - | - | - |
| CONTINUITY | 52 | 52 | 9 | 9 | 9 | 34 | 9 | 9 | 9 | 9 | 121 |
| Gifts | 52 | 52 | 9 | 9 | 9 | 34 | 9 | 9 | 9 | 9 | 121 |
| TOTAL CONTINUITY | 104 | 104 | 18 | 18 | 18 | 68 | 18 | 18 | 18 | 18 | 242 |
| Total Marketing Expense | 437,440 | 376,172 | 268,109 | 747,257 | 530,597 | 415,236 | 461,449 | 264,387 | 568,063 | 222,188 | 306,466 |
| OPERATING CONTRIBUTION | 454,515 | 450,322 | 568,173 | 395,893 | 468,382 | 568,404 | 402,480 | 579,515 | 424,954 | 470,427 | 475,887 |
| Operating Contribution % | 38.3% | 40.6% | 49.1% | 26.5% | 36.0% | 46.8% | 34.4% | 50.2% | 32.2% | 52.9% | 44.9% |

| | | | | | | | | | | | |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| OPERATING CONTRIBUTION | 454,515 | 450,322 | 568,173 | 395,893 | 468,382 | 568,404 | 402,480 | 579,515 | 424,954 | 470,427 | 475,887 |
| Operating Contribution % | 38.3% | 40.6% | 49.1% | 26.5% | 36.0% | 46.8% | 34.4% | 50.2% | 32.2% | 52.9% | 44.9% |

VARIABLE OVERHEAD EXPENSE

| | | | | | | | | | | | | | | |
|---------------------------------------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|----------|---------|
| Salary & Wages | 6001 | 15,403 | 13,126 | 13,367 | 14,908 | 14,044 | 11,166 | 13,058 | 12,709 | 11,566 | 13,618 | 11,615 | 11,608 | 155,188 |
| Commissions | 6005 | 4 | 6 | 2 | 5 | 194 | 287 | 307 | 114 | 3 | 519 | 5 | 94 | 1,541 |
| Employee Wages - OT | 6011 | - | - | 98 | 57 | - | 69 | - | - | 57 | 49 | 65 | 114 | 509 |
| Incentive Compensation | 6015 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consultant | 6020 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vacation Accrual | 6050 | 258 | 354 | 640 | 672 | 724 | 608 | 175 | 431 | 826 | 885 | 684 | 1,362 | 7,998 |
| Payroll Processing Fees | 6070 | - | - | - | - | - | - | 12 | 25 | 39 | 27 | - | 27 | 130 |
| Total Salary & Wages Distribution | | 15,665 | 13,466 | 14,107 | 15,642 | 14,962 | 12,131 | 13,552 | 13,280 | 12,490 | 14,098 | 12,369 | 13,204 | 164,965 |
| Salary & Wages | 6001 | 37,495 | 36,122 | 37,548 | 45,343 | 45,079 | 36,761 | 41,867 | 44,357 | 43,015 | 46,198 | 40,951 | 42,462 | 497,198 |
| Commissions | 6005 | 19,384 | 15,312 | 20,753 | 23,683 | 18,051 | 19,106 | 19,534 | 19,479 | 19,689 | 24,312 | 12,470 | 14,721 | 226,695 |
| Employee Wages - OT | 6011 | 65 | 47 | 84 | 40 | 26 | 34 | 467 | 536 | 482 | 531 | 39 | 14 | 2,566 |
| Incentive Compensation | 6015 | 300 | 310 | 72 | 128 | - | - | 84 | 100 | - | 59 | 12 | 78 | - |
| Consultant | 6020 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vacation Accrual | 6050 | 2,514 | 708 | 1,391 | 790 | 1,755 | 1,754 | 1,793 | 2,058 | 2,342 | 1,001 | 1,296 | 2,292 | 19,695 |
| Payroll Processing Fees | 6070 | - | - | - | - | 60 | 30 | 42 | 418 | 242 | 95 | - | 124 | 1,012 |
| Total Salary & Wages Cust.Serv.Rep. | | 59,758 | 52,499 | 59,848 | 69,985 | 64,971 | 57,685 | 63,786 | 66,948 | 66,991 | 72,197 | 54,768 | 59,692 | 749,129 |
| Employee Benefits | 6101 | 1,685 | 1,302 | 1,265 | 1,284 | 1,223 | 892 | 1,098 | 713 | 982 | 850 | 899 | 1,093 | 13,266 |
| Severance Pay | 6105 | 458 | 458 | 647 | 521 | 282 | 268 | 268 | 268 | 268 | 305 | 305 | 305 | 4,430 |
| Health Insurance | 6110 | 191 | 144 | 148 | 308 | 284 | 198 | 203 | 203 | 201 | 219 | 201 | 205 | 2,610 |
| 401K | 6115 | 467 | 393 | 408 | 465 | 437 | 352 | 385 | 387 | 382 | 409 | 359 | 381 | 4,797 |
| Drug Testing | 6120 | 2,792 | 2,297 | 2,468 | 2,667 | 2,226 | 1,730 | 2,090 | 1,591 | 1,812 | 1,783 | 1,764 | 1,984 | 25,104 |
| Total Employee Benefits Distribution | | 6,836 | 4,704 | 5,293 | 5,746 | 4,952 | 4,155 | 5,080 | 4,060 | 5,003 | 3,791 | 3,849 | 5,080 | 58,549 |
| Payroll Taxes | 6101 | 3,183 | 3,183 | 4,053 | 3,713 | 3,732 | 4,051 | 3,699 | 3,916 | 3,916 | 5,680 | 5,460 | 5,449 | 50,034 |
| Severance Pay | 6105 | 762 | 183 | 482 | 3,952 | 1,528 | 1,178 | 1,662 | 1,154 | 1,107 | 1,057 | 1,102 | 1,001 | 15,180 |
| Health Insurance | 6110 | 125 | 110 | 126 | 147 | 136 | 121 | 134 | 139 | 138 | 151 | 115 | 125 | 1,567 |
| 401K | 6115 | 10,908 | 8,180 | 9,963 | 13,558 | 10,348 | 9,506 | 10,575 | 9,268 | 10,164 | 10,678 | 10,526 | 11,666 | 125,300 |
| Drug Testing | 6120 | 5,361 | 2,632 | 8,295 | 2,700 | 4,628 | 3,510 | 2,563 | 2,799 | 3,271 | 3,239.13 | 2,108.14 | 2,706.32 | 43,811 |
| Total Employee Benefits Cust.Serv.Rep | | 26,632 | 20,632 | 26,632 | 36,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 |
| Telephone Expense (in contact, VOCE) | 6290 | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | | |
|---------------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|------------------|
| 6295 | Answering Service | 6,018 | 4,513 | 4,656 | 4,025 | 11,467 | 6,188 | 5,513 | 5,574 | 4,651 | 6,412 | 4,562 | 6,840 | 70,419 |
| 6825 | Insurance - Liability | 2,697 | 2,532 | 2,688 | 3,260 | 2,893 | 2,455 | 2,723 | 2,612 | 2,567 | 3,013 | 1,963 | 2,293 | 31,676 |
| 6875 | Credit Card Fees | 24,982 | 22,089 | 25,332 | 28,179 | 26,925 | 22,808 | 24,896 | 21,155 | 26,691 | 27,851 | 19,372 | 21,867 | 291,946 |
| | TOTAL VARIABLE OVERHEAD EXPENSES | 128,180 | 108,210 | 127,337 | 139,916 | 138,420 | 115,812 | 125,698 | 123,226 | 128,637 | 139,272 | 107,432 | 120,241 | 1,502,381 |
| | CONTRIBUTION MARGIN | 326,335 | 342,113 | 440,836 | 285,977 | 329,963 | 270,190 | 442,706 | 279,254 | 450,878 | 285,682 | 362,995 | 355,646 | 4,142,576 |
| | Contribution margin % | 27.5% | 30.8% | 38.1% | 17.1% | 25.4% | 25.0% | 35.7% | 23.9% | 39.0% | 21.6% | 40.8% | 33.6% | 29.2% |
| FIXED OVERHEAD EXPENSE | | | | | | | | | | | | | | |
| Salary & Wages | | | | | | | | | | | | | | |
| 6001 | Salary & Wages | 125,479 | 95,784 | 86,726 | 114,886 | 106,885 | 98,169 | 120,680 | 116,786 | 109,763 | 120,036 | 109,752 | 114,918 | 1,319,364 |
| 6005 | Yearly Incentive | 17,250 | 17,000 | 17,000 | 8,000 | 8,000 | 8,000 | - | - | - | - | - | (34,779) | 40,471 |
| 6011 | Employee Wages - OT | 163 | 108 | 80 | 152 | 93 | 64 | 17 | 63 | 40 | 148 | 170 | 163 | 1,261 |
| 6015 | Incentive Compensation | 25 | 552 | 286 | 252 | 271 | 399 | - | 227 | - | 412 | 1,569 | 20 | 3,994 |
| 6020 | Consultant | - | - | - | - | - | 240 | 240 | 1,200 | 912 | 1,538 | 1,428 | 1,440 | 6,756 |
| 6050 | Vacation Accrual | 1,249 | 1,333 | 1,335 | 1,851 | 1,170 | 508 | 2,425 | 330 | 1,825 | 1,995 | 10,797 | 11,865 | 36,484 |
| 6070 | Payroll Processing Fees | 726 | 342 | 262 | 239 | 327 | 206 | 206 | 823 | 148 | 104 | 322 | 133 | 3,838 |
| | Total Salary & Wages | 144,892 | 113,119 | 107,671 | 125,380 | 116,746 | 107,346 | 123,569 | 119,430 | 112,687 | 124,331 | 124,038 | 92,960 | 1,412,168 |
| Employee Benefits | | | | | | | | | | | | | | |
| 6101 | Payroll Taxes | 14,463 | 8,717 | 7,915 | 10,715 | 9,657 | 7,773 | 9,292 | 4,279 | 7,632 | 7,131 | 6,876 | 8,973 | 103,442 |
| 6105 | Severance Pay | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6110 | Health Insurance | 6,397 | 6,109 | 7,014 | 6,259 | 6,119 | 6,247 | 6,016 | 6,953 | 7,138 | 7,635 | 6,964 | 7,642 | 80,494 |
| 6115 | 401K | 4,336 | 3,692 | 3,815 | 6,865 | 2,557 | 2,831 | 5,084 | 3,416 | 3,241 | 3,395 | 3,201 | 3,201 | 45,631 |
| 6120 | Drug Testing | 266 | 200 | 279 | 245 | 227 | 207 | 259 | 246 | 234 | 253 | 236 | 244 | 2,898 |
| | Total Employee Benefits | 25,463 | 18,718 | 19,023 | 24,084 | 18,559 | 17,058 | 20,650 | 14,894 | 18,245 | 18,415 | 17,277 | 20,059 | 232,465 |
| Departmental Expense | | | | | | | | | | | | | | |
| 6205 | Office Expenses | 6,221 | 4,405 | 5,589 | 7,131 | 5,451 | 5,117 | 5,902 | 5,613 | 4,688 | 5,530 | 5,188 | 5,453 | 66,287 |
| 6210 | Post & Delivery | 254 | 483 | 569 | 266 | 590 | 1,076 | 1,258 | 178 | 713 | 458 | 707 | 674 | 7,205 |
| 6215 | HR Recruiting | 175 | 175 | 225 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 2,149 |
| 6220 | Employee Recreation | 33 | 72 | 164 | 199 | 46 | 39 | 46 | 49 | 36 | 32 | 2,466 | 1,081 | 4,264 |
| 6230 | Training & Education | 38 | 38 | 38 | 38 | 38 | 256 | 38 | 38 | - | - | - | - | 1,032 |
| 6235 | R & D Prod Samples | 20 | 136 | 15 | 15 | - | 46 | 42 | 144 | 148 | 31 | - | - | 581 |
| 6240 | Security Expense | 171 | - | 171 | 171 | - | 420 | 171 | 104 | 148 | 171 | - | - | 1,208 |
| 6250 | Vehicle Expense | 34 | 32 | 88 | 107 | 99 | 99 | 28 | 36 | 87 | 31 | 28 | 202 | 804 |
| 6260 | Legal Expense | - | - | - | - | 554 | - | - | - | - | - | - | - | 554 |
| 6261 | Internal IT | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6262 | Consultant/IT | 1,306 | 2,227 | 553 | - | 2,600 | 5,600 | 1,200 | 1,411 | 2,200 | 1,000 | 2,650 | 200 | 20,947 |
| 6263 | Prof. Services & Consulting | - | - | - | 258 | - | - | - | - | - | - | - | - | 258 |
| 6265 | Accounting Expenses | 1,963 | 1,980 | 1,981 | 1,981 | 1,975 | 1,979 | 1,988 | 1,984 | 1,985 | 1,987 | 1,981 | 6,987 | 28,790 |
| 6275 | Management Fees - Atrium | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | 44,673 | (93,610) | 397,793 |
| 6280 | Dues & Subscriptions | - | 1,771 | 331 | 331 | 381 | 331 | 331 | 801 | 376 | 316 | 341 | 559 | 5,851 |
| 6285 | Contributions | 5,612 | - | 100 | 334 | 6,142 | 125 | - | 4,237 | - | - | 720 | 2,604 | 19,673 |
| 6287 | Gills | 79 | - | - | 34 | 26 | - | - | - | - | - | - | - | 138 |
| 6670 | Sales Samples | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6290 | Telephone Expense | 4,445 | 6,528 | 44 | 5,960 | 5,635 | 6,291 | 5,700 | 5,739 | 5,748 | 5,721 | 6,296 | 5,962 | 64,310 |
| | Total Departmental Expenses | 65,042 | 62,499 | 54,370 | 62,123 | 68,584 | 66,227 | 61,551 | 65,181 | 60,828 | 60,126 | 65,226 | (69,712) | 622,043 |
| Repair & Maintenance | | | | | | | | | | | | | | |
| 6301 | Repair & Maintenance | 825 | 1,984 | 889 | 250 | 1,819 | 1,540 | 2,935 | 836 | 591 | 1,125 | 298 | 342 | 13,434 |
| 6305 | R&M Production Equip | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6310 | Equipment Rental/Lease | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 385 |
| 6315 | Equipment Rental/Lease - Prod | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Repair & Maintenance | 853 | 2,011 | 917 | 278 | 1,847 | 1,568 | 2,963 | 864 | 619 | 1,153 | 326 | 370 | 13,769 |
| Utilities | | | | | | | | | | | | | | |
| 6401 | Utilities - Gas | 1,248 | 848 | 591 | 259 | 114 | 49 | 140 | 30 | 30 | 108 | 307 | 847 | 4,571 |

| | | | | | | | | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| 6411 Utilities - Electric | 1,991 | 2,005 | 2,233 | 2,299 | 2,949 | 4,191 | 3,642 | 3,544 | 2,518 | 2,077 | 1,956 | 32,855 |
| 6421 Utilities - Other | 232 | 327 | 364 | 334 | 369 | 355 | 369 | 378 | 379 | 409 | 406 | 4,279 |
| Total Utilities | 3,471 | 3,180 | 3,189 | 2,893 | 3,433 | 4,686 | 4,041 | 3,952 | 3,095 | 2,793 | 3,208 | 41,705 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Travel & Meals</u> | | | | | | | | | | | | |
| 6501 Travel | - | 3,027 | 6,035 | 2,637 | 1,536 | (6,031) | 4,977 | 3,138 | 1,488 | 4,529 | 1,461 | 32,764 |
| 6510 Meals & Entertainment | 49 | 311 | 823 | 393 | 33 | (11) | 584 | 336 | 97 | 547 | 115 | 3,974 |
| 6515 Conference & Meetings | 21 | 21 | 21 | 21 | 71 | 21 | 21 | 42 | 30 | 330 | 70 | 864 |
| 6520 Travel - F. Autzenne | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Travel & Meals | 70 | 3,358 | 6,879 | 3,051 | 1,640 | (6,020) | 5,582 | 3,515 | 1,594 | 5,405 | 1,666 | 37,603 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Computer Related Expenses</u> | | | | | | | | | | | | |
| 6701 Computer Maintenance | 6,317 | 3,167 | 2,674 | 2,797 | 3,079 | 3,098 | 3,107 | 3,721 | 3,673 | 2,194 | 3,196 | 40,099 |
| 6730 Internet Expense | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | 3,188 | - | 3,188 | 3,188 | 3,782 | 3,391 | 35,865 |
| Total Computer Expense | 9,505 | 6,355 | 5,862 | 5,985 | 6,267 | 6,286 | 3,107 | 6,909 | 6,861 | 5,976 | 6,586 | 75,964 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Insurance, Rent & Other</u> | | | | | | | | | | | | |
| 6820 Insurance - Auto | - | - | - | - | - | - | - | - | - | - | - | - |
| 6827 Insurance - Other | 3,711 | 3,711 | 3,711 | 3,711 | 3,711 | 3,711 | 3,711 | 3,711 | 3,711 | (2,001) | (2,001) | 33,106 |
| 6830 Permits & Licenses | 50 | - | - | 900 | - | - | - | 24 | 200 | - | - | 574 |
| 6840 Sales Taxes | - | - | - | - | - | - | - | - | - | - | - | - |
| 6860 Rent Property | - | - | - | - | - | - | - | - | - | - | - | - |
| 6870 Bank Charges | 750 | 646 | 762 | 662 | 865 | 754 | 569 | 765 | 731 | 817 | 606 | 8,691 |
| 6880 Property Tax | 2,367 | 2,367 | 2,367 | (4,235) | 2,367 | 2,367 | 2,367 | 2,367 | (2,478) | (2,478) | (2,478) | 7,271 |
| Total Insur/Tax/Other | 6,878 | 6,724 | 6,840 | 437 | 6,943 | 6,832 | 6,647 | 6,867 | 2,164 | (3,662) | (3,872) | 49,642 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 997 Total Overhead Expense | 256,194 | 215,965 | 204,751 | 224,231 | 224,019 | 220,516 | 219,746 | 213,623 | 217,649 | 217,379 | 51,265 | 2,485,398 |

