

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

or

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-52120

ADMA BIOLOGICS, INC.

(Exact Name of Registrant as Specified in Its Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation or Organization)	<u>56-2590442</u> (I.R.S. Employer Identification No.)
<u>465 State Route 17, Ramsey, New Jersey</u> (Address of principal executive offices)	<u>07446</u> (Zip Code)

Registrant's telephone number, including area code: (201) 478-5552

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

Securities registered pursuant to Section 12(g) of the Act:

<u>Title of each class:</u> Common stock, par value \$0.0001 per share	<u>Name of each exchange on which registered:</u> OTC Bulletin Board (OTCBB) and OTC Markets (OTCQB)
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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, as of October 17, 2013, was approximately \$26.5 million. Such aggregate market value was computed by reference to the closing price of the common equity as reported on the Over-The-Counter Bulletin Board or Quote Board ("OTCBB" or "OTCQB") on October 17, 2013. The registrant used October 17, 2013 as the measurement date because that is the date the registrant became a publicly traded company and prior to that time no public market existed for its common equity.

The number of shares of the registrant's Common Stock, par value \$0.0001 per share, outstanding as of March 28, 2014 was 9,291,823.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its 2014 Annual Meeting of Stockholders or Annual Report on Form 10-K/A, to be filed on or before April 30, 2014, are incorporated by reference into Part III of this Report.

ADMA BIOLOGICS, INC.

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Special Note Regarding Forward-Looking Statements

Some of the information in this annual report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. These statements include, among others, statements about:

- our plans to develop RI-002, including ongoing and planned clinical trials of RI-002, particularly the timing for initiation, enrollment and outcome;
- the expected timing of and our ability to obtain and maintain regulatory approvals for our product candidates;
- the expected timing of announcing Phase III data from our clinical study;
- the expected timing of obtaining a national listing for our common stock;
- our plans to increase our supplies of plasma;
- the potential indications for our product candidates;
- our intellectual property position;
- our manufacturing capabilities and strategy;
- our plans relating to manufacturing, supply and other collaborative agreements; and
- our estimates regarding expenses, capital requirements and needs for additional financing.

These statements may be found under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” Forward-looking statements typically are identified by the use of terms such as “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” or “will” or the negative of these terms, although some forward-looking statements are expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements due to the factors referenced above.

You should also consider carefully the statements under “Risk Factors” and other sections of this annual report on Form 10-K, which address additional factors that could cause our actual results to differ from those set forth in the forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

PART I**Item 1. Business**

Unless the context otherwise requires, references in this Business section to “ADMA,” “ADMA Biologics,” the “Company,” “we,” “us” and “our” refer to ADMA Biologics, Inc., a Delaware corporation, as well as its subsidiary, ADMA Plasma Biologics, Inc., a Delaware corporation, taken as a whole, and also refer to the operations of ADMA Plasma Biologics, Inc. prior to the merger on February 13, 2012, as discussed below, which resulted in ADMA Plasma Biologics, Inc. becoming our wholly-owned subsidiary. In each case, references to ADMA Biologics, Inc. also include its subsidiary ADMA BioCenters Georgia, Inc., or ADMA BioCenters, a Delaware corporation.

Business of ADMA**Overview**

ADMA Biologics is a late stage biopharmaceutical company that develops, manufactures, and intends to market specialty plasma-based biologics for the treatment and prevention of certain infectious diseases. Our targeted patient populations include immune-compromised individuals who suffer from an underlying immune deficiency disorder or who may be immune-suppressed for medical reasons. Our product candidates are intended to be used by physician specialists focused on caring for immune-compromised patients with infectious diseases. RI-002, our lead product candidate, is currently being administered to patients in our pivotal Phase III clinical trial, is intended for the treatment of primary immune deficiency disease, or PIDD. RI-002 is an injectable immune globulin derived from human plasma enriched with high levels of naturally occurring polyclonal antibodies (e.g. streptococcus pneumoniae, H. influenza type B, CMV, measles, tetanus, etc.) as well as high levels of antibodies targeted to respiratory syncytial virus, or RSV. RSV is a common virus that ordinarily leads to mild, cold-like symptoms in healthy adults and children. In high risk groups, such as the immune-compromised, RSV can lead to a more serious infection and may even cause death. Our proprietary microneutralization assay allows us to effectively identify and isolate donor plasma with high-titer RSV antibodies, to standardize RI-002's potency and thereby potentially garner a premium price.

PIDD, a genetic disorder that causes a deficient or absent immune system, is caused by hereditary or genetic defects and can affect anyone regardless of age or gender. PIDD patients are more vulnerable to infections and more likely to suffer complications from these infections. Intravenous immune globulin, or IGIV, is a plasma derived product that is used to prevent serious infections in patients with PIDD. It is comprised of polyclonal antibodies, which are proteins produced by B-cells that are used by the body's immune system to neutralize foreign objects such as bacteria and viruses. RI-002, a specialty IGIV with standardized levels of high-titer RSV antibodies, is intended to prevent infections in PIDD patients. The polyclonal antibodies which are present in RI-002 are expected to prevent infections in immune-compromised patients. It is estimated that there are about 250,000 diagnosed PIDD patients in the United States approximately half of whom are treated with IGIV regularly. In the United States, sales of immune globulin products for all its uses were reported to be approximately \$3.5 billion in 2011. Since the introduction of IGIV therapy, the incidence of infections in IGIV-treated patients has dropped significantly.

Patient enrollment in our pivotal Phase III clinical trial of RI-002 for the treatment of patients with PIDD began in February 2013 and completed in October 2013. We expect to provide preliminary data from the pivotal Phase III clinical trial during the fourth quarter of 2014. Once data is available, we expect to file a Biologics License Application, or BLA, with the U.S. Food and Drug Administration, or FDA, during the first half of 2015. The FDA could approve our BLA within approximately one year of filing, and potential first commercial sales could occur as early as the first half of 2016. The trial is a single arm study in which patients will be treated approximately once per month for a period of 12 months of treatment plus 90 days for follow up. We have enrolled 59 patients in 9 treatment centers in the United States. The pivotal Phase III primary endpoint follows the published FDA industry guidance, which provides for a reduction in the incidence of serious infections to less than one per year in those receiving IGIV. The secondary endpoint is safety and includes other data collection points including antibody titers for certain agents, including RSV antibody levels at various time points after infusion. Following the FDA's guidance for our protocol should provide that a successful single Phase III trial and Biological License Application, or BLA, submission should lead to FDA approval. RI-001 was the subject of a Phase II randomized, double-blind, placebo-controlled human clinical trial in RSV-infected, immune-compromised patients. In that trial, RI-001 treated patients demonstrated a statistically significant rise in anti-RSV titers compared to patients receiving placebo. RI-002 is an improved formulation of our prior product candidate RI-001. RI-002 is manufactured using the same FDA-approved contract manufacturing facility as its predecessor. RI-002 has demonstrated improved production yields, an improved stability profile and comparable anti-RSV antibody titer potency relative to the prior formulation.

We have established, qualified and validated a proprietary microneutralization assay for plasma collection and donor screening as well as for determining the appropriate anti-RSV antibody potency for the manufacture of RI-002. Our assay provides for measurement of RSV antibody titer levels of RI-002 that are consistent and reproducible, which we believe is a competitive advantage and a barrier to the entry of competitive products. Our microneutralization assay could serve as a platform for identifying next generation virus-specific plasma based therapeutics.

We operate an FDA-licensed, German Health Authority, or GHA-certified source plasma collection facility, ADMA BioCenters, which provides us with a portion of our blood plasma for the manufacture of RI-002. In June 2013, ADMA BioCenters, received a two-year certification from the GHA. GHA certification allows plasma collected at ADMA BioCenters to be imported into the European Union (EU) and to be purchased and processed by European Plasma Fractionators. A typical plasma collection center, such as ADMA BioCenters, can collect 30,000 to 50,000 liters of source plasma annually, which may be sold for different prices depending upon the type of plasma, quantity of purchase, and market conditions at the time of sale. Plasma collected from ADMA BioCenters that is not used for making RI-002 is sold to customers in the U.S. and Europe under supply agreements or in the open "spot" market. We have entered into long term manufacturing and licensing agreements with Biotest AG and their U.S. subsidiary, Biotest Pharmaceuticals, Inc., together referred to as Biotest, that provide for the exclusive manufacture of RI-002. At the same time, we granted Biotest an exclusive, royalty-bearing license to market and sell RSV antibody-enriched IGIV in Europe and in other selected territories in North Africa and the Middle East. We have also begun the expansion of our ADMA BioCenters facilities by securing additional rented space to grow our donor and collection screening areas to meet an increase in market demand for source plasma. We entered into a lease for a second collection center and we expect to commence construction during the first half of 2014.

The founders of ADMA have a combined 60 years of experience marketing and distributing blood plasma products and devices. With the appointment of the executive team and the board of directors, we added over 150 years of deep medical, technical and development experience in the biologics and pharmaceutical industry.

Our mission is to develop and commercialize plasma-derived, human immune globulins targeted to niche immune-compromised patient populations. We intend to accomplish our mission by achieving the following:

- Complete our pivotal Phase III trial and obtain FDA approval to manufacture and market RI-002 for the treatment of patients with PIDD;
- Establish a specialty sales force to commercialize RI-002;
- Explore other possible indications for RI-002;
- Develop additional plasma-derived products for the treatment of infectious diseases in immunocompromised patient populations; and
- Expand our network of ADMA BioCenters facilities, both to maintain control of a portion of our raw material supply and to generate additional revenue through the collection and sale of source plasma to third party customers.

Our Strategy

Our goal is to be a leader in developing and commercializing specialized, targeted, plasma-derived therapeutics to extend and enhance the lives of individuals who are naturally or medically immune-compromised.

The key elements of our strategy for achieving this goal are as follows:

- **Obtain FDA approval of RI-002 as a treatment for PIDD.** We have completed patient enrollment in our pivotal Phase III clinical trial for RI-002 for the treatment of PIDD in accordance with the FDA Guidance for Industry. If the pivotal Phase III trial produces the anticipated safety and efficacy results, we would expect to file a BLA in the first half of 2015 and anticipate potential FDA approval within approximately a year of filing.
- **Commercialize RI-002 as a treatment for PIDD.** We plan to hire a small, specialty sales force to market RI-002 to hospitals, physician offices/clinics, and other specialty treatment organizations. We anticipate staffing our company with additional personnel for patient support, medical affairs, quality assurance, regulatory affairs, scientific affairs, reimbursement, inventory and logistics, human resources, and financial and operational management. We may also use a network of national distributors to fulfill orders for RI-002.
- **Expand RI-002's FDA-approved uses.** If RI-002 is approved by the FDA as a treatment for PIDD, we plan to evaluate the clinical and regulatory paths to grow the RI-002 franchise through expanded FDA-approved uses. We believe that there may be patient populations beyond PIDD that would derive clinical benefit from RI-002. Previously marketed RSV IGIV product and RI-001 have historically been used in immune-compromised patient populations, including patients with cystic fibrosis, prematurely born infants, stem cell and solid organ transplant patients, oncology patients and other patients at risk for or requiring treatment for RSV. Currently, there are no approved treatments specifically for RSV infections in PIDD.
- **Develop additional plasma-derived products.** Our core competency is in the development and commercialization of plasma-derived therapeutics. We believe there are a number of under addressed medical conditions for which plasma-derived therapeutics may be beneficial. Utilizing our proprietary assays and other technologies, we have identified potential new product candidates that we may advance into preclinical activities.
- **Develop and expand ADMA BioCenters.** In order to generate revenues in advance of RI-002's commercialization and to control a portion of our raw material plasma supply for RI-002, we formed ADMA BioCenters, a subsidiary that operates a plasma collection facility in Norcross, Georgia. The facility received its FDA license in August 2011 and GHA certification in June of 2013. Under FDA license, ADMA BioCenters can collect normal source plasma and high-titer RSV plasma. We sell a portion of our normal source plasma to buyers in the open "spot" market. We also plan to use the high-titer RSV plasma collected by ADMA BioCenters in the manufacturing of RI-002. We may initiate other hyperimmune plasma collection programs at the Norcross facility. These programs will be initiated during the normal course of business and are expected to cost less than \$1 million to implement. We may also consider growth through the creation and licensing of additional ADMA BioCenters facilities in various regions of the United States. Additional ADMA BioCenters may allow us to cost-effectively secure additional high-titer RSV plasma for RI-002, and potentially increase revenues through the collection and sale of normal source plasma and other hyperimmune plasma to third parties. We have also begun the expansion of our ADMA BioCenters facilities by securing additional rented space to grow our donor and collection screening areas to meet an increase in market demand for source plasma. We have also entered into a new lease for a second collection center and we expect to commence construction during the first half of 2014.

