

SECURITIES AND EXCHANGE COMMISSION

**FORM 8-K**

Current report filing

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**FILER**

**WORLD HEALTH ALTERNATIVES INC**

CIK: **1169709** | IRS No.: **043613924** | State of Incorporation: **FL** | Fiscal Year End: **1231**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):  
January 22, 2004**

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**WORLD HEALTH ALTERNATIVES, INC.**

*(Exact name of registrant as specified in this charter)*

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**Florida**  
*(State or other jurisdiction  
of incorporation)*

**333-84934**  
*(Commission File Number)*

**04-3613924**  
*(IRS Employer  
Identification No.)*

**300 Penn Center Blvd., Suite 201, Pittsburgh, PA**  
*(Address of Principal Executive Offices)*

**15235**  
*(Zip Code)*

**Registrant's Telephone Number, including area code: (412) 829-7800**

**NOT APPLICABLE**  
**(Former Name or Former Address, if Changes Since Last Report)**

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## ITEM 5 - OTHER EVENTS

On January 22, 2004, World Health Alternatives, Inc. (the "Company") entered into that certain Stock Purchase Agreement with certain investors described therein (the "Investors") pursuant to which the Company issued to the Investors an aggregate of 2,000,000 shares of its Common Stock at \$1.00 per share for an aggregate purchase price of \$2,000,000 (the "Investment Shares"). The Investment Shares were issued in a private placement transaction pursuant to Section 4(2) and Regulation D under the Securities Act of 1933, as amended.

In connection with the transactions contemplated by the Stock Purchase Agreement, the Company and the Investors entered into a Registration Rights Agreement dated January 22, 2004. That Agreement provides, in part, certain "piggyback" registration rights that provide the Investors the opportunity to register certain of their shares if the Company registers any of its securities under the 1933 Act for its own account or for the account of others within a certain time period. The Company also will redeem a total 2,000,000 shares of common stock for no compensation or consideration from Richard McDonald, the Company's President, Marc Roup, the Company's Chief Executive Officer, and another shareholder, with the specific amounts redeemed from each to be determined at a later time.

On January 30, 2004, the Company entered into that certain Stock Purchase Agreement with Guerrilla Partners L.P. (the "Investor") pursuant to which the Company issued to the Investor an aggregate of 100,000 shares of its Common Stock at \$1.00 per share for an aggregate purchase price of \$100,000 (the "Shares"). The Shares were issued in a private placement transaction pursuant to Section 4(2) and Regulation D under the Securities Act of 1933, as amended.

In connection with the transaction contemplated by the January 30, 2004 Stock Purchase Agreement, the Company and the Investor entered into a Registration Rights Agreement dated January 30, 2004. That Agreement provides, in part, certain "piggyback" registration rights that provide the Investor the opportunity to register certain of its shares if the Company registers any of its securities under the 1933 Act for its own account or for the account of others within a certain time period.

The Company intends to utilize the proceeds from these sales of its Common Stock for general business purposes, debt restructuring and to fund its acquisition strategy.

## ITEM 7 - FINANCIAL STATEMENTS & EXHIBITS

(c) Exhibits

	<u>Exhibit Index</u>	<u>Pages of Sequential Numbering System</u>
10.1	Stock Purchase Agreement between World Health Alternatives, Inc. and Certain Investors, dated January 22, 2004	
10.2	Registration Rights Agreement between World Health Alternatives, Inc. and Certain Investors, dated January 22, 2004	
10.3	Stock Purchase Agreement between World Health Alternatives, Inc. and Guerrilla Partners L.P., dated January 30, 2004	
10.4	Registration Rights Agreement between World Health Alternatives, Inc. and Guerrilla Partners L.P., dated January 30, 2004	

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**WORLD HEALTH ALTERNATIVES, INC.**

By

/s/ Richard E. McDonald

Richard E. McDonald

President,

Principal Financial Officer

Principal Accounting Officer

Chairman of the Board of Directors,

President and Chief Executive Officer

By

/s/ Marc D. Roup

Marc D. Roup

Chief Executive Officer and Director

Date: February 2, 2004

**STOCK PURCHASE AGREEMENT**

**BETWEEN**

**WORLD HEALTH ALTERNATIVES, INC.**

**AND**

**CERTAIN INVESTORS  
(AS LISTED ON SCHEDULE A)**

**DATED**

**JANUARY 22, 2004**

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of the 22nd day of January 2004, by and among World Health Alternatives, Inc., a corporation organized and existing under the laws of the State of Florida ("**WHAI**" or the "**Company**"), and certain investors, (hereinafter referred to collectively as "**Investor**" or "**Investors**") as listed on Schedule A herein (each agreement with an Investor being deemed a separate and independent agreement between the Company and such Investor).

### PRELIMINARY STATEMENT

**WHEREAS**, the Investors wish to purchase, upon the terms and subject to the conditions of this Agreement, shares of the Common Stock of the Company (each share of Common Stock is referred to herein as a "**Share**") for a purchase price of two million dollars (\$2,000,000); and

**WHEREAS**, the parties intend to memorialize the purchase and sale of such Shares;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereto, intending to be legally bound, agree as follows:

### ARTICLE I

#### **INCORPORATION BY REFERENCE, SUPERSEDER AND DEFINITIONS**

1.1 Incorporation by Reference. The foregoing recitals and Schedule A are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2 Superseder. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties governing the affairs of the Company, shall supersede such instrument or understanding to the fullest extent permitted by law.

1.3 Certain Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings (all capitalized terms used in this Agreement that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Agreement):

1.3.1 "**1933 Act**" means the Securities Act of 1933, as amended.

1.3.2 "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

1.3.3 "**Affiliate**" means a Person or Persons directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Person(s) in

#### **STOCK PURCHASE AGREEMENT BETWEEN WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS**

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question. The term “control,” as used in the immediately preceding sentence, means with respect to a Person that is a corporation the right to the exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the shares of such controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such controlled Person.

1.3.4 “**Articles**”. The Articles of Incorporation of the Company, as the same may be amended from time to time.

1.3.5 “**Common Stock**” means the shares of common stock of WHAI, par value \$0.001 per share.

1.3.6 “**Florida Act**” means the Florida Business Corporation Act, as amended.

1.3.7 “**Material Adverse Effect**” shall mean any adverse effect on the business, operations, properties or financial condition of the Company that is material and adverse to the Company and its subsidiaries and affiliates, taken as a whole and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to perform any of its material obligations under this Agreement; provided, however, that none of the following shall be deemed, in themselves, either alone or in combination, to constitute a Material Adverse Effect, and none of the following shall be taken into account in determining whether there has been or shall be a Material Adverse Effect: (i) any change in the market price or trading volume of the Common Stock after the date hereof, (ii) any adverse circumstance, change or effect resulting directly from conditions affecting the industries in which the Company participates in their entirety or the U.S. economy as a whole, (iii) any adverse circumstance, change or effect resulting directly from the announcement or pendency of this Agreement or (iv) any adverse circumstance, change or effect resulting from the taking of any action by the Company that this Agreement or the Registration Rights Agreement requires the Company to take.

1.3.8 “**Person**” means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

1.3.9 “**Purchase Price**” means the purchase price for the Shares as set forth in Section 2.2 below.

1.3.10 “**Registration Rights Agreement**” means that certain Registration Rights Agreement dated the date hereof by and among the Company and the Investors.

1.3.11 “**SEC**” means the Securities and Exchange Commission.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
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**ARTICLE II**  
**SALE AND PURCHASE OF WHAI SHARES**

2.1 **Sale of WHAI Shares.** Upon the terms and subject to the conditions set forth herein, and in accordance with applicable law, the Company agrees to sell, and the Investors, severally and not jointly, agree to purchase, two million (2,000,000) shares of Common Stock (the “**Shares**”) at a purchase price of \$1.00 per share for an aggregate purchase price of two million dollars (\$2,000,000) (the “**Purchase Price**”) in accordance with the commitments set forth on Schedule A attached hereto. Upon execution and delivery of this Agreement, each Investor shall pay such amount and receive such number of shares of Common Stock as shall be set forth on Schedule A. Within ten (10) business days after the Company’ s receipt of the Purchase Price from the Investors, the Company shall deliver Certificates representing WHAI Shares, which Certificates shall contain the restrictive legends set forth in Section 5.3 below. Contemporaneous with the execution and deliver of this Agreement, the Company and the Investors shall execute and deliver the Registration Rights Agreement.

2.2 **Purchase Price.** The purchase price for the Shares shall be paid by each Investor on the date of this Agreement, with payment being made in United States Dollars in accordance with the information listed on Schedule A. Such payment shall be made via wire transfer of the funds to the following account:

PNC BANK  
MIRACLE MILE BANKING CENTER  
MONROEVILLE, PA 15146

FOR THE BENEFIT OF:  
BETTER SOLUTIONS, INC.  
ABA #043000096  
ACCT #1011-31-7753

2.3 **Closing Date.** The closing of the transactions contemplated by this Agreement, unless expressly determined herein, shall be held at the offices of the Company at 300 Penn Center Boulevard, Suite 201, Pittsburgh, Pennsylvania 15235 at 5:00 P.M. local time on January 15, 2004, or at such other place as may be mutually agreed by the parties, including closing by facsimile with originals to follow.

2.4 **Further Assurances.** The Company and each Investor shall, upon request, cooperate with each other (specifically, the Company shall cooperate with the Investors, the Investors shall cooperate with the Company) by furnishing any additional information, executing and delivering any additional documents and/or other instruments and doing any and all such things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement.

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS**

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**ARTICLE III**  
**REPRESENTATIONS AND WARRANTIES OF WHAI**

WHAI represents and warrants to the Investors as of the date hereof as follows:

3.1 **Organization and Qualification.** WHAI is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Company has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. The Company is duly qualified to do business in any other jurisdiction by virtue of the nature of the businesses conducted by it or the ownership or leasing of its properties, except where the failure to be so qualified will not, when taken together with all other such failures, have a Material Adverse Effect on WHAI and its subsidiaries taken as a whole.

3.2 **Articles of Incorporation and By-Laws.** Complete copies of WHAI' s Articles and By-Laws, as amended or restated to date, have been filed with the SEC.