| EARNINGS BEFORE TAXES/INT/DEPR/AMORT | | | | | | | | | | | | | | | | | | | | | | | |
|--|----------------------------|---------|---------|-------|---------|-------|--------|-------|---------|-------|--------|-------|---------|-------|--------|-------|---------|-------|---------|-------|-----------|---------|-----------|
| EBITA | | EBITA % | | | | | | | | | | | | | | | | | | | | | |
| \$ | 70,141 | \$ | 125,148 | \$ | 235,086 | \$ | 31,745 | \$ | 105,944 | \$ | 50,169 | \$ | 222,190 | \$ | 68,034 | \$ | 145,616 | \$ | 304,381 | \$ | 1,657,216 | | |
| | 5.9% | | 11.3% | | 20.4% | | 2.1% | | 8.1% | | 4.6% | | 17.9% | | 5.2% | | 16.4% | | 28.7% | | 11.7% | | |
| TAXES/INTEREST/DEPR/AMORT | | | | | | | | | | | | | | | | | | | | | | | |
| 6950 | Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6940 | Depreciation | 9,199 | 8,318 | 9,309 | 8,876 | 9,172 | 8,876 | 8,876 | 9,053 | 8,774 | 8,774 | 7,749 | 8,008 | 7,749 | 8,008 | 7,749 | 7,749 | 7,919 | 7,919 | 7,919 | 103,001 | 103,001 | |
| 6951 | Amortization | 2,847 | 2,574 | 2,612 | 2,677 | 2,687 | 2,677 | 2,677 | 2,767 | 2,767 | 2,677 | 2,677 | 2,767 | 2,767 | 2,767 | 2,677 | 2,677 | 2,755 | 2,755 | 2,755 | 32,563 | 32,563 | |
| \$ | 12,046 | \$ | 10,891 | \$ | 11,921 | \$ | 11,553 | \$ | 11,938 | \$ | 11,563 | \$ | 11,820 | \$ | 10,774 | \$ | 10,427 | \$ | 10,674 | \$ | 135,553 | 135,553 | |
| | 4.9% | | 10.4% | | 19.4% | | 1.4% | | 7.2% | | 3.6% | | 17.0% | | 4.3% | | 15.2% | | 27.7% | | 10.7% | 10.7% | |
| TOTAL NET INCOME / (LOSS) from Operations | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 56,095 | \$ | 115,257 | \$ | 224,165 | \$ | 20,192 | \$ | 94,005 | \$ | 36,616 | \$ | 210,371 | \$ | 47,967 | \$ | 226,629 | \$ | 57,260 | \$ | 135,189 | \$ | 1,521,654 |
| | 4.9% | | 10.4% | | 19.4% | | 1.4% | | 7.2% | | 3.6% | | 17.0% | | 4.1% | | 19.6% | | 4.3% | | 15.2% | | 10.7% |
| TOTAL NET INCOME / (LOSS) BEFORE TAXES | | | | | | | | | | | | | | | | | | | | | | | |
| 8801 | Gain/(Loss) Sale of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8820 | Miscellaneous Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | 56,095 | \$ | 115,257 | \$ | 224,165 | \$ | 20,192 | \$ | 94,005 | \$ | 36,616 | \$ | 210,371 | \$ | 47,967 | \$ | 226,629 | \$ | 57,260 | \$ | 135,189 | \$ | 1,521,654 |
| | 4.9% | | 10.4% | | 19.4% | | 1.4% | | 7.2% | | 3.6% | | 17.0% | | 4.1% | | 19.6% | | 4.3% | | 15.2% | | 10.7% |
| TOTAL NET INCOME / (LOSS) AFTER TAXES | | | | | | | | | | | | | | | | | | | | | | | |
| 9100 | Income Tax Exp | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9200 | Future Income Tax Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| \$ | 56,095 | \$ | 115,257 | \$ | 224,165 | \$ | 20,192 | \$ | 94,005 | \$ | 36,616 | \$ | 210,371 | \$ | 47,967 | \$ | 226,629 | \$ | 57,260 | \$ | 135,189 | \$ | 1,521,654 |
| | 4.9% | | 10.4% | | 19.4% | | 1.4% | | 7.2% | | 3.6% | | 17.0% | | 4.1% | | 19.6% | | 4.3% | | 15.2% | | 10.7% |
| Atrium Management fees | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | (114,087) | \$ | 204,000 |
| | 8.4% | | 14.9% | | 24.9% | | 4.1% | | 14.4% | | 7.3% | | 20.9% | | 7.6% | | 23.0% | | 7.3% | | 19.6% | | 13.1% |
| Adjusted EBITDA | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 99,058 | \$ | 153,045 | \$ | 263,003 | \$ | 60,867 | \$ | 134,861 | \$ | 79,056 | \$ | 251,107 | \$ | 83,425 | \$ | 268,173 | \$ | 96,951 | \$ | 174,533 | \$ | 190,294 |
| | 8.4% | | 14.9% | | 24.9% | | 4.1% | | 14.4% | | 7.3% | | 20.9% | | 7.6% | | 23.0% | | 7.3% | | 19.6% | | 13.1% |

SECTION 4.4 (B)
INTERIM FINANCIAL STATEMENT

1. Interim Financial Statements as of August 31, 2014

Balance Sheet as at 8/31/2014

Nutri-Health Supplements
Consolidated Trial Balance (Includes Sedona)

| Account Number | Description | | |
|----------------------------------|---|-----------------------------|-------------------|
| Cash | | | |
| 1000-00-00 | Wells Fargo - Checking | 976,000.00 | |
| 2410-00-00 | Prepaid Orders | 2,513.63 | |
| 1050-00-00 | Petty Cash | 300.00 | |
| | | Cash: | 978,813.63 |
| Accounts Receivable | | | |
| 1105-00-00 | Accounts Receivable - Direct | 1,634.37- | |
| 1110-00-00 | Accounts Receivables - Sedona Labs Retail | 31,682.66 | |
| 1120-00-00 | A/R -- List Rental Incom | 41,415.53 | |
| 1136-00-00 | Affiliated AR - GOL-Sales | 4,757.00 | |
| | Affiliated AR- HVL | 23,483.00 | |
| | Affiliated Atrium | 61,352.00 | |
| 1220-00-00 | income tax recoverable | 460,082.00 | |
| | | Accounts Receivable: | 621,137.82 |
| Inventory | | | |
| 1310-00-00 | Inventory - Raw Materials | 2,011.50 | |
| 1360-00-00 | Inv FG Nutri-Health-Sales | 372,198.06 | |
| 1370-00-00 | Inv FG - SL Retail-Sales | 80,984.08 | |
| 1399-00-00 | Reserve for Inventory Obsolescence | 19,559.69- | |
| | | Inventory: | 435,633.95 |
| Prepaid Expense | | | |
| 1410-00-00 | Prepaid Expenses | 216,905.95 | |
| | | Prepaid Expense: | 216,905.95 |
| Capital Assets | | | |
| 1701-00-00 | Fixed Assets - Land | 365,000.00 | |
| 1710-00-00 | Fixed Assets - Building | 1,104,424.58 | |
| 1720-00-00 | Fixed Assets - Equipment | 10,400.49 | |
| 1730-00-00 | Fixed Assets - Computers | 14,185.77 | |
| 1750-00-00 | Fixed Assets - Furniture | 77,054.37 | |
| 1810-00-00 | Dep - Building | 15,851.59- | |
| 1820-00-00 | Dep - Equipment | 920.07- | |
| 1830-00-00 | Dep - Computers | 4,564.66- | |
| 1850-00-00 | Dep - Furniture | 10,217.47- | |
| | | Capital Assets: | 1,539,511.42 |
| Other Assets/ Intangibles | | | |
| 1910-00-00 | Goodwill | 5,720,572.00 | |
| 1740-00-00 | Fixed Assets - Software | 457,796.32 | |
| 1980-00-00 | Amort - Software-Sales | 52,949.26- | |
| | Trademark | 1,400,000.00 | |
| | | Other Assets: | 7,525,419.06 |
| Income Tax Assets | | | |
| 1950-00-00 | Income Tax Assets | 3,123,794.00 | |
| | | Income Tax Assets: | 3,123,794.00 |
| | | | <u>14,441,216</u> |

Current Liabilities

| | | | |
|------------|---|---------------|----------------------|
| 2210-00-00 | Accounts Payable (aging) | 84,596.01- | |
| 2250-00-00 | Affiliated AP - Atrium | 19,550.00- | |
| 2252-00-00 | Aff AP - AMS-Sales | 25,843.57- | |
| 2255-00-00 | Affiliated AP - HVL | 86,810.79- | |
| | Affiliated AP HVL (Trademark - Goodwill Sedona - net of tax) | 1,728,539.00- | |
| 2258-00-00 | Interco-Biotech Holding | 9,000.00 | |
| 2259-00-00 | Interco-Biotech investments | 7,500.00- | |
| 2260-00-00 | Affiliated AP - GOL-Sales | 4,591.00- | |
| 2260-21-00 | Affiliated AP - SL Trans to GOL | 0.00 | |
| 2270-00-00 | Aff AP - Seroyal-Sales | 18.00 | |
| 2280-00-00 | Accrue Vacation Liab-Sales | 20,000.00- | |
| 2300-00-00 | PR Liability Clearing | 0.13 | |
| 2310-05-00 | Payroll Liab:Health-Sales | 18,095.10 | |
| 2310-10-00 | Payroll Liab - Dental Ins | 612.40 | |
| 2310-15-00 | Payroll Liab:HSA | 0.60- | |
| 2310-21-00 | Payroll Liab:401K Match | 10,795.66- | |
| 2310-45-00 | Payroll Liab-Supp Life | 142.43- | |
| 2310-50-00 | Payroll Liab:Cancer | 38.76- | |
| 2310-55-00 | Payroll Liab:ESPP | 100.39- | |
| 2310-60-00 | Payroll Liab:PSA | 904.02 | |
| 2310-65-00 | Payroll Liab:STD | 172.79- | |
| 2310-70-00 | Payroll Liab:Growing Together | 36.00- | |
| | Current Liabilities: | | <u>1,960,087.35-</u> |

Other Liabilities

| | | | |
|------------|------------------------------|-------------|--------------------|
| 2510-00-00 | Accrued Expense | 3,570.60- | |
| 2510-10-00 | Accrued bonus | 125,801.30- | |
| 2510-15-00 | Accrued Exp: Payroll | 23,347.73- | |
| 2510-20-00 | Accrued Exp: ESPP Match | 20.08- | |
| 2510-38-00 | Accrued Exp: HVL Adjustments | 1,172.16- | |
| 2520-00-00 | Cust Refund Reserve | 43,621.00- | |
| 2610-00-00 | Accrued Sales Tax | 1,259.72- | |
| | Other Liabilities: | | <u>198,792.59-</u> |

Equity

| | | | |
|------------|--------------------------------|----------------|-----------------------|
| 2910-00-00 | Issued Capital Interest | 21,590,218.35- | |
| 2920-00-00 | Retained Earnings | 9,222,139.94 | |
| | Retained Earnings Current Year | 89,537.00- | |
| | Retained Earnings Sedona | 1,473,265.47- | |
| 2810-00-00 | Dividends Paid | 9,089,883.22 | |
| 2930-00-00 | Profit or (Loss) | 7,441,338.23- | |
| | Equity: | | <u>12,282,335.89-</u> |
| | | | <u>(14,441,216)</u> |

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | YEAR-TO-DATE |
|---------------------------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| REVENUE | | | | | | | | | |
| Gross Sales | | | | | | | | | |
| 3100 Sales | 1,095,006 | 1,152,508 | 1,181,301 | 962,877 | 753,877 | 730,472 | 664,707 | 616,312 | 7,157,059 |
| 3201 List Rental | 21,688 | 9,055 | 4,615 | 19,079 | 16,669 | 3,053 | 13,153 | 9,062 | 96,373 |
| 3450 Miscellaneous Income | 18 | 12 | 11 | 6 | 3 | - | 6 | 3 | 58 |
| 3801 Customer Freight Revenue | 4,540 | 8,192 | 7,314 | 5,988 | 2,582 | 3,078 | 2,490 | 2,153 | 36,337 |
| Total Revenue | 1,121,251 | 1,169,766 | 1,192,241 | 987,949 | 773,131 | 736,603 | 680,355 | 627,530 | 7,289,827 |
| Returns & Allowances | | | | | | | | | |
| 3501 Customer Returns | (60,610) | (40,571) | (48,807) | (47,138) | (41,904) | (27,787) | (33,658) | (16,162) | (316,637) |
| 3505 Customer Returns Reserve | (3,172) | (3,389) | (3,933) | 8,243 | 13,181 | 10,321 | 2,462 | 2,557 | 29,810 |
| 3601 Customer Discounts | (3,689) | (5,652) | (5,556) | (3,318) | (3,465) | (4,029) | (1,642) | (1,382) | (28,733) |
| 3701 Bad Debt | (206) | (287) | (440) | (560) | 18 | (382) | (371) | (79) | (2,267) |
| Total Returns & Allowances | (67,678) | (49,879) | (55,196) | (42,773) | (32,169) | (21,857) | (33,209) | (15,066) | (317,827) |
| OPERATING REVENUE | 1,053,574 | 1,119,888 | 1,136,045 | 945,176 | 740,962 | 714,746 | 647,146 | 612,464 | 6,972,000 |
| COST OF GOODS | | | | | | | | | |
| 4101 Manufacturing Cost | 224,985 | 217,425 | 253,944 | 196,791 | 163,865 | 176,099 | 150,004 | 141,981 | 1,525,076 |
| 4105 Overhead Sold | - | - | - | - | - | - | - | - | - |
| 4106 Overhead Applied Inventory | - | - | - | - | - | - | - | - | - |
| 4110 Shipping Supplies | 2,400 | 2,287 | 2,553 | 1,860 | 1,412 | 1,511 | 1,703 | 1,565 | 15,102 |
| 4115 Production Supplies | - | - | - | - | - | - | - | - | - |
| 4120 Other Mfg Cost | 100 | 3,380 | 4,118 | 1,419 | 608 | 636 | 35 | (3) | 10,295 |
| 4125 Royalties - Bibeenergy | - | - | - | - | - | - | - | - | - |
| 4210 Spoilage Raw Mat'l | - | - | - | - | - | - | - | - | - |
| 4250 Spoilage - F/G | 9,000 | 9,000 | - | - | 2,280 | 1,006 | - | 113,428 | 134,694 |
| 4410 Lab Reports | 1,071 | 1,071 | - | 55 | - | - | - | - | 1,126 |
| 4510 In-Bound Pkt | 3,100 | 2,882 | 1,438 | 872 | 1,300 | 1,950 | 101 | - | 11,643 |
| 4710 Customer Freight Exp | 40,915 | 38,429 | 38,350 | 33,538 | 25,111 | 23,852 | 23,213 | 21,854 | 246,062 |
| Total Cost of Goods | 280,481 | 275,485 | 300,404 | 234,336 | 194,555 | 205,055 | 175,057 | 278,625 | 1,943,998 |
| GROSS MARGIN | 773,093 | 844,403 | 837,641 | 710,840 | 546,406 | 509,691 | 472,090 | 333,839 | 5,028,003 |
| Gross Margins % | 73.4% | 75.4% | 73.6% | 75.2% | 73.7% | 71.3% | 72.9% | 54.5% | 72.1% |
| MARKETING EXPENSE | | | | | | | | | |
| DIRECT MAIL | | | | | | | | | |
| Printing | 102,073 | 119,253 | 104,570 | 68,132 | 17,783 | 15,399 | 11,006 | 40,851 | 479,077 |
| Postage | 124,051 | 156,524 | 146,777 | 87,669 | 22,146 | 19,200 | 11,494 | 14,210 | 584,072 |
| List Rental | 20,733 | 26,244 | 30,747 | 17,606 | 1,250 | 1,250 | 1,250 | 1,250 | 102,230 |
| Royalties | 11,531 | 19,621 | 14,589 | 12,953 | - | (10,847) | - | - | 47,866 |
| Copywriters & Graph-Designers | 37,397 | 3,500 | 3,251 | 2,263 | 1,869 | 2,675 | 925 | 1,975 | 53,854 |
| Legal - Compliance | 1,243 | 1,884 | 880 | 4,102 | 1,595 | 1,611 | (531) | (578) | 10,204 |
| Deeba & Kenny | 9,000 | 9,000 | 9,000 | 9,000 | - | - | - | - | 36,000 |
| TOTAL DIRECT MAIL | 306,028 | 340,026 | 309,823 | 201,624 | 44,653 | 29,288 | 24,144 | 57,708 | 1,313,293 |
| OTHER MARKETING COSTS | | | | | | | | | |
| Print Advertising | - | 3,800 | 3,800 | 3,800 | 3,800 | 3,850 | 4,699 | 3,000 | 26,749 |
| Trade show | - | - | - | - | - | - | - | - | - |
| Consulting | 6,523 | 6,167 | 6,167 | 5,875 | 4,688 | 875 | 1,167 | 1,567 | 33,009 |
| Miscellaneous | 2,855 | 2,559 | 2,121 | 2,242 | 2,855 | 2,676 | 2,712 | 2,712 | 20,759 |
| Promotional Material | 7,235 | 1,248 | 10,555 | 3,795 | 645 | 96 | - | - | 23,574 |
| Misc-printing | 2,454 | 3,010 | 2,691 | 1,367 | 1,421 | 2,719 | 2,067 | 1,001 | 16,731 |
| Endorsement | 4,200 | 4,200 | 4,200 | 4,200 | - | - | - | - | 45,200 |
| TOTAL OTHER MARKETING COSTS | 23,246 | 20,965 | 29,972 | 21,158 | 12,776 | 10,396 | 10,808 | 36,660 | 166,021 |
| WEB / EMAILS / SOCIAL NETWORKS | 2,250 | 3,079 | 2,917 | 5,456 | 2,955 | 3,705 | 4,005 | 2,955 | 27,323 |