The Plasma Industry

Primary Immunodeficiency Disease

PIDD is a class of hereditary disorder characterized by defects in the immune system, due to either a lack of necessary antibodies or a failure of these antibodies to function properly. According to the World Health Organization, there are over 150 different presentations of PIDD. As patients suffering from PIDD lack a properly functioning immune system, they typically receive monthly, outpatient infusions of IGIV therapy. Without this exogenous antibody immune support, these patients would be susceptible to a wide variety of infectious diseases. PIDD has an estimated prevalence of 1:1,200 in the United States, or approximately 250,000 people. Of these 250,000 people diagnosed with PIDD in the United States, approximately 125,000 receive monthly infusions of IGIV and it is estimated that over 300,000 patients worldwide receive monthly IGIV infusions for PIDD.

As most patients with PIDD present with infections, the differential diagnosis and initial investigations for an underlying immune defect are typically guided by the clinical presentation. In subjects with PIDD, individual infections are not necessarily more severe than those that occur in a normal host. Rather, the clinical features suggestive of an immune defect may be the recurring and/or chronic nature of infections with common pathogens that may result in end organ damage, such as bronchiectasis. In addition, subjects with PIDD will often respond poorly to standard antimicrobial therapy or they may have repeated infections with the same pathogen. The virulence of the infecting organism should also be considered, and a subject's immunocompetence should be questioned when invasive infections are caused by low virulence or opportunistic pathogens. For example, infection with the opportunistic pathogens *Pneumocystis jirovecii* (previously *Pneumocystis carinii*) or atypical mycobacteria should prompt an investigation for underlying immunodeficiency. Typical clinical presentations for subjects with PIDD are:

- Antibody deficiency and recurrent bacterial infections;
- T-lymphocyte deficiency and opportunistic infections;
- Other lymphocyte defects causing opportunistic infections;
- Neutrophil defects causing immunodeficiency; and
- Complement deficiencies.

PIDD can present at any age from birth to adulthood, posing a considerable challenge for the practicing physician to know when and how to evaluate a subject for a possible immune defect. Subjects with marked antibody deficiencies are generally dependent on IGIV therapy for survival. Benefits of adequate IGIV therapy in subjects not able to produce antibodies normally include: a reduction of the severity and frequency of infections, prevention of chronic lung disease and prevention of enteroviral meningoencephalitis. Several immune globulin products have already been approved by the FDA.

RI-002, our IGIV product contains polyclonal antibodies against various infectious agents, including antibodies against RSV. RSV is a common respiratory virus that often presents during the winter months. Nearly all children will have been infected with RSV by three years of age, however, the immune systems of most healthy children prevent significant morbidity and mortality. Conversely, in patients that are immune-compromised, such as those with PIDD or who have undergone a hematopoietic stem cell or solid organ transplant and may be on immunosuppressive drugs or chemotherapy, RSV infection can be associated with significant morbidity and mortality. Immune-compromised patients historically have a 5% to 15% rate of RSV infection, and, if left untreated, lower respiratory tract RSV infections in immune-compromised patients can result in a mortality rate of up to 40% of infected patients. In hematopoietic stem cell transplant, or HSCT, patients, a subset of the immune-compromised patient population with approximately 25,000 transplants being performed annually in the United States, it is estimated that about 25% of patients treated with the current standard of care (aerosolized Ribavirin) will progress to lower respiratory tract infection, or LRTI, while 41% of patients untreated with the current standard of care will progress to LRTI.

The Plasma Industry

Human blood contains a number of components including:

- Red blood cells – Used to carry oxygen from the lungs to the body;
- White blood cells – Used by the immune system to fight infection;
- Platelets – Used for blood clotting; and
- Plasma – Used to carry the aforementioned components throughout the body and provide support in clotting and immunity.

Plasma is the most abundant blood component, representing approximately 55% of total blood volume. Plasma, which is 90% water, is rich in proteins used by the human body for blood clotting and fighting infection. These proteins account for approximately 7% of plasma's volume. As plasma contains these valuable proteins, plasma collection and the manufacturing of human plasma-derived therapeutics provide therapeutic benefits for ill patients.

In order to produce plasma-derived therapeutics that can be administered to ill patients, raw material plasma must be collected from human donors and then manufactured into specialized products. Plasma is collected from healthy donors at FDA-licensed plasma donation centers. To ensure safety of the collected plasma, all plasma donations are tested using FDA-approved methods of Nucleic Acid Testing, or NAT, for various infectious diseases, such as human immunodeficiency virus, or HIV, and hepatitis C virus, or HCV.

Plasma is collected using a process called "plasmapheresis." During plasmapheresis, a donor's blood is drawn into a specialized medical device that separates the plasma component through centrifugation, and then returns the other blood components back into the donor's bloodstream. Plasmapheresis is performed utilizing an FDA-approved, automated device with a sterile, self-contained collection kit. The plasma that is collected is known as "normal source plasma." There are over 400 plasma donation centers in the United States. In 2011, approximately 20 million plasma donations were made in the United States in which over 19 million liters of source plasma were collected. In the United States, a donor may donate plasma a maximum of two times in every seven-day period, with at least two days in between donations. Plasma donation centers in the United States typically pay donors \$25 to \$50 per donation and some donors with rare or high antibody levels can be paid more.

In order to isolate the desired therapeutic elements in normal source plasma, it must initially undergo a manufacturing process called "fractionation." The process of fractionation was invented in the 1940's by E.J. Cohn and is referred to as the Cohn method or cold ethanol fractionation. First, the source plasma undergoes a process called pooling, in which the individual plasma donations are combined into a pooling tank. Second, the Cohn fractionation method, which is a combination of time, temperature, pH, alcohol concentration, and centrifugation, is used to separate the desired plasma protein components, or "fractions." After fractionation, the separated proteins are then re-suspended and are treated with a solvent detergent treatment process for viral inactivation. Next, other forms of filtration (e.g., nanofiltration) are performed as an additional viral removal and viral reduction step. Finally, with the various components separated and purified, the bulk product is formulated and filled into final, finished vials. During these various steps of manufacturing, each lot is reviewed and tested for potency and purity prior to being approved for release.

The proteins in human plasma fall into four categories: albumin (60% of protein volume), immune globulins (15% of protein volume), coagulation factors (1% of protein volume), and other proteins (24% of protein volume) such as alpha-1 proteinase inhibitor, C1 esterase inhibitor, fibrin sealants and fibrinogen. Many of the other proteins in plasma have yet to be developed into commercial therapies. In the United States, not only are the plasma collection centers subject to FDA licensure, but each plasma protein product that is derived and fractionated from plasma must undergo an approval process with FDA's Center for Biologics Evaluation and Research, or CBER. In June 2008, the FDA published "Guidance for Industry: Safety, Efficacy, and Pharmacokinetic Studies to Support Marketing of Immune Globulin Intravenous (Human) as Replacement Therapy for Primary Humoral Immunodeficiency," which we refer to as the FDA Guidance for Industry outlining the regulatory pathway for the approval of intravenous immune globulins, or IGIV, for the treatment of PIDD.

Immune globulins can be administered in three ways: intramuscularly, intravenously or subcutaneously. IGIV principally contains antibodies and, as such, provides passive immunization for individuals who are immune-deficient or who have been exposed to various infectious agents. IGIV is used therapeutically in a variety of immunological diseases/deficiencies, such as PIDD, idiopathic thrombocytopenic purpura, Guillain-Barré syndrome, Kawasaki disease, bone marrow transplant, and chronic inflammatory demyelinating polyneuropathy. We are aware that other companies are also evaluating IGIV in a clinical study for the treatment of Alzheimer's disease. Additionally, IGIV is also used as therapy in a variety of other diseases that do not involve primary or secondary immune deficiencies, such as multiple sclerosis, skin disease, and asthma. These latter uses are referred to as "off-label" or evidence-based uses because the FDA has not approved their use in these indications and promotion of such uses is not permitted by FDA unless a BLA or BLA supplement with additional data is approved. Among the various IGIV products, there are only 14 labeled indications approved by the FDA. However, medical literature identifies at least 150 evidence based uses for IGIV, of which approximately 60 are currently included on lists of reimbursable uses by Medicare and other healthcare plans. This provides opportunities for new product development and submissions.

There are two types of immune globulins, standard and hyperimmune. The difference between standard immune globulins and hyperimmune globulins is that the latter are manufactured using plasma obtained from donors who have elevated amounts (high titers) of specific antibodies. These high-titer products can be used to treat and prevent diseases that present those specific antigens that are reactive with the high-titer antibodies. Hyperimmune products currently available include hepatitis B, tetanus, rabies cytomegalovirus and Rhod immune globulins.

In 2011, the worldwide market for plasma-derived therapeutic drug products was approximately \$15 billion and the United States market for all plasma-derived products was approximately \$5 billion. IGIV products accounted for approximately \$3.5 billion of sales in the United States in 2011. IGIV products are used to treat primary immune deficiencies, certain autoimmune diseases, and other illnesses for immune-compromised patients and certain neuropathy indications. New research and data, additional labeled indications, an aging population and emerging countries with new markets are all adding to the worldwide growth of IGIV utilization.

RI-002, Our Lead Product Candidate

General

RI-002 is a plasma-derived, polyclonal IGIV, with standardized high levels of antibodies against RSV. RI-002 is initially being developed as a treatment for patients with PIDD. By using our proprietary assay, we are able to identify plasma donors with elevated amounts of RSV antibodies, measure these donors' plasma RSV levels and formulate RI-002 with standardized high levels of RSV antibodies. In addition, by using our assay within manufacturing, we are able to demonstrate consistent lot-to-lot RSV antibody titer potency. To our knowledge, there is no other IGIV product on the market that contains standardized high levels of RSV antibodies and that is produced with reported consistent lot-to-lot potency. We believe these characteristics will differentiate RI-002 from currently marketed IGIV products.

Results of Phase II Clinical and Compassionate Use Experience

We conducted a randomized, double-blind, placebo-controlled Phase II clinical trial to evaluate RI-001, RI-002's predecessor product candidate, in immune-compromised, RSV-infected patients. This trial was conducted with 21 patients in the United States, Canada, Australia, and New Zealand. The Phase II dose ranging trial demonstrated a statistically significant improvement in the change from baseline RSV titers to Day 18 in the high dose and low dose treatment groups when compared with placebo ($p=0.0043$ and $p=0.0268$, respectively). The mean fold increase for high dose was 9.24 (95% CI 4.07, 21.02) and the observed mean fold increase for low dose was 4.85 (95% CI 2.22, 10.59). The mean fold change for placebo treated patients was 1.42 (95% CI 0.64, 3.17). In addition, more patients in the high dose (85.7%) and low dose (42.9%) groups experienced greater than a 4-fold increase from baseline to Day 18 in RSV titer levels compared to placebo (0%). There were no serious drug-related adverse events reported during the trial.