3.3 **Authority.** WHAI has all requisite corporate power and authority to execute and deliver this Agreement and the Registration Rights Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Registration Rights Agreement by WHAI and the consummation by WHAI of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of WHAI and no other corporate proceedings on the part of WHAI is necessary to authorize this Agreement or the Registration Rights Agreement or to consummate the transactions contemplated hereby or thereby except as disclosed in this Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by WHAI and constitute valid and binding obligations of WHAI, enforceable against WHAI in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or other similar laws relating to, affecting generally the enforcement of, creditors' rights and remedies or by other equitable principals of general application.

3.4 **No Conflict; Required Filings and Consents.** The execution and delivery of this Agreement and the Registration Rights Agreement by WHAI do not, and the performance by WHAI of its obligations hereunder and thereunder will not: (i) conflict with or violate the Articles or By-Laws of WHAI; (ii) conflict with, breach or violate any federal, state, foreign or local law, statute, ordinance, rule, regulation, order, judgment or decree (collectively, "**Laws**") in effect as of the date of this Agreement and applicable to WHAI; or (iii) result in any breach of, constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to any other entity any right of termination, amendment, acceleration or cancellation of, require payment under, or result in the creation of a lien or encumbrance on any of the properties or assets of WHAI pursuant to, any note, bond, mortgage, indenture, contract,

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS**  
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agreement, lease, license, permit, franchise or other instrument or obligation to which WHAI is a party or by which WHAI or any of its properties or assets is bound, except in each of the cases of (i) through (iii) for any violations, conflicts, breaches, defaults, terminations, accelerations, creations of liens, or incumbency that would not, in the aggregate, have a Material Adverse Effect on WHAI. WHAI is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of WHAI's obligations under this Agreement or the Registration Rights Agreement in accordance with the terms hereof or thereof, except for any consents, authorizations, orders, filings or registrations the absence of which would not, in the aggregate, have a Material Adverse Effect on WHAI or which are required pursuant to applicable federal or state securities laws.

3.5 **Brokers.** Except for Summit Financial Partners, LLC, 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 based upon arrangements made by or on behalf of WHAI.

3.6 **Exemption from Registration.** Subject to the accuracy of the Investors' representations in Article V, the sale of the Shares will be exempt from the registration requirements of Section 5 of the 1933 Act and/or any applicable state securities law. The Company is issuing the Shares in accordance with and in reliance upon the exemption from securities registration afforded, inter alia, by Rule 506 under Regulation D as promulgated by the SEC under the 1933, and/or Section 4(2) of the 1933 Act.

3.7 **Administrative Notice.** Shares of the Company's Common Stock are registered pursuant to the 1934 Act and are listed and traded on the OTC Bulletin Board Market of the National Association of Securities Dealers, Inc. The Company has received no notice, either oral or written, from the National Association of Securities Dealers, Inc. (the "NASD") stating that WHAI has failed to comply with any listing standards of the OTC Bulletin Board Market.

#### **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES OF THE INVESTORS**

Each Investor, severally and not jointly, as to himself or itself and not as to any other Investor, represents and warrants to the Company that:

4.1 **Organization and Standing of the Investor.** Where the Investor is a corporation, such Investor is duly incorporated, validly existing and in good standing under the laws of the state in which it was formed. The state in which any offer to purchase shares hereunder was made or accepted by such Investor is the state shown as such Investor's address. If an entity, the Investor was not formed for the purpose of investing solely in the Shares that are the subject of this Agreement.

#### **STOCK PURCHASE AGREEMENT BETWEEN WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS**

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**4.2 Authorization and Power**. The Investor has the requisite power and authority to execute and deliver this Agreement and the Registration Rights Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Registration Rights Agreement by the Investor and the consummation by the Investor of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Investor, where appropriate, and no other corporate proceedings on the part of the Investor, where appropriate, is necessary to authorize this Agreement or the Registration Rights Agreement or to consummate the transactions contemplated hereby or thereby except as disclosed in this Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by the Investor and constitutes valid and binding obligations of the Investor, enforceable against the Investor in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or other similar laws relating to, affecting generally the enforcement of, creditors' rights and remedies or by other equitable principals of general application.

**4.3 No Conflicts**. The execution and performance of this Agreement and the Registration Rights Agreement by the Investor do not, and the performance by the Investor of its obligations hereunder and thereunder will not (i) conflict with or violate such Investor' s charter documents or bylaws, where applicable; (ii) conflict with, breach or violate any Laws in effect as of the date of this Agreement and applicable to the Investor; or (iii) result in any breach of, constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to any other entity any right of termination, amendment, acceleration or cancellation of, or require any payment under, any note, bond, mortgage, indenture, contract, agreement, lease license, permit, franchise or other instrument or obligation to which the Investor is a party or by which the Investor or any of its properties or assets is bound, except, in each of cases (i) through (iii), for any violations, conflicts, breaches, defaults, terminations or accelerations that would not, in the aggregate, have a Material Adverse Effect on the Investor. The Investor is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of such Investor' s obligations under this Agreement or to purchase the Shares in accordance with the terms hereof.

**4.4 Financial Risks**. The Investor acknowledges that such Investor is able to bear the financial risks associated with an investment in the Shares and that it has been given full access to any information it has deemed necessary or appropriate to conduct its due diligence investigation of the Company. The Investor is capable of evaluating the risks and merits of an investment in the Shares by virtue of its experience as an investor and its knowledge, experience, and sophistication in financial and business matters, and is capable of bearing the entire loss of its investment in the Shares.

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WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
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4.5 **Accredited Investor.** The Investor is (i) an “accredited investor” as that term is defined in Rule 501 of Regulation D promulgated under the 1933 Act by reason of Rule 501(a)(3) and (6); (ii) experienced in making investments of the kind described in this Agreement and the related documents; (iii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the transactions described in this Agreement, and the related documents; and (iv) able to afford the entire loss of its investment in the Shares.

4.6 **Investment Intent.** The Investor is purchasing the Shares for its own account as principal, for investment purposes only, and not with a present view to, or for, resale, distribution or fractionalization thereof, in whole or in part, within the meaning of the 1933 Act. The Investor understands that its acquisition of the Shares has not been registered under the 1933 Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of such Investor’ s investment intent as expressed herein. The Investor shall not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any of the Shares, except in compliance with the terms of this Agreement and the registration requirements of the 1933 Act, and the rules and regulations promulgated thereunder, or an exemption thereunder.

4.7 **No Legal, Tax or Investment Advice.** The Investor understands that nothing in this Agreement or any other materials presented to such Investor in connection with the purchase of the Shares constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares.

4.8 **Brokers.** Except for Summit Financial Partners, LLC, 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 based upon arrangements made by or on behalf of the Investors.

4.9 **No Short Sales.** Prior to the Closing Date, neither the Investor nor any of the Investor’ s Affiliates will be in a net short position with regard to the Common Stock in any accounts directly or indirectly controlled by the Investor.

4.10 **Knowledge of Company.** Each Investor and such Investor’ s advisors, if any, have been, upon request, furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Shares. Each Investor and such Investor’ s advisors, if any, have been afforded the opportunity to ask questions of the Company and have received complete and satisfactory answers to any such inquiries.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
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4.11 **Risk Factors.** Each Investor understands that such Investor's investment in the Shares involves a high degree of risk. Each Investor understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares. Each Investor warrants that such Investor is able to bear the complete loss of the investment in the Shares.

4.12 **Voting Agreements.** Except as set forth or referred to in this Agreement, Investor does not have any agreement or understanding with any person relating to acquiring, holding, voting or disposing of any equity securities of the Company.

**ARTICLE V**  
**COVENANTS OF THE INVESTORS**

5.1 **Compliance with Law.** The Investors' trading activities with respect to shares of the Company's Common Stock will be in compliance with all applicable state and federal securities laws, rules and regulations and rules and regulations of any public market on which the Company's Common Stock is listed.

5.2 **Transfer Restrictions.** The Investors acknowledge that (1) the Shares have not been registered under the provisions of the 1933 Act, and may not be transferred unless (A) subsequently registered thereunder or (B) the Investors shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the Shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; and (2) any sale of the Shares made in reliance on Rule 144 promulgated under the 1933 Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such Securities under circumstances in which the seller, or the person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the 1933 Act, may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder.

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS**  
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5.3 **Restrictive Legend.** The Investors acknowledge and agree that, if and until such time as the Shares have been registered under the 1933 Act and sold in accordance with an effective Registration Statement, certificates and other instruments representing any of the Shares shall bear the following restrictive legends:

(i) “THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) THE INVESTORS SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, REASONABLY SATISFACTORY IN FORM, SCOPE AND SUBSTANCE TO THE COMPANY, TO THE EFFECT THAT THE SHARES OF COMMON STOCK TO BE SOLD OR TRANSFERRED MAY BE SOLD OR TRANSFERRED PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION.”

(ii) Any legend required by the blue sky or securities laws of any state or jurisdiction to the extent such laws are applicable to the shares represented by the certificate so legended.

The certificates representing the Common Stock shall be subject to a stop transfer order with WHAT' s transfer agent that restricts the transfer of such shares or warrants except in compliance herewith.

## **ARTICLE VI** **GENERAL PROVISIONS**

6.1 **Transaction Costs.** Except as otherwise provided herein, each of the parties shall pay all of his or its costs and expenses (including attorneys' fees and other legal costs and expenses and accountants' fees and other accounting costs and expenses) incurred by that party in connection with this Agreement.

### **6.2 Indemnification.**

6.2.1 Each Investor, severally and not jointly agrees to defend and hold the Company and its officers and directors harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney' s fees, that it shall incur or suffer, which arise out of, result from or relate to any breach of this Agreement by such Investor or failure by such Investors to perform with respect to any of their representations, warranties or covenants contained in this Agreement. The Company agrees to defend and hold the Investors harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney' s fees, that they shall incur or suffer, which arise out of, result from or relate to any breach of this Agreement by or failure by the Company to perform with respect to any of its representations, warranties or covenants contained in this Agreement.

## **STOCK PURCHASE AGREEMENT BETWEEN WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS PAGE 10 OF 15**

6.2.2 All claims for indemnification under this Section not made within 12 months following the date of this Agreement shall be considered null and void.

6.2.3 Neither the Investors, on the one hand, nor the Company, on the other, shall be required to make any indemnification payments pursuant to this Section 6.2 unless and until the claims asserted against such party exceed \$150,000 after which such parties shall be entitled to recover for damages in excess of such amount.

6.2.4 The maximum liability of the Investors, on the one hand, and the Company, on the other, shall be the Purchase Price.