| | | | | | | | | | |
|-------------------------------|---------|---------|---------|---------|--------|--------|--------|---------|-----------|
| TV | 7,646 | 7,580 | 7,878 | 8,276 | 8,232 | 7,900 | 8,716 | 7,974 | 64,202 |
| Video Production | 6,543 | 6,488 | 5,793 | 5,301 | 2,967 | 5,226 | 3,768 | 7,893 | 43,959 |
| Website Designer | 4,764 | 4,758 | 4,767 | 4,652 | 4,687 | 4,257 | 1,014 | 864 | 29,733 |
| Affiliates Commissions | 1,665 | 62 | (24) | 169 | 11 | 24 | 31 | (66) | 1,871 |
| Web Advertising | 747 | 9,921 | 8,371 | 8,272 | 9,984 | 9,774 | 12,990 | 13,496 | 73,555 |
| Web Consultant | 1,867 | 236 | 263 | 423 | 240 | 126 | 160 | 154 | 3,469 |
| Web Misc. | 11,216 | 4,817 | 3,500 | 3,500 | 2,500 | 1,500 | 2,100 | 2,500 | 31,633 |
| Monthly SEO,SEM, Blog, Domain | 36,697 | 36,920 | 33,465 | 36,030 | 31,576 | 32,512 | 32,785 | 35,760 | 275,745 |
| TOTAL WEBSITE/SOC-NETWORKS | - | - | - | - | - | - | - | - | - |
| Endorsement | - | - | - | - | - | - | - | - | - |
| Video Development | - | - | - | - | - | - | - | - | - |
| Media Buys | - | - | - | - | - | - | - | - | - |
| TOTAL TV | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 17 |
| CONTINUITY | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 17 |
| Gifts | - | - | - | - | - | - | - | - | - |
| TOTAL CONTINUITY | - | - | - | - | - | - | - | - | - |
| Total Marketing Expense | 365,980 | 397,931 | 373,260 | 258,812 | 89,005 | 72,195 | 67,746 | 130,148 | 1,755,077 |

| | | | | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| OPERATING CONTRIBUTION | \$ 407,114 | \$ 446,472 | \$ 464,381 | \$ 452,028 | \$ 457,402 | \$ 437,496 | \$ 404,343 | \$ 203,691 | \$ 3,272,926 |
| Operating Contribution % | 38.6% | 39.9% | 40.8% | 47.8% | 61.7% | 61.2% | 62.5% | 33.3% | 46.9% |

| | | | | | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| VARIABLE OVERHEAD EXPENSE | | | | | | | | | |
| Salary & Wages | | | | | | | | | |
| 6001 Salary & Wages | 13,083 | 11,413 | 11,127 | 12,833 | 12,446 | 7,973 | 10,476 | 7,633 | 86,984 |
| 6005 Commissions | 52 | 375 | 29 | 22 | 9 | 3 | 19 | 6 | 515 |
| 6011 Employee Wages - OT | 45 | - | 91 | 85 | 81 | 49 | 67 | - | 418 |
| 6015 Incentive Compensation | - | - | - | - | - | - | - | - | - |
| 6020 Consultant | 551 | 349 | 1,179 | 1,590 | 262 | 935 | 282 | 491 | 5,639 |
| 6050 Vacation Accrual | 40 | 50 | 42 | 27 | 27 | 29 | 25 | 24 | 264 |
| 6070 Payroll Processing Fees | - | - | - | - | - | - | - | - | - |
| Total Salary & Wages Distribution | 13,770 | 12,187 | 12,469 | 14,557 | 12,826 | 8,988 | 10,870 | 8,154 | 93,820 |
| 6001 Salary & Wages | 48,737 | 42,619 | 41,230 | 46,351 | 43,129 | 40,326 | 41,612 | 37,339 | 341,343 |
| 6005 Commissions | 21,345 | 17,554 | 23,520 | 16,910 | 13,718 | 15,907 | 12,560 | 13,472 | 134,974 |
| 6011 Employee Wages - OT | 75 | 18 | 30 | 14 | 42 | 9 | 6 | 2 | 199 |
| 6015 Incentive Compensation | - | - | - | - | - | - | - | - | - |
| 6020 Consultant | 1,301 | 1,070 | 2,045 | 2,831 | 1,800 | 1,731 | 595 | 1,377 | 12,750 |
| 6050 Vacation Accrual | 169 | 173 | 147 | 96 | 93 | 101 | 89 | 85 | 954 |
| 6070 Payroll Processing Fees | - | - | - | - | - | - | - | - | - |
| Total Salary & Wages Cust.Serv.Rep. | 71,627 | 61,434 | 67,531 | 66,201 | 58,781 | 58,074 | 54,852 | 52,275 | 490,775 |

| | | | | | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|--------|-------|-------|--------|
| Employee Benefits | | | | | | | | | |
| 6101 Payroll Taxes | 1,487 | 1,191 | 1,046 | 1,089 | 955 | 664 | 798 | 605 | 7,836 |
| 6105 Severance Pay | 305 | 305 | 305 | 305 | 305 | 305 | 305 | 285 | 2,427 |
| 6110 Health Insurance | 308 | 211 | 201 | 220 | 206 | 206 | 309 | 206 | 1,988 |
| 6115 401K | 400 | 354 | 360 | 422 | 371 | 300 | 275 | 216 | 2,698 |
| 6120 Drug Testing | 2,499 | 2,061 | 1,912 | 2,035 | 1,837 | 1,474 | 1,687 | 1,323 | 14,929 |
| Total Employee Benefits Distribution | 6,546 | 5,228 | 5,033 | 4,795 | 4,217 | 4,182 | 3,781 | 3,720 | 37,503 |
| 6101 Payroll Taxes | 5,449 | 5,449 | 5,701 | 4,951 | 4,923 | 4,665 | 4,404 | 4,404 | 39,947 |
| 6105 Severance Pay | 1,722 | 1,385 | 1,271 | 1,201 | 1,109 | 1,069 | 1,447 | 988 | 10,171 |
| 6110 Health Insurance | 150 | 129 | 140 | 139 | 123 | 122 | 115 | 131 | 1,049 |
| 6115 401K | 13,867 | 12,171 | 12,145 | 11,086 | 10,372 | 10,038 | 9,748 | 9,243 | 88,669 |
| 6120 Drug Testing | 2,441 | 2,408 | 2,426 | 1,785 | 1,614 | 1,274 | 1,275 | 1,232 | 14,456 |
| Total Employee Benefits Cust.Serv.Rep | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| 6295 | Answering Service | 5,676 | 4,904 | 6,586 | 3,045 | 1,586 | 1,535 | 1,468 | 1,450 | 26,250 |
| 6825 | Insurance - Liability | 2,332 | 2,455 | 2,516 | 2,051 | 1,606 | 1,556 | 1,416 | 1,313 | 15,245 |
| 6875 | Credit Card Fees | 22,143 | 21,910 | 24,456 | 20,559 | 16,562 | 15,130 | 14,990 | 14,147 | 149,697 |
| | TOTAL VARIABLE OVERHEAD EXPENSES | 134,355 | 119,530 | 130,041 | 121,120 | 105,184 | 98,070 | 96,305 | 89,137 | 863,742 |
| | CONTRIBUTION MARGIN | 272,758 | 326,942 | 334,339 | 330,908 | 352,218 | 339,427 | 308,038 | 114,554 | 2,379,184 |
| | Contribution margin % | 25.9% | 29.2% | 29.4% | 35.0% | 47.5% | 47.5% | 47.6% | 18.7% | 34.1% |

FIXED OVERHEAD EXPENSE

Salary & Wages

| | | | | | | | | | | |
|------|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|
| 6001 | Salary & Wages | 123,536 | 102,584 | 104,741 | 122,891 | 104,334 | 99,464 | 103,915 | 91,062 | 852,028 |
| 6002 | Salary Recharge | (6,840) | (6,840) | (6,840) | (6,840) | (6,840) | (6,840) | (6,840) | (6,840) | (54,720) |
| 6005 | Yearly Incentive | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 5,850 | - | - | 85,850 |
| 6011 | Employee Wages - OT | 96 | 130 | 123 | 84 | 65 | 35 | 43 | 29 | 605 |
| 6015 | Incentive Compensation | 584 | - | 132 | - | - | 339 | 25 | - | 1,080 |
| 6020 | Consultant | 1,836 | 864 | 1,266 | - | - | - | - | - | 3,966 |
| 6050 | Vacation Accrual | 895 | 2,984 | 1,360 | 2,235 | 5,088 | 1,962 | 2,004 | 2,484 | 19,022 |
| 6070 | Payroll Processing Fees | 260 | 190 | 211 | 105 | 102 | 110 | 98 | 93 | 1,170 |
| | Total Salary & Wages | 136,367 | 115,912 | 116,862 | 134,107 | 118,760 | 100,920 | 99,244 | 86,830 | 909,001 |

Employee Benefits

| | | | | | | | | | | |
|------|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 6101 | Payroll Taxes | 12,239 | 9,808 | 9,606 | 9,132 | 8,053 | 6,790 | 6,314 | 5,644 | 67,565 |
| 6105 | Severance Pay | - | 4,538 | - | - | - | - | - | - | 4,538 |
| 6110 | Health Insurance | 7,642 | 7,642 | 7,611 | 7,805 | 7,393 | 5,808 | 5,799 | 5,799 | 55,500 |
| 6115 | 401K | 5,427 | 5,200 | 6,452 | 3,826 | 3,254 | 3,028 | 4,940 | 2,881 | 35,007 |
| 6120 | Drug Testing | 276 | 339 | 368 | 262 | 230 | 210 | 225 | 197 | 2,107 |
| | Total Employee Benefits | 25,584 | 27,527 | 24,038 | 21,025 | 18,929 | 15,837 | 17,278 | 14,520 | 164,738 |

Departmental Expenses

| | | | | | | | | | | |
|------|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 6205 | Office Expenses | 6,773 | 6,042 | 6,363 | 6,833 | 5,601 | 6,379 | 6,314 | 6,336 | 50,640 |
| 6210 | Post & Delivery | 619 | 795 | 884 | 786 | 596 | 408 | 340 | 688 | 5,116 |
| 6215 | HR Recruiting | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 799 |
| 6220 | Employee Recreation | 34 | 34 | 47 | 29 | 151 | 107 | 44 | 83 | 528 |
| 6230 | Training & Education | - | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 263 |
| 6235 | R & D Prod Samples | - | 57 | 57 | 30 | 36 | - | 59 | - | 182 |
| 6240 | Security Expense | 171 | - | 48 | 771 | 35 | 420 | 171 | - | 1,616 |
| 6250 | Vehicle Expense | 34 | 30 | 84 | 32 | 14 | 8 | 51 | - | 253 |
| 6260 | Legal Expense | - | - | - | - | - | - | - | - | - |
| 6261 | Internal IT | - | - | - | - | - | - | - | - | - |
| 6262 | Consultant IT | - | - | - | - | - | - | 600 | - | 2,225 |
| 6263 | Prof. Services & Consulting | - | - | - | - | - | 50 | - | - | 50 |
| 6265 | Accounting Expenses | 2,536 | 2,535 | 2,534 | 2,535 | 2,536 | 2,540 | 2,540 | 2,542 | 20,297 |
| 6275 | Management Fees - Atrium | 36,037 | 36,037 | 36,037 | 36,037 | 36,037 | 36,037 | 36,037 | 44,927 | 297,166 |
| 6280 | Dues & Subscriptions | 273 | 1,122 | 955 | 222 | 1,091 | 222 | 222 | 727 | 4,833 |
| 6285 | Contributions | 1,000 | 575 | 163 | 43 | - | - | - | - | 1,781 |
| 6287 | Gifts | - | 100 | 56 | 184 | - | - | - | - | 340 |
| 6270 | Sales Samples | - | - | - | - | - | - | - | - | - |
| 6290 | Telephone Expense | 3,149 | 5,259 | 3,431 | 3,196 | 2,842 | 2,981 | 2,692 | 2,932 | 26,681 |
| | Total Departmental Expenses | 50,724 | 52,666 | 50,796 | 50,793 | 49,119 | 49,288 | 49,406 | 59,997 | 412,789 |

Repair & Maintenance

| | | | | | | | | | | |
|------|---------------------------------------|------------|------------|------------|------------|--------------|--------------|------------|------------|--------------|
| 6301 | Repair & Maintenance | 392 | 259 | 629 | 767 | 1,281 | 1,392 | 734 | 470 | 5,924 |
| 6305 | R&M Production Equip | - | - | - | - | - | - | - | - | - |
| 6310 | Equipment Rental/Lease | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 223 |
| 6315 | Equipment Rental/Lease - Prod | - | - | - | - | - | - | - | - | - |
| | Total Repair & Maintenance | 420 | 287 | 657 | 795 | 1,308 | 1,420 | 761 | 498 | 6,147 |

Utilities

| | | | | | | | | | | | | | | | | | | |
|------|------------------------------------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|------------------|
| 6401 | Utilities - Gas | 963 | \$ | 585 | \$ | 343 | \$ | 221 | \$ | 145 | \$ | 95 | \$ | 28 | \$ | 24 | \$ | 2,423 |
| 6411 | Utilities - Electric | 1,942 | | 1,829 | | 1,440 | | 1,596 | | 2,123 | | 2,771 | | 3,254 | | 3,198 | | 18,153 |
| 6421 | Utilities - Other | 405 | | 383 | | 410 | | 436 | | 415 | | 368 | | 393 | | 358 | | 3,168 |
| | Total Utilities | 3,329 | \$ | 2,797 | \$ | 2,193 | \$ | 2,253 | \$ | 2,683 | \$ | 3,234 | \$ | 3,675 | \$ | 3,560 | \$ | 23,744 |
| | Travel & Meals | | | 0 | | 0 | | | | | | | | | | | | |
| 6501 | Travel | - | \$ | 1,690 | \$ | 4,908 | \$ | 632 | \$ | 4,431 | \$ | 7,811 | \$ | - | \$ | 3,309 | \$ | 22,781 |
| 6510 | Meals & Entertainment | 67 | | 318 | | 311 | | 85 | | 303 | | 821 | | 340 | | 221 | | 2,464 |
| 6515 | Conference & Meetings | 30 | | 1,305 | | 10 | | 10 | | 804 | | 875 | | 10 | | 10 | | 3,054 |
| 6520 | Travel - F. Auzenne | - | | - | | - | | - | | - | | - | | - | | - | | - |
| | Total Travel & Meals | 97 | \$ | 3,313 | \$ | 5,229 | \$ | 727 | \$ | 5,538 | \$ | 9,507 | \$ | 350 | \$ | 3,539 | \$ | 28,299 |
| | Computer Related Expenses | | | 0 | | 0 | | | | | | | | | | | | |
| 6701 | Computer Maintenance | 5,555 | \$ | 2,755 | \$ | 4,755 | \$ | 7,057 | \$ | 4,112 | \$ | 7,512 | \$ | 2,436 | \$ | 2,763 | \$ | 36,964 |
| 6730 | Internet Expense | 3,398 | | 3,398 | | 3,549 | | 3,424 | | 3,390 | | 3,423 | | 3,420 | | 3,420 | | 27,422 |
| | Total Computer Expense | 8,953 | \$ | 6,153 | \$ | 8,304 | \$ | 10,481 | \$ | 7,502 | \$ | 10,935 | \$ | 5,856 | \$ | 6,202 | \$ | 64,386 |
| | Insurance, Rent & Other | | | 0 | | 0 | | | | | | | | | | | | |
| 6820 | Insurance - Auto | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| 6827 | Insurance - Other | 1,807 | | 1,807 | | 1,807 | | 1,807 | | 1,807 | | 1,807 | | 1,807 | | 1,807 | | 14,465 |
| 6830 | Permits & Licenses | 50 | | - | | - | | - | | - | | - | | - | | - | | 50 |
| 6840 | Sales Taxes | - | | - | | - | | - | | - | | - | | - | | - | | - |
| 6860 | Rent Property | - | | - | | - | | - | | - | | - | | - | | - | | - |
| 6870 | Bank Charges | 590 | | 497 | | 702 | | 504 | | 692 | | 465 | | 350 | | 322 | | 4,112 |
| 6880 | Property Tax | 1,156 | | 1,156 | | 1,156 | | 1,156 | | 1,156 | | 1,156 | | 1,156 | | 1,156 | | 9,249 |
| | Total Insur/Tax/Other | 3,603 | \$ | 3,460 | \$ | 3,665 | \$ | 3,467 | \$ | 3,655 | \$ | 3,418 | \$ | 3,313 | \$ | 3,285 | \$ | 27,865 |
| 997 | Total Overhead Expense | 229,077 | \$ | 212,115 | \$ | 211,742 | \$ | 223,648 | \$ | 207,484 | \$ | 194,559 | \$ | 179,884 | \$ | 178,452 | \$ | 1,636,971 |