From April 2009 through February 2011, RI-001 was also administered to 15 compassionate use patients where physicians requested access to the product for treating their patients with documented lower respiratory tract RSV infections. Serum samples were obtained from 13 patients. Samples showed that patients had a four-fold or greater rise in RSV antibody titers from baseline. Serum samples were not obtained from two patients that received Palivizumab. The drug was well-tolerated in these 15 patients and there were no reports of serious adverse events attributable to RI-001.

Data from our Phase II trial, compassionate use experience and testing of RI-002 in the cotton rat RSV animal model will be presented as an abstract and oral presentation at the upcoming 2013 RSV Vaccines for the World Conference to be held October 14, 2013. The abstract is titled: "Polyclonal human IVIG with standardized high-levels of RSV neutralizing antibodies: A summary of animal and human studies."

Phase III Clinical Trial

We have completed patient enrollment in our pivotal Phase III clinical trial of RI-002 as a treatment for PIDD in accordance with FDA Guidance for Industry. Our pivotal Phase III clinical study is a single arm, open label study in which patients will be treated approximately once per month for 12 months of treatment plus up to 90 days for safety monitoring and follow up. We intend to treat an aggregate of between 60 and 70 patients in approximately 12 treatment centers in the United States. Dosage will vary by patient and may range from 300mg/kg to 800mg/kg, based on the patient's current IGIV dose, every 21 to 28 days. The pivotal Phase III study's primary endpoint is the occurrence of less than a single serious infection per person over 12 months and the secondary endpoint will be safety. We will also include other data collection points, including anti-RSV antibody levels and antibody levels for other agents as well.

Manufacturing and Supply

In order to produce plasma-derived therapeutics that can be administered to patients, raw material plasma is collected from healthy donors at plasma collection facilities licensed by the FDA. ADMA BioCenters, an FDA-licensed, GHA-certified source plasma collection facility, is our wholly-owned subsidiary and provides us with a portion of our plasma requirements. By using our proprietary assay, we can identify plasma donors with elevated amounts of RSV antibodies and formulate RI-002 with an appropriate RSV titer level to ensure the final product is standardized to contain high levels of RSV antibodies. Once source plasma has been collected, it is then fractionated and purified into specialized therapies, which are used by patients who require them. We have agreements with independent third parties for the sourcing of blood plasma and for the fractionation and purification stages of manufacturing. The contracts are with well-regarded facilities that are fully licensed to manufacture biologics. We are dependent upon our third party suppliers for the manufacture of RI-002. Our principal supplier of source plasma is Biotest AG and their United States subsidiary, Biotest Pharmaceuticals, Inc., together referred to as Biotest.

On December 31, 2012, we entered into a Manufacturing, Supply and License Agreement with Biotest, which replaces a prior agreement that expired on December 31, 2012. Under the agreement, we agreed to purchase exclusively from Biotest our worldwide requirements of RSV immune globulin manufactured from human plasma containing RSV antibodies. The term of the agreement is for a period of ten years from January 1, 2013, renewable for two additional five year periods at the agreement of both parties. We are obligated under this agreement to purchase a minimum of at least one lot of product during each calendar year after the finished product is approved by the FDA. This number is subject to increase at our option. As consideration for Biotest's obligations under the agreement, we are obligated to pay a dollar amount per lot of RSV immune globulin manufactured from human plasma containing RSV antibodies, as well as a percentage royalty on the sales thereof and of RI-002, up to a specified cumulative maximum. The agreement may be terminated by either party (a) by reason of a material breach if the breaching party fails to remedy the breach within 120 days after receiving notice of the breach from the other party, (b) upon bankruptcy, insolvency, dissolution, or winding up of the other party, or (c) if the other party is unable to fulfill its obligations under the agreement for 120 consecutive days or more as a result of (a) or (b) above.

Pursuant to the terms of a Plasma Purchase Agreement with Biotest, we have agreed to purchase from Biotest an annual minimum volume of source plasma containing antibodies to RSV to be used in the manufacture of RI-002. This volume will increase at the earlier of our receipt of a BLA from the FDA, or March 31, 2016. We must purchase a to-be-determined and agreed upon annual minimum volume from Biotest but may also collect high-titer RSV plasma from up to five wholly-owned ADMA BioCenters. Unless terminated earlier, the agreement expires in November 2021, after which it may be renewed for two additional five-year periods if agreed to by the parties. Either party may terminate the agreement if the other party fails to remedy any material default in the performance of any material condition or obligation under the agreement following notice. Either party may also terminate the agreement, after providing written notice, if a proceeding under any bankruptcy, reorganization, arrangement of debts, insolvency or receivership law is filed by or against the other party, and is not dismissed or stayed, or a receiver or trustee is appointed for all or a substantial portion of the assets of the other party, or the other party makes an assignment for the benefit of its creditors or becomes insolvent. We may also terminate the agreement upon written notice if the clinical development of our product candidate is halted or terminated, whether by the FDA, a Data Safety Monitoring Board, or any other regulatory authority. Upon termination of the agreement, we must pay for any source plasma already delivered to us and for any source plasma collected under the terms of the agreement.

On June 22, 2012, we entered into a Plasma Supply Agreement with Biotest for the purchase of normal source plasma from our ADMA BioCenters facility to be used in Biotest's manufacturing. This agreement was amended on February 25, 2014. After the initial term, the agreement may be renewed on an annual basis upon the mutual consent of the parties. In addition to any other remedy it may have, either party has the right to terminate the agreement if the other party fails to remedy any material default in the performance of a material condition or obligation under the agreement following written notice. In addition, upon giving the appropriate written notice, either party may terminate the agreement upon the occurrence of any of the following events: a proceeding under bankruptcy, reorganization, agreement of debts, insolvency or receivership law is filed by or against the other party, and is not dismissed or stayed, or a receiver or trustee is appointed for all or a substantial portion of the assets of the other party, or the other party makes an assignment for the benefit of its creditors or becomes insolvent. Neither party can assign the agreement or any of its right or obligations there under without the express written consent of the other party. However, with notice to the other party, either party without the other party's consent may assign the agreement to (i) its affiliate, or (ii) a successor to all or substantially all of the assets relating to the business of that party which is involved in the fulfillment of its obligations under the agreement. Under the agreement, once Biotest applies to the German Health Authority, we must use our best effort to take necessary steps as soon as possible to become compliant with such authority's regulations and receive its certification.

On June 7, 2012, we entered into a Testing Services Agreement with Quest Diagnostics Clinical Laboratories, Inc., or Quest, in which Quest agreed to provide biomarker testing and related support services for protocol screening and recertification which are exclusive to us. If either party believes the other party is in material breach of any of their obligations under the agreement, the non-breaching party has the right to terminate the agreement by providing the breaching party with written notice specifying the material breach(es) and indicating clearly its intention to terminate the agreement. If the breaching party cures such breach, the non-breaching party's notice is void. In addition, either party can terminate the agreement without cause upon written notice. All data, test results, studies and other information generated by Quest in performing services under the agreement will be our sole property. Neither party can assign the agreement or any of its right or obligations under the agreement without the express written consent of the other party, except under specified circumstances. Quest agrees and acknowledges that the Company paid for the development and validation of the testing assay and as such, the assay is the sole property of ADMA and shall only be utilized for our benefit.

Marketing and Sales

We intend to market and sell our product through a small specialty sales force, distribution relationships and other customary industry methods. We will focus our efforts specifically on the easily identifiable treatment centers which specialize in the care and management of immune compromised individuals. We estimate that there are approximately 500 leading specialty programs in the United States which have significant patient populations for PIDD, suitable for treatment with RI-002. We plan to hire our own specialty sales force which will consist of account managers, medical science liaisons and other normal and customary scientific, medical and detail representatives. Our management and board of directors has substantial prior direct marketing, sales and distribution experience with plasma derived drugs, specialty immune globulins and other biological products. We anticipate staffing the company with additional personnel for patient support, medical affairs, quality assurance, regulatory affairs, scientific affairs, reimbursement, supply chain and logistics, human resources and financial and other operational management positions. As is normal and customary in the plasma products industry, we may also use a network of national distribution organizations that have specialty divisions that focus on plasma products to fulfill orders for RI-002.

In a license agreement effective December 31, 2012, we granted Biotest an exclusive license to market and sell RSV antibody-enriched IGIV in Europe and in selected countries in North Africa and the Middle East, collectively referred to as the Territory, to have access to our testing services for testing of Biotest's plasma samples using our proprietary RSV assay, and to reference (but not access) our proprietary information for the purpose of Biotest seeking regulatory approval for the RSV antibody-enriched IGIV in the Territory. As consideration for the license, Biotest agreed to provide us with certain services at no charge and also compensate us with cash payments upon the completion of certain milestones. Biotest is also obligated to pay us an adjustable royalty based on a percentage of revenues from the sale of RSV antibody-enriched IGIV in the Territory for 20 years from the date of first commercial sale. Additionally, Biotest has agreed to grant us an exclusive license for marketing and sales in the United States and Canada for Biotest's Varicella Zoster Immune Globulin, or VZIG, the terms of which we expect to finalize by the end of the first half of 2014.

Competition

Although blood plasma and its derivative proteins are not subject to patent protection, the FDA recognizes each immunoglobulin product as unique and generally requires a separate IND, clinical trial and BLA for each as a condition to approval. Regardless of whether competitors are able to develop an assay that can achieve our level of consistency and reproducibility in providing RSV antibody titer data, we believe they would still be required to validate and qualify such an assay as well as conduct clinical trials and undergo an FDA review prior to marketing an immune globulin product. The plasma products industry is highly competitive. We face, and will continue to face, intense competition from both United States-based and foreign producers of plasma products, some of which have lower cost structures, greater access to capital, direct ownership of manufacturing facilities, greater resources for research and development, and sophisticated marketing capabilities.

These competitors may include Baxter HealthCare Corporation, CSL Behring, Grifols Biologicals, Octapharma and Biotest. In addition to competition from other large worldwide plasma products providers, we face competition in local areas from smaller entities. In Europe, where the industry is highly regulated and health care systems vary from country to country, local companies may have greater knowledge of local health care systems, more established infrastructures and have existing regulatory approvals or a better understanding of the local regulatory process, allowing them to market their products more quickly. Moreover, plasma therapy generally faces competition from non-plasma products and other courses of treatments. For example, recombinant Factor VIII products compete with plasma-derived products in the treatment of Hemophilia A.

Intellectual Property

We rely on a combination of trade secrets and nondisclosure and non-competition agreements to protect our proprietary intellectual property and will continue to do so. We do not own any issued patents. We also seek to enhance and ensure our competitive position through a variety of means including our unique and proprietary plasma donor selection criteria, our proprietary formulation methodology for plasma pooling, and the proprietary reagents, controls, testing standards, standard operating procedures and methods we use in our anti-RSV microneutralization assay. While we intend to defend against any threats to our intellectual property, there can be no assurance that our trade secret policies and practices or other agreements will adequately protect our intellectual property. We seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. These processes, systems, and/or security measures may be breached, and we may not have adequate remedies as a result of any such breaches. Third parties may also own or could obtain patents that may require us to negotiate licenses to conduct our business, and there can be no assurance that the required licenses would be available on reasonable terms or at all.