6.3 **Headings.** The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6.4 **Entire Agreement.** This Agreement (together with Schedule A) constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

6.5 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after being mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to WHAI:

WORLD HEALTH ALTERNATIVES, INC.  
300 Penn Center Boulevard, Suite 201,  
Pittsburgh, Pennsylvania 15235  
ATTN: Richard E. McDonald  
Telephone No.: 412.829.7800

If to the Investors:

To the address listed on Schedule A herein or to the address provided to the Company by an Investor.

6.6 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
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manner materially adverse to any party. Upon such determination that any such term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

6.7 **Binding Effect**. All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

6.8 **Preparation of Agreement**. This Agreement shall not be construed more strongly against any party regardless of who is responsible for its preparation. The parties acknowledge that the terms of the Agreement were negotiated and that each party contributed equally to the Agreement's preparation.

6.9 **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to applicable principles of conflicts of law.

6.10 **Jurisdiction**. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. If any action, claim, counterclaim, or other demand relating to the transactions and obligations set forth in this Agreement is asserted by, among or against the Company and/or the Investors, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury. Exclusive jurisdiction and venue for any such action shall be in a court situated in Allegheny County, Pennsylvania.

6.11 **Regulatory Filings**. Each Investor shall, upon the Company's request, reasonably assist and cooperate with the Company in the preparation of all regulatory filings relating to this Agreement, including without limitation filings with the SEC.

6.12 **Further Assurances, Cooperation**. Each party shall, upon reasonable request by the other party, execute and deliver any additional documents necessary or desirable to complete the transactions herein pursuant to and in the manner contemplated by this Agreement. The parties hereto agree to cooperate and use their respective best efforts to consummate the transactions contemplated by this Agreement.

6.13 **Third Parties**. Except as disclosed in this Agreement, nothing herein, whether express or implied, is intended to confer any rights or remedies on any persons other than the parties hereto and their respective administrators, executors, legal representatives, heirs, successors and assignees. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
PAGE 12 OF 15**



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6.14 **No Waiver.** No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or term herein.

6.15 **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

**[SIGNATURES ON FOLLOWING PAGE]**

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
PAGE 13 OF 15**

IN WITNESS WHEREOF, the Investors and the Company have executed this Agreement as of the date written below.

**WORLD HEALTH ALTERNATIVES, INC.**

**Date:** January 22, 2004

/s/ Richard E. McDonald \_\_\_\_\_

By: Richard E. McDonald

Title: President

**INVESTORS**

/s/ Bernie Ludwig \_\_\_\_\_

Bernie Ludwig

Entity: K.A. Steel Chemicals Inc

Title: CFO

/s/ Kenneth A. Steel Jr. \_\_\_\_\_

Kenneth A. Steel Jr.

/s/ Blair Sanford \_\_\_\_\_

Blair Sanford

Entity: Burlingame Eq.Invstrs.LP

Title: General Partner

/s/ Lewis C. Pell \_\_\_\_\_

Lewis C. Pell

/s/ Catherine Williams \_\_\_\_\_

Catherine Williams

Entity: Catherine Williams IRA

Title: Director

/s/ Kent Williams \_\_\_\_\_

Kent Williams

Entity: Kent Williams Inv. Assoc.

Title: Director

/s/ Robert F. Steel \_\_\_\_\_

Robert F. Steel

/s/ Mikel Keifer \_\_\_\_\_

Mikel Keifer

Entity: JMK Investment Partners

Title: General Partner

/s/ Robert Green \_\_\_\_\_

Robert Green

Entity: The Ascend Fund

Title: General Partner

/s/ Douglas Moore \_\_\_\_\_

Douglas Moore

/s/ William M. Sams \_\_\_\_\_

William M. Sams

/s/ Richard Nesland \_\_\_\_\_

Richard Nesland

Entity: Heartwood Capital

Title: General Partner

/s/ Amit Ben-Haim

Amit Ben-Haim

Entity: IPOLIS Commercial Ltd.

Title: Director

/s/ Kent Williams

Kent Williams

Entity: Kent Williams IRA

Title: Director

/s/ James Maletis

James Maletis

Entity: Maletis Partners LP

Title: General Partner

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
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**SCHEDULE A**

K.A. Steel Chemicals 15185 Main Street Box 729 Lemont, IL 60439	50,000
Kenneth A. Steel Jr. 15185 Main Street Box 729 Lemont, IL 60439	25,000
Robert F. Steel 15185 Main Street Box 729 Lemont, IL 60439	25,000
Heartwood Capital 1656 North California Blvd Suite 300 Walnut Creek CA, 94596	50,000
Ipolis Commercial Limited 488 Madison Ave 8 <sup>th</sup> Floor New York, NY 10022	100,000
Burlingame Equity Investors, LP One Sansome Street Suite 2900 San Francisco, Ca 94104	100,000
Lewis C. Pell 1 West 72 <sup>nd</sup> Street Apartment 47 New York, NY 10023	100,000
JMK Investment Partners LLC 2030 Franklin Street Suite 210 Oakland CA, 94812	350,000
William M Sams 326 Mantle Brook Dr Desoto, TX 75115	580,000
Richard Neslund 15210 Wayzata Blvd Wayzata, MN 55391	200,000
Kent Williams Investment Associates Pension Plan 211 Main Street San Francisco, CA 94105	50,000
Kent Williams 211 Main Street	25,000

San Francisco, CA 94105

Catherine Williams

211 Main Street

San Francisco, CA 94105

25,000

The Ascend Fund

3658 Mt. Diablo Blvd Suite 215

Lafayette, CA 94549

300,000

Maletis Partners

4 Bassett Lane

Atherton, CA 94027

20,000

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND CERTAIN INVESTORS  
PAGE 15 OF 15**

**REGISTRATION RIGHTS AGREEMENT**

**BETWEEN**

**WORLD HEALTH ALTERNATIVES, INC.**

**AND**

**CERTAIN INVESTORS**

**(AS LISTED ON SCHEDULE A)**

**DATED JANUARY 22, 2004**

## REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "**Agreement**") is made and entered into as of the 22<sup>nd</sup> day of January 2004 by and among World Health Alternatives, Inc., a corporation organized and existing under the laws of the State of Florida ("**WHAI**" or the "**Company**") and certain investors (hereinafter referred to collectively as "**Investor**" or "**Investors**") as listed on Schedule A herein (each agreement with an Investor being deemed a separate and independent agreement between the Company and such Investor). Unless defined otherwise, capitalized terms herein shall have the identical meaning as in the Stock Purchase Agreement.

### PRELIMINARY STATEMENT

**WHEREAS**, pursuant to the Stock Purchase Agreement, of even date herewith (the "**Stock Purchase Agreement**"), by and among WHAI and the Investors, Investors shall purchase shares of the Common Stock, par value \$0.001 per share, of WHAI; and

**WHEREAS**, the ability of the Investors to sell their shares of Common Stock is subject to certain restrictions under the 1933 Act; and

**WHEREAS**, in connection with the Stock Purchase Agreement, WHAI has agreed to provide the Investors with a mechanism that will permit such Investors to sell their shares of Common Stock in the future.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements, and subject to the terms and conditions herein contained, the parties hereto hereby agree as follows:

### ARTICLE I

#### INCORPORATION BY REFERENCE, SUPERSEDER

1.1 **Incorporation by Reference**. The foregoing recitals, Schedule A and the Exhibits attached hereto and referred to herein, are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2 **Superseder**. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties governing the affairs of the Company, shall supersede such instrument or understanding to the fullest extent permitted by law. A copy of this Agreement shall be filed at the Company's principal office.

1.3 **Certain Definitions**. For purposes of this Agreement, the following capitalized terms shall have the following meanings (all capitalized terms used in this Agreement that are not defined in this Article I shall have the meanings set forth elsewhere in this Agreement):

1.3.1 "**1933 Act**" means the Securities Act of 1933, as amended.

1.3.2 “**1934 Act**” means the Securities Exchange Act of 1934, as amended.

1.3.3 “**Affiliate**” means a Person or Persons directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Person(s) in question. The term “control,” as used in the immediately preceding sentence, means with respect to a Person that is a corporation the right to exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the shares of such controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such controlled Person.

1.3.4 “**Black-Out Period**” shall have the meaning set forth in Section 2.5 hereof.

1.3.5 “**Board**” means the Board of Directors of the Company.

1.3.6 “**Common Stock**” means the common stock of the Company, par value \$0.001 per share.

1.3.7 “**Effectiveness Termination Date**” means the date which is the earlier of (i) the second anniversary of the date hereof, (ii) such time as all of the Registrable Securities have been sold or disposed of or (iii) such time as all of the Registrable Securities may be sold in any consecutive three-month period in accordance with Rule 144 (or similar provision then in force) under the 1933 Act.

1.3.8 “**Holder**” means any party hereto (other than the Company) and any holder of Registrable Securities who agrees in writing to be bound by the provisions of this Agreement.

1.3.9 “**Investor**” means any Investor and any of its Affiliates which hold Registrable Securities, collectively.

1.3.10 “**NASD**” means the National Association of Securities Dealers, Inc.

1.3.11 “**Person**” means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation or other legal entity.

1.3.12 “**Piggyback Notice**” shall have the meaning set forth in Section 2.1.1 hereof.

1.3.13 “**Piggyback Registration**” means a registration pursuant to Section 2.1 hereof.

1.3.14 “**Prospectus**” means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

1.3.15 “**Registrable Securities**” means all shares of Common Stock issued to the Investors pursuant to the Stock Purchase Agreement and any securities of the Company which may be issued or distributed with respect to, or in exchange or substitution for, or conversion of, such Common Stock and such other securities pursuant to a stock dividend, stock split or other



distribution, merger, consolidation, recapitalization or reclassification or otherwise; provided, however, that any Registrable Securities shall cease to be Registrable Securities when (i) a Registration Statement with respect to the sale of such Registrable Securities has been declared effective under the 1933 Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such Registration Statement, (ii) such Registrable Securities are distributed pursuant to Rule 144 (or any similar provision then in force) under the 1933 Act, (iii) all remaining Registrable Securities may be disposed of in any consecutive three-month period pursuant to Rule 144 (or any similar provision then in force) under the 1933 Act or (iv) the Registrable Securities shall have been otherwise transferred to a Person other than an Investor and new certificates for them not bearing a legend restricting further transfer under the 1933 Act shall have been delivered by the Company; and provided, further, that any securities that have ceased to be Registrable Securities cannot thereafter become Registrable Securities and any security that is issued or distributed in respect of securities that have ceased to be Registrable Securities is not a Registrable Security.