| EARNINGS BEFORE TAXES/INT/DEPR/AMORT | | | | | | | | | | | | | | | | | | | |
|--|--|-------|--------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|----------|-------|----------|
| | EBITA | \$ | 43,682 | \$ | 114,627 | \$ | 122,597 | \$ | 107,260 | \$ | 144,724 | \$ | 144,867 | \$ | 126,155 | \$ | (63,898) | \$ | 742,214 |
| | EBITA % | | 4.1% | | 10.3% | | 10.6% | | 11.3% | | 19.5% | | 20.3% | | 19.8% | | (10.4%) | | 10.6% |
| TAXES/INTEREST/DEPR/AMORT | | | | | | | | | | | | | | | | | | | |
| 6950 | Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6940 | Depreciation | 5,833 | 5,627 | 6,088 | 5,892 | 5,853 | 5,797 | 5,468 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 5,450 | 46,006 |
| 6951 | Amortization | 2,396 | 4,691 | 9,470 | 10,124 | 8,870 | 9,366 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 9,660 | 64,238 |
| | Total Taxes/Interest/Depr/Amort | \$ | 8,229 | \$ | 10,318 | \$ | 15,559 | \$ | 16,016 | \$ | 14,723 | \$ | 15,163 | \$ | 15,126 | \$ | 15,110 | \$ | 110,244 |
| TOTAL NET INCOME / (LOSS) from Operations | | | | | | | | | | | | | | | | | | | |
| | Total Net Income/(Loss) % | \$ | 35,453 | \$ | 104,509 | \$ | 107,038 | \$ | 91,244 | \$ | 130,001 | \$ | 129,704 | \$ | 113,029 | \$ | (79,008) | \$ | 631,969 |
| | | | 3.4% | | 9.3% | | 9.4% | | 9.7% | | 17.5% | | 18.1% | | 17.5% | | (12.9%) | | 9.1% |
| TOTAL NET INCOME / (LOSS) BEFORE TAXES | | | | | | | | | | | | | | | | | | | |
| | Total Net Income/(Loss) BEFORE TAXES % | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | (11,558) |
| 8801 | Gain/(Loss) Sale of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8820 | Miscellaneous Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Net Income/(Loss) BEFORE TAXES | \$ | 35,453 | \$ | 104,509 | \$ | 107,038 | \$ | 91,244 | \$ | 130,001 | \$ | 129,704 | \$ | 113,029 | \$ | (90,566) | \$ | 600,412 |
| | | | 3.4% | | 9.3% | | 9.4% | | 9.7% | | 17.5% | | 18.1% | | 17.5% | | (14.8%) | | 8.9% |
| TOTAL NET INCOME / (LOSS) AFTER TAXES | | | | | | | | | | | | | | | | | | | |
| | Total Net Income/(Loss) AFTER TAXES % | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| 9100 | Income Tax Exp | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9200 | Future Income Tax Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Net Income/(Loss) AFTER TAXES | \$ | 35,453 | \$ | 104,509 | \$ | 107,038 | \$ | 91,244 | \$ | 130,001 | \$ | 129,704 | \$ | 113,029 | \$ | (90,566) | \$ | 600,412 |
| | | | 3.4% | | 9.3% | | 9.4% | | 9.7% | | 17.5% | | 18.1% | | 17.5% | | (14.8%) | | 8.9% |

| | | | | | | | | | | | | | | | | | | | | |
|------------------------|----|--------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|---------|----|--------|
| Atrium Management fees | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 | \$ | 28,917 |
| Adjusted EBITDA % | | 72,599 | | 143,744 | | 151,514 | | 136,177 | | 173,641 | | 173,764 | | 157,073 | | 139,381 | | 973,530 | | |
| | | 6.8% | | 14.8% | | 13.3% | | 14.4% | | 23.4% | | 24.3% | | 24.3% | | 5.7% | | 14.0% | | |

SECTION 4.4 (G)
REFUNDABLE DEPOSITS, PREPAID EXPENSES AND DEFERRED CHARGES

1. Refundable Deposits: None
2. Prepaid Expenses as of August 31, 2014:

| Date | Supplier | Description | Balance |
|-------------|------------------------------------|--|----------------|
| 10-31-13 | Atrium -Property Ins | Annual starting July 1, 2014 (not yet received) | (\$854,98) |
| 10-31-13 | Atrium - Product Liability | Annual starting July 1(not yet received) | (\$2 729,00) |
| 10-31-13 | Atrium - Umbrella, D&O , Others | Annual starting July 1(not yet received) | (\$2 758,76) |
| 8-31-14 | Commission Junction | balance of deposit for commissions | \$43,95 |
| 1-31-14 | Atrium | IPA & CRN Dues | \$887,94 |
| 8-31-14 | Freeport Press Inventory | Catalogues | \$22 986,72 |
| 8-31-14 | Freeport Press Inventory BRE | Envelopes | \$4 816,71 |
| 8-31-14 | Royle Press Inventory | Catalogues | \$1 797,37 |
| 8-31-14 | Royle Press Inventory BRE | Envelopes | \$1 014,07 |
| 8-31-14 | Flyers & Bagstuffers | all inserts | \$10 368,30 |
| 8-31-14 | Data Mgmt | Pick Ticket Inventory | \$2 457,00 |
| 8-31-14 | Prisma Graphic | Retention Series Reports in inventory | \$9 064,30 |
| 8-31-14 | NH Health Matters Inventory | Promotional material | \$29 305,90 |
| 8-31-14 | SL Health Matters Inventory | Promotional material | \$308,87 |
| 2-28-14 | Belttari Copy Direct | Copywriter (mailer not sent yet) | \$17 500,00 |
| 1-30-14 | Alison Hancock | Copywriter (mailer not sent yet) | \$20 000,00 |
| 8-31-14 | Stamps.com & Express 1 | Deposit Balances | \$6 321,33 |
| 8-31-14 | Pitney Bowes Meter | Deposit Balances | \$101,32 |
| 11-13-13 | Business Communication Specialists | 3yr support new phone system (265.92 Mth 1Yr) | \$1 063,64 |
| 11-13-13 | Virtus Talant- Perfode | Performance Mgmt Sys Jan-Dec 2014 (99.92/Month) | \$399,64 |

| | | | |
|----------|--|--|--------------|
| 11-11-13 | Susie Belttari | Copywriter (mailer not sent yet) | \$10 500,00 |
| 11-11-13 | Susie Belttari | Copywriter (mailer not sent yet) | \$10 500,00 |
| 12-18-13 | Stephen Kimball DM Copywriting | Copywriter (mailer not sent yet) | \$5 000,00 |
| 1-9-14 | Reevoo Inc | Annual Internet Product Review \$1500/month | \$6 000,00 |
| 1-15-14 | FinnCom | Copywriter (mailer not sent yet) | \$10 000,00 |
| 8-31-14 | GOL Employee Orders | | \$65,00 |
| 1-27-14 | Alison Hancock | Copywriter (mailer not sent yet) | \$10 000,00 |
| 3-25-14 | Kittner Design | Copywriter (mailer not sent yet) | \$7 350,00 |
| 3-25-14 | Kittner Design | Copywriter (mailer not sent yet) | \$7 125,00 |
| 3-31-14 | Amex ML | SSW Room Reservation 10/6- 11/14 | \$333,76 |
| 4-28-14 | ISM /Sage Accounting software | Annual Maintenance 7/1/14 to 6/30/15 | \$9 051,87 |
| 5-31-14 | Amex | TC Jet Blue (Sept 2014) | \$291,50 |
| 6-25-14 | Dydacomp (MOM software) | Annual Support 8/12/14thru 8/12/15 | \$9 942,15 |
| 6-28-14 | AMEX TC | Titans Conference 9/10-13/14 | \$3 500,00 |
| 7-9-14 | Smart Focus(formally Email Vision) | email usage 7/1/14 to 9/30/14 2955.21 mth (quarterly billing) | \$2 955,22 |
| 8-22-14 | NAS Design | Assorted Design for Sept | \$887,50 |
| 8-23-14 | Pitney Bowes Meter | 9/10/14 to 12/10/14 (436.45 Month) | \$1 309,35 |
| | | Total | \$216 905,67 |

3. Deferred Charges as of August 31, 2014:

| Deferred Charges | Total |
|--------------------------------------|---------------|
| Workers Compensation | (\$24 091,06) |
| 2014 Property Tax | \$9 249,04 |
| Day Pitney | \$500,00 |
| TMS | \$1 450,00 |
| InContact | \$1 130,00 |
| Merchant Fees | \$14 025,91 |
| Beyond Marketing | \$1 125,00 |
| Tom Amex AZ trip August | \$181,71 |
| Customer Refund Reserve | \$43 621,00 |
| Payroll last days of August not paid | \$23 348,00 |
| Payroll liabilities | (\$8 325,02) |
| Vacation Provision | \$20 000,00 |

| | |
|--------------------------|---------------------|
| 2014 Employee Incentives | \$125 801,00 |
| Sales taxes August | \$1 259,72 |
| Pricing issues with HVL | \$1 172,16 |
| Total | \$210 447,46 |

SECTION 4.4 (H)(i)
ACCOUNTS RECEIVABLE

1. Accounts Receivable as of 5:00 PM September 11, 2014

Date: 09/11/14
Time: 14:11:25

A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC
REPORT SELECTION CRITERIA
FOR ALL ORDERS

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT | DAYS PAST DUE | 30 - 59 DAYS PAST DUE | OVER 60 DAYS PAST DUE | FINANCE CHARGE |
|----------------|--------------|-----------------|--------------------|----------|----------------|--------|-------------------|---------|---------------|-----------------------|-----------------------|----------------|
| 934850A | 03/18/14 | 124730 | Corley, Geneva | 04/17/14 | 184.00 | CK | 100.00 | | | | 84.00 | |
| 975035A | 07/09/14 | 2493519 | Whiteman, Betsy | 08/08/14 | 29.95 | CC | | | | 29.95 | | |
| 983844A | 08/11/14 | 2493519 | Whiteman, Betsy | 09/10/14 | 29.95 | CC | | | | 29.95 | | |
| 984452A | 08/11/14 | 6560673 | Douglas Japan | 09/25/14 | 493.00 | IN | | | | | 493.00 | |
| 990409A | 09/03/14 | 6560673 | Douglas Japan | 10/18/14 | 492.72 | IN | | | | | 492.72 | |
| 991585A | 09/08/14 | 6560673 | Douglas Japan | 10/23/14 | 724.87 | IN | | | | | 724.87 | |
| 964998 | | 6362535 | Van Horn, Fred | | PRE-PAID ORDER | | 279.40 | | | | | |
| 989393 | | 3604673 | CZACH, GAIL | | PRE-PAID ORDER | | 129.95 | | | | | |
| 990963 | | 6890346 | Licameli, Harriet | | PRE-PAID ORDER | | 171.75 | | | | | |
| 990973 | | 6895212 | O'Brien, Johnny | | PRE-PAID ORDER | | 40.10 | | | | | |
| 991478 | | 1161021 | Gabel, Connie | | PRE-PAID ORDER | | 99.00 | | | | | |
| 991506 | | 962317 | Swim, JAMES | | PRE-PAID ORDER | | 179.00 | | | | | |
| 991509 | | 4823230 | Gongaware, Phyllis | | PRE-PAID ORDER | | 184.00 | | | | | |
| 991510 | | 4941885 | Morris, Mary | | PRE-PAID ORDER | | 99.00 | | | | | |
| 991519 | | 34860 | Peisley, Joan | | PRE-PAID ORDER | | 99.00 | | | | | |
| 991520 | | 778787 | Myers, Mary | | PRE-PAID ORDER | | 184.00 | | | | | |
| 991540 | | 5013621 | Antonio, Gerardo | | PRE-PAID ORDER | | 184.00 | | | | | |
| 991561 | | 102176 | Wopperer, Anne | | PRE-PAID ORDER | | 97.70 | | | | | |

TRADE MARK

REEL: 005466 FRAME: 0638

Date: 09/11/14
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A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

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| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|----------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 991572 | | 1836643 | O'Brien, Tim | | PRE-PAID ORDER | 59.93 | | | | | | |
| 991874 | | 2489893 | Noecker, Mary | | PRE-PAID ORDER | 99.00 | | | | | | |
| 992417 | | 5325294 | NORMAN, DAVID | | PRE-PAID ORDER | 47.00 | | | | | | |
| 992418 | | 6895297 | Freeman, Cynthia | | PRE-PAID ORDER | 31.96 | | | | | | |
| 992419 | | 6894542 | Wickey, Pheanis & Ma | | PRE-PAID ORDER | 174.00 | | | | | | |
| 837554 | | 6873975 | Schindler, Ingeborg | | OVERPAYMENT | 5.61 | | | | | | |
| 838013 | | 4215061 | ASATO, VIOLET | | OVERPAYMENT | 6.95 | | | | | | |
| 838055 | | 4823696 | Moyer, Frances | | OVERPAYMENT | 6.95 | | | | | | |
| 838550 | | 1013937 | SCHMIDT, TIMOTHY | | OVERPAYMENT | 6.95 | | | | | | |
| 838585 | | 2497499 | Byrd, Randell | | OVERPAYMENT | 6.95 | | | | | | |
| 838588 | | 5696672 | Serafin, Dolores | | OVERPAYMENT | 3.45 | | | | | | |
| 838623 | | 1462481 | Tribon, Malvin | | OVERPAYMENT | 5.61 | | | | | | |
| 838732 | | 4947377 | Schlosser, Ima Jean | | OVERPAYMENT | 6.95 | | | | | | |
| 838771 | | 1516888 | BUDEAU, LOUISE | | OVERPAYMENT | 6.95 | | | | | | |
| 839277 | | 1557989 | Strawzell, Lola | | OVERPAYMENT | 6.95 | | | | | | |
| 839390 | | 87361 | Neal, David F | | OVERPAYMENT | 5.61 | | | | | | |
| 841412 | | 4871517 | Lamb, Lenora | | OVERPAYMENT | 3.10 | | | | | | |
| 841574 | | 117698 | Miller, Janette | | OVERPAYMENT | 3.00 | | | | | | |
| 841606 | | 68557 | Walljasper, Arlene | | OVERPAYMENT | 6.95 | | | | | | |
| 841611 | | 2447918 | Syme, Barbara M | | OVERPAYMENT | 5.60 | | | | | | |
| 842134 | | 6421189 | Reinke, Minda R. | | OVERPAYMENT | 3.00 | | | | | | |
| 842291 | | 3157317 | BEAVER, BILLY | | OVERPAYMENT | 6.95 | | | | | | |
| 842300 | | 5816662 | Stahl, Jack | | OVERPAYMENT | 5.61 | | | | | | |
| 842301 | | 1185377 | Hunter, Gail C. | | OVERPAYMENT | 6.95 | | | | | | |
| 845501 | | 35316 | McDonald, Mary Ann | | OVERPAYMENT | 6.95 | | | | | | |
| 845557 | | 2342016 | Jones, Tom | | OVERPAYMENT | 5.60 | | | | | | |
| 846148 | | 3150124 | MCCOY, JOHN | | OVERPAYMENT | 5.00 | | | | | | |
| 846691 | | 1160080 | Washington, Andrew | | OVERPAYMENT | 3.00 | | | | | | |
| 846768 | | 6875450 | Rivers, Nancy | | OVERPAYMENT | 3.76 | | | | | | |
| 847048 | | 6695433 | MOTIL, BARBARA | | OVERPAYMENT | 6.95 | | | | | | |

TRADEMARK

REEL: 005466 FRAME: 0639

Date: 09/11/14
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A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

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| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 847240 | | 6875503 | Cudworth, Les | | OVERPAYMENT | 1.00 | | | | | | |
| 848081 | | 6022982 | Dupont, Eileen M | | OVERPAYMENT | 2.28 | | | | | | |
| 848887 | | 104921 | Eggert, Erika | | OVERPAYMENT | 6.95 | | | | | | |
| 850431 | | 5770373 | Jones, John E | | OVERPAYMENT | 6.95 | | | | | | |
| 850446 | | 5831683 | SHEPPARD, BAMA | | OVERPAYMENT | 1.00 | | | | | | |
| 852475 | | 6680111 | JONES, CHARLES | | OVERPAYMENT | 2.29 | | | | | | |
| 852918 | | 774129 | Ponchock, Stella | | OVERPAYMENT | 6.95 | | | | | | |
| 853060 | | 89570 | Brown, Earl | | OVERPAYMENT | 6.95 | | | | | | |
| 853379 | | 6876551 | Farmer, Kristine | | OVERPAYMENT | 5.05 | | | | | | |
| 854058 | | 3199307 | CRESPO, LUIS | | OVERPAYMENT | 6.95 | | | | | | |
| 854365 | | 6876759 | Wachilla, Verda | | OVERPAYMENT | 2.40 | | | | | | |
| 855671 | | 6860906 | Griffin, Donzetta | | OVERPAYMENT | 1.04 | | | | | | |
| 857478 | | 5632010 | KLEIKAMP, FRANCES | | OVERPAYMENT | 6.95 | | | | | | |
| 858175 | | 6877605 | Ferrato, Robert | | OVERPAYMENT | 5.81 | | | | | | |
| 858345 | | 60278 | Morris, Barbara | | OVERPAYMENT | 6.95 | | | | | | |
| 858530 | | 6633358 | Hernandez, Jerry | | OVERPAYMENT | 3.00 | | | | | | |
| 858544 | | 5540541 | PRASKAC, V | | OVERPAYMENT | 6.95 | | | | | | |
| 858928 | | 1154755 | Combs, Shirley | | OVERPAYMENT | 4.00 | | | | | | |
| 859017 | | 4686338 | Grassetti, Valentino | | OVERPAYMENT | 2.01 | | | | | | |
| 859019 | | 2205806 | Gianakaris, George | | OVERPAYMENT | 6.95 | | | | | | |
| 859241 | | 6253505 | WITTER, HARRY | | OVERPAYMENT | 3.00 | | | | | | |
| 860494 | | 4957312 | Pipkin, Harold | | OVERPAYMENT | 6.95 | | | | | | |
| 860692 | | 1933098 | Berube, Clayton | | OVERPAYMENT | 6.95 | | | | | | |
| 861224 | | 4792508 | Barrington, Bobby E | | OVERPAYMENT | 1.87 | | | | | | |
| 862255 | | 6878397 | Lewanowski, Chester | | OVERPAYMENT | 6.95 | | | | | | |
| 864499 | | 724046 | PRESUTTI, Ann | | OVERPAYMENT | 6.95 | | | | | | |
| 864646 | | 6878806 | Kwake, Kaye | | OVERPAYMENT | 6.95 | | | | | | |
| 864834 | | 834269 | Burton, Lawrence | | OVERPAYMENT | 6.95 | | | | | | |
| 865276 | | 5025129 | Riojas, Evelyn | | OVERPAYMENT | 6.90 | | | | | | |
| 866006 | | 1162053 | Baker, William | | OVERPAYMENT | 6.95 | | | | | | |
| 866294 | | 2034077 | Beritez, Bernardo | | OVERPAYMENT | 6.95 | | | | | | |