In addition, our trade secrets may otherwise become known or be independently discovered by competitors. We also seek to protect our proprietary technology and processes, in part, by confidentiality agreements with our employees, consultants, scientific advisors and contractors. Although we rely, in part, on confidentiality, nondisclosure and non-competition agreements with employees, consultants and other parties with access to our proprietary information to protect our trade secrets, proprietary technology, processes and other proprietary rights, there can be no assurance that these agreements or any other security measures relating to such trade secrets, proprietary technology, processes and proprietary rights will be adequate, will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. We have two pending provisional patent applications filed with the United States relating to expanded hyperimmune globulin products.

Government Regulation and Product Approval

The FDA and comparable regulatory agencies in state and local jurisdictions and in foreign countries impose substantial requirements upon the testing (preclinical and clinical), manufacturing, labeling, storage, recordkeeping, advertising, promotion, import, export, marketing and distribution, among other things, of products and product candidates. If we do not comply with applicable requirements, we may be fined, the government may refuse to approve our marketing applications or allow us to manufacture or market our products, and we may be criminally prosecuted. We and our manufacturers may also be subject to regulations under other federal, state, and local laws.

United States Government Regulation

In the United States, the FDA regulates products under the Federal Food, Drug, and Cosmetic Act, or FDCA, and related regulations. The process required by the FDA before our product candidates may be marketed in the United States generally involves the following (although the FDA is given wide discretion to impose different or more stringent requirements on a case-by-case basis):

1. completion of extensive preclinical laboratory tests, preclinical animal studies and formulation studies performed in accordance with the FDA's good laboratory practice regulations and other regulations;
2. submission to the FDA of an Investigational New Drug, or IND, application which must become effective before clinical trials may begin;
3. performance of adequate and well-controlled clinical trials meeting FDA requirements to establish the safety and efficacy of the product candidate for each proposed indication;
4. manufacturing (through an FDA-licensed contract manufacturing organization) of product in accordance with current Good Manufacturing Practices, or cGMP, to be used in the clinical trials and providing manufacturing information need in regulatory filings;
5. submission of a BLA to the FDA;
6. satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities at which the product candidate is produced, and potentially other involved facilities as well, to assess compliance with cGMP regulations and other applicable regulations; and
7. the FDA review and approval of the BLA prior to any commercial marketing, sale or shipment of the product.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all. See "Risk Factors."

We submit manufacturing and analytical data, among other information, to the FDA as part of an IND application. Subject to certain exceptions, an IND becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, issues a clinical hold to delay a proposed clinical investigation due to concerns or questions about the product or the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Our submission of an IND, or those of our collaboration partners, may not result in the FDA allowance to commence a clinical trial. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development. The FDA must also approve certain changes to an existing IND, such as certain manufacturing changes. Further, an independent institutional review board, or IRB, duly constituted to meet FDA requirements, for each medical center proposing to conduct the clinical trial must review and approve the plan for any clinical trial before it commences at that center and it must monitor the safety of the study and study subjects until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive Good Clinical Practice, or GCP, requirements and regulations for informed consent.

Clinical Trials

For purposes of BLA submission and approval, clinical trials are typically conducted in the following three sequential phases, which may overlap (although additional or different trials may be required by the FDA as well):

1. Phase I clinical trials are initially conducted in a limited population to test the product candidate for safety, dose tolerance, absorption, metabolism, distribution and excretion in healthy humans or, on occasion, in patients, such as cancer patients.
2. Phase II clinical trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, to determine the efficacy of the product candidate for specific targeted indications and to determine tolerance and optimal dosage. Multiple Phase II clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more expensive Phase III clinical trials.
3. Certain Phase III clinical trials are referred to as pivotal trials. When Phase II clinical trials demonstrate that a dose range of the product candidate is effective and has an acceptable safety profile, Phase III clinical trials are undertaken in large patient populations to provide substantial evidence of reproducibility of clinical efficacy results and to further test for safety in an expanded and diverse patient population at multiple, geographically dispersed clinical trial sites.

A BLA must contain data to assess the safety and effectiveness of the product candidate for the claimed indications in all relevant pediatric subpopulations. The FDA may grant deferrals for submission of data or full or partial waivers. In some cases, the FDA may condition continued approval of a BLA on the sponsor's agreement to conduct additional clinical trials, or other commitments. Such post-approval studies are typically referred to as Phase IV studies.

Biological License Application

The results of product candidate development, preclinical testing and clinical trials, together with, among other things, detailed information on the manufacture and composition of the product and proposed labeling, and the payment of a user fee, are submitted to the FDA as part of a BLA. The FDA reviews all BLAs submitted before it accepts them for filing and may reject the filing as inadequate to merit review or may request additional information to be submitted in a very short time frame before accepting a BLA for filing. Once a BLA is accepted for filing, the FDA begins an in-depth review of the application.

During its review of a BLA, the FDA may refer the application to an advisory committee of experts for their review, evaluation and recommendation as to whether the application should be approved, which information is taken into consideration along with FDA's own review findings. The FDA may refuse to approve a BLA and issue a Complete Response Letter, or CRL if the applicable regulatory criteria are not satisfied. In a CRL, it may also require additional clinical or other data, including one or more additional pivotal Phase III clinical trials. Even if such requested data are submitted, the FDA may ultimately decide that the BLA does not satisfy the criteria for approval and issue a denial of the BLA. Data from clinical trials are not always conclusive and the FDA may interpret data differently than we do. If the FDA's evaluations of the BLA and the clinical and manufacturing procedures and facilities are favorable, the FDA may issue an approval letter or a CRL, which contains the conditions that must be met in order to secure final approval of the BLA. If a CRL is issued, if and when those items have been resolved to the FDA's satisfaction, the FDA will issue an approval letter, authorizing commercial marketing of the product for certain indications. The FDA may withdraw product approval if ongoing regulatory requirements are not met or if safety problems occur after the product reaches the market. In addition, the FDA may require testing, including Phase IV clinical trials, and surveillance programs to monitor the effect of approved products that have been commercialized, and the FDA has the power to prevent or limit further marketing of a product based on the results of these post-marketing programs. Products may be marketed only for the FDA-approved indications and in accordance with the FDA-approved label. Further, if there are any modifications to the product, including changes in indications, other labeling changes, or manufacturing processes or facilities, we may be required to submit and obtain FDA approval of a new BLA or BLA supplement, which may require us to develop additional data or conduct additional preclinical studies and clinical trials, and/or require additional manufacturing data.

Satisfaction of the FDA regulations and approval requirements or similar requirements of foreign regulatory agencies typically takes several years, and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease. Typically, if a product candidate is intended to treat a chronic disease, as is the case with RI-002, safety and efficacy data must be gathered over an extended period of time. Government regulation may delay or prevent marketing of product candidates for a considerable period of time and impose costly procedures upon our activities. The FDA or any other regulatory agency may not grant approvals for changes in dose form or new indications for a product candidate on a timely basis, or at all. Even if a product candidate receives regulatory approval, the approval may be significantly limited to specific disease states, patient populations and dosages. Further, even after regulatory approval is obtained, later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Delays in obtaining, or failures to obtain, regulatory approvals for any of our product candidates would harm our business. In addition, we cannot predict what adverse governmental regulations may arise from future United States or foreign governmental action.

Other Regulatory Requirements

Any products manufactured or distributed by us pursuant to future FDA approvals are subject to continuing regulation by the FDA, including certain kinds of monitoring in the manufacturing of our products, recordkeeping requirements and reporting of adverse experiences associated with the product. Product manufacturers and their subcontractors are required to register with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Failure to comply with the statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, sales or use, seizure of product, injunctive action or possible fines and other penalties. We cannot be certain that we or our present or future third-party manufacturers or suppliers will be able to comply with the cGMP regulations and other ongoing FDA regulatory requirements. If we or our present or future third-party manufacturers or suppliers are not able to comply with these requirements, the FDA may halt our clinical trials, require us to recall a product from distribution, or withdraw approval of the BLA for that product.

The FDA closely regulates the post-approval marketing and promotion of products, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the Internet. A company can make only those claims relating to safety and efficacy that are approved by the FDA. Failure to comply with these requirements can result in adverse publicity, warning and/or other regulatory letters, corrective advertising and potential major fines and other penalties.

Regulation of ADMA BioCenters

All blood and blood product collection and manufacturing centers which engage in interstate commerce must be licensed by the FDA. In order to achieve licensure, the organization must submit a BLA and undergo pre-licensure inspection. ADMA BioCenters has completed these requirements and received its FDA license in August 2011. In order to maintain the license, the facilities operated by ADMA BioCenters will be inspected at least every two years. ADMA BioCenters is also required to submit annual reports to the FDA. In order to open our proposed new plasma collection facility, we will be required to seek licensure by the FDA for such facility which may require the expenditure of additional resources, and take an indeterminate period of time.

Blood plasma collection and manufacturing centers are also subject to the Clinical Laboratory Improvement Amendments, or CLIA, state licensure, and compliance with industry standards such as the International Quality Plasma Program, or IQPP. Compliance with state and industry standards is verified by means of routine inspection. We believe that ADMA BioCenters is currently in compliance with state and industry standards. Delays in obtaining, or failures to obtain, regulatory approvals for any facility operated by ADMA BioCenters would harm our business. In addition, we cannot predict what adverse federal and state regulations and industry standards may arise in the future.

Foreign Regulation

In addition to regulations in the United States, if we choose to pursue clinical development and commercialization in the European Union, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of any future product. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

Under European Union regulatory systems, marketing authorizations may be submitted either under a centralized or mutual recognition procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The mutual recognition procedure provides for mutual recognition of national approval decisions. Under this procedure, the holder of a national marketing authorization may submit an application to the remaining member states. Within 90 days of receiving the applications and assessment report, each member state must decide whether to recognize approval, refuse it or request additional information.

Research and Development

ADMA's expenditures on research and development were approximately \$9.3 million and \$3.5 million for the fiscal years ended December 31, 2013 and 2012, respectively.

Employees

ADMA Biologics, Inc., together with its subsidiaries ADMA Plasma Biologics, Inc. and ADMA BioCenters, Inc., has 42 full-time employees, as well as additional full-and part-time consultants and temporary staff. Over the course of the next year, we anticipate hiring additional full-time employees devoted to research and development and general and administrative activities as well as hiring additional staff to the plasma collection center as appropriate. We intend to use clinical research organizations, or CROs, third parties and consultants to perform our clinical studies and manufacturing and other regulatory affairs and quality control services.

Corporate Information

ADMA Biologics, Inc. ("Former ADMA") was incorporated in New Jersey on June 24, 2004 and re-incorporated in Delaware on July 16, 2007. On February 13, 2012, Former ADMA merged (the "Merger") into a Delaware "blank check" company, which had been incorporated in 2006 and which changed its name to ADMA Biologics, Inc. upon completion of the Merger. In connection with, and immediately prior to the closing of the Merger, Former ADMA completed a private placement (the "2012 Financing") of 2,321,723 shares of its common stock at a price per share of \$7.56 to accredited investors. In lieu of repayment of senior secured promissory notes in the aggregate principal amount of \$250,000 (plus \$12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of Former ADMA's common stock.

In connection with the Merger and pursuant to the terms of the related merger agreement, all of the then issued and outstanding shares of Former ADMA's common stock, including the common stock issued in the 2012 Financing and including the shares of Former ADMA's Series A preferred stock, which were converted into common stock immediately prior to and as part of the Merger, were automatically exchanged into 5,843,613 shares of common stock, par value \$0.0001 per share, which we refer to as our "common stock," at a 1:1 exchange ratio; all warrants, options and other rights to purchase or acquire shares of Former ADMA's common stock outstanding immediately prior to the Merger, were converted into warrants, options or other rights, as the case may be, to purchase an aggregate of 486,893 shares of our common stock at the same exercise prices.

