ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On January 27, 2016, the Company entered into a settlement agreement with Guadiana Holdings, Inc. (“GHI" or "Creditor”) whereby GHI exchanged certain direct claims it had against the Company in the amount of $27,910.00 for certain common shares, up to 27,910,000. shares "Settlement Shares" as may be issuable assuming satisfaction of all applicable securities laws and regulations, that will be exempt from registration under the Securities Act of 1933 and Section 517.061(1) of the Florida Statutes and the Investor Protection Act, and in accordance with Section 3(a)(10) of the Securities Act and Rule 69W-500.014, F.A.C., such that, these, the Settlement Shares, at any given time shall not exceed the number of such shares that, when aggregated with all other shares of Company then beneficially owned by Creditor, severally, or deemed beneficially owned by Creditor individually, would result in this Creditor owning more than 9.99% of all of such Common Stock as would be outstanding on such date, as determined in accordance with Section 16 of the Exchange Act and the regulations promulgated thereunder. In compliance therewith, the Company agrees to deliver the initial Issuance and any additional Issuances in one or more tranches"... "monthly". The Company shall bear all transfer agent costs and expenses associated with issuances and delivery of stock certificates to the Creditor. The Company and GHI submitted the settlement agreement to the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida for a hearing on the fairness of the agreement and the exemption from registration under the Securities Act of 1933 for the shares that will be issued to GHI for resale. On February 4, 2016, the court granted an approval of the settlement agreement. On February 8, 2016 the Company issued GHI 2,000,000 shares of its common stock, and on February 17, 2016, the Company issued GHI an additional 2,000,000 shares of its common stock.