TRADEMARK

REEL: 005466 FRAME: 0640

Date: 09/11/14
Time: 14:11:26

A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 866346 | | 11335 | Myer, David | | OVERPAYMENT | 1.39 | | | | | | |
| 866422 | | 6819855 | ADAMS, ROBERT | | OVERPAYMENT | 2.10 | | | | | | |
| 866481 | | 6792064 | JACKSON, MINNIE | | OVERPAYMENT | 5.00 | | | | | | |
| 868493 | | 6246581 | MONTE, A | | OVERPAYMENT | 2.52 | | | | | | |
| 868846 | | 4819391 | Smith, Sandra | | OVERPAYMENT | 4.95 | | | | | | |
| 868924 | | 6292263 | Skuzacek, Joseph L | | OVERPAYMENT | 4.05 | | | | | | |
| 868955 | | 1582881 | ROUGH, MILDRED | | OVERPAYMENT | 6.65 | | | | | | |
| 869568 | | 6353925 | FORD, WARNER | | OVERPAYMENT | 6.95 | | | | | | |
| 870549 | | 2441578 | JACKSON, CARLA | | OVERPAYMENT | 6.95 | | | | | | |
| 871811 | | 5811250 | Oconnor, Shona | | OVERPAYMENT | 6.95 | | | | | | |
| 871856 | | 6863962 | Taylor, Jimmy | | OVERPAYMENT | 6.95 | | | | | | |
| 871866 | | 12927 | Machtley, Kati | | OVERPAYMENT | 2.33 | | | | | | |
| 871878 | | 1496755 | Stillwell, Florence | | OVERPAYMENT | 2.09 | | | | | | |
| 872340 | | 5270245 | Brown, Doris | | OVERPAYMENT | 1.00 | | | | | | |
| 872406 | | 128509 | Tzemopoulos, George | | OVERPAYMENT | 6.95 | | | | | | |
| 872442 | | 5787624 | Johnson, Vernon | | OVERPAYMENT | 6.95 | | | | | | |
| 872447 | | 46306 | Saylor, Mary | | OVERPAYMENT | 6.95 | | | | | | |
| 872456 | | 6875515 | Weeks, Phyllis C | | OVERPAYMENT | 3.10 | | | | | | |
| 873002 | | 2579876 | OLSEN, GEORGE | | OVERPAYMENT | 6.95 | | | | | | |
| 873051 | | 4846845 | Gregurick, Shirley A | | OVERPAYMENT | 6.95 | | | | | | |
| 874000 | | 2929716 | Coleman, James | | OVERPAYMENT | 6.95 | | | | | | |
| 874091 | | 6867241 | Welborn, Mary C | | OVERPAYMENT | 6.95 | | | | | | |
| 874114 | | 4922768 | Wurster, Dr. Kathy | | OVERPAYMENT | 6.95 | | | | | | |
| 875276 | | 6246581 | MONTE, A | | OVERPAYMENT | 3.95 | | | | | | |
| 875327 | | 4932746 | Marquette, Floyd | | OVERPAYMENT | 1.00 | | | | | | |
| 875366 | | 5732705 | YOUNG, SHIRLEY | | OVERPAYMENT | 1.95 | | | | | | |
| 875817 | | 5449957 | Schnucker, Wilmer I. | | OVERPAYMENT | 6.95 | | | | | | |
| 876658 | | 6505335 | COLEMAN, SUE | | OVERPAYMENT | 6.95 | | | | | | |
| 878356 | | 6854935 | Essex, Tina | | OVERPAYMENT | 6.95 | | | | | | |
| 878547 | | 5382597 | GRIFFITH, VIOLET F | | OVERPAYMENT | 6.95 | | | | | | |
| 878997 | | 6113502 | Boucher, Jamie O. | | OVERPAYMENT | 3.00 | | | | | | |

Date: 09/11/14
Time: 14:11:26

A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|--------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 879109 | | 6603744 | HOPE, NORBERT | | OVERPAYMENT | 5.60 | | | | | | |
| 880110 | | 843019 | Andersen, Howard J | | OVERPAYMENT | 6.72 | | | | | | |
| 880536 | | 1569773 | Bailey, Robin | | OVERPAYMENT | 6.85 | | | | | | |
| 881618 | | 1567010 | BREWSTER, CAROL | | OVERPAYMENT | 6.95 | | | | | | |
| 881680 | | 944708 | SMITH, LOUISE | | OVERPAYMENT | 5.00 | | | | | | |
| 882095 | | 95131 | Beohm, Clifton | | OVERPAYMENT | 3.74 | | | | | | |
| 882144 | | 1268106 | MILLER, ANDY | | OVERPAYMENT | 5.00 | | | | | | |
| 882251 | | 4185165 | FUSTTUA, PAUL | | OVERPAYMENT | 4.05 | | | | | | |
| 884172 | | 6624042 | BAKER, MILTON | | OVERPAYMENT | 6.95 | | | | | | |
| 884778 | | 1936270 | Miller, Marvin | | OVERPAYMENT | 3.72 | | | | | | |
| 884843 | | 5710931 | NGUYEN, BICHNGOC | | OVERPAYMENT | 4.79 | | | | | | |
| 885816 | | 5770373 | Jones, John E | | OVERPAYMENT | 6.95 | | | | | | |
| 885862 | | 896961 | Jobe, Christine | | OVERPAYMENT | 6.95 | | | | | | |
| 886348 | | 6450030 | BOYER, LANCEY | | OVERPAYMENT | 6.95 | | | | | | |
| 886350 | | 4537288 | Thomas, Helen | | OVERPAYMENT | 6.95 | | | | | | |
| 886363 | | 2444982 | Ramage, Effie | | OVERPAYMENT | 4.00 | | | | | | |
| 886377 | | 1453739 | Butler, Pat | | OVERPAYMENT | 6.95 | | | | | | |
| 889005 | | 50428 | Jackson, C D | | OVERPAYMENT | 3.08 | | | | | | |
| 889031 | | 6876559 | Poche, Doris M | | OVERPAYMENT | 3.10 | | | | | | |
| 889316 | | 6429165 | SCHECHTER, SYLVIA | | OVERPAYMENT | 5.61 | | | | | | |
| 889812 | | 6882806 | French, William | | OVERPAYMENT | 3.73 | | | | | | |
| 889911 | | 2488914 | Hosteller, Emma | | OVERPAYMENT | 6.95 | | | | | | |
| 889943 | | 1270308 | MORAN, LOU | | OVERPAYMENT | 5.68 | | | | | | |
| 890339 | | 317217 | LESTER, LUCILLE | | OVERPAYMENT | 2.95 | | | | | | |
| 890342 | | 6573663 | RANSBOTTOM, HELEN | | OVERPAYMENT | 6.95 | | | | | | |
| 890393 | | 6577512 | EDELBACH, PATRICIA | | OVERPAYMENT | 5.05 | | | | | | |
| 890495 | | 6813430 | MCCULLOUGH, RUTH | | OVERPAYMENT | 6.95 | | | | | | |
| 891844 | | 3704270 | GILL, GUSSIE | | OVERPAYMENT | 6.95 | | | | | | |
| 893452 | | 6671687 | Arthur, Rex | | OVERPAYMENT | 1.40 | | | | | | |
| 893784 | | 6878403 | Bullock, Irene | | OVERPAYMENT | 4.00 | | | | | | |
| 894128 | | 62080 | Hernandez, Paula | | OVERPAYMENT | 5.60 | | | | | | |

Date: 09/11/14
Time: 14:11:26

A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 894304 | | 1139873 | GREEN, OLIVER | | OVERPAYMENT | 6.95 | | | | | | |
| 894388 | | 4655368 | MILLER, VERDA | | OVERPAYMENT | 6.95 | | | | | | |
| 895070 | | 6877669 | Nowakowski, Margaret | | OVERPAYMENT | 2.85 | | | | | | |
| 895114 | | 131320 | Tabone, Sam | | OVERPAYMENT | 6.95 | | | | | | |
| 895263 | | 6872844 | Hager, Aish | | OVERPAYMENT | 6.95 | | | | | | |
| 895342 | | 2777679 | ERR, CLAIR | | OVERPAYMENT | 6.95 | | | | | | |
| 895369 | | 6207666 | SCHMIDTKE, CAROL A. | | OVERPAYMENT | 6.95 | | | | | | |
| 895381 | | 1246402 | HALLER, ED | | OVERPAYMENT | 1.99 | | | | | | |
| 895395 | | 1119576 | LESTER, BETTY | | OVERPAYMENT | 5.62 | | | | | | |
| 895623 | | 5001771 | Meek, Ida | | OVERPAYMENT | 2.67 | | | | | | |
| 895656 | | 5017164 | Hedenstad, Reidun | | OVERPAYMENT | 6.95 | | | | | | |
| 896528 | | 6077318 | Hager, Carol | | OVERPAYMENT | 5.60 | | | | | | |
| 897480 | | 4907828 | Newman, Anna L | | OVERPAYMENT | 5.30 | | | | | | |
| 898425 | | 5762564 | Kraus, Norbert | | OVERPAYMENT | 6.95 | | | | | | |
| 898812 | | 6579846 | WITTMER, RICHARD | | OVERPAYMENT | 1.00 | | | | | | |
| 899896 | | 1182229 | Lujan, Lydia | | OVERPAYMENT | 6.95 | | | | | | |
| 899909 | | 6763728 | MELENCHECK, VELLA | | OVERPAYMENT | 6.95 | | | | | | |
| 899989 | | 5001528 | Miedowicz, Jan | | OVERPAYMENT | 6.95 | | | | | | |
| 899994 | | 4815196 | Gasiorowski, Michael | | OVERPAYMENT | 3.12 | | | | | | |
| 902989 | | 5229866 | Grett, Marjorie P | | OVERPAYMENT | 6.95 | | | | | | |
| 903415 | | 6819855 | ADAMS, ROBERT | | OVERPAYMENT | 2.10 | | | | | | |
| 903811 | | 4942045 | Rhoades, Annabelle M | | OVERPAYMENT | 6.95 | | | | | | |
| 904834 | | 6147017 | Field, Dorothea | | OVERPAYMENT | 5.60 | | | | | | |
| 905739 | | 6493572 | STALLMAN, CHER | | OVERPAYMENT | 6.95 | | | | | | |
| 906404 | | 793410 | Devries, Barb | | OVERPAYMENT | 6.95 | | | | | | |
| 907784 | | 6394557 | Rathbun, Sybil | | OVERPAYMENT | 3.00 | | | | | | |
| 911523 | | 1542160 | TRUJILLO, Nora | | OVERPAYMENT | 6.95 | | | | | | |
| 912964 | | 5792888 | Lowe, Nancy | | OVERPAYMENT | 3.60 | | | | | | |
| 912967 | | 5626362 | WALKER, DOCK | | OVERPAYMENT | 6.95 | | | | | | |
| 913683 | | 2279629 | Stephens, Geraldine | | OVERPAYMENT | 5.00 | | | | | | |
| 914158 | | 3639209 | ARRINGTON, GLORIA | | OVERPAYMENT | 5.60 | | | | | | |

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A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

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| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 914922 | | 6869462 | Booth, Frances | | OVERPAYMENT | 6.95 | | | | | | |
| 915050 | | 5519986 | Chastant, Catherine | | OVERPAYMENT | 6.95 | | | | | | |
| 915579 | | 2272879 | Shumate, Ermalee | | OVERPAYMENT | 6.95 | | | | | | |
| 917201 | | 5436459 | Wengerd, Marvin | | OVERPAYMENT | 6.95 | | | | | | |
| 917237 | | 134039 | Wortham, Van | | OVERPAYMENT | 1.00 | | | | | | |
| 917268 | | 4945369 | Lusk, Carolyn | | OVERPAYMENT | 5.07 | | | | | | |
| 917721 | | 1208569 | STRIPLING, ROBERT | | OVERPAYMENT | 6.95 | | | | | | |
| 918235 | | 269342 | FRAZIER, BERTHA | | OVERPAYMENT | 6.95 | | | | | | |
| 918265 | | 5479544 | Chavez, Nemico | | OVERPAYMENT | 6.95 | | | | | | |
| 918364 | | 6880327 | Schiele, Claire | | OVERPAYMENT | 1.00 | | | | | | |
| 918367 | | 4477028 | Balboa, Humberto | | OVERPAYMENT | 6.95 | | | | | | |
| 918504 | | 1194841 | Knauss, Frances | | OVERPAYMENT | 6.95 | | | | | | |
| 918512 | | 6875422 | Mills, Archie | | OVERPAYMENT | 6.95 | | | | | | |
| 918806 | | 6756850 | RILEY, MAE | | OVERPAYMENT | 6.95 | | | | | | |
| 918844 | | 4790053 | Eaton, Mamie | | OVERPAYMENT | 6.95 | | | | | | |
| 918855 | | 5003896 | Hurmmence, Ann | | OVERPAYMENT | 1.48 | | | | | | |
| 918944 | | 3114442 | KONO, WINFRED | | OVERPAYMENT | 6.95 | | | | | | |
| 919162 | | 4656666 | Myhand, Walter | | OVERPAYMENT | 6.95 | | | | | | |
| 919168 | | 4947373 | Buck, Ralph | | OVERPAYMENT | 6.95 | | | | | | |
| 919206 | | 1261982 | MEISER, ROBERT | | OVERPAYMENT | 5.61 | | | | | | |
| 919219 | | 4993721 | Logan, William | | OVERPAYMENT | 5.60 | | | | | | |
| 919227 | | 6872953 | Jorgensen, Philip Do | | OVERPAYMENT | 1.00 | | | | | | |
| 919740 | | 5494094 | Handshy, Margo | | OVERPAYMENT | 6.95 | | | | | | |
| 921534 | | 747534 | SZABO, STEVE | | OVERPAYMENT | 6.95 | | | | | | |
| 923780 | | 6232721 | MILLER, TERESA | | OVERPAYMENT | 2.16 | | | | | | |
| 923895 | | 127220 | Baker, Clara | | OVERPAYMENT | 6.95 | | | | | | |
| 924034 | | 4685937 | Ghani, Tanuath | | OVERPAYMENT | 1.30 | | | | | | |
| 924077 | | 5549631 | BREGLIA, JOSIE | | OVERPAYMENT | 6.85 | | | | | | |
| 924344 | | 6577996 | HIEDIN, ALICE | | OVERPAYMENT | 3.10 | | | | | | |
| 924374 | | 1384 | Sutton, Roosevelt | | OVERPAYMENT | 6.95 | | | | | | |
| 924456 | | 6885105 | Yoder, Martha | | OVERPAYMENT | 6.95 | | | | | | |

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A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|---------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 924463 | | 16844 | Maggard, Thomas | | OVERPAYMENT | 6.95 | | | | | | |
| 924566 | | 4405286 | Bean Jr, George | | OVERPAYMENT | 6.95 | | | | | | |
| 924906 | | 2939040 | KALEN, KENNETH | | OVERPAYMENT | 6.95 | | | | | | |
| 924922 | | 6888209 | Wiser, Wilma | | OVERPAYMENT | 6.95 | | | | | | |
| 924947 | | 6609628 | GUZMAN, GILBERTO | | OVERPAYMENT | 2.15 | | | | | | |
| 927878 | | 2097540 | Greeyes, Jack | | OVERPAYMENT | 6.94 | | | | | | |
| 927934 | | 6779059 | Schadi, Joseph | | OVERPAYMENT | 6.95 | | | | | | |
| 928114 | | 5518597 | Smith, Lois | | OVERPAYMENT | 6.95 | | | | | | |
| 928723 | | 1656184 | MCBRIDE, EVELYN | | OVERPAYMENT | 6.95 | | | | | | |
| 928750 | | 1450011 | GIRLINGHOUSE, ELSIE | | OVERPAYMENT | 3.76 | | | | | | |
| 929112 | | 5315413 | RINGHAND, FREIDA | | OVERPAYMENT | 4.05 | | | | | | |
| 929120 | | 2636444 | DARIENZO, DOROTHY | | OVERPAYMENT | 1.30 | | | | | | |
| 929574 | | 1571463 | HAUGE, TOM | | OVERPAYMENT | 6.95 | | | | | | |
| 929982 | | 1967919 | Moats, Arlene | | OVERPAYMENT | 1.00 | | | | | | |
| 931262 | | 1149091 | WINKLER, Eleanor | | OVERPAYMENT | 6.95 | | | | | | |
| 931811 | | 1028303 | Tatum, Joann | | OVERPAYMENT | 1.00 | | | | | | |
| 932698 | | 1129307 | Broadhurst, Bobbie | | OVERPAYMENT | 6.95 | | | | | | |
| 932764 | | 765380 | DELACROIX, NADINE | | OVERPAYMENT | 2.00 | | | | | | |
| 933158 | | 6210509 | Lee, David J. K. | | OVERPAYMENT | 5.00 | | | | | | |
| 934968 | | 973636 | MELLO, BETTY | | OVERPAYMENT | 1.00 | | | | | | |
| 935025 | | 1022927 | Sutherland, William | | OVERPAYMENT | 6.95 | | | | | | |
| 935026 | | 4526673 | RUSTAD, KENNETH | | OVERPAYMENT | 6.95 | | | | | | |
| 936021 | | 4622798 | DOUCETTE, LIONEL | | OVERPAYMENT | 1.00 | | | | | | |
| 936120 | | 6458142 | Cremeen, Ms. Linda | | OVERPAYMENT | 1.27 | | | | | | |
| 938235 | | 1010093 | Bukowski, Daniel | | OVERPAYMENT | 4.00 | | | | | | |
| 939256 | | 6395443 | MCGEE, RUBEN | | OVERPAYMENT | 6.95 | | | | | | |
| 939297 | | 6890321 | Whitted, Lois | | OVERPAYMENT | 1.00 | | | | | | |
| 940064 | | 6851954 | Tsugawa, Mary | | OVERPAYMENT | 5.00 | | | | | | |
| 940877 | | 1182229 | Lujan, Lydia | | OVERPAYMENT | 6.95 | | | | | | |
| 941911 | | 5004411 | Fenzl, Ethel | | OVERPAYMENT | 3.18 | | | | | | |
| 941912 | | 932790 | GABATTIN, ADELAIDA | | OVERPAYMENT | 3.54 | | | | | | |