Immediately prior to the Merger and the transactions described above, (i) 3,386,454 shares of Series A preferred stock of Former ADMA were converted into 14,279,559 shares of Former ADMA's common stock after giving effect to cumulative anti-dilution adjustments and accrued dividends, and 4,835,224 shares of Former ADMA's Series A preferred stock issued in December 2011 upon the conversion of convertible notes were converted into an equal number of shares of Former ADMA's common stock and (ii) the shares of Former ADMA's common stock were reverse split at a ratio of 1-for-6.8 (the "Reverse Split"). The consolidated financial statements were adjusted to give retroactive effect to the Reverse Split.

For accounting purposes, the Merger was accounted for as a reverse acquisition, with Former ADMA as the accounting acquirer (legal acquiree) and now ADMA Biologics, Inc. as the accounting acquiree (legal acquirer), effectively a recapitalization of Former ADMA.

Our executive offices are located at 465 State Route 17, Ramsey, New Jersey. Our telephone number is (201) 478-5552.

The Company maintains a website at www.admabiologics.com; however, the information on, or that can be accessed through, our website is not part of this Annual Report on Form 10-K. This Annual Report on Form 10-K and all of the Company's filings under the Exchange Act, including copies of annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, are available free of charge through our website on the date we file those materials with, or furnish them to, the Securities and Exchange Commission (the "SEC"). Such filings are also available to the public on the internet at the SEC's website at www.sec.gov. The public may also read and copy any document that we file at the SEC's Public Reference Room located at 100 F Street, NE, Washington, DC 20549 on official business days during the hours of 10 a.m. to 3 p.m. For further information on the Public Reference Room, the public is instructed to call the SEC at 1-800-SEC-0330.

Legal Proceedings

We are not a party to any material pending legal proceedings.

Item 1A. Risk Factors

There are numerous and varied risks that may prevent us from achieving our goals. We believe that the following are the material risks that we face. If any of the following risks actually occurs, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

Risks Relating to our Business

We have only one product candidate in Phase III clinical development. If we are unable to successfully develop and commercialize this product candidate or experience significant delays in doing so, our business will be materially harmed.

RI-002 is our only product candidate currently in clinical development. We have completed patient enrollment in our pivotal Phase III clinical trial for RI-002. The success of RI-002 and any of our other product candidates will depend on several factors. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which would materially harm our business.

We currently generate no revenue from the sale of any products and we may never be able to develop a marketable product. We have invested substantially all of our efforts and financial resources in the development of our human blood plasma platform, the identification of potential product candidates using that platform and the development of our product candidates. Other than with respect to RI-002, our ability to generate revenue from our other product candidates, which we do not expect will occur for many years, if ever, will depend heavily on their successful development and eventual commercialization. The success of those product candidates will depend on several factors, including:

- successful completion of preclinical studies and clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- making arrangements with third-party manufacturers for, or establishing, commercial manufacturing capabilities;
- launching commercial sales of the products, if and when approved, whether alone or in collaboration with others;
- acceptance of the products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement;
- protecting our rights in our intellectual property portfolio; and
- maintaining a continued acceptable safety profile of the drugs following approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business.

To date, we have generated limited product revenues and will need to raise additional capital to operate our business, which may not be available on favorable terms, if at all.

To date, we have generated limited revenues. Nearly, all of our revenues to date have been derived from the sale of plasma collected by ADMA BioCenters, as well as our other plasma inventory sales. Unless and until we receive approval from the FDA and other regulatory authorities for our RI-002 product candidate, we will be unable to sell and generate revenues from that product. Therefore, for the foreseeable future, we will have to fund all of our operations and capital expenditures from the revenues that may be generated by the sale of plasma collected by ADMA BioCenters, as well as cash on hand and potential future capital raises. While ADMA BioCenters is committed to maintain compliance with all applicable regulations, we cannot assure you that we will be able to retain the FDA-license and GHA certification for our plasma collection center, which we need in order to sell plasma collected by ADMA BioCenters.

Our long term liquidity will be dependent upon on our ability to raise additional capital, to fund our research and development and commercial programs and meet our obligations on a timely basis. If we are unable to successfully raise sufficient additional capital, we will likely not have sufficient cash flow and liquidity to fund our business operations, forcing us to curtail our activities and, ultimately, potentially cease operations. Even if we are able to raise additional capital, such financings may only be available on unattractive terms, resulting in significant dilution of stockholders' interests and, in such event, the value and potential future market price of our common stock may decline.

We anticipate that, based upon our projected revenue and expenditures, our current cash and cash equivalents, short term investments, along with the available funds from Hercules Technology Growth Capital, or HTGC, under an existing Loan and Security Agreement, will be sufficient to fund our operations into 2016. If our assumptions underlying our estimated expenses prove to be wrong, we may have to raise additional capital sooner than anticipated, and we currently do not have arrangements to obtain additional financing. Any such financing could be difficult to obtain or only available on unattractive terms and could result in significant dilution of stockholders' interests. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our business plan and financial performance and could delay, discontinue or prevent product development and clinical trial activities or the approval of any of our potential products. In addition, we could be forced to reduce or forego sales and marketing efforts and forego attractive business opportunities.

We are not currently profitable and may never become profitable.

We have a history of losses and expect to incur substantial losses and negative operating cash flow for the foreseeable future, and we may never achieve or maintain profitability. For the years ended December 31, 2013 and December 31, 2012, we had net losses of \$15.5 million and \$7.3 million respectively, and from our inception in 2004 through December 31, 2013, we have incurred a net loss of \$52.6 million. Even if we succeed in developing and commercializing one or more product candidates, we expect to incur substantial losses for the foreseeable future and may never become profitable. We also expect to continue to incur significant operating and capital expenditures and anticipate that our expenses will increase substantially in the foreseeable future as we:

- continue the development and clinical trials for RI-002;
- seek regulatory approval(s);
- implement additional internal systems, controls and infrastructure;
- hire additional personnel; and
- expansion and build out of our plasma center network.

We also expect to experience negative cash flow for the foreseeable future as we fund our operating losses and capital expenditures. As a result, we will need to generate significant revenues in order to achieve and maintain profitability. We may not be able to generate these revenues or achieve profitability in the future. Our failure to achieve or maintain profitability could negatively impact the value of our securities.

We have a limited operating history upon which to base an investment decision.

We have not demonstrated an ability to perform the functions necessary for the successful commercialization of RI-002. The successful development and commercialization of any product candidate will require us or our collaborators to perform a variety of functions, including:

- undertaking product development and clinical trials;
- participating in regulatory approval processes;
- formulating and manufacturing products; and
- conducting sales and marketing activities once authorized.

Our operations thus far provide a limited basis for you to assess our ability to commercialize our product candidates and the advisability of investing in our securities.

Our current product candidate, RI-002, requires extensive additional clinical testing. Clinical trials are very expensive, time-consuming and difficult to design and implement. If we are unsuccessful in obtaining regulatory approval for RI-002 or any of our product candidates don't provide positive results, we may be required to delay or abandon development of such product, which would have a material adverse impact on our business.

Continuing product development requires additional and extensive clinical testing. Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The clinical trial process is also time consuming. We cannot provide any assurance or certainty regarding when we might complete the clinical trial process or submit a Biological License Application, or BLA, for regulatory approval for RI-002 or whether any such BLA will be accepted or approved. We estimate that clinical trials and the regulatory approval process of our product candidate will take between 12 to 18 months to several years to complete. Furthermore, failure can occur at any stage of the trials, and we could encounter problems that cause us to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including:

- unforeseen safety issues;
- determination of dosing issues;
- lack of effectiveness during clinical trials;
- slower than expected rates of patient recruitment;
- inability to monitor patients adequately during or after treatment; and
- inability or unwillingness of medical investigators to follow our clinical protocols.

In addition, we or the FDA or an Institutional Review Board, or IRB, may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks or if the FDA finds deficiencies in our Investigational New Drug Application, or IND, submissions or the conduct of these trials. Therefore, we cannot provide any assurance or predict with certainty the schedule for future clinical trials. In the event we do not ultimately receive regulatory approval for RI-002, we may be required to terminate development of our only product candidate. Unless we acquire or develop other product candidates that are saleable, our business will be limited to plasma collection and sales.

If the results of our clinical trials do not support our product candidate claims, completing the development of such product candidate may be significantly delayed or we may be forced to abandon development of such product candidate altogether.

Even if our clinical trials are completed as planned, we cannot be certain that their results will support our product candidate claims. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the results of later clinical trials will replicate the results of prior clinical trials and preclinical testing. The clinical trial process may fail to demonstrate that our product candidates are safe for humans and effective for indicated uses. This failure would cause us to abandon a product candidate and may delay development of other product candidates. Any delay in, or termination of, our clinical trials will delay the filing of a BLA with the FDA and, ultimately, our ability to commercialize our product candidates and generate product revenues. In addition, our clinical trials involve a relatively small patient population. Because of the small sample size, the results of these clinical trials may not be indicative of future results. In addition, certain portions of the clinical trial for RI-002 were performed outside of the United States, and therefore, may not have been performed in accordance with standards normally required by the FDA and other regulatory agencies.

Currently, our only viable product candidate is RI-002. If we do not obtain the necessary U.S. or worldwide regulatory approvals to commercialize RI-002, or any other product candidate, we will not be able to sell RI-002.

At the present time, our entire focus is obtaining regulatory approval for RI-002, our only product candidate. If we cannot obtain regulatory approval for RI-002, our only source of revenue will be plasma collection and sales. We cannot assure you that we will receive the approvals necessary to commercialize RI-002 or any other product candidate we may acquire or develop in the future. In order to obtain FDA approval of RI-002 or any other product candidate requiring FDA approval, our clinical development must demonstrate that the product candidate is safe for humans and effective for its intended use, and we must submit a BLA. To attain required FDA approval of any other product candidate generally requires significant research and testing, referred to as preclinical studies, as well as human tests, referred to as clinical trials. Satisfaction of the FDA's regulatory requirements typically takes many years, depends upon the type, complexity and novelty of the product candidate and requires substantial resources for research, development and testing. We cannot predict whether our research and clinical approaches will result in products that the FDA considers safe for humans and effective for indicated uses. The FDA has substantial discretion in the product approval process and may require us to conduct additional preclinical and clinical testing or to perform post-marketing studies. The approval process may also be delayed by changes in government regulation, future legislation or administrative action or changes in FDA policy that occur prior to or during our regulatory review. Delays in obtaining regulatory approvals may:

- delay commercialization of, and our ability to derive product revenues from, our product candidate;
- impose costly procedures on us; and
- diminish any competitive advantages that we may otherwise enjoy.

Even if we comply with all FDA requests, the FDA may ultimately reject our BLA. We may never obtain regulatory approval for RI-002 or any other potential product candidate. Failure to obtain FDA approval of any of our product candidates will severely undermine our business by leaving us without a saleable product beyond the plasma collected by ADMA BioCenters, and therefore without any source of additional revenues if and until another product candidate can be developed and commercialized. There is no guarantee that we will ever be able to develop or acquire another product candidate. In foreign jurisdictions, we must receive approval from the appropriate regulatory authorities before we can commercialize any products. Foreign regulatory approval processes generally include all of the risks associated with the FDA approval procedures described above. We cannot assure you that we will receive the approvals necessary to commercialize any product candidate for sale outside the United States.

We depend on third-party researchers and developers to develop RI-002, and such parties are, to some extent, outside of our control.

We depend on independent investigators and collaborators, such as universities and medical institutions, to conduct our preclinical and clinical trials under agreements with us. These collaborators are not our employees and we cannot control the amount or timing of resources that they devote to our programs. These investigators may not assign as great a priority to our programs or pursue them as diligently as we would if we were undertaking such programs ourselves. If outside collaborators fail to devote sufficient time and resources to our product-development programs, or if their performance is substandard, the approval of our FDA application(s), if any, and our introduction of new products, if any, will be delayed. These collaborators may also have relationships with other commercial entities, some of whom may compete with us. If our collaborators assist our competitors at our expense, our competitive position would be harmed.