1.3.16 “**Registration**” means a Piggyback Registration.

1.3.17 “**Registration Expenses**” means all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel of for the Company, blue sky fees and expenses and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses and fees and disbursements of counsel(s) for the Holders.

1.3.18 “**Registration Statement**” means any registration statement of the Company which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement or explicitly deemed to be incorporated by reference in such registration statement.

1.3.19 “**SEC**” means the Securities and Exchange Commission.

1.3.20 “**Selling Expenses**” means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel(s) for the Holders.

1.3.21 “**Underwritten Registration**” or “**Underwritten Offering**” means a sale of securities of the Company to an underwriter for reoffering to the public.

## ARTICLE II

### **PIGGYBACK REGISTRATION RIGHTS**

#### **2.1 Piggyback Registration Rights.**

2.1.1 **Participation.** Subject to the terms and conditions contained in this Agreement, if at any time after the date hereof until the Effectiveness Termination Date the Company shall

determine to register any of its securities under the 1933 Act for its own account or for the account of others (other than a registration on Form S-4 or S-8 or any successor form to such Forms or any registration of securities as it relates to an offering and sale to management of the Company pursuant to any employee stock plan or other employee benefit plan arrangement), then the Company shall give prompt notice (but in no event later than 10 days before the anticipated filing date of such registration statement)(the “**Piggyback Notice**”) to the Investors and the Investors shall be entitled to include in such Registration Statement the Registrable Securities held by them. The Piggyback Notice shall offer the Investors the opportunity to register such number of shares of Registrable Securities as each Investor may request and shall set forth (i) the anticipated filing date of such Registration Statement and (ii) the number of shares of Common Stock that is proposed to be included in such Registration Statement. The Company shall, subject to the terms and conditions of this Agreement, use commercially reasonable efforts to include in such Registration Statement and, except as set forth in Section 2.1.2 below, in any underwriting involved therein such Registrable Securities for which it has received written requests to register such shares within 5 days after the Piggyback Notice has been given.

2.1.2 Underwritten Registrations. If the registration of which the Company gives the Piggyback Notice is for an Underwritten Offering, the Company shall so advise the Holders as part of the Piggyback Notice. In such event, the right of any Holder to registration pursuant to this Section 2.1 shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. Without limiting the generality of the foregoing, no Person may participate in any Underwritten Registration hereunder unless such Person (a) agrees to sell such Person’s securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements, (b) enters into an underwriting agreement acceptable to the Company and (c) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. If a Holder who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such Holder shall be excluded therefrom by written notice from the Company or the underwriter(s). The Registrable Securities so excluded shall also be withdrawn from such registration.

2.1.3 Underwriter’s Cutback. Notwithstanding the foregoing, if a Registration pursuant to this Section 2.1 involves an Underwritten Offering and the managing underwriter or underwriters of such proposed Underwritten Offering advise the Company that marketing factors require a limitation on the total or kind of securities which such Holders and any other persons or entities intend to include in such offering, then the Company shall so advise all Holders and the number of shares of securities to be included in the Registration and Underwritten Offering shall be allocated as follows: (i) first, 100% of the securities the Company, or the Person initiating such Registration, proposes to sell and (ii) second, to the extent of the amount of securities which all other Holders have requested to be included in such Registration, which, in the opinion of the managing underwriter or underwriters, can be sold without such adverse effect referred to above, such amount to be allocated pro rata among all other Holders based upon the relative ownership of securities by such Holders.

2.1.4 **Company Control.** Notwithstanding anything contained herein to the contrary, the Company may decline to file a Registration Statement after giving the Piggyback Notice, or withdraw a Registration Statement after filing and after such Piggyback Notice, but prior to the effectiveness of the Registration Statement.

2.1.5 **Termination of Registration Rights.** The rights contained in Section 2.1 and 2.5 shall terminate on the Effectiveness Termination Date.

2.2 **Registration Statement Form.** Registrations under Section 2.1 shall be on Form SB-2 or such other appropriate registration form of the SEC (i) as shall be selected by the Company and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the Investors' requests for such registration.

2.3 **Expenses.** The Company will pay all Registration Expenses in connection with the registration of Registrable Securities pursuant to Section 2.1.

2.4 **Hold-Back Agreement.** Each Holder whose Registrable Securities are covered by a Registration Statement filed pursuant to Section 2.1 agrees not to effect any public sale or distribution of securities of the Company the same as or similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities, in such Registration Statement, including a sale pursuant to Rule 144 under the 1933 Act (except as part of such Underwritten Registration), during the 7-day period prior to, and during the 90-day period beginning on, the effective date of any Registration Statement in which such Holders are participating (except as part of such Registration) or the commencement of the public distribution of securities, to the extent timely notified in writing by the Company or the managing underwriters.

## 2.5 **Registration Procedures.**

In connection with the Company's Registration obligations pursuant to Section 2.1, the Company will use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof, and, until the Effectiveness Termination Date, pursuant thereto, the Company will:

(a) use commercially reasonable efforts to (i) prepare and file with the SEC a Registration Statement including all exhibits and financial statements required by the SEC to be filed therewith and (ii) cause such Registration Statement to become effective;

(b) prepare and file with the SEC such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective until the Effectiveness Termination Date (subject to the Company's right to suspend the effectiveness thereof as set forth below); cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the 1933 Act; and comply with the provisions of the 1933 Act, the 1934 Act, and the rules and regulations promulgated thereunder with respect to the disposition of all securities covered by such Registration Statement until the Effectiveness Termination Date in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(c) notify the selling Holders and the managing underwriters, if any, (i) when the Registration Statement or any amendment thereto has been filed or becomes effective, the Prospectus or any amendment or supplement to the Prospectus has been filed, and, to furnish such selling Holders and managing underwriters with copies thereof, (ii) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any preliminary Prospectus or Prospectus or the initiation or threatening of any proceedings for such purposes and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) notify the selling Holders and the managing underwriters, if any, at any time prior to the Effectiveness Termination Date when the Company becomes aware of the happening of any event as a result of which the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of the Prospectus and any preliminary Prospectus, in light of the circumstances under which they were made) when such Prospectus was delivered not misleading or, if for any other reason it shall be necessary during such time period to amend or supplement the Prospectus in order to comply with the 1933 Act and prepare and file with the SEC, and furnish without charge to the selling Holders and the managing underwriters, if any, a supplement or amendment to such Prospectus which will correct such statement or omission or effect such compliance;

(e) make every reasonable effort to obtain the withdrawal of any stop order or other order suspending the use of any preliminary Prospectus or Prospectus or suspending any qualification of the Registrable Securities;

(f) if requested by the managing underwriter or underwriters or a Holder of Registrable Securities being sold in connection with an Underwritten Offering, promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriters and the Holders of a majority of the Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the Underwritten (or best efforts underwritten) Offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(g) furnish to each selling Holder and each managing underwriter, without charge, one executed copy and as many conformed copies as they may reasonably request, of the Registration Statement and any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(h) deliver to each selling Holder and the underwriters, if any, without charge, as many copies of the Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as such Persons may reasonably request (it being understood that the Company consents to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto) and such other documents as such selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder;

(i) use its best efforts to register or qualify, and cooperate with the selling Holders, the managing underwriter or agent, if any, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of each state and other jurisdiction of the United States as any such seller, underwriter or agent reasonably requests in writing; provided that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(j) not later than the effective date of the applicable Registration, provide a CUSIP number for all Registrable Securities and provide the applicable trustee or transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company; and

(k) use its best efforts to list (if such Registrable Securities are not already listed) all Registrable Securities covered by such Registration Statement on the OTC Bulletin Board or other nationally recognized stock exchange.

The Company may require each Holder of Registrable Securities as to which any Registration is being effected to furnish to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing. Each Holder agrees to furnish such information to the Company and to cooperate with the Company as necessary to enable the Company to comply with the provisions of this Agreement.

Each Holder agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.6(d) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.6(d) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the Prospectus (such period being a "**Black-Out Period**"), and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

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## ARTICLE III

### INDEMNIFICATION

3.1 **Indemnification by the Company.** In the event of any registration of any securities of the Company under the 1933 Act, the Company will, and hereby does agree to indemnify and hold harmless the Holder of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such Holder or any such underwriter within the meaning of the 1933 Act against any losses, claims, damages or liabilities, joint or several, to which such Holder or any such director or officer or underwriter or controlling person may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise directly out of: (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the 1933 Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such Holder and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability, (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Holder or underwriter stating that it is for use in the preparation thereof and, provided further that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or to any other Person, if any, who controls such underwriter within the meaning of the 1933 Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the 1933 Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus or an amendment or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such Holder.

3.2 **Indemnification by the Holders.** In the event of any registration of any securities of the Company under the 1933 Act, each Holder will, and hereby does agree to indemnify and hold harmless the Company, its directors and officers, each other Person who participates as an

underwriter in the offering or sale of such securities and each other Person, if any, who controls the Company or any such underwriter within the meaning of the 1933 Act against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or underwriter or controlling person may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise directly out of: (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the 1933 Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and each Holder will reimburse the Company and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder of Registrable Securities specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such Holder.

**3.3 Notices Of Claims, Etc.** Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Sections 3.1 and Section 3.2, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Sections 3.1 and Section 3.2, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof in accordance with terms of this Article III, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

3.4 **Other Indemnification.** Indemnification similar to that specified in Section 3.1 and Section 3.2 (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities (but only if and to the extent required pursuant to the terms herein) with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the 1933 Act.

3.5 **Indemnification Payments.** The indemnification required by Section 3.1 and Section 3.2 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

3.6 **Contribution.** If the indemnification provided for in Section 3.1 and Section 3.2 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Holder of Registrable Securities or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by the Company from the initial sale of the Registrable Securities by the Company to the purchasers bear to the gain, if any, realized by all selling Holders participating in such offering or the underwriting discounts and commissions received by the underwriter, as the case may be. The relative fault of the Company on the one hand and of the Holder of Registrable Securities or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the Holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information supplied by the Company, by the Holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, provided that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained herein, and in no event shall the obligation of any indemnifying party to contribute under this Section 6.6 exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for hereunder had been available under the circumstances.