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| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|-------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 942427 | | 4685151 | Betru, Fransisca | | OVERPAYMENT | 6.95 | | | | | | |
| 942890 | | 4164401 | MYERS, MARY | | OVERPAYMENT | 6.95 | | | | | | |
| 942917 | | 4975783 | Cone, Wendy P | | OVERPAYMENT | 1.86 | | | | | | |
| 943184 | | 5177158 | Brown, Mabel | | OVERPAYMENT | 5.95 | | | | | | |
| 943194 | | 740546 | Luong, To | | OVERPAYMENT | 6.95 | | | | | | |
| 944189 | | 5944814 | HALES, LYLE | | OVERPAYMENT | 6.95 | | | | | | |
| 944258 | | 6891153 | Clark, Lupe | | OVERPAYMENT | 1.00 | | | | | | |
| 944323 | | 6713681 | CRAWFORD, DENNIS | | OVERPAYMENT | 5.00 | | | | | | |
| 944777 | | 744986 | MAHR, EVELYN | | OVERPAYMENT | 4.70 | | | | | | |
| 946468 | | 5714460 | UNDERWOOD, BETTY | | OVERPAYMENT | 3.10 | | | | | | |
| 947527 | | 4972890 | Reed, Wallace | | OVERPAYMENT | 3.01 | | | | | | |
| 947628 | | 5415473 | MORRIS, MARIE | | OVERPAYMENT | 6.95 | | | | | | |
| 948038 | | 32738 | Zook, Eli | | OVERPAYMENT | 6.95 | | | | | | |
| 948129 | | 6875699 | Chu, Lailing | | OVERPAYMENT | 5.60 | | | | | | |
| 949016 | | 3040172 | PAULSEN, GORDON | | OVERPAYMENT | 5.61 | | | | | | |
| 949067 | | 6521695 | WILLIAMS, JOHN | | OVERPAYMENT | 6.95 | | | | | | |
| 949488 | | 5434451 | HICKS, ROBERTA | | OVERPAYMENT | 6.95 | | | | | | |
| 950500 | | 6741425 | BLACK, RUBY | | OVERPAYMENT | 6.95 | | | | | | |
| 950509 | | 5948699 | SERRY, PATRICK | | OVERPAYMENT | 6.95 | | | | | | |
| 951595 | | 131383 | Brown, Bobby | | OVERPAYMENT | 6.85 | | | | | | |
| 953119 | | 4863595 | Ervin, John T | | OVERPAYMENT | 6.95 | | | | | | |
| 953171 | | 6472650 | TRYBULA, DONALD | | OVERPAYMENT | 4.30 | | | | | | |
| 953713 | | 6888914 | Retired | | OVERPAYMENT | 6.95 | | | | | | |
| 954449 | | 2940603 | Thompson, W Joyce | | OVERPAYMENT | 6.95 | | | | | | |
| 955295 | | 4984535 | Kleinsmith, Ella | | OVERPAYMENT | 6.95 | | | | | | |
| 955353 | | 6863885 | Grice, H W | | OVERPAYMENT | 6.95 | | | | | | |
| 955490 | | 6887547 | Zager, Vicky | | OVERPAYMENT | 6.95 | | | | | | |
| 955913 | | 1021266 | ALLMON, MARGARET | | OVERPAYMENT | 5.00 | | | | | | |
| 956637 | | 6717572 | CLARK, LOUISE | | OVERPAYMENT | 2.08 | | | | | | |
| 957067 | | 5002210 | Thomas, Miriam | | OVERPAYMENT | 1.19 | | | | | | |
| 957100 | | 6888539 | Howard, Richard | | OVERPAYMENT | 5.00 | | | | | | |

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A/R AGING REPORT SORTED BY AGE
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|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 957901 | | 2953178 | Gray, Eva | | OVERPAYMENT | 5.00 | | | | | | |
| 957960 | | 4660680 | OLSON, DOROTHY | | OVERPAYMENT | 2.62 | | | | | | |
| 958726 | | 1537297 | John, Glen | | OVERPAYMENT | 5.61 | | | | | | |
| 958746 | | 3911673 | CHAMPION, EUGENE | | OVERPAYMENT | 6.95 | | | | | | |
| 959454 | | 817094 | Earwood, E. Mae | | OVERPAYMENT | 4.05 | | | | | | |
| 960169 | | 6885627 | Bunkley, Diane | | OVERPAYMENT | 1.14 | | | | | | |
| 960550 | | 6892849 | Wood, Sharon | | OVERPAYMENT | 6.00 | | | | | | |
| 961498 | | 6139835 | Larson, Jay | | OVERPAYMENT | 5.95 | | | | | | |
| 963357 | | 4940417 | Matza, Eugene J | | OVERPAYMENT | 6.95 | | | | | | |
| 964176 | | 6875142 | Carnley, Linda | | OVERPAYMENT | 6.95 | | | | | | |
| 965051 | | 5001528 | Miedowicz, Jan | | OVERPAYMENT | 6.95 | | | | | | |
| 966691 | | 6863591 | Riney, Bernard | | OVERPAYMENT | 71.91 | | | | | | |
| 969591 | | 1543841 | Sensenig, Robert | | OVERPAYMENT | 5.30 | | | | | | |
| 970223 | | 6711288 | VREDEVOOGD, | | OVERPAYMENT | 6.95 | | | | | | |
| 970852 | | 4456621 | Beener, Anna | | OVERPAYMENT | 5.00 | | | | | | |
| 972746 | | 990416 | Lingle, RICHARD | | OVERPAYMENT | 6.95 | | | | | | |
| 973149 | | 2189051 | Byler, David | | OVERPAYMENT | 4.30 | | | | | | |
| 973163 | | 4484879 | DAVIS, JOHN | | OVERPAYMENT | 6.80 | | | | | | |
| 973426 | | 6892472 | Hollingsworth, Shirl | | OVERPAYMENT | 3.74 | | | | | | |
| 973771 | | 6862033 | Olson, Ms. Rose Mari | | OVERPAYMENT | 5.00 | | | | | | |
| 976767 | | 50428 | Jackson, C D | | OVERPAYMENT | 1.08 | | | | | | |
| 977131 | | 909756 | Troyer, Barbara | | OVERPAYMENT | 3.09 | | | | | | |
| 978077 | | 38201 | Carde, Rev. Juan | | OVERPAYMENT | 5.00 | | | | | | |
| 979005 | | 6894330 | Hubbard, Eugene | | OVERPAYMENT | 39.95 | | | | | | |
| 979660 | | 2001701 | Knepp, Anna | | OVERPAYMENT | 6.95 | | | | | | |
| 979689 | | 4828978 | Fisher, Jonathan K | | OVERPAYMENT | 6.95 | | | | | | |
| 980911 | | 4812917 | Viaggio, Peter | | OVERPAYMENT | 6.95 | | | | | | |
| 981366 | | 6872647 | Laidlaw, Nell | | OVERPAYMENT | 6.95 | | | | | | |
| 981523 | | 2488035 | Stephens, E. | | OVERPAYMENT | 6.95 | | | | | | |
| 983740 | | 6735589 | Hall, Homer & Barbar | | OVERPAYMENT | 5.00 | | | | | | |
| 984480 | | 6863595 | Minarik, Stephen | | OVERPAYMENT | 6.95 | | | | | | |

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A/R AGING REPORT SORTED BY AGE
Nutri-Health LLC

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-------------------|--------|---------|---------|-----------------|
| 985351 | | 6310671 | Tillotson, J. | | OVERPAYMENT | | 7.10 | | | | | |
| 986249 | | 6890288 | Bylers, Ivan J | | OVERPAYMENT | | 6.95 | | | | | |
| 987161 | | 6426902 | Williams, Jerry | | OVERPAYMENT | | 1.30 | | | | | |
| 987193 | | 4889328 | Smith, Pauline S | | OVERPAYMENT | | 6.95 | | | | | |
| 988359 | | 4591209 | LOPEZ, PAUL | | OVERPAYMENT | | 6.95 | | | | | |
| 988360 | | 2029793 | Coates, Cecelia | | OVERPAYMENT | | 5.00 | | | | | |
| 989430 | | 6895087 | Wagler, Marlene | | OVERPAYMENT | | 6.95 | | | | | |
| 990398 | | 6855085 | Sanchez, Manuel O | | OVERPAYMENT | | 6.04 | | | | | |
| 991000 | | 6118295 | Hershberger, David | | OVERPAYMENT | | 5.00 | | | | | |
| 991552 | | 1021266 | ALLMON, MARGARET | | OVERPAYMENT | | 5.00 | | | | | |
| 992173 | | 5230352 | Pleasant Hill Villag | | OVERPAYMENT | | 0.09 | | | | | |
| 992176 | | 1118252 | BOEHM, BERNIE | | OVERPAYMENT | | 25.15 | | | | | |
| 992393 | | 1540024 | Imholte, Daniel | | OVERPAYMENT | | 6.95 | | | | | |

| TOTALS FOR AGE CATEGORIES | CURRENT | 1 - 29 | DAYS PAST | 30 - 59 | DAYS PAST | OVER 60 | DAYS PAST | FINANCE CHARGES |
|---------------------------|----------|--------|-----------|---------|-----------|---------|-----------|-----------------|
| TOTAL PRE-PAID | 1710.59 | 29.95 | 29.95 | 84.00 | 0.00 | | | |
| TOTAL OVERPAID | 2158.79 | | | | | | | |
| NET A/R | 1643.23 | | | | | | | |
| | -1947.53 | | | | | | | |

Date: 09/12/14
Time: 07:15:40

A/R AGING REPORT SORTED BY AGE
Sedona Labs Retail

REPORT SELECTION CRITERIA
FOR ALL ORDERS

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | CURRENT DAYS PAST DUE | 30 - 59 DAYS PAST DUE | OVER 60 DAYS PAST DUE | FINANCE CHARGES |
|----------------|--------------|-----------------|----------------------|----------|---------------|--------|-------------------|-----------------------|-----------------------|-----------------------|-----------------|
| 30132A | 01/31/13 | 1157 | UNFI - ROCKLIN | 03/02/13 | 1098.72 | IN | 374.10 | 724.62 | | | |
| 32801A | 04/23/14 | 1170 | QUEENS MIDNIGHT | 05/23/14 | 435.32 | CO | 0.76 | 434.56 | | | |
| 33261A | 06/20/14 | 25081 | PURITANS PRIDE | 08/19/14 | 1831.20 | IN | | 1831.20 | | | |
| 33653A | 08/07/14 | 1584 | H & H WHOLESale, INC | 09/06/14 | 1152.60 | IN | | 1152.60 | | | |
| 33709A | 08/13/14 | 1125 | UNFI - EAST | 09/12/14 | 2057.76 | IN | | 2057.76 | | | |
| 33712A | 08/13/14 | 1031 | HAMMER NUTRITION | 09/12/14 | 2100.60 | IN | | 2100.60 | | | |
| 33720A | 08/14/14 | 1584 | H & H WHOLESale, INC | 09/13/14 | 1400.40 | IN | | 1400.40 | | | |
| 33727A | 08/15/14 | 1505 | VITAMINS PLUS #220 | 09/14/14 | 387.84 | IN | | 387.84 | | | |
| 33764A | 08/20/14 | 1584 | H & H WHOLESale, INC | 09/19/14 | 2240.16 | IN | | 2240.16 | | | |
| 33766A | 08/21/14 | 1126 | IHERB INC | 09/20/14 | 252.96 | IN | | 252.96 | | | |
| 33767A | 08/21/14 | 1126 | IHERB INC | 09/20/14 | 366.24 | IN | | 366.24 | | | |
| 33789A | 08/25/14 | 1309 | LUCKY VITAMIN | 09/24/14 | 387.84 | IN | | 387.84 | | | |
| 33797A | 08/25/14 | 1651 | VITACOST.COM | 09/24/14 | 807.84 | IN | | 807.84 | | | |
| 33815A | 08/27/14 | 1584 | H & H WHOLESale, INC | 09/26/14 | 936.96 | IN | | 936.96 | | | |
| 33820A | 08/28/14 | 1340 | NEEDS CORP | 09/27/14 | 139.19 | IN | | 139.19 | | | |
| 33828A | 08/29/14 | 1596 | Guru Health Foods | 09/28/14 | 288.08 | CO | | 288.08 | | | |
| 33656A | 08/07/14 | 1150 | HI-HEALTH | 10/06/14 | 522.96 | IN | | 522.96 | | | |
| 33863A | 09/08/14 | 1369 | VITAMINS PLUS #284 | 10/08/14 | 301.56 | IN | | 301.56 | | | |
| 33871A | 09/09/14 | 1584 | H & H WHOLESale, INC | 10/09/14 | 1077.00 | IN | | 1077.00 | | | |
| 33875A | 09/09/14 | 1651 | VITACOST.COM | 10/09/14 | 387.84 | IN | | 387.84 | | | |
| 33876A | 09/09/14 | 1244 | OLDE FASHION FOOD | 10/09/14 | 280.08 | IN | | 280.08 | | | |
| 33877A | 09/09/14 | 1003 | HEALTH NUT | 10/09/14 | 280.08 | IN | | 280.08 | | | |
| 33882A | 09/09/14 | 1007 | EAT-RITE HEALTH FOOD | 10/09/14 | 139.19 | IN | | 139.19 | | | |
| 33887A | 09/10/14 | 1007 | EAT-RITE HEALTH FOOD | 10/10/14 | 1421.64 | IN | | 1421.64 | | | |

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Time: 07:15:40

A/R AGING REPORT SORTED BY AGE
Sedona Labs Retail

| INVOICE NUMBER | INVOICE DATE | CUSTOMER NUMBER | CUSTOMER | DUE DATE | INVOICE TOTAL | PAY BY | PAYMENTS/ CREDITS | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|----------------|--------------|-----------------|----------|----------|---------------|--------|-------------------|--------|---------|---------|-----------------|
|----------------|--------------|-----------------|----------|----------|---------------|--------|-------------------|--------|---------|---------|-----------------|

| | | | | | | | | | | | |
|---------|----------|------|----------------|----------|--------|----|--|--------|--|--|--|
| 338888A | 09/10/14 | 1199 | SWANSON HEALTH | 10/10/14 | 344.16 | IN | | 344.16 | | | |
| 338889A | 09/10/14 | 1199 | SWANSON HEALTH | 10/10/14 | 85.92 | IN | | 85.92 | | | |
| 338897A | 09/11/14 | 1110 | MOUNTAIN HIGH | 10/11/14 | 783.44 | CO | | 783.44 | | | |

| TOTALS FOR AGE CATEGORIES | CURREN | 1 - 29 | 30 - 59 | OVER 60 | FINANCE CHARGES |
|---------------------------|-----------------|---------|---------|---------|-----------------|
| TOTAL PRE-PAID | 0 | 7142.16 | 0.00 | 1159.18 | 0.00 |
| TOTAL OVERPAID | 0 | | | | |
| NET A/R | <u>21132.72</u> | | | | |

SECTION 4.4 (H)(ii)
ACCOUNTS PAYABLE

1. Accounts Payable as of 5:00 PM September 11, 2014

Accounts Payable Aged Invoice Report
Sorted by Vendor Number
Open Invoices - Aged by Invoice Date - As of 9/11/2014