A single customer accounts for substantially all of our revenues and, therefore, the loss of such customer could have a material adverse effect on our business, results of operations and financial condition.

Substantially all of our revenues are attributed to a single customer, Biotest. Our relationship with Biotest is an arm's length commercial relationship. The loss of Biotest as a customer or a material change in the revenue generated by Biotest could have a material adverse effect on our business, results of operations and financial condition. Factors that could influence our relationships with our customers include, among other things:

- our ability to sell our products at prices that are competitive with our competitors;
- our ability to maintain features and quality standards for our products sufficient to meet the expectations of our customers; and
- our ability to produce and deliver a sufficient quantity of our products in a timely manner to meet our customers' requirements.

Additionally, an adverse change in the financial condition of Biotest could have a material adverse effect on our business and results of operations.

Relying exclusively on third parties to manufacture our product candidates exposes us to risks that may delay testing, development, regulatory approval and commercialization of our product candidates.

We have limited experience in manufacturing operations and do not intend to establish our own manufacturing facilities. We lack the resources to manufacture RI-002. Although we have agreements pertaining to the manufacture, supply, storage and distribution of product supplies of RI-002, upon commercialization, it is possible that our manufacturing requirements may exceed the available supply allotments under our existing agreements. We will rely on one or more third-party contractors to manufacture our products. Our anticipated future reliance on a limited number of third-party manufacturers exposes us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the FDA must approve any replacement contractor. This approval would require new testing and compliance inspections. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our products after receipt of FDA approval, if any;
- third-party manufacturers might be unable to manufacture our products in the volume and of the quality required to meet our clinical and commercial needs, if any;
- contract manufacturers may not perform as agreed or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our products;
- product manufacturers are subject to ongoing periodic unannounced inspection by the FDA, the Drug Enforcement Administration, and corresponding state agencies to ensure strict compliance with good manufacturing practice and other government regulations and corresponding foreign standards. We do not have control over third-party manufacturers' compliance with these regulations and standards; and
- if any third-party manufacturer makes improvements in the manufacturing process for our products, we may not own, or may have to share, the intellectual property rights to the innovation. We may be required to pay fees or other costs for access to such improvements.

Each of these risks could delay our clinical trials, the approval, if any, of our product candidates by the FDA or the commercialization of our product candidates or result in higher costs or deprive us of potential product revenues.

If physicians and patients do not accept and use our product, our ability to generate revenue from sales will be materially impaired.

Even if the FDA approves RI-002, physicians and patients may not accept and use it. Acceptance and use of our product will depend on a number of factors including:

- perceptions by members of the health care community, including physicians, about the safety and effectiveness of our product;
- cost-effectiveness of our product relative to competing products;
- availability of reimbursement for our product from government or other healthcare payers; and
- effectiveness of marketing and distribution efforts by us and our licensees and distributors, if any.

Because we expect sales of RI-002, if approved, to generate substantially all of our product revenues other than the revenue attainable from the sale of plasma collected by ADMA BioCenters, the failure of this product to find market acceptance would harm our business and could require us to seek additional financing or make such financing difficult to obtain on favorable terms, if at all.

Our long-term success may depend on our ability to supplement our existing RI-002 product candidate through new product development or the in-license or acquisition of other new products, and if our business development efforts are not successful, our ability to achieve profitability may be negatively impacted.

Our current product development portfolio consists primarily of RI-002. We intend to seek to expand our current portfolio through new product development efforts or to in-license or acquire additional products. If we are not successful in developing or acquiring additional products, we will have to depend on our ability to raise capital for, and the successful development and commercialization of, RI-002 and the revenue we may generate from the sale of plasma attributable to the operations of ADMA BioCenters.

Our loan and security agreement with Hercules is subject to acceleration in specified circumstances, which may result in Hercules taking possession and disposing of any collateral.

On December 21, 2012, we entered into a Loan and Security Agreement, or the Loan Agreement, with Hercules Technology Growth Capital, Inc., or Hercules. Under the Loan Agreement we borrowed \$5.0 million. On February 24, 2014 we amended the Loan Agreement whereby Hercules has provided us with an additional \$10.0 million of available funding. Our obligations under the Loan Agreement are secured by a security interest in all of our assets, except for our intellectual property (which is subject to a negative pledge). The Loan Agreement contains customary representations, warranties and covenants, including limitations on acquisitions, dispositions, incurrence of indebtedness and the granting of security interests. Upon the occurrence and during the continuance of any event of default, including upon the occurrence of any event deemed to result in a material adverse event, Hercules may, and at the written request of the requisite lenders shall, terminate the commitments under the facilities and declare any or all of the obligations to be immediately due and payable, without demand or notice to us. However, any event of default relating to timely payment of debts, insolvency, liquidation, bankruptcy or similar events will result in automatic acceleration. Among the remedies available to Hercules in case of an event of default are the taking possession and disposition of any collateral under the Loan Agreement.

Developments by competitors may render our products or technologies obsolete or non-competitive.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Should we obtain regulatory approval for RI-002 or any future product we may develop, we will have to compete with existing therapies. In addition, other companies may pursue the development of pharmaceuticals that target the same diseases and conditions that we are targeting. We face competition from pharmaceutical and biotechnology companies in the United States and abroad. In addition, companies pursuing different but related fields represent substantial competition. Many of these organizations competing with us have substantially greater capital resources, larger research and development staffs and facilities, longer product development history in obtaining regulatory approvals and greater manufacturing and marketing capabilities than we do. These organizations also compete with us to attract qualified personnel and parties for acquisitions, joint ventures or other collaborations.

We do not own any issued patents and we do not have any patent applications currently pending relating to our primary product candidate. If we are unable to protect our trade secrets or other proprietary rights, our competitiveness and business prospects may be materially damaged.

We do not own any issued patents and we do not have any patent applications currently pending relating to our primary product candidate. Rather, we rely exclusively on a combination of trade secrets and nondisclosure and non-competition agreements to protect our proprietary intellectual property, and we will continue to do so. There can be no assurance that our trade secret policies and practices or other agreements will adequately protect our intellectual property. The processes, systems, and/or security measures we use to preserve the integrity and confidentiality of our data and trade secrets may be breached, and we may not have adequate remedies as a result of any such breaches. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. There can be no assurance that the confidentiality, nondisclosure and non-competition agreements with employees, consultants and other parties with access to our proprietary information to protect our trade secrets, proprietary technology, processes and other proprietary rights, or any other security measures relating to such trade secrets, proprietary technology, processes and proprietary rights, will be adequate, will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and there can be no assurance that the required licenses would be available on reasonable terms or at all.

We may not be able to operate our business without infringing third-party patents. Numerous U.S. and foreign patents and pending patent applications owned by third parties exist in fields that relate to the development and commercialization of immune globulins. In addition, many companies have employed intellectual property litigation as a way to gain a competitive advantage. It is possible that infringement claims may occur as the number of products and competitors in our market increases. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a greater risk of being the subject of intellectual property infringement claims. We cannot be certain that the conduct of our business does not and will not infringe intellectual property or other proprietary rights of others in the United States and in foreign jurisdictions. If our products, methods, processes and other technologies are found to infringe third party patent rights, we could be prohibited from manufacturing and commercializing the infringing technology, process or product unless we obtain a license under the applicable third party patent and pay royalties or are able to design around such patent. We may be unable to obtain a license on terms acceptable to us, or at all, and we may not be able to redesign our products or processes to avoid infringement. Even if we are able to redesign our products or processes to avoid an infringement claim, our efforts to design around the patent could require significant time, effort and expense and ultimately may lead to an inferior or more costly product and/or process. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business. Furthermore, if any such claim is successful, a court could order us to pay substantial damages, including compensatory damages for any infringement, plus prejudgment interest and could, in certain circumstances, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition and operating results. A court also could enter orders that temporarily, preliminarily or permanently prohibit us, our licensees, if any, and our customers from making, using, selling, offering to sell or importing one or more of our products or practicing our proprietary technologies or processes, or could enter an order mandating that we undertake certain remedial activities. Any of these events could seriously harm our business, operating results and financial condition.

Continued instability in the credit and financial markets may negatively impact our business, results of operations, and financial condition.

Financial markets in the United States, Canada, Europe and Asia continue to experience disruption, including, among other things, significant volatility in security prices, declining valuations of certain investments, as well as severely diminished liquidity and credit availability. Business activity across a wide range of industries and regions continues to be greatly reduced and local governments and many businesses are still suffering from the lack of consumer spending and the lack of liquidity in the credit markets. As a clinical-stage biotechnology company, we rely on third parties for several important aspects of our business, including contract manufacturing of drug product, plasma collection supplies, transportation and storage of plasma, and conduct of our clinical trials. These third parties may be unable to satisfy their commitments to us due to tightening of global credit from time to time, which would adversely affect our business. The continued instability in the credit and financial market conditions may also negatively impact our ability to access capital and credit markets and our ability to manage our cash balance. While we are unable to predict the continued duration and severity of the adverse conditions in the United States and other countries, any of the circumstances mentioned above could adversely affect our business, financial condition, operating results and cash flow or cash position.

If we are unable to successfully manage our growth, our business may be harmed.

Our success will depend on the expansion of our operations and the effective management of our growth, which will place a significant strain on our management and on our administrative, operational and financial resources. To manage this growth, we must expand our facilities, augment our operational, financial and management systems and hire and train additional qualified personnel. If we are unable to manage our growth effectively, our business could be harmed.

The loss of one or more key members of our management team could adversely affect our business.

Our performance is substantially dependent on the continued service and performance of our management team, who have extensive experience and specialized expertise in our business. In particular, the loss of Adam S. Grossman, our President and CEO, could adversely affect our business and operating results. We do not have "key person" life insurance policies for any members of our management team. We have employment agreements with each of our executive officers, however, the existence of an employment agreement does not guarantee retention of members of our management team and we may not be able to retain those individuals for the duration of or beyond the end of their respective terms.

If we are unable to hire additional qualified personnel, our ability to grow our business may be harmed.

We will need to hire additional qualified personnel with expertise in finance and accounting, clinical research and testing, government regulation, formulation and manufacturing and sales and marketing. In particular, over the next 12 months, we expect to hire up to 8 new employees devoted to medical and scientific affairs, regulatory affairs, quality control, financial services, and general and operational management. We expect that the hiring of such additional personnel will increase our annual expenditures by approximately \$1.5 million or more. We compete for qualified individuals with numerous biopharmaceutical companies, universities and other research institutions. Competition for such individuals is intense, and we cannot assure you that our search for such personnel will be successful. Attracting and retaining qualified personnel will be critical to our success and any failure to do so successfully may have a material adverse effect on us.

We currently collect human blood plasma at a single location and, if we cannot obtain FDA approval for our second location, our ability to collect sufficient human blood plasma will be significantly affected.

We intend to seek FDA approval of our second facility for the collection of human blood plasma. This facility will be subject to FDA inspections and extensive regulation, including compliance with current good manufacturing practices and FDA approval. Failure to comply may result in enforcement action, which may significantly delay or suspend our operations.

The construction and operation of our plasma collection center in Marietta, Georgia may stretch management time and resources and may impact our facility in Norcross, Georgia.