The Company and the Holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this Section 6.6 were determined by pro rata allocation



(even if the Holders of Registrable Securities and any underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth herein, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this Section 3.6, no Holder of Registrable Securities or underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any such Holder, the net proceeds received by such Holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered to the public exceeds, in any such case, the amount of any damages that such Holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

## ARTICLE IV

### RULE 144

4.1 **Rule 144.** The Company shall timely file the reports required to be filed by it under the 1933 Act and the 1934 Act (including but not limited to the reports under Sections 13 and 15(d) of the 1934 Act referred to in subparagraph (c) of Rule 144 adopted by the SEC under the 1933 Act) and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, will, upon the request of any Holder of Registrable Securities, make publicly available other information) and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (a) Rule 144 under the 1933 Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with the requirements of this Section 7.1. The rights and obligations contained in this Section 5.1 shall expire upon the Effectiveness Termination Date.

## ARTICLE V

### MISCELLANEOUS

5.1 **Amendments And Waivers.** This Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the Holder or Holders of the sum of the 51% or more of the shares of (i)

Registrable Securities issued at such time, plus (ii) Registrable Securities issuable upon exercise or conversion of the Securities then constituting derivative securities (if such Securities were not fully exchanged or converted in full as of the date such consent is sought). Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 5.1, whether or not such Registrable Securities shall have been marked to indicate such consent.

**5.2 Notices.** Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to such Person (a) in the case of a party hereto other than the Company, addressed to such party in the manner set forth in the Stock Purchase Agreement or at such other address as such party shall have furnished to the Company in writing, or (b) in the case of any other Holder of Registrable Securities, at the address that such Holder shall have furnished to the Company in writing, or, until any such other Holder so furnishes to the Company an address, then to and at the address of the last Holder of such Registrable Securities who has furnished an address to the Company, or (c) in the case of the Company, at the address set forth on the signature page hereto, to the attention of its President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each Holder of Registrable Securities at the time outstanding. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by fax or air courier), when delivered at the address specified above, provided that any such notice, request or communication shall not be effective until received.

**5.3 Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assigned by operation of law or otherwise in whole or in part by any Investor without the prior written consent of the Company.

**5.4 Descriptive Headings.** The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

**5.5 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to applicable principles of conflicts of law.

**5.6 Jurisdiction.** If any action is brought among the parties with respect to this Agreement or otherwise, by way of a claim or counterclaim, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury. Exclusive jurisdiction and venue for any such action shall be a court situated in Allegheny County, Pennsylvania. In the event suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the arbitrator or court.

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5.7 **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the Company and each other party hereto relating to the subject matter hereof and supercedes all prior agreements and understandings relating to such subject matter.

5.8 **Severability.** If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

5.9 **Binding Effect.** All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

5.10 **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

**[SIGNATURES ON FOLLOWING PAGE]**

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**WORLD HEALTH ALTERNATIVES, INC.**

**Date:** January 22, 2004

/s/ Richard E. McDonald \_\_\_\_\_

By: Richard E. McDonald

Title: President

**INVESTORS**

/s/ Bernie Ludwig \_\_\_\_\_  
Bernie Ludwig  
Entity: K.A. Steel Chemicals Inc  
Title: CFO

/s/ Kenneth A. Steel Jr. \_\_\_\_\_  
Kenneth A. Steel Jr.

/s/ Robert F. Steel \_\_\_\_\_  
Robert F. Steel

/s/ Douglas Moore \_\_\_\_\_  
Douglas Moore  
Entity: Heartwood Capital  
Title: General Partner

/s/ Amit Ben-Haim \_\_\_\_\_  
Amit Ben-Haim  
Entity: IPOLIS Commercial Ltd.  
Title: Director

/s/ Blair Sanford \_\_\_\_\_  
Blair Sanford  
Entity: Burlingame Eq.Invstrs.LP  
Title: General Partner

/s/ Lewis C. Pell \_\_\_\_\_  
Lewis C. Pell

/s/ Mikel Keifer \_\_\_\_\_  
Mikel Keifer  
Entity: JMK Investment Partners  
Title: General Partner

/s/ William M. Sams \_\_\_\_\_  
William M. Sams

/s/ Kent Williams \_\_\_\_\_  
Kent Williams  
Entity: Kent Williams IRA  
Title: Director

/s/ Catherine Williams \_\_\_\_\_  
Catherine Williams  
Entity: Catherine Williams IRA  
Title: Director

/s/ Kent Williams \_\_\_\_\_  
Kent Williams  
Entity: Kent Williams Inv. Assoc.  
Title: Director

/s/ Robert Green \_\_\_\_\_  
Robert Green  
Entity: The Ascend Fund  
Title: General Partner

/s/ Richard Nesland \_\_\_\_\_  
Richard Nesland

/s/ James Maletis \_\_\_\_\_  
James Maletis  
Entity: Maletis Partners LP  
Title: General Partner

**STOCK PURCHASE AGREEMENT**

**BETWEEN**

**WORLD HEALTH ALTERNATIVES, INC.**

**AND**

**GUERRILLA PARTNERS L.P.**

**DATED**

**JANUARY 30, 2004**

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of the 30<sup>th</sup> day of January, 2004, between World Health Alternatives, Inc., a corporation organized and existing under the laws of the State of Florida ("**WHAI**" or the "**Company**"), and Guerrilla Partners L.P. (hereinafter referred to as "**Investor**").

### PRELIMINARY STATEMENT

**WHEREAS**, the Investor wishes to purchase, upon the terms and subject to the conditions of this Agreement, 100,000 shares of the Common Stock of the Company (each share of Common Stock is referred to herein as a "**Share**") for a purchase price of one hundred thousand dollars (\$100,000); and

**WHEREAS**, the parties intend to memorialize the purchase and sale of such Shares;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereto, intending to be legally bound, agree as follows:

### ARTICLE I

#### **INCORPORATION BY REFERENCE, SUPERSEDER AND DEFINITIONS**

1.1 Incorporation by Reference. The foregoing recitals are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2 Superseder. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties governing the affairs of the Company, shall supersede such instrument or understanding to the fullest extent permitted by law.

1.3 Certain Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings (all capitalized terms used in this Agreement that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Agreement):

1.3.1 "**1933 Act**" means the Securities Act of 1933, as amended.

1.3.2 "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

1.3.3 "**Affiliate**" means a Person or Persons directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Person(s) in question. The term "control," as used in the immediately preceding sentence, means with respect

#### **STOCK PURCHASE AGREEMENT BETWEEN WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.**

**PAGE 2 OF 14**

to a Person that is a corporation the right to the exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the shares of such controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such controlled Person.

1.3.4 “**Articles**”. The Articles of Incorporation of the Company, as the same may be amended from time to time.

1.3.5 “**Common Stock**” means the shares of common stock of WHAI, par value \$0.001 per share.

1.3.6 “**Florida Act**” means the Florida Business Corporation Act, as amended.

1.3.7 “**Material Adverse Effect**” shall mean any adverse effect on the business, operations, properties or financial condition of the Company that is material and adverse to the Company and its subsidiaries and affiliates, taken as a whole and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to perform any of its material obligations under this Agreement; provided, however, that none of the following shall be deemed, in themselves, either alone or in combination, to constitute a Material Adverse Effect, and none of the following shall be taken into account in determining whether there has been or shall be a Material Adverse Effect: (i) any change in the market price or trading volume of the Common Stock after the date hereof, (ii) any adverse circumstance, change or effect resulting directly from conditions affecting the industries in which the Company participates in their entirety or the U.S. economy as a whole, (iii) any adverse circumstance, change or effect resulting directly from the announcement or pendency of this Agreement or (iv) any adverse circumstance, change or effect resulting from the taking of any action by the Company that this Agreement or the Registration Rights Agreement requires the Company to take.

1.3.8 “**Person**” means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

1.3.9 “**Purchase Price**” means the purchase price for the Shares as set forth in Section 2.2 below.

1.3.10 “**Registration Rights Agreement**” means that certain Registration Rights Agreement dated the date hereof by and between the Company and the Investor.

1.3.11 “**SEC**” means the Securities and Exchange Commission.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
PAGE 3 OF 14**

**ARTICLE II**  
**SALE AND PURCHASE OF WHAI SHARES**

2.1 **Sale of WHAI Shares.** Upon the terms and subject to the conditions set forth herein, and in accordance with applicable law, the Company agrees to sell, and the Investors agree to purchase, one hundred thousand (100,000) shares of Common Stock (the “**Shares**”) at a purchase price of \$1.00 per share for an aggregate purchase price of one hundred thousand dollars (\$100,000) (the “**Purchase Price**”). Upon execution and delivery of this Agreement, Investor shall pay the aforesaid Purchase Price and, within ten (10) business days after the Company’s receipt of that Purchase Price, the Company shall deliver to the Investor a Certificate representing WHAI Shares, which Certificate shall contain the restrictive legends set forth in Section 5.3 below. Contemporaneous with the execution and deliver of this Agreement, the Company and the Investor shall execute and deliver the Registration Rights Agreement.

2.2 **Purchase Price.** The Investors shall pay the Purchase Price for the Shares on the date of this Agreement, with payment being made in United States Dollars. Such payment shall be made via wire transfer of the funds to the following account:

PNC BANK  
MIRACLE MILE BANKING CENTER  
MONROEVILLE, PA 15146

FOR THE BENEFIT OF:  
BETTER SOLUTIONS, INC.  
ABA #043000096  
ACCT #1011-31-7753

2.3 **Closing Date.** The closing of the transactions contemplated by this Agreement, unless expressly determined herein, shall be held at the offices of the Company at 300 Penn Center Boulevard, Suite 201, Pittsburgh, Pennsylvania 15235 at 5:00 P.M. local time on January 30, 2004, or at such other place as may be mutually agreed by the parties, including closing by facsimile with originals to follow.

2.4 **Further Assurances.** Upon request, the Company shall cooperate with the Investors and the Investors shall cooperate with the Company by furnishing any additional information, executing and delivering any additional documents and/or other instruments and doing any and all such things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement.

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.**  
**PAGE 4 OF 14**



**ARTICLE III**  
**REPRESENTATIONS AND WARRANTIES OF WHAI**

WHAI represents and warrants to the Investors as of the date hereof as follows:

3.1 **Organization and Qualification.** WHAI is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Company has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. The Company is duly qualified to do business in any other jurisdiction by virtue of the nature of the businesses conducted by it or the ownership or leasing of its properties, except where the failure to be so qualified will not, when taken together with all other such failures, have a Material Adverse Effect on WHAI and its subsidiaries taken as a whole.

3.2 **Articles of Incorporation and By-Laws.** Complete copies of WHAI' s Articles and By-Laws, as amended or restated to date, have been filed with the SEC.