Nutri-Health Supplements,

| Vendor Number/ Invoice Number | | Dates | | | | 30 Days | 60 Days | 90 Days | 120 Days | |
|---------------------------------------|----------|----------|------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|
| Invoice | Due | Discount | Hold | Invoice Balance | Discount Amount | Current | | | | |
| AME0055 American Express | | | | | | | | | | |
| 0/2814 ML | 8/28/14 | 8/28/14 | No | 163.00 | 0.00 | 163.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 072814 ML | 7/28/14 | 7/28/14 | No | 89.00- | 0.00 | 0.00 | 89.00- | 0.00 | 0.00 | 0.00 |
| 082814 KC | 8/28/14 | 8/28/14 | No | 11,037.35 | 0.00 | 11,037.35 | 0.00 | 0.00 | 0.00 | 0.00 |
| 082814 MH | 8/28/14 | 8/28/14 | No | 39,626.07 | 0.00 | 39,626.07 | 0.00 | 0.00 | 0.00 | 0.00 |
| 082814 TC | 5/28/14 | 5/28/14 | No | 3,069.10 | 0.00 | 0.00 | 0.00 | 0.00 | 3,069.10 | 0.00 |
| Vendor AME0055 Totals: | | | | 53,806.52 | 0.00 | 50,826.42 | 89.00- | 0.00 | 3,069.10 | 0.00 |
| CEN0015 LLC CentryLink Communications | | | | | | | | | | |
| 1311326663 | 8/16/14 | 9/15/14 | No | 1,234.22 | 0.00 | 1,234.22 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor CEN0015 Totals: | | | | 1,234.22 | 0.00 | 1,234.22 | 0.00 | 0.00 | 0.00 | 0.00 |
| CFP0010 Cental Florida Press | | | | | | | | | | |
| 9211068516 | 8/14/14 | 9/13/14 | No | 11,139.45 | 0.00 | 11,139.45 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor CFP0010 Totals: | | | | 11,139.45 | 0.00 | 11,139.45 | 0.00 | 0.00 | 0.00 | 0.00 |
| COT0050 City of Cottonwood Utilities | | | | | | | | | | |
| 082714 | 8/27/14 | 8/27/14 | No | 178.19 | 0.00 | 178.19 | 0.00 | 0.00 | 0.00 | 0.00 |
| 082714FL | 8/27/14 | 8/27/14 | No | 48.69 | 0.00 | 48.69 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor COT0050 Totals: | | | | 226.88 | 0.00 | 226.88 | 0.00 | 0.00 | 0.00 | 0.00 |
| DEF0005 Defcon 5 Technologies | | | | | | | | | | |
| 1644 | 9/05/14 | 9/20/14 | No | 1,250.00 | 0.00 | 1,250.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor DEF0005 Totals: | | | | 1,250.00 | 0.00 | 1,250.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| EXP0025 inContact Inc | | | | | | | | | | |
| 124703362 | 9/01/14 | 9/01/14 | No | 969.09 | 0.00 | 969.09 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor EXP0025 Totals: | | | | 969.09 | 0.00 | 969.09 | 0.00 | 0.00 | 0.00 | 0.00 |
| GEI002 Geis Printing, Inc | | | | | | | | | | |
| 206598 | 8/26/14 | 9/25/14 | No | 548.34 | 0.00 | 548.34 | 0.00 | 0.00 | 0.00 | 0.00 |
| 206599 | 8/26/14 | 9/25/14 | No | 166.62 | 0.00 | 166.62 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor GEI002 Totals: | | | | 714.96 | 0.00 | 714.96 | 0.00 | 0.00 | 0.00 | 0.00 |
| HAY0015 Hayman Home Center Inc | | | | | | | | | | |
| 21998 | 9/10/14 | 9/20/14 | No | 27.84 | 0.00 | 27.84 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor HAY0015 Totals: | | | | 27.84 | 0.00 | 27.84 | 0.00 | 0.00 | 0.00 | 0.00 |
| HVL0010 HVL | | | | | | | | | | |
| 307958 | 7/31/14 | 8/30/14 | No | 7,162.44- | 0.00 | 0.00 | 7,162.44- | 0.00 | 0.00 | 0.00 |
| 8382000 | 11/20/13 | 12/20/13 | No | 3,288.32 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,288.32 |
| 8390463 | 12/13/13 | 1/12/14 | No | 62,437.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 62,437.50 |
| 8393982 | 12/26/13 | 1/25/14 | Yes | 7,257.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,257.25 |
| 8401004 | 1/16/14 | 2/15/14 | No | 172.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 172.50 |
| 8419613 | 3/07/14 | 4/06/14 | Yes | 9,883.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,883.80 |
| 8463189 | 6/27/14 | 7/27/14 | No | 3,771.42 | 0.00 | 0.00 | 0.00 | 3,771.42 | 0.00 | 0.00 |
| 8463190 | 6/27/14 | 7/27/14 | No | 7,162.44 | 0.00 | 0.00 | 0.00 | 7,162.44 | 0.00 | 0.00 |
| Vendor HVL0010 Totals: | | | | 86,810.79 | 0.00 | 0.00 | 7,162.44- | 10,933.86 | 0.00 | 83,039.37 |
| LAU0015 Lauren Kent | | | | | | | | | | |
| NHLK0914 | 8/31/14 | 8/31/14 | No | 5,835.00 | 0.00 | 5,835.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor LAU0015 Totals: | | | | 5,835.00 | 0.00 | 5,835.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MER0010 Mercant Corporation | | | | | | | | | | |
| 2024203 | 9/01/14 | 10/01/14 | No | 1,699.00 | 0.00 | 1,699.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor MER0010 Totals: | | | | 1,699.00 | 0.00 | 1,699.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NEL0005 Nelson J.I.T. | | | | | | | | | | |
| 1097991 | 8/14/14 | 9/13/14 | No | 22.28 | 0.00 | 22.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1098695 | 8/21/14 | 9/20/14 | No | 489.26 | 0.00 | 489.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor NEL0005 Totals: | | | | 511.54 | 0.00 | 511.54 | 0.00 | 0.00 | 0.00 | 0.00 |
| PAT005 Patriot Disposal Inc | | | | | | | | | | |
| 48X00880 | 8/31/14 | 8/31/14 | No | 131.20 | 0.00 | 131.20 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor PAT005 Totals: | | | | 131.20 | 0.00 | 131.20 | 0.00 | 0.00 | 0.00 | 0.00 |
| PIT0015 Pitney Bowes Global Financial | | | | | | | | | | |
| AUG2014 | 8/23/14 | 8/23/14 | No | 1,309.35 | 0.00 | 1,309.35 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor PIT0015 Totals: | | | | 1,309.35 | 0.00 | 1,309.35 | 0.00 | 0.00 | 0.00 | 0.00 |
| PIT0020 Pitney Bowes Purchase Power | | | | | | | | | | |
| 081714 | 8/27/14 | 8/27/14 | No | 388.82 | 0.00 | 388.82 | 0.00 | 0.00 | 0.00 | 0.00 |
| Vendor PIT0020 Totals: | | | | 388.82 | 0.00 | 388.82 | 0.00 | 0.00 | 0.00 | 0.00 |
| SER0005 Seroyal USA | | | | | | | | | | |
| 15253 | 4/03/14 | 5/03/14 | No | 18.00- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 18.00- |
| Vendor SER0005 Totals: | | | | 18.00- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 18.00- |
| SPA0050 Sparkletts Bottled Water | | | | | | | | | | |
| 090114 | 9/01/14 | 9/01/14 | No | 65.99 | 0.00 | 65.99 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | | | | | |
|---------------------------|---------|---------|----|-------------------------------|------------|----------|-----------|-----------|-----------|----------|-----------|
| | | | | Vendor SPA0050 Totals: | 65.99 | 0.00 | 65.99 | 0.00 | 0.00 | 0.00 | 0.00 |
| STA0080 Staples Advantage | | | | | | | | | | | |
| 3239168400 | 8/09/14 | 9/08/14 | No | 133.65 | 0.00 | 0.00 | 133.65 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | Vendor STA0080 Totals: | 133.65 | 0.00 | 0.00 | 133.65 | 0.00 | 0.00 | 0.00 |
| TMS0010 TMS | | | | | | | | | | | |
| 23139 | 8/31/14 | 8/31/14 | No | 1,083.50 | 0.00 | 1,083.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | Vendor TMS0010 Totals: | 1,083.50 | 0.00 | 1,083.50 | 0.00 | 0.00 | 0.00 | 0.00 |
| ULI0001 Uline | | | | | | | | | | | |
| 49577711 | 3/04/13 | 4/03/13 | No | 33.11 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 33.11 |
| 49696005 | 3/07/13 | 4/06/13 | No | 37.52- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 37.52- |
| | | | | Vendor ULI0001 Totals: | 4.41- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.41- |
| UPS0015 UPS | | | | | | | | | | | |
| 858E21354 | 8/30/14 | 8/30/14 | No | 173.21 | 0.00 | 173.21 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 858E21364 | 9/06/14 | 9/06/14 | No | 297.70 | 0.00 | 297.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| X0652W354 | 8/30/14 | 8/30/14 | No | 504.56 | 0.00 | 504.56 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| X0652W364 | 9/06/14 | 9/06/14 | No | 145.19 | 0.00 | 145.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | Vendor UPS0015 Totals: | 1,120.66 | 0.00 | 1,120.66 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | Report Totals: | 168,436.05 | 0.00 | 78,533.92 | 7,117.79- | 10,933.86 | 3,069.10 | 83,016.96 |

Run Date: 9/12/2014 6:22:45 AM

A/P Date: 9/10/14

SECTION 4.5 (M)
ADOPTION, TERMINATION, AMENDMENT OR MODIFICATION OF ANY
BENEFIT PLAN

None.

SECTION 4.9 (A)
REAL PROPERTY: PERMITTED ENCUMBRANCES

None.

SECTION 4.9 (B)
REAL PROPERTY: REPORTS OF INSPECTION BY A GOVERNMENTAL
BODY

None.

SECTION 4.9 (F)
REAL PROPERTY: NOTICES

None.

SECTION 4.10 (A)
INTELLECTUAL PROPERTY

1. Licences :

- a) GTC Nutrition License Agreement (2009-07-09)
- b) Herbal Powers Corp Bergamonte Trademark License Agreement (2011-06-01)
- c) Naturex Inc. Trademark License Agreement (2009-07-09)
- d) DataTree User License Agreement (2013-02-19)
- e) Magento, Inc. Software License (2014-09-04)

2. Domain Names :

| Domain Name | Expiration Date | Status |
|--------------------------|------------------------|---------------|
| ARTHROZYME.COM | 2015-08-18 | Active |
| ARTHROZYMEPLUS.COM | 2014-11-16 | Active |
| ARTHROZYMESUPPLEMENT.COM | 2014-11-16 | Active |
| BESTJOINTHEALTH.COM | 2015-05-11 | Active |
| BESTPETPROBIOTIC.COM | 2014-10-15 | Active |
| BESTPETPROBIOTICS.COM | 2014-10-15 | Active |
| BESTPOLYPHENOLS.COM | 2014-11-10 | Active |
| BETTERDIGESTIONNOW.COM | 2015-07-25 | Active |
| BETTERFLORA.COM | 2015-08-09 | Active |
| BETTERTHANYOGHURT.COM | 2015-07-25 | Active |
| BETTERTHANYOGURT.COM | 2015-07-25 | Active |
| BG-COR.COM | 2015-01-31 | Active |
| BGCOR.COM | 2015-01-31 | Active |
| BIF-RELIEF24-7.COM | 2015-07-27 | Active |
| BUYFLORASINUS.COM | 2015-08-09 | Active |
| BUYFLORASOURCE.COM | 2015-06-15 | Active |
| CORVALEN-DISCOUNTS.COM | 2014-09-14 | Active |
| CORVALEN-SAVINGS.COM | 2014-09-14 | Active |
| D-RIBOSE-DISCOUNTS.COM | 2014-09-14 | Active |
| DETOXICOR.COM | 2016-07-09 | Active |
| DIGESTIVEPROBIOTIC.COM | 2015-07-25 | Active |
| DIGESTIVEPROBIOTICS.COM | 2015-07-25 | Active |

| | | |
|--------------------------------------|------------|--------|
| DISCOUNT-CORVALEN.COM | 2014-09-14 | Active |
| EASYDIGESTIVERELIEF.COM | 2015-07-20 | Active |
| EASYJOINTRELIEF.COM | 2015-05-11 | Active |
| EXCLUSIVEHEALTHSAVINGS.COM | 2014-11-09 | Active |
| FASTJOINTCOMFORT.COM | 2015-05-11 | Active |
| FLORABIOTIC.COM | 2015-07-27 | Active |
| FLORABIOTICS.COM | 2015-07-27 | Active |
| FLORAPROBIOTICS.COM | 2015-09-29 | Active |
| FLORASINUS.COM | 2015-07-25 | Active |
| FLORASINUS.NET | 2016-07-09 | Active |
| FLORASLEEP.COM | 2016-07-09 | Active |
| FLORASLEEP.NET | 2016-07-09 | Active |
| FLORASOURCE.MOBI | 2015-8-29 | Active |
| FLORASOURCECAPSULES.COM | 2015-07-25 | Active |
| FLORASOURCEDEALS.COM | 2014-10-07 | Active |
| FLORASOURCEFORDIGESTION.COM | 2014-11-09 | Active |
| FLORASOURCEFORHEALTH.COM | 2014-11-09 | Active |
| FLORASOURCEMD.COM | 2015-09-10 | Active |
| FLORASOURCEMULTIPROBIOTIC.COM | 2014-11-09 | Active |
| FLORASOURCENOW.COM | 2015-07-25 | Active |
| FLORASOURCESAVINGS.COM | 2014-10-07 | Active |
| FLORASOURCEWOMEN.COM | 2015-07-25 | Active |
| FLORASOURCEWOMEN.NET | 2016-07-09 | Active |
| FLORAZYME.COM | 2015-07-25 | Active |
| FLORAZYME.NET | 2016-07-09 | Active |
| FREEFLORASINUS.COM | 2015-08-09 | Active |
| FREEFLORASOURCE.COM | 2015-07-25 | Active |
| FREENUTRI-HEALTH.COM | 2015-08-04 | Active |
| GETFLORASINUS.COM | 2015-08-09 | Active |
| GETFLORASOURCE.COM | 2015-07-25 | Active |
| HEALTHYDIGESTIONFORDOGS.COM | 2014-10-15 | Active |
| HEALTHYDIGESTIONFORPETS.COM | 2014-10-15 | Active |
| HEALTHYHABITTODAY.COM | 2015-08-08 | Active |
| KRILLD3.COM | 2014-10-28 | Active |
| LOVEFLORASINUS.COM | 2015-08-09 | Active |
| LOVEFLORASOURCE.COM | 2015-06-15 | Active |
| LOWER-YOUR-CHOLESTEROL-NATURALLY.NET | 2015-07-24 | Active |
| MYARTHROZYME.COM | 2015-01-30 | Active |
| MYBETTERDIGESTION.COM | 2015-07-25 | Active |
| MYFLORASINUS.COM | 2015-08-09 | Active |
| MYFLORASOURCE.COM | 2015-06-15 | Active |

| | | |
|--|------------|-----------|
| MYNUTRI-HEALTH.COM | 2014-09-20 | Active |
| NATURAL-SLEEP-HELP.COM | 2015-07-24 | Active |
| NEWFLORASOURCE.COM | 2014-11-09 | Active |
| NUTRI-HEALTH.COM | 2018-03-29 | Active |
| NUTRI-HEALTHMAIL.COM | 2015-05-27 | Active |
| NUTRI-HEALTHPLATINUMAFFILIATES.COM | 2015-08-08 | Active |
| NUTRIHEALTH.COM | 2015-09-01 | Active |
| NUTRIHEALTHDEV.COM | 2015-07-25 | Active |
| NUTRIHEALTHTEST.COM | 2016-07-25 | Active |
| ORALBIOTIC.COM | 2014-12-02 | Active |
| PROSTALEVE.COM | 2016-07-25 | Active |
| PROSTALEVE.NET | 2016-07-09 | Active |
| SEDONALABS.COM | 2021-07-19 | Active |
| SEDONALABS BLOG RADIO.COM | 2014-11-30 | Active |
| SEDONALABS BLOG TALK RADIO.COM | 2014-11-30 | Active |
| SEDONALABS HEALTH MATTERS BLOG RADIO.COM | 2014-11-24 | Active |
| SEDONALABS HEALTH MATTERS BLOG TALK RADIO .COM | 2014-11-24 | Active |
| SEDONANATURALPETS.INFO | 2014-9-011 | Inactive |
| SEDONAPURECANINE.INFO | 2014-09-11 | Inactive |
| SEDONAPUREPET.COM | 2015-06-25 | Active |
| SEDONAPUREPET.INFO | 2015-06-25 | Active |
| SEDONAPUREPET.NET | 2014-09-11 | In active |
| SEDONAPUREPETS.INFO | 2015-06-25 | Active |
| SEDONAPUREPETS.NET | 2014-09-11 | Inactive |
| SERENEPET.COM | 2014-11-04 | Active |
| TRYARTHROZYME.COM | 2015-01-30 | Active |
| TRYFLORABRIGHT.COM | 2014-09-25 | Active |
| TRYFLORASINUS.COM | 2015-08-09 | Active |
| TRYFLORASOURCE.COM | 2015-06-09 | Active |
| TRYMEMORIL.COM | 2015-03-28 | Active |
| ZYMAFLORA.NET | 2014-07-09 | Inactive |
| ZYMAZORB.COM | 2016-07-09 | Active |
| ZYMAZORB.NET | 2016-07-09 | Active |