We have commenced construction of our plasma collection center in Marietta, Georgia, which we plan to open in 2014. The development and construction of our new plasma collection center in Marietta, Georgia may divert management resources from our existing plasma collection center in Norcross, Georgia. Management's inability to devote sufficient time and attention to our existing plasma collection center in Norcross, Georgia may delay its construction or opening. Any delay caused by such circumstances could have a negative effect on our business and operations. In addition, although we intend to construct our new plasma collection center in Marietta, Georgia with minimal impact on our existing plasma collection center in Norcross, Georgia, the construction may disrupt the operations of our existing plasma collection center in Norcross, Georgia and it may not be implemented as planned. Therefore, the construction of our new plasma collection center in Marietta, Georgia may adversely impact the business and operations of our existing plasma collection center in Norcross, Georgia.

We may incur substantial liabilities and may be required to limit commercialization of our products in response to product liability lawsuits.

The testing and marketing of medical products entail an inherent risk of product liability. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of pharmaceutical products we develop, alone or with collaborators.

Many of our business practices are subject to scrutiny by regulatory authorities, as well as to lawsuits brought by private citizens under federal and state laws. Failure to comply with applicable law or an adverse decision in lawsuits may result in adverse consequences to us.

The laws governing our conduct in the United States are enforceable by criminal, civil and administrative penalties. Violations of laws such as the Federal Food, Drug, and Cosmetic Act, the False Claims Act and the Anti-Kickback Law and the Public Health Service Act, and any regulations promulgated under their authority, may result in jail sentences, fines or exclusion from federal and state programs, as may be determined by Medicare, Medicaid and the Department of Health and Human Services and other regulatory authorities as well as by the courts. There can be no assurance that our activities will not come under the scrutiny of regulators and other government authorities or that our practices will not be found to violate applicable laws, rules and regulations or prompt lawsuits by private citizen "relators" under federal or state false claims laws.

For example, under the Anti-Kickback Law, and similar state laws and regulations, even common business arrangements, such as discounted terms and volume incentives for customers in a position to recommend or choose products for patients, such as physicians and hospitals, can result in substantial legal penalties, including, among others, exclusion from the Medicare and Medicaid programs, and arrangements with referral sources must be structured with care to comply with applicable requirements. Also, certain business practices, such as consulting fees to healthcare providers, sponsorship of educational or research grants, charitable donations, interactions with healthcare providers that prescribe products for uses not approved by the FDA and financial support for continuing medical education programs, must be conducted within narrowly prescribed and controlled limits to avoid any possibility of wrongfully influencing healthcare providers to prescribe or purchase particular products or as a reward for past prescribing. Under the Patient Protection and Affordable Care Act and the companion Health Care and Education Reconciliation Act, which together are referred to as the healthcare reform law, such payments by pharmaceutical manufacturers to United States healthcare practitioners and academic medical centers must be publicly disclosed. A number of states have similar laws in place. Additional and stricter prohibitions could be implemented by federal and state authorities. Where such practices have been found to be improper incentives to use such products, government investigations and assessments of penalties against manufacturers have resulted in substantial damages and fines. Many manufacturers have been required to enter into consent decrees or orders that prescribe allowable corporate conduct. Failure to satisfy requirements under the Federal Food, Drug, and Cosmetic Act can also result in penalties, as well as requirements to enter into consent decrees or orders that prescribe allowable corporate conduct. In addition, while regulatory authorities generally do not regulate physicians' discretion in their choice of treatments for their patients, they do restrict communications by manufacturers on unapproved uses of approved products or on the potential safety and efficacy of unapproved products in development. Companies in the United States, Canada and the European Union cannot promote approved products for other indications that are not specifically approved by the competent regulatory authorities (e.g., FDA in the United States), nor can companies promote unapproved products. In limited circumstances, companies may disseminate to physicians information regarding unapproved uses of approved products or results of studies involving investigational products. If such activities fail to comply with applicable regulations and guidelines of the various regulatory authorities, we may be subject to warnings from, or enforcement action by, these authorities. Furthermore, if such activities are prohibited, it may harm demand for our products. Promotion of unapproved drugs or devices or unapproved indications for a drug or device is a violation of the Federal Food, Drug, and Cosmetic Act and subjects us to civil and criminal sanctions. Furthermore, sanctions under the Federal False Claims Act have recently been brought against companies accused of promoting off-label uses of drugs, because such promotion induces the use and subsequent claims for reimbursement under Medicare and other federal programs. Similar actions for off-label promotion have been initiated by several states for Medicaid fraud. The healthcare reform law significantly strengthened provisions of the Federal False Claims Act, Medicare and Medicaid Anti-Kickback provisions, and other health care fraud provisions, leading to the possibility of greatly increased qui tam suits by relators for perceived violations. Violations or allegations of violations of the foregoing restrictions could materially and adversely affect our business. We may be required to report detailed pricing information, net of included discounts, rebates and other concessions, to the Centers for Medicare & Medicaid Services, or CMS, for the purpose of calculating national reimbursement levels, certain federal prices and certain federal and state rebate obligations.

We will need to establish systems for collecting and reporting this data accurately to CMS and institute a compliance program to assure that the information collected is complete in all respects. If we report pricing information that is not accurate to the federal government, we could be subject to fines and other sanctions that could adversely affect our business. If we choose to pursue clinical development and commercialization in the European Union or otherwise market and sell our products outside of the United States, we must obtain and maintain regulatory approvals and comply with regulatory requirements in such jurisdictions. The approval procedures vary among countries in complexity and timing. We may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all, which would preclude us from commercializing products in those markets.

In addition, some countries, particularly the countries of the European Union, regulate the pricing of prescription pharmaceuticals. In these countries, pricing discussions with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of their product candidate to other available therapies. Such trials may be time-consuming and expensive, and may not show an advantage in efficacy for our products. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, in either the United States or the European Union, we could be adversely affected. Also, under the United States Foreign Corrupt Practices Act, or FCPA, the United States has increasingly focused on regulating the conduct by United States businesses occurring outside of the United States, generally prohibiting remuneration to foreign officials for the purpose of obtaining or retaining business. To enhance compliance with applicable health care laws, and mitigate potential liability in the event of noncompliance, regulatory authorities, such as the United States Health and Human Services Department Office of Inspector General, or OIG, have recommended the adoption and implementation of a comprehensive health care compliance program that generally contains the elements of an effective compliance and ethics program described in Section 8B2.1 of the United States Sentencing Commission Guidelines Manual. Increasing numbers of United States-based pharmaceutical companies have such programs. In the future, we may need to adopt healthcare compliance and ethics programs that would incorporate the OIG's recommendations, and train our applicable employees in such compliance. Such a program may be expensive and may not assure that we will avoid compliance issues.

Our manufacturing processes are complex and involve biological intermediates that are susceptible to contamination.

Plasma is a raw material that is susceptible to damage and contamination and may contain human pathogens, any of which would render the plasma unsuitable as raw material for further manufacturing. For instance, improper storage of plasma, by us or third-party suppliers, may require us to destroy some of our raw material. If unsuitable plasma is not identified and discarded prior to the release of the plasma to the manufacturing process, it may be necessary to discard intermediate or finished product made from that plasma or to recall any finished product released to the market, resulting in a charge to cost of goods sold. The manufacture of our plasma products is an extremely complex process of fractionation, purification, filling and finishing. Our products can become non-releasable or otherwise fail to meet our stringent specifications or regulatory agencies' specifications through a failure in one or more of these process steps. We may detect instances in which an unreleased product was produced without adherence to our manufacturing procedures or plasma used in our production process was not collected or stored in a compliant manner consistent with our current Good Manufacturing Practices, or cGMP, or other regulations. Such an event of noncompliance would likely result in our determination that the implicated products should not be released and therefore should be destroyed. Once manufactured, our plasma-derived products must be handled carefully and kept at appropriate temperatures. Our failure, or the failure of third parties that supply, ship or distribute our products, to properly care for our products may require that those products be destroyed. Even if handled properly, biologics may form or contain particulates or have other issues or problems after storage which may require products to be destroyed or recalled. While we expect to write off small amounts of work-in-progress in the ordinary course of business due to the complex nature of plasma, our processes and our products, unanticipated events may lead to write-offs and other costs materially in excess of our expectations and the reserves we have established for these purposes. Such write-offs and other costs could cause material fluctuations in our profitability.

Furthermore, contamination of our products could cause investors, consumers, or other third parties with whom we conduct business to lose confidence in the reliability of our manufacturing procedures, which could adversely affect our sales and profits. In addition, faulty or contaminated products that are unknowingly distributed could result in patient harm, threaten the reputation of our products and expose us to product liability damages and claims from companies for whom we do contract manufacturing.

Our ability to continue to produce safe and effective products depends on the safety of our plasma supply and manufacturing processes against transmissible diseases.

Despite overlapping safeguards, including the screening of donors and other steps to remove or inactivate viruses and other infectious disease causing agents, the risk of transmissible disease through blood plasma products cannot be entirely eliminated. For example, since plasma-derived therapeutics involves the use and purification of human plasma, there has been concern raised about the risk of transmitting human immunodeficiency virus, or HIV, prions, West Nile virus, H1N1 virus or "swine flu" and other blood-borne pathogens through plasma-derived products. There are also concerns about the future transmission of H5N1 virus, or "bird flu." In the 1980s, thousands of hemophiliacs worldwide were infected with HIV through the use of contaminated Factor VIII. Other producers of Factor VIII, though not us, were defendants in numerous lawsuits resulting from these infections. New infectious diseases emerge in the human population from time to time. If a new infectious disease has a period during which time the causative agent is present in the bloodstream but symptoms are not present, it is possible that plasma donations could be contaminated by that infectious agent. Typically, early in an outbreak of a new disease, tests for the causative agent do not exist. During this early phase, we must rely on screening of donors (e.g., for behavioral risk factors or physical symptoms) to reduce the risk of plasma contamination. Screening methods are generally less sensitive and specific than a direct test as a means of identifying potentially contaminated plasma units. During the early phase of an outbreak of a new infectious disease, our ability to manufacture safe products would depend on the manufacturing process' capacity to inactivate or remove the infectious agent. To the extent that a product's manufacturing process is inadequate to inactivate or remove an infectious agent, our ability to manufacture and distribute that product would be impaired. If a new infectious disease were to emerge in the human population, the regulatory and public health authorities could impose precautions to limit the transmission of the disease that would impair our ability to procure plasma, manufacture our products or both. Such precautionary measures could be taken before there is conclusive medical or scientific evidence that a disease poses a risk for plasma-derived products. In recent years, new testing and viral inactivation methods have been developed that more effectively detect and inactivate infectious viruses in collected plasma. There can be no assurance, however, that such new testing and inactivation methods will adequately screen for, and inactivate, infectious agents in the plasma used in the production of our products.

We could become supply-constrained and our financial performance would suffer if we cannot obtain adequate quantities of FDA-approved source plasma with proper specifications.

In order for plasma to be used in the manufacturing of our products, the individual centers at which the plasma is collected must be licensed by the FDA, and approved by the regulatory authorities of any country in which we may wish to commercialize our products. When we open a new plasma center, and on an ongoing basis after licensure, it must be inspected by the FDA for compliance with cGMP and other regulatory requirements. An unsatisfactory inspection could prevent a new center from being licensed or risk the suspension or revocation of an existing license. We do not and will not have adequate source plasma to manufacture RI-002. Therefore, we are reliant on purchasing normal source plasma to manufacture RI-002. We can give no assurances that normal source plasma will be available to us on commercially reasonable terms or at all. In order to maintain a plasma center's license, its operations must continue to conform to cGMP and other regulatory requirements. In the event that we determine that plasma was not collected in compliance with cGMP, we may be unable to use and may ultimately destroy plasma collected from that center, which would be recorded as a charge to cost of goods. Additionally, if non-compliance in the plasma collection process is identified after the impacted plasma has been pooled with compliant plasma from other sources, entire plasma pools, in-process intermediate materials and final products could be impacted. Consequently, we could experience significant inventory impairment provisions and write-offs which could adversely affect our business and financial results. We plan to increase our supplies of plasma for use in the manufacturing processes through increased collections at our existing and new plasma collection centers in Norcross, Georgia and Marietta, Georgia, respectively. This strategy is dependent upon our ability to successfully integrate and develop our new center, obtain FDA approval for our new unlicensed plasma centers, to maintain a cGMP compliant environment in both plasma centers and to expand production and attract donors to both centers. There is no assurance that the FDA will inspect and license our unlicensed plasma collection centers in a timely manner consistent with our production plans. If we misjudge the readiness of a center for an FDA inspection, we may lose credibility with the FDA and cause the FDA to more closely examine all of our operations. Such additional scrutiny could materially hamper our operations and our ability to increase plasma collections. Our ability to expand production and increase our plasma collection centers to more efficient production levels may be affected by changes in the economic environment and population in selected regions where ADMA BioCenters operates its current or future plasma centers, by the entry of competitive plasma centers into regions where ADMA BioCenters operates such centers, by misjudging the demographic potential of individual regions where ADMA BioCenters expects to expand production and attract new donors, by unexpected facility related challenges, or by unexpected management challenges at selected plasma centers.

Our ability to commercialize our products, alone or with collaborators, will depend in part on the extent to which reimbursement will be available from government and health administration authorities, private health maintenance organizations and health insurers and other healthcare payers.

Our ability to generate product revenues will be diminished if our products sell for inadequate prices or patients are unable to obtain adequate levels of reimbursement. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. Healthcare payers, including Medicare, are challenging the prices charged for medical products and services. Government and other healthcare payers increasingly attempt to contain healthcare costs by limiting both coverage and the level of reimbursement for products. Even if one of our product candidates is approved by the FDA, insurance coverage may not be available, and reimbursement levels may be inadequate, to cover such product. If government and other healthcare payers do not provide adequate coverage and reimbursement levels for one of our products, once approved, market acceptance of such product could be reduced. Prices in many countries, including many in Europe, are subject to local regulation and certain pharmaceutical products, such as plasma-derived products, are subject to price controls in several of the world's principal markets, including many countries within the European Union. In the United States, where pricing levels for our products are substantially established by third-party payors, if payors reduce the amount of reimbursement for a product, it may cause groups or individuals dispensing the product to discontinue administration of the product, to administer lower doses, to substitute lower cost products or to seek additional price-related concessions. These actions could have a negative effect on financial results, particularly in cases where our products command a premium price in the marketplace, or where changes in reimbursement induce a shift in the site of treatment. The existence of direct and indirect price controls and pressures over our products could materially adversely affect our financial prospects and performance.

The implementation of the healthcare reform law in the United States may adversely affect our business.

As a result of the March 2010 adoption of the healthcare reform law in the United States, substantial changes are being made to the current system for paying for healthcare in the United States, including programs to extend medical benefits to millions of individuals who currently lack insurance coverage. The changes contemplated by the healthcare reform law are subject to rule-making and implementation timelines that extend for several years, and this uncertainty limits our ability to forecast changes that may occur in the future. However, implementation has already begun with respect to certain significant cost-saving measures under the healthcare reform law, for example with respect to several government healthcare programs that may cover the cost of our future products, including Medicaid, Medicare Parts B and D, and these efforts could have a materially adverse impact on our future financial prospects and performance. For example, with respect to Medicaid, in order for a manufacturer's products to be reimbursed by federal funding under Medicaid, the manufacturer must enter into a Medicaid rebate agreement with the Secretary of the United States Department of Health and Human Services, and pay certain rebates to the states based on utilization data provided by each state to the manufacturer and to CMS, and pricing data provided by the manufacturer to the federal government. The states share this savings with the federal government, and sometimes implement their own additional supplemental rebate programs. Under the Medicaid drug rebate program, the rebate amount for most branded drug products was previously equal to a minimum of 15.1% of the Average Manufacturer Price, or AMP, or the AMP less Best Price, whichever is greater. Effective January 1, 2010, the healthcare reform law generally increases the size of the Medicaid rebates paid by manufacturers for single source and innovator multiple source (brand name) drug product from a minimum of 15.1% to a minimum of 23.1% of the AMP, subject to certain exceptions, for example, for certain clotting factors, the increase is limited to a minimum of 17.1% of the AMP. For non-innovator multiple source (generic) products, the rebate percentage is increased from a minimum of 11.0% to a minimum of 13.0% of AMP. In 2010, the healthcare reform law also newly extended this rebate obligation to prescription drugs covered by Medicaid managed care organizations. These increases in required rebates may adversely affect our future financial prospects and performance. The healthcare reform law also creates new rebate obligations for our products under Medicare Part D, a partial, voluntary prescription drug benefit created by the United States federal government primarily for persons 65 years old and over. The Part D drug program is administered through private insurers that contract with CMS. Beginning in 2011, the healthcare reform law generally requires that in order for a drug manufacturer's products to be reimbursed under Medicare Part D, the manufacturer must enter into a Medicare Coverage Gap Discount Program agreement with the Secretary of the United States Department of Health and Human Services, and reimburse each Medicare Part D plan sponsor an amount equal to 50% savings for the manufacturer's brand name drugs and biologics which the Part D plan sponsor has provided to its Medicare Part D beneficiaries who are in the "donut hole" (or a gap in Medicare Part D coverage for beneficiaries who have expended certain amounts for drugs). The Part D plan sponsor is responsible for calculating and providing the discount directly to its beneficiaries and for reporting these amounts paid to CMS's contractor, which notifies drug manufacturers of the rebate amounts it must pay to each Part D plan sponsor. The rebate requirement could adversely affect our future financial performance, particularly if contracts with Part D plans cannot be favorably renegotiated or the Part D plan sponsors fail to accurately calculate payments due in a manner that overstates our rebate obligation. The healthcare reform law also introduced a biosimilar pathway that will permit companies to obtain FDA approval of generic versions of existing biologics based upon reduced documentation and data requirements deemed sufficient to demonstrate safety and efficacy than are required for the pioneer biologics. The new law provides that a biosimilar application may be submitted as soon as 4 years after the reference product is first licensed, and that the FDA may not make approval of an application effective until 12 years after the reference product was first licensed. With the likely introduction of biosimilars in the United States, we expect in the future to face greater competition from biosimilar products, including a possible increase in patent challenges. The FDA has reported meeting with sponsors who are interested in developing biosimilar products, and is developing regulations to implement the abbreviated regulatory review pathway. Regarding access to our products, the healthcare reform law established and provided significant funding for a Patient-Centered Outcomes Research Institute to coordinate and fund Comparative Effectiveness Research, or CER. While the stated intent of CER is to develop information to guide providers to the most efficacious therapies, outcomes of CER could influence the reimbursement or coverage for therapies that are determined to be less cost-effective than others. Should any of our products be determined to be less cost effective than alternative therapies, the levels of reimbursement for these products, or the willingness to reimburse at all, could be impacted, which could materially impact our future financial prospects and results.

Developments in the worldwide economy may adversely impact our business.

The difficult economic environment may adversely affect demand for our products. RI-002, our current product candidate, is expected to be sold to hospitals, specialty pharmacies and clinicians in the U.S. As a result of loss of jobs, patients may lose medical insurance and be unable to purchase supply or may be unable to pay their share of deductibles or co-payments. Hospitals adversely affected by the economy may steer patients to less costly therapies, resulting in a reduction in demand, or demand may shift to public health hospitals, which may purchase at a lower government price. While to date we cannot directly trace any material reduction in demand to the recession, if economic conditions do not improve, the impact may become material.

Risks Relating to our Finances, Capital Requirements and Other Financial Matters

We are a clinical stage company with a history of operating losses that are expected to continue and we are unable to predict the extent of future losses, whether we will generate significant revenues or whether we will achieve or sustain profitability.

We are a clinical stage company and our prospects must be considered in light of the uncertainties, risks, expenses and difficulties frequently encountered by similarly situated companies. We have generated net losses in all periods since our inception in June 2004 including losses of approximately \$15.5 million and \$7.3 million for the years ended December 31, 2013 and 2012, respectively. We have an accumulated deficit of \$52.6 million since inception. We expect to make substantial expenditures and incur increasing operating costs in the future and our accumulated deficit will increase significantly as we expand development and clinical trial activities for our product candidates. Our losses have had, and are expected to continue to have, an adverse impact on our working capital, total assets and stockholders' equity. Because of the risks and uncertainties associated with product development, we are unable to predict the extent of any future losses, whether we will ever generate significant revenues or if we will ever achieve or sustain profitability.

We will need substantial additional funding and may be unable to raise capital when needed, which would force us to delay, curtail or eliminate one or more of our research and development programs or commercialization efforts.

Our operations have consumed substantial amounts of cash since inception. During the years ended December 31, 2013 and 2012, we incurred research and development expenses of approximately \$9.3 million and \$3.5 million. We expect to continue to spend substantial amounts on product development, including conducting clinical trials for our product candidates and purchasing clinical trial materials from our suppliers. We anticipate that, based upon our projected revenue and expenditures, our current cash and cash equivalents, short term investments, along with the additional funds made available by Hercules under our existing Loan Agreement will be sufficient to fund our operations into 2016. We have based this estimate, however, on assumptions that may prove to be wrong, and we could spend our available financial resources much faster than we currently expect. Until such time, if ever, as we can generate a sufficient amount of product revenue and achieve profitability, we expect to seek to finance future cash needs through equity or debt financings or corporate collaboration and licensing arrangements. Other than the Loan Agreement with Hercules and this offering, we currently have no agreements relating to any of these types of transactions and we cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional capital, we will have to delay, curtail or eliminate our product development, including conducting clinical trials for our product candidates and purchasing clinical trial materials from our suppliers.

Raising additional funds by issuing securities or through licensing or lending arrangements may cause dilution to our existing stockholders, restrict our operations or require us to relinquish proprietary rights.

To the extent that we raise additional capital by issuing equity securities, the share ownership of existing stockholders will be diluted. Any future debt financing may involve covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, redeem our stock, make certain investments and engage in certain merger, consolidation or asset sale transactions, among other restrictions. In addition, if we raise additional funds through licensing arrangements, it may be necessary to relinquish potentially valuable rights to our product candidates, or grant licenses on terms that are not favorable to us.

Our cash and cash equivalents and short term investments could be adversely affected if the financial institutions in which we hold our cash and cash equivalents and short term investments fail.

We regularly maintain cash balances at third-party financial institutions in excess of the Federal Deposit Insurance Corporation, or FDIC, insurance limit. While we monitor daily the cash balances in the operating accounts and adjust the balances as appropriate, these balances could be impacted, and there could be a material adverse effect on our business, if one or more of the financial institutions with which we deposit fails or is subject to other adverse conditions in the financial or credit markets. To date, we have experienced no loss or lack of access to our invested cash or cash equivalents; however, we can provide no assurance that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial and credit markets.

If we fail to maintain proper and effective internal controls over financial reporting in the future, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, investors' views of us and, as a result, the value of our common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and related rules, or SOX, beginning with the annual report for the year ended December 31, 2012, our management is required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Securities Exchange Act of 1934, or the Exchange Act, we have been required to upgrade, and may need to implement further upgrades to our systems, including information technology, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff.

Risks Associated with our Capital Stock

The market price of our common stock may be volatile and may fluctuate in a way that is disproportionate to our operating performance.

Our stock price may experience substantial volatility as a result of a number of factors, including:

- sales or potential sales of substantial amounts of our common stock;
- delay or failure in initiating or completing preclinical or clinical trials