3.3 **Authority.** WHAI has all requisite corporate power and authority to execute and deliver this Agreement and the Registration Rights Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Registration Rights Agreement by WHAI and the consummation by WHAI of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of WHAI and no other corporate proceedings on the part of WHAI is necessary to authorize this Agreement or the Registration Rights Agreement or to consummate the transactions contemplated hereby or thereby except as disclosed in this Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by WHAI and constitute valid and binding obligations of WHAI, enforceable against WHAI in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or other similar laws relating to, affecting generally the enforcement of, creditors' rights and remedies or by other equitable principals of general application.

3.4 **No Conflict; Required Filings and Consents.** The execution and delivery of this Agreement and the Registration Rights Agreement by WHAI do not, and the performance by WHAI of its obligations hereunder and thereunder will not: (i) conflict with or violate the Articles or By-Laws of WHAI; (ii) conflict with, breach or violate any federal, state, foreign or local law, statute, ordinance, rule, regulation, order, judgment or decree (collectively, "**Laws**") in effect as of the date of this Agreement and applicable to WHAI; or (iii) result in any breach of, constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to any other entity any right of termination, amendment, acceleration or cancellation of, require payment under, or result in the creation of a lien or encumbrance on any of the properties or assets of WHAI pursuant to, any note, bond, mortgage, indenture, contract,

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.**  
**PAGE 5 OF 14**

agreement, lease, license, permit, franchise or other instrument or obligation to which WHAI is a party or by which WHAI or any of its properties or assets is bound, except in each of the cases of (i) through (iii) for any violations, conflicts, breaches, defaults, terminations, accelerations, creations of liens, or incumbency that would not, in the aggregate, have a Material Adverse Effect on WHAI. WHAI is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of WHAI's obligations under this Agreement or the Registration Rights Agreement in accordance with the terms hereof or thereof, except for any consents, authorizations, orders, filings or registrations the absence of which would not, in the aggregate, have a Material Adverse Effect on WHAI or which are required pursuant to applicable federal or state securities laws.

3.5 **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 based upon arrangements made by or on behalf of WHAI.

3.6 **Exemption from Registration.** Subject to the accuracy of the Investors' representations in Article IV, the sale of the Shares will be exempt from the registration requirements of Section 5 of the 1933 Act and/or any applicable state securities law. The Company is issuing the Shares in accordance with and in reliance upon the exemption from securities registration afforded, inter alia, by Rule 506 under Regulation D as promulgated by the SEC under the 1933, and/or Section 4(2) of the 1933 Act.

3.7 **Administrative Notice.** Shares of the Company's Common Stock are registered pursuant to the 1934 Act and are listed and traded on the OTC Bulletin Board Market of the National Association of Securities Dealers, Inc. The Company has received no notice, either oral or written, from the National Association of Securities Dealers, Inc. (the "NASD") stating that WHAI has failed to comply with any listing standards of the OTC Bulletin Board Market.

#### **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES OF THE INVESTOR**

The Investor represents and warrants to the Company that:

4.1 **Organization and Standing of the Investor.** Where the Investor is a corporation, such Investor is duly incorporated, validly existing and in good standing under the laws of the state in which it was formed. The state in which any offer to purchase shares hereunder was made or accepted by such Investor is the state shown as such Investor's address. If an entity, the Investor was not formed for the purpose of investing solely in the Shares that are the subject of this Agreement.

#### **STOCK PURCHASE AGREEMENT BETWEEN** **WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.** **PAGE 6 OF 14**

**4.2 Authorization and Power.** The Investor has the requisite power and authority to execute and deliver this Agreement and the Registration Rights Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Registration Rights Agreement by the Investor, and the consummation by the Investor of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Investor where appropriate, and no other corporate proceedings on the part of the Investor, where appropriate, is necessary to authorize this Agreement or the Registration Rights Agreement or to consummate the transactions contemplated hereby or thereby except as disclosed in this Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by the Investor and constitutes valid and binding obligations of the Investor, enforceable against the Investor in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or other similar laws relating to, affecting generally the enforcement of, creditors' rights and remedies or by other equitable principals of general application.

**4.3 No Conflicts.** The execution and performance of this Agreement and the Registration Rights Agreement by the Investor do not, and the performance by the Investor of its obligations hereunder and thereunder will not, (i) conflict with or violate such Investor' s charter documents or bylaws, where applicable; (ii) conflict with, breach or violate any Laws in effect as of the date of this Agreement and applicable to the Investor; or (iii) result in any breach of, constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to any other entity any right of termination, amendment, acceleration or cancellation of, or require any payment under, any note, bond, mortgage, indenture, contract, agreement, lease license, permit, franchise or other instrument or obligation to which the Investor is a party or by which the Investor or any of its properties or assets is bound, except, in each of cases (i) through (iii), for any violations, conflicts, breaches, defaults, terminations or accelerations that would not, in the aggregate, have a Material Adverse Effect on the Investor. The Investor is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of such Investor' s obligations under this Agreement or to purchase the Shares in accordance with the terms hereof.

**4.4 Financial Risks.** The Investor acknowledges that such Investor is able to bear the financial risks associated with an investment in the Shares and that it has been given full access to any information it has deemed necessary or appropriate to conduct its due diligence investigation of the Company. The Investor is capable of evaluating the risks and merits of an investment in the Shares by virtue of its experience as an investor and its knowledge, experience, and sophistication in financial and business matters, and is capable of bearing the entire loss of its investment in the Shares.

**4.5 Accredited Investor.** The Investor is (i) an "accredited investor" as that term is defined in Rule 501 of Regulation D promulgated under the 1933 Act by reason of Rule 501(a)(3) and

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
PAGE 7 OF 14**

(6); (ii) experienced in making investments of the kind described in this Agreement and the related documents; (iii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the transactions described in this Agreement, and the related documents; and (iv) able to afford the entire loss of its investment in the Shares.

4.6 **Investment Intent.** The Investor is purchasing the Shares for its own account as principal, for investment purposes only, and not with a present view to, or for, resale, distribution or fractionalization thereof, in whole or in part, within the meaning of the 1933 Act. The Investor understands that its acquisition of the Shares has not been registered under the 1933 Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of such Investor' s investment intent as expressed herein. The Investor shall not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any of the Shares, except in compliance with the terms of this Agreement and the registration requirements of the 1933 Act, and the rules and regulations promulgated thereunder, or an exemption thereunder.

4.7 **No Legal, Tax or Investment Advice.** The Investor understands that nothing in this Agreement or any other materials presented to such Investor in connection with the purchase of the Shares constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares.

4.8 **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 based upon arrangements made by or on behalf of the Investors.

4.9 **No Short Sales.** Prior to the Closing Date, neither the Investor nor any of the Investor' s Affiliates will be in a net short position with regard to the Common Stock in any accounts directly or indirectly controlled by the Investor.

4.10 **Knowledge of Company.** The Investor and its advisors, if any, have been, upon request, furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Shares. The Investor and its advisors, if any, have been afforded the opportunity to ask questions of the Company and have received complete and satisfactory answers to any such inquiries.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
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4.11 **Risk Factors.** The Investor understands that its investment in the Shares involves a high degree of risk. The Investor understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares. The Investor warrants that it is able to bear the complete loss of the investment in the Shares.

4.12 **Voting Agreements.** Except as set forth or referred to in this Agreement, Investor does not have any agreement or understanding with any person relating to acquiring, holding, voting or disposing of any equity securities of the Company.

**ARTICLE V**  
**COVENANTS OF THE INVESTOR**

5.1 **Compliance with Law.** The Investor' s trading activities with respect to shares of the Company' s Common Stock will be in compliance with all applicable state and federal securities laws, rules and regulations and rules and regulations of any public market on which the Company' s Common Stock is listed.

5.2 **Transfer Restrictions.** The Investor acknowledges that (1) the Shares have not been registered under the provisions of the 1933 Act, and may not be transferred unless (A) subsequently registered thereunder or (B) the Investor shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the Shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; and (2) any sale of the Shares made in reliance on Rule 144 promulgated under the 1933 Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such Securities under circumstances in which the seller, or the person through whom the sale is made, may be deemed to be an underwriter as that term is used in the 1933 Act, may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder.

**STOCK PURCHASE AGREEMENT BETWEEN**  
**WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.**

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5.3 **Restrictive Legend.** The Investor acknowledges and agrees that, if and until such time as the Shares have been registered under the 1933 Act and sold in accordance with an effective Registration Statement, certificates and other instruments representing any of the Shares shall bear the following restrictive legends:

(i) “THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) THE INVESTORS SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL, REASONABLY SATISFACTORY IN FORM, SCOPE AND SUBSTANCE TO THE COMPANY, TO THE EFFECT THAT THE SHARES OF COMMON STOCK TO BE SOLD OR TRANSFERRED MAY BE SOLD OR TRANSFERRED PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION.”

(ii) Any legend required by the blue sky or securities laws of any state or jurisdiction to the extent such laws are applicable to the shares represented by the certificate so legended.

The certificates representing the Common Stock shall be subject to a stop transfer order with WHAT' s transfer agent that restricts the transfer of such shares or warrants except in compliance herewith.

## **ARTICLE VI** **GENERAL PROVISIONS**

6.1 **Transaction Costs.** Except as otherwise provided herein, each of the parties shall pay all of his or its costs and expenses (including attorneys' fees and other legal costs and expenses and accountants' fees and other accounting costs and expenses) incurred by that party in connection with this Agreement.

### **6.2 Indemnification.**

6.2.1 Investor agrees to defend and hold the Company and its officers and directors harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney' s fees, that it shall incur or suffer, which arise out of, result from or relate to any breach of this Agreement by such Investor or failure by such Investor to perform with respect to any of its representations, warranties or covenants contained in this Agreement. The Company agrees to defend and hold the Investor harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney' s fees, that it shall incur or suffer, which arise out of, result from or relate to any breach of this Agreement by or failure by the Company to perform with respect to any of its representations, warranties or covenants contained in this Agreement.

## **STOCK PURCHASE AGREEMENT BETWEEN WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.**

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6.2.2 All claims for indemnification under this Section not made within 12 months following the date of this Agreement shall be considered null and void.

6.2.3 Neither the Investor nor the Company shall be required to make any indemnification payments pursuant to this Section 6.2 unless and until the claims asserted against such party exceed \$20,000 after which such parties shall be entitled to recover for damages in excess of such amount.

6.2.4 The maximum liability of the Investors, on the one hand, and the Company, on the other, shall be the Purchase Price.

6.3 **Headings.** The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6.4 **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

6.5 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after being mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to WHAI:

WORLD HEALTH ALTERNATIVES, INC.  
300 Penn Center Boulevard, Suite 201,  
Pittsburgh, Pennsylvania 15235  
ATTN: Richard E. McDonald

If to the Investors:

GUERRILLA PARTNERS L.P.  
237 Park Avenue, 9<sup>th</sup> Floor  
New York, New York 10017  
ATTN: Peter Siris

6.6 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
PAGE 11 OF 14**

economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

6.7 **Binding Effect**. All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

6.8 **Preparation of Agreement**. This Agreement shall not be construed more strongly against any party regardless of who is responsible for its preparation. The parties acknowledge that the terms of the Agreement were negotiated and that each party contributed equally to the Agreement's preparation.

6.9 **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to applicable principles of conflicts of law.

6.10 **Jurisdiction**. If any action, claim, counterclaim, or other demand relating to the transactions and obligations set forth in this Agreement is asserted by, among or against the Company and/or the Investors, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury and that exclusive jurisdiction and venue for any such action shall be in a court situated in Allegheny County, Pennsylvania.

6.11 **Regulatory Filings**. Each Investor shall, upon the Company's request, reasonably assist and cooperate with the Company in the preparation of all regulatory filings relating to this Agreement, including without limitation filings with the SEC.

6.12 **Further Assurances, Cooperation**. Each party shall, upon reasonable request by the other party, execute and deliver any additional documents necessary or desirable to complete the transactions herein pursuant to and in the manner contemplated by this Agreement. The parties hereto agree to cooperate and use their respective best efforts to consummate the transactions contemplated by this Agreement.

6.13 **Third Parties**. Except as disclosed in this Agreement, nothing herein, whether express or implied, is intended to confer any rights or remedies on any persons other than the parties hereto and their respective administrators, executors, legal representatives, heirs, successors and assignees. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
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6.14 **No Waiver.** No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or term herein.

6.15 **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

**[SIGNATURES ON FOLLOWING PAGE]**

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
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IN WITNESS WHEREOF, the Investor and the Company have executed this Agreement as of the date written below.

**WORLD HEALTH ALTERNATIVES, INC.**

**Date:** January 30, 2004

/s/ RICHARD E. McDONALD

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By: Richard E. McDonald

Title: President

**GUERRILLA PARTNERS L.P.**

/s/ PETER SIRIS

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Print Name: Peter Siris

Title: Managing Director

**STOCK PURCHASE AGREEMENT BETWEEN  
WORLD HEALTH ALTERNATIVES, INC. AND GUERRILLA PARTNERS L.P.  
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**REGISTRATION RIGHTS AGREEMENT**

**BETWEEN**

**WORLD HEALTH ALTERNATIVES, INC.**

**AND**

**GUERRILLA PARTNERS, L.P.**

**DATED JANUARY 30, 2004**

## **REGISTRATION RIGHTS AGREEMENT**

THIS REGISTRATION RIGHTS AGREEMENT (the "**Agreement**") is made and entered into as of the 30<sup>th</sup> day of January 2004, between World Health Alternatives, Inc., a corporation organized and existing under the laws of the State of Florida ("**WHAI**" or the "**Company**") and Guerrilla Partners L.P. (hereinafter referred to as "**Investor**" or "**Investors**"). Unless defined otherwise, capitalized terms herein shall have the identical meaning as in the Stock Purchase Agreement.

### **PRELIMINARY STATEMENT**

**WHEREAS**, pursuant to the Stock Purchase Agreement, of even date herewith (the "**Stock Purchase Agreement**"), by and between WHAI and the Investor, Investor shall purchase shares of the Common Stock, par value \$0.001 per share, of WHAI; and

**WHEREAS**, the ability of the Investor to sell their shares of Common Stock is subject to certain restrictions under the 1933 Act; and

**WHEREAS**, in connection with the Stock Purchase Agreement, WHAI has agreed to provide the Investor with a mechanism that will permit the Investor to sell its shares of Common Stock in the future.

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements, and subject to the terms and conditions herein contained, the parties hereto hereby agree as follows:

### **ARTICLE I**

#### **INCORPORATION BY REFERENCE, SUPERSEDER**

1.1 **Incorporation by Reference**. The foregoing recitals are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2 **Superseder**. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties governing the affairs of the Company, shall supersede such instrument or understanding to the fullest extent permitted by law. A copy of this Agreement shall be filed at the Company's principal office.

1.3 **Certain Definitions**. For purposes of this Agreement, the following capitalized terms shall have the following meanings (all capitalized terms used in this Agreement that are not defined in this Article I shall have the meanings set forth elsewhere in this Agreement):

1.3.1 "**1933 Act**" means the Securities Act of 1933, as amended.

1.3.2 "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

1.3.3 “**Affiliate**” means a Person or Persons directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Person(s) in question. The term “control,” as used in the immediately preceding sentence, means with respect to a Person that is a corporation the right to exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the shares of such controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such controlled Person.

1.3.4 “**Black-Out Period**” shall have the meaning set forth in Section 2.5 hereof.

1.3.5 “**Board**” means the Board of Directors of the Company.

1.3.6 “**Common Stock**” means the common stock of the Company, par value \$0.001 per share.

1.3.7 “**Effectiveness Termination Date**” means the date which is the earlier of (i) the second anniversary of the date hereof, (ii) such time as all of the Registrable Securities have been sold or disposed of or (iii) such time as all of the Registrable Securities may be sold in any consecutive three-month period in accordance with Rule 144 (or similar provision then in force) under the 1933 Act.

1.3.8 “**Holder**” means any party hereto (other than the Company) and any holder of Registrable Securities who agrees in writing to be bound by the provisions of this Agreement.

1.3.9 “**Investor**” means the Investor and any of its Affiliates that hold Registrable Securities, collectively.

1.3.10 “**NASD**” means the National Association of Securities Dealers, Inc.

1.3.11 “**Person**” means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation or other legal entity.

1.3.12 “**Piggyback Notice**” shall have the meaning set forth in Section 2.1.1 hereof.

1.3.13 “**Piggyback Registration**” means a registration pursuant to Section 2.1 hereof.

1.3.14 “**Prospectus**” means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

1.3.15 “**Registrable Securities**” means all shares of Common Stock issued to the Investor pursuant to the Stock Purchase Agreement and any securities of the Company which may be issued or distributed with respect to, or in exchange or substitution for, or conversion of, such Common Stock and such other securities pursuant to a stock dividend, stock split or other distribution, merger, consolidation, recapitalization or reclassification or otherwise; provided, however, that any Registrable Securities shall cease to be Registrable Securities when (i) a

Registration Statement with respect to the sale of such Registrable Securities has been declared effective under the 1933 Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such Registration Statement, (ii) such Registrable Securities are distributed pursuant to Rule 144 (or any similar provision then in force) under the 1933 Act, (iii) all remaining Registrable Securities may be disposed of in any consecutive three-month period pursuant to Rule 144 (or any similar provision then in force) under the 1933 Act or (iv) the Registrable Securities shall have been otherwise transferred to a Person other than an Investor and new certificates for them not bearing a legend restricting further transfer under the 1933 Act shall have been delivered by the Company; and provided, further, that any securities that have ceased to be Registrable Securities cannot thereafter become Registrable Securities and any security that is issued or distributed in respect of securities that have ceased to be Registrable Securities is not a Registrable Security.

1.3.16 “**Registration**” means a Piggyback Registration.

1.3.17 “**Registration Expenses**” means all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel of for the Company, blue sky fees and expenses and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses and fees and disbursements of counsel(s) for the Holders.

1.3.18 “**Registration Statement**” means any registration statement of the Company which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement or explicitly deemed to be incorporated by reference in such registration statement.

1.3.19 “**SEC**” means the Securities and Exchange Commission.

1.3.20 “**Selling Expenses**” means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel(s) for the Holders.

1.3.21 “**Underwritten Registration**” or “**Underwritten Offering**” means a sale of securities of the Company to an underwriter for reoffering to the public.

## ARTICLE II

### PIGGYBACK REGISTRATION RIGHTS

#### 2.1 Piggyback Registration Rights.

2.1.1 Participation. Subject to the terms and conditions contained in this Agreement, if at any time after the date hereof until the Effectiveness Termination Date the Company shall determine to register any of its securities under the 1933 Act for its own account or for the account of others (other than a registration on Form S-4 or S-8 or any successor form to such

Forms or any registration of securities as it relates to an offering and sale to employees of the Company pursuant to any employee stock plan or other employee benefit plan arrangement), then the Company shall give prompt notice (but in no event later than 10 days before the anticipated filing date of such registration statement)(the “**Piggyback Notice**”) to the Investor and the Investor shall be entitled to include in such Registration Statement the Registrable Securities held by it. The Piggyback Notice shall offer the Investors the opportunity to register such number of shares of Registrable Securities as the Investor may request and shall set forth (i) the anticipated filing date of such Registration Statement and (ii) the number of shares of Common Stock that is proposed to be included in such Registration Statement. The Company shall, subject to the terms and conditions of this Agreement, use commercially reasonable efforts to include in such Registration Statement and, except as set forth in Section 2.1.2 below, in any underwriting involved therein such Registrable Securities for which it has received written requests to register within 5 days after the Piggyback Notice has been given.

2.1.2 Underwritten Registrations. If the registration of which the Company gives the Piggyback Notice is for an Underwritten Offering, the Company shall so advise the Holders as part of the Piggyback Notice. In such event, the right of any Holder to registration pursuant to this Section 2.1 shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. Without limiting the generality of the foregoing, no Person may participate in any Underwritten Registration hereunder unless such Person (a) agrees to sell such Person’s securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements, (b) enters into an underwriting agreement acceptable to the Company and (c) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. If a Holder who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such Holder shall be excluded therefrom by written notice from the Company or the underwriter(s). The Registrable Securities so excluded shall also be withdrawn from such registration.

2.1.3 Underwriter’s Cutback. Notwithstanding the foregoing, if a Registration pursuant to this Section 2.1 involves an Underwritten Offering and the managing underwriter or underwriters of such proposed Underwritten Offering advise the Company that marketing factors require a limitation on the total or kind of securities which such Holders and any other persons or entities intend to include in such offering, then the Company shall so advise all Holders and the number of shares of securities to be included in the Registration and Underwritten Offering shall be allocated as follows: (i) first, 100% of the securities the Company, or the Person initiating such Registration, proposes to sell and (ii) second, to the extent of the amount of securities which all other Holders have requested to be included in such Registration, which, in the opinion of the managing underwriter or underwriters, can be sold without such adverse effect referred to above, such amount to be allocated pro rata among all other Holders based upon the relative ownership of securities by such Holders.

2.1.4 **Company Control.** Notwithstanding anything contained herein to the contrary, the Company may decline to file a Registration Statement after giving the Piggyback Notice, or withdraw a Registration Statement after filing and after such Piggyback Notice, but prior to the effectiveness of the Registration Statement.

2.1.5 **Termination of Registration Rights.** The rights contained in Section 2.1 and 2.5 shall terminate on the Effectiveness Termination Date.

2.2 **Registration Statement Form.** Registrations under Section 2.1 shall be on Form SB-2 or such other appropriate registration form of the SEC (i) as shall be selected by the Company and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the Investor's request for such registration.

2.3 **Expenses.** The Company will pay all Registration Expenses in connection with the registration of Registrable Securities pursuant to Section 2.1.

2.4 **Hold-Back Agreement.** Each Holder whose Registrable Securities are covered by a Registration Statement filed pursuant to Section 2.1 agrees not to effect any public sale or distribution of securities of the Company the same as or similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities, in such Registration Statement, including a sale pursuant to Rule 144 under the 1933 Act (except as part of such Underwritten Registration), during the 7-day period prior to, and during the 90-day period beginning on, the effective date of any Registration Statement in which such Holders are participating (except as part of such Registration) or the commencement of the public distribution of securities, to the extent timely notified in writing by the Company or the managing underwriters.

## 2.5 **Registration Procedures.**

In connection with the Company's Registration obligations pursuant to Section 2.1, the Company will use its commercially reasonable efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof, and, until the Effectiveness Termination Date, pursuant thereto, the Company will:

(a) use commercially reasonable efforts to (i) prepare and file with the SEC a Registration Statement including all exhibits and financial statements required by the SEC to be filed therewith and (ii) cause such Registration Statement to become effective;

(b) prepare and file with the SEC such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective until the Effectiveness Termination Date (subject to the Company's right to suspend the effectiveness thereof as set forth below); cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the 1933 Act; and comply with the provisions of the 1933 Act, the 1934 Act, and the rules and regulations promulgated thereunder with respect to the disposition of all securities covered by such Registration Statement until the Effectiveness Termination Date in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;



(c) notify the selling Holders and the managing underwriters, if any, (i) when the Registration Statement or any amendment thereto has been filed or becomes effective, the Prospectus or any amendment or supplement to the Prospectus has been filed, and, to furnish such selling Holders and managing underwriters with copies thereof, (ii) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any preliminary Prospectus or Prospectus or the initiation or threatening of any proceedings for such purposes and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) notify the selling Holders and the managing underwriters, if any, at any time prior to the Effectiveness Termination Date when the Company becomes aware of the happening of any event as a result of which the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of the Prospectus and any preliminary Prospectus, in light of the circumstances under which they were made) when such Prospectus was delivered not misleading or, if for any other reason it shall be necessary during such time period to amend or supplement the Prospectus in order to comply with the 1933 Act and prepare and file with the SEC, and furnish without charge to the selling Holders and the managing underwriters, if any, a supplement or amendment to such Prospectus which will correct such statement or omission or effect such compliance;

(e) make every reasonable effort to obtain the withdrawal of any stop order or other order suspending the use of any preliminary Prospectus or Prospectus or suspending any qualification of the Registrable Securities;

(f) if requested by the managing underwriter or underwriters or a Holder of Registrable Securities being sold in connection with an Underwritten Offering, promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriters and the Holders of a majority of the Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the Underwritten (or best efforts underwritten) Offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(g) furnish to each selling Holder and each managing underwriter, without charge, one executed copy and as many conformed copies as they may reasonably request, of the Registration Statement and any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(h) deliver to each selling Holder and the underwriters, if any, without charge, as many copies of the Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto as such Persons may reasonably request (it being understood that the Company consents to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto) and such other documents as such selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder;

(i) use its best efforts to register or qualify, and cooperate with the selling Holders, the managing underwriter or agent, if any, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of each state and other jurisdiction of the United States as any such seller, underwriter or agent reasonably requests in writing; provided that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(j) not later than the effective date of the applicable Registration, provide a CUSIP number for all Registrable Securities and provide the applicable trustee or transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company; and

(k) use its best efforts to list (if such Registrable Securities are not already listed) all Registrable Securities covered by such Registration Statement on the OTC Bulletin Board or other nationally recognized stock exchange.

The Company may require each Holder of Registrable Securities as to which any Registration is being effected to furnish to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing. Each Holder agrees to furnish such information to the Company and to cooperate with the Company as necessary to enable the Company to comply with the provisions of this Agreement.

Each Holder agrees by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.6(d) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder' s receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.6(d) hereof, or until it is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the Prospectus (such period being a “**Black-Out Period**”), and, if so directed by the Company, such Holder will deliver to the Company (at the Company' s expense) all copies, other than permanent file copies then in such Holder' s possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

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## ARTICLE III

### INDEMNIFICATION

3.1 **Indemnification by the Company**. In the event of any registration of any securities of the Company under the 1933 Act, the Company will, and hereby does agree to indemnify and hold harmless the Holder of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such Holder or any such underwriter within the meaning of the 1933 Act against any losses, claims, damages or liabilities, joint or several, to which such Holder or any such director or officer or underwriter or controlling person may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise directly out of: (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the 1933 Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such Holder and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability, (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Holder or underwriter stating that it is for use in the preparation thereof and, provided further that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or to any other Person, if any, who controls such underwriter within the meaning of the 1933 Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the 1933 Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus or an amendment or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such Holder.

3.2 **Indemnification by the Holders**. In the event of any registration of any securities of the Company under the 1933 Act, each Holder will, and hereby does agree to indemnify and hold harmless the Company, its directors and officers, each other Person who participates as an

underwriter in the offering or sale of such securities and each other Person, if any, who controls the Company or any such underwriter within the meaning of the 1933 Act against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or underwriter or controlling person may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise directly out of: (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the 1933 Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and each Holder will reimburse the Company and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Holder of Registrable Securities specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by such Holder.

**3.3 Notices of Claims, Etc.** Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Sections 3.1 and Section 3.2, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Sections 3.1 and Section 3.2, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof in accordance with terms of this Article III, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

3.4 **Other Indemnification.** Indemnification similar to that specified in Section 3.1 and Section 3.2 (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities (but only if and to the extent required pursuant to the terms herein) with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the 1933 Act.

3.5 **Indemnification Payments.** The indemnification required by Section 3.1 and Section 3.2 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

3.6 **Contribution.** If the indemnification provided for in Section 3.1 and Section 3.2 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Holder of Registrable Securities or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by the Company from the initial sale of the Registrable Securities by the Company to the purchasers bear to the gain, if any, realized by all selling Holders participating in such offering or the underwriting discounts and commissions received by the underwriter, as the case may be. The relative fault of the Company on the one hand and of the Holder of Registrable Securities or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the Holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information supplied by the Company, by the Holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, provided that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained herein, and in no event shall the obligation of any indemnifying party to contribute under this Section 6.6 exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for hereunder had been available under the circumstances.

The Company and the Holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this Section 6.6 were determined by pro rata allocation

(even if the Holders of Registrable Securities and any underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth herein, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this Section 3.6, no Holder of Registrable Securities or underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any such Holder, the net proceeds received by such Holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered to the public exceeds, in any such case, the amount of any damages that such Holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

## ARTICLE IV

### RULE 144

4.1 **Rule 144.** The Company shall timely file the reports required to be filed by it under the 1933 Act and the 1934 Act (including but not limited to the reports under Sections 13 and 15(d) of the 1934 Act referred to in subparagraph (c) of Rule 144 adopted by the SEC under the 1933 Act) and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, will, upon the request of any Holder of Registrable Securities, make publicly available other information) and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (a) Rule 144 under the 1933 Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with the requirements of this Section 7.1. The rights and obligations contained in this Section 5.1 shall expire upon the Effectiveness Termination Date.

## ARTICLE V

### MISCELLANEOUS

5.1 **Amendments And Waivers.** This Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the Holder or Holders of the sum of the 51% or more of the shares of (i)

Registrable Securities issued at such time, plus (ii) Registrable Securities issuable upon exercise or conversion of the Securities then constituting derivative securities (if such Securities were not fully exchanged or converted in full as of the date such consent is sought). Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 5.1, whether or not such Registrable Securities shall have been marked to indicate such consent.

**5.2 Notices.** Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to such Person (a) in the case of a party hereto other than the Company, addressed to such party in the manner set forth in the Stock Purchase Agreement or at such other address as such party shall have furnished to the Company in writing, or (b) in the case of any other Holder of Registrable Securities, at the address that such Holder shall have furnished to the Company in writing, or, until any such other Holder so furnishes to the Company an address, then to and at the address of the last Holder of such Registrable Securities who has furnished an address to the Company, or (c) in the case of the Company, at the address set forth on the signature page hereto, to the attention of its President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each Holder of Registrable Securities at the time outstanding. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by fax or air courier), when delivered at the address specified above, provided that any such notice, request or communication shall not be effective until received.

**5.3 Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assigned by operation of law or otherwise in whole or in part by any Investor without the prior written consent of the Company.

**5.4 Descriptive Headings.** The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

**5.5 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to applicable principles of conflicts of law.

**5.6 Jurisdiction.** If any action is brought among the parties with respect to this Agreement or otherwise, by way of a claim or counterclaim, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury. Exclusive jurisdiction and venue for any such action shall be a court situated in Allegheny County, Pennsylvania. In the event suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the arbitrator or court.

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5.7 **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the Company and each other party hereto relating to the subject matter hereof and supercedes all prior agreements and understandings relating to such subject matter.

5.8 **Severability.** If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

5.9 **Binding Effect.** All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

5.10 **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

**[SIGNATURES ON FOLLOWING PAGE]**



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IN WITNESS WHEREOF, the Investor and the Company have as of the date below.

**WORLD HEALTH ALTERNATIVES, INC.**

**Date:** January 30, 2004

/s/ RICHARD E. McDONALD \_\_\_\_\_

Name: Richard E. McDonald

Title: President

**GUERRILLA PARTNERS L.P.**

/s/ PETER SIRIS \_\_\_\_\_

Name: Peter Siris

Title: Managing Director