3. Trademarks

| Title | Filing date | Filing No. | Date of registration | Registration No. | Status | Country |
|--------------------------------------|-------------|------------|----------------------|------------------|-------------------------------|---------|
| ADVANCED CELL RESCUE | 15-05-2012 | 85/625,402 | 15-05-2012 | | Pending opposition | USA |
| ADVANCED-Q | 12-10-2011 | 85/445,998 | 23-10-2012 | 4231290 | Registered | USA |
| ARTIROZYME | 20-06-2003 | 78/264,991 | 01-06-2004 | 2847559 | Registered | USA |
| ASTACOR | 21-09-2007 | 77/286,235 | 27-05-2008 | 3435356 | Abandoned by NHS / Registered | USA |
| ASTORIN | 13-06-2008 | 77/499,010 | 25-08-2009 | 3674160 | Abandoned by NHS / Registered | USA |
| AVOSERRA-D | 15-05-2008 | 77/475,714 | 25-08-2009 | 3674095 | Abandoned by NHS / Registered | USA |
| BG-COR ADVANCED HEART HEALTH | 11-05-2011 | 85/318,390 | 14-08-2012 | 4191688 | Registered | USA |
| BI-OPTUM | 17-02-2011 | 85/245,161 | 13-05-2014 | 4,529,888 | Registered | USA |
| BIF RELIEF 24-7 | 13-08-2010 | 85/107,534 | 13-08-2010 | 4168504 | Registered | USA |
| CARDIO GREENS | 15-09-2006 | 77/000,538 | 17-03-2009 | 3591704 | Abandoned by NHS / Registered | USA |
| CORTICLEANSE | 18-04-2008 | 77/452,285 | 24-08-2010 | 3838377 | Abandoned by NHS / Registered | USA |
| D-RIBOSE GOLD | 28-10-2011 | 85/459,440 | 12-03-2013 | 4,302,295 | Registered | USA |
| D-RIBOSE GOLDM | 28-10-2011 | 85/458,935 | 12-03-2013 | 4,302,293 | Registered | USA |
| DESTINATION...HEALTH & INNER BALANCE | 04-08-2010 | 85/099,864 | 05-04-2011 | 3940623 | Abandoned by NHS / Registered | USA |
| DETOXICOR | 13-06-2008 | 77/499,014 | 17-08-2010 | 3835664 | Registered | USA |
| EMPOWERED CHOICES, BETTER LIVING | 21-09-2007 | 77/286,122 | 21-10-2008 | 3519210 | Abandoned by NHS / Registered | USA |
| FLORA CALM | 15-02-2008 | 77/398,576 | 22-09-2009 | 3686875 | Registered | USA |
| FLORA SINUS | 15-02-2008 | 77/398,568 | 01-09-2009 | 3677309 | Registered | USA |
| FLORA SLEEP | 10-02-2010 | 77/932,410 | 17-08-2010 | 3835045 | Registered | USA |
| FLORA SOURCE | 01-11-2006 | 77/034,387 | 24-07-2007 | 3267602 | Registered | USA |

| | | | | | | |
|---|------------|------------|------------|-----------|----------------------------------|-----|
| FLORA ZYME | 13-05-2002 | 76/408,631 | 02-09-2003 | 2758327 | Renewed | USA |
| FLORABRIGHT HEALTHY BREATH MINTS | 17-02-2011 | 85/244,682 | 03-01-2012 | 4081283 | Registered | USA |
| FOCUS FIRST | 01-02-2010 | 77/924,952 | 05-04-2011 | 3941840 | Registered | USA |
| FOCUS FORCE | 02-09-2009 | 77/818,776 | 04-01-2011 | 3901569 | Registered | USA |
| GLUCOPROTECT 6X | 22-11-2011 | 85/479,194 | 08-01-2013 | 4273255 | Registered | USA |
| H2 OMEGA-3 | 09-03-2010 | 77/954,692 | 26-04-2011 | 3952201 | Abandoned by NHS / Registered | USA |
| IFLORA | 13-10-2006 | 77/021,118 | 08-01-2008 | 3364308 | Registered | USA |
| IFLORA (DESIGN) | 20-06-2003 | 78/264,987 | 08-06-2004 | 2850963 | Renewed | USA |
| IFLORA SERENE | 20-02-2008 | 77/401,884 | 01-06-2010 | 3796225 | Registered | USA |
| KRILL D3 | 17-02-2011 | 85/245,227 | 13-12-2011 | 4072188 | Abandoned by NHS / Registered | USA |
| MULTI-PROBIOTIC | 15-09-2006 | 77/000,544 | 03-06-2008 | 3443126 | Registered | USA |
| NORMALIZER-3 | 13-10-2006 | 77/021,126 | 17-07-2007 | 3264172 | Registered | USA |
| NUTRI-HEALTH SUPPLEMENTS (& DESIGN) | 15-05-2011 | 85/322,814 | 11-12-2012 | 4,256,028 | Registered | USA |
| PHYSICIAN'S COMFORT FORMULA | 04-08-2010 | 85/099,855 | 10-01-2012 | 4084657 | Registered | USA |
| POWER 9XXY | 01-02-2010 | 77/924,993 | 19-04-2011 | 3948919 | Abandoned by NHS / Registered | USA |
| PRIMOMEGA | 09-03-2010 | 77/954,697 | 19-04-2011 | 3,949,039 | Registered | USA |
| PROSTALENE RX9 | 11-10-2011 | 85/445,993 | 23-10-2012 | 4231289 | Registered | USA |
| RESFORCE D3 | 24-08-2010 | 85/114,478 | 13-12-2011 | 4071508 | Registered | USA |
| SEDONA LABS | 13-10-2006 | 77/021,129 | 24-07-2007 | 3267559 | Registered | USA |
| SEDONA PRO (& Design) | 20-08-2013 | 86/043,012 | 29-04-2014 | 4,521,083 | Registered | USA |
| SEDONA PURE PETS | 04-08-2010 | 85/099,891 | 10-01-2012 | 4084658 | Registered | USA |
| SERRAPHASE | 01-11-2006 | 77/034,365 | 17-07-2007 | 3264196 | Registered | USA |
| SERRAPRO | 01-11-2006 | 77/034,375 | 17-07-2007 | 3264197 | Registered | USA |
| SERRAVO-D | 15-03-2008 | 77/475,708 | 08-09-2009 | 3680959 | Registered | USA |
| SLEEP WAVE | 13-01-2011 | 85/217,370 | 10-01-2012 | 4085055 | Registered | USA |

TRADEMARK

REEL: 005466 FRAME: 0662

| | | | | | | |
|-----------------------------------|------------|----------------|------------|-----------|----------------------------------|-----|
| STEADY STEP | 02-09-2009 | 77/818, 774 | 28-12-2010 | 3897906 | Abandoned by NHS / Registered | USA |
| THE MUCUS SOLUTION | 28-09-2010 | 85/140, 137 | 10-01-2012 | 4084760 | Abandoned by NHS / Registered | USA |
| THE MULTI-VITAMIN FOR YOUR GUT | 29-09-2010 | 85/140,746 | 07-02-2012 | 4096867 | Abandoned by NHS / Registered | USA |
| TRUBONE COMPLETE | 26-08-2013 | 86/047,525 | 29-04-2014 | 4,521,204 | Registered | USA |
| TRUDIGEST | 29-08-2013 | 86/051,453 | 27-05-2014 | 4540687 | Registered | USA |
| XANTHAVIEW | 21-01-2010 | 77/916,750 | 14-06-2011 | 3978985 | Abandoned by NHS / Registered | USA |
| ZYMAFLORA | 29-08-2003 | 78/294,045 | 10-08-2004 | 2871840 | Abandoned by NHS / Registered | USA |
| ZYMAPRO | 02-09-2003 | 78/295,104 | 10-08-2004 | 2871851 | Abandoned by NHS / Registered | USA |
| ZYMAZORB | 06-08-2009 | 77/798,964 | 28-12-2010 | 3897861 | Registered | USA |

TRADEMARK

REEL: 005466 FRAME: 0663

SECTION 4.10 (B)
MARKS USED IN CONNECTION WITH THE BUSINESS

1. Business names:

- Nutri-Health Supplements
- Sedona Labs

2. Registered Trademarks: Please see section 4 of Disclosure Schedule 4.10 (a)

3. Unregistered Trademarks:

- MEMORIL
- NH – D3
- FloraBright
- Sedona D-Ribose M
- Sedona D-Ribose

SECTION 4.10 (B) (ii)
MARKS INVOLVED IN ANY OPPOSITION, INVALIDATION OR
CANCELLATION PROCEEDING

1. Advanced Cell Rescue

Bach Flower Remedies Limited (“BFR”) objected to Nutri-Health Supplements, L.L.C. (“NHS”) the use and registration of the mark ADVANCED CELL RESCUE, U.S. Trademark Application No. 85/625,402 for *dietary supplements; nutritional supplements*, in Class 5, and commenced Opposition No. 91209290 seeking to prevent issuance of a registration of the mark ADVANCED CELL RESCUE. BFR is the owner of the marks RESCUE and RESCUE REMEDY covering, *inter alia*, homeopathic pharmaceutical preparations, flower essence preparations, herbal food beverage concentrate, medicinal drinks, dietary supplements and the like which are prepared from plants, flowers and flower essences (“RESCUE marks”) and is the owner of U.S. Trademark Application Serial No. 77/485,289 and Registration Nos. 1,237,564; 1,822,260, 2,517,685 and 4,333,322, among others, of said RESCUE marks. NHS and BFR have agreed to settle Opposition No 91209290 (the “Opposition”) regarding use and registration of the mark ADVANCED CELL RESCUE and an Agreement was finalized in August 2014 and was since then signed by NHS. The Agreement has been sent for signature to BFR.

SECTION 4.11 (B)
PROCEEDINGS AND GOVERNMENTAL ORDERS

None.

**SECTION 4.14
EMPLOYEE BENEFIT MATTERS**

| Payroll First Name | Payroll Last Name | Base Annual Salary | Salary earned as of 8/31/2014 | Commission Earned as of 8/31/2014 | PTO accrued as of 8/31/14 | 2013 Bonus paid in 2014 | Bonus accrued for 2014 |
|--------------------|-------------------|--------------------|-------------------------------|-----------------------------------|---------------------------|-------------------------|------------------------|
| Pam | Albert | \$27,268.80 | \$31,303.32 | \$12,664.86 | \$71.45 | | |
| Becky | Allen | \$32,531.20 | \$22,511.99 | | \$1,267.31 | | |
| Murat | Asar | \$76,560.38 | \$52,961.20 | | \$1,679.91 | | |
| Debra | Aulera-Cohen | \$25,750.40 | \$24,112.67 | \$6,125.82 | \$469.94 | | |
| Lori | Baur | \$31,304.00 | \$33,254.60 | \$11,657.42 | \$602.45 | | |
| Lyne | Brousseau | \$105,052.48 | \$84,966.33 | | \$2,984.40 | \$12,332.26 | \$9,700.00 |
| Christopher | Brunner | \$26,353.60 | \$22,800.45 | \$6,872.82 | \$107.06 | | |
| Thomas | Callahan | \$236,390.44 | \$232,686.25 | | \$17,584.95 | \$69,187.50 | \$85,300.00 |
| Robert | Cave | \$45,565.00 | \$46,145.09 | \$14,616.12 | \$124.87 | | |
| Sharon | Cogan | \$46,363.20 | \$32,678.59 | | \$1,301.74 | | |
| Karl | Canto | \$128,753.30 | \$103,096.07 | | \$5,356.88 | \$14,062.49 | \$15,700.00 |
| Joe | Davis | \$31,740.80 | \$22,172.25 | | \$470.62 | | |
| Mona | Demaline | \$32,552.00 | \$20,877.12 | | \$204.23 | | |
| David | Hennerman | \$33,180.42 | \$29,416.13 | \$6,474.26 | \$638.09 | | |
| Adam | Herrman | \$23,192.00 | \$19,509.41 | \$3,562.99 | \$249.76 | | |
| Michael | Howell | \$75,711.74 | \$58,234.20 | | \$167.44 | \$5,896.78 | \$4,700.00 |
| Kari | Hunt | \$23,920.00 | \$12,891.20 | | \$67.51 | | |
| Kenneth | Jensen | \$25,625.60 | \$22,828.27 | \$5,239.31 | \$117.78 | | |
| Theresa | Kessner | \$46,700.42 | \$32,288.92 | | \$1,513.95 | | |
| Linda | Kline | \$42,889.60 | \$29,802.71 | | \$849.54 | | |
| Hyung | Lee | \$110,000.02 | \$84,451.12 | | \$3,310.58 | \$8,528.02 | \$6,700.00 |
| Edgar | Lucas | \$27,892.80 | \$26,523.60 | \$7,294.06 | \$494.83 | | |
| Juan | Lucas | \$25,521.60 | \$17,898.43 | | \$332.39 | | |

| | | | | | | | |
|------------|--------------|-------------|-------------|-------------|------------|------------|------------|
| Stuart | Lieberman | \$79,999.92 | \$52,923.02 | | \$475.38 | | |
| Jennifer | McTurk | \$59,999.94 | \$45,925.62 | | \$967.79 | \$4,520.27 | \$3,700.00 |
| Melissa | Nash | \$52,665.60 | \$35,404.68 | | \$365.87 | | |
| Kathleen | Ortega-Hille | \$29,036.80 | \$21,673.08 | \$6,630.49 | \$0.00 | | |
| Crystal | Rodriguez | \$23,940.80 | \$16,632.90 | \$2,573.13 | \$240.21 | | |
| Fernando | Salas | \$28,412.80 | \$19,793.00 | | \$533.15 | | |
| Karen | Sekayumptewa | \$25,521.60 | \$21,067.29 | \$3,413.25 | \$187.61 | | |
| Jacqueline | Semmler | \$41,525.64 | \$66,813.93 | \$38,098.73 | \$750.66 | | |
| Deborah | Sharon | \$33,945.60 | \$23,477.50 | | \$1,124.12 | | |
| Jamie | Snider | \$40,009.84 | \$27,542.80 | \$15.00 | \$268.14 | | |
| Judith | Tobey | \$77,344.80 | \$53,477.24 | | \$611.32 | | |
| Lorraine | Walker | \$25,584.00 | \$21,248.11 | \$3,544.82 | \$821.03 | | |
| Janette | White | \$24,814.40 | \$20,260.27 | \$3,142.74 | \$558.68 | | |

SECTION 4.14 (B)
EMPLOYEE BENEFIT MATTERS

- 1) Letter dated August 15, 2012 promoting Thomas P. Callahan Jr. to President of Nutri-Health Supplements, L.L.C.

2. Retention Agreements of the following Employees
 - Sharon Cogan
 - Robert Cave
 - Murat Asar
 - Linda Kline
 - Judith Tobey
 - Jennifer McTurk
 - Jacqueline Semmler
 - Theresa Kessner
 - Melissa Nash
 - Michael Howell
 - Michael (Hyung) Lee
 - Karl Canto

- 2) Independent Contractor Agreement dated October 18, 2012 as amended October 4, 2013, between Nutri-Health Supplements, L.L.C. and Lauren Kent

SECTION 4.14 (C)
EMPLOYEE BENEFIT MATTERS

1. Confidential Information and Intellectual Property Agreements of the following employees.

| Name | Date Executed |
|------------------------|----------------------|
| Albert, Pam | 8/9/2010 |
| Allen, Becky | 12/19/2008 |
| Asar, Murat | 5/13/2013 |
| Auleta-Cohen, Debra | 3/17/2011 |
| Baur, Lori | 12/24/2008 |
| Brousseau, Lyne | 9/28/2009 |
| Brunner, Christopher | 1/8/2012 |
| Callahan, Thomas | 4/26/2011 |
| Canto, Karl | 3/11/2013 |
| Cave, Robert | 7/22/2013 |
| Cogan, Sharon | 12/24/2008 |
| Davis, Joe | 12/18/2008 |
| Demaline, Mona | 12/18/2008 |
| Hennerman, David | 6/15/2009 |
| Herman, Adam | 6/14/2013 |
| Howell, Michael | 3/25/2009 |
| Hunt, Kari | 1/26/2014 |
| Jensen, Kenneth | 6/4/2010 |
| Kessner, Theresa | 12/17/2008 |
| Kline, Linda | 12/29/2008 |
| Lee, Hyung | 12/18/2008 |
| Lieberman, Stuart | 1/1/2014 |
| Lucas, Edgar | 12/18/2008 |
| Lucas, Juan | 5/5/2009 |
| Mcturk, Jennifer | 12/8/2008 |
| Nash, Melissa | 12/23/2008 |
| Ortega-Hille, Kathleen | 12/22/2008 |
| Rodriguez, Crystal | 7/9/2012 |
| Salas, Fernando | 12/18/2009 |
| Sekayumtewa, Karen | 3/13/2011 |
| Semmler, Jacqueline | 12/23/2008 |
| Sharon, Deborah | 5/3/2010 |
| Snider, Jamie | 8/9/2010 |
| Tobey, Judith | 5/22/2012 |
| Walker, Lorraine | 3/3/2011 |
| White, Janette | 5/22/2012 |

SECTION 4.14 (D)
EMPLOYEE BENEFIT MATTERS

1. E-Plan Services 401k brochure
2. 401k summary plan description
3. E-Plan Services – Employee enrollment instructions
4. E-Plan IRS determination letter
5. Employee handbook
6. Plan design and benefits provided by Aetna Life Insurance company (Deductible \$750)
7. Plan design and benefits provided by Aetna Life Insurance company (Deductible \$1,250)
8. Plan design and benefits provided by Aetna Life Insurance company (Deductible \$2,000)
9. Short Form Annual Return/Report of Small Employee Benefit Plan
10. Annual Registration Statement identifying separated participants with deferred vested benefits
11. CAN-Worker's compensations loss run report

SECTION 4.14 (G)
EMPLOYEE BENEFIT MATTERS

None.

SECTION 4.14 (H)
EMPLOYEE BENEFIT MATTERS

None.

SECTION 4.14 (I)
EMPLOYEE BENEFIT MATTERS

None.

**SECTION (4.20)
CUSTOMERS**

**2014 YTD Customers ≥ \$10,000
for NHS and Sedona Labs**

| | Sales |
|----------------------------------|-------------------|
| 1. VNH, LLC - Vitan Herbs.Com | \$ 68 969,88 |
| 2. Williamsburg Fine Foods | \$ 65 378,88 |
| 3. Iherb Inc | \$ 64 680,24 |
| 4. H & H Wholesale, Inc | \$ 61 724,68 |
| 5. Oceanside Health Products Llc | \$ 37 759,26 |
| 6. Vitacost.Com | \$ 36 951,24 |
| 7. Swanson Health Products | \$ 35 114,20 |
| 8. Unfi - East | \$ 27 511,44 |
| 9. All Health Trends | \$ 25 160,88 |
| 10. All Star Health | \$ 14 778,80 |
| 11. Jacob Teitelbaum, Md | \$ 13 875,00 |
| 12. Family Nutrition Center | \$ 12 581,64 |
| 13. Hammer Nutrition | \$ 12 289,68 |
| 14. Emilia Eiras, Md | \$ 12 246,00 |
| 15. Eat-Rite Health Food Center | \$ 11 487,24 |
| 16. Lucky Vitamin Corporation | \$ 11 402,07 |
| 17. Granary Street | \$ 10 856,16 |
| Total | \$ 522 767,29 |

SECTION 5.3 (A)
NO CONFLICTS; CONSENTS

None.

**SECTION 8.6
INVENTORY**

| PO | Bulk # | SA | WO | NH item | Description 1 | Quantity |
|-----------|---------------|-----------|-----------|----------------|-------------------------------|-----------------|
| nh306 | 200601 | 20007590 | 50020833 | 10311-012 | NH NZ COLOSTROM CAPS | 500 |
| nh303 | 201431 | 20007548 | 50020805 | 11802-012 | NH ADVANCED CELL RESCUE | 1500 |
| nh304 | 201138 | 20007562 | 50020812 | 10400-016 | NH FLORA SOURCE REVISED | 24483 |
| sl115 | 201138 | 20007550 | 50020806 | 21001-012 | SL IFLORA MULTI PROBIOTICS | 8000 |
| nh309 | 201429 | 20009660 | 50023458 | 11412-010 | FLORABRIGHT | 5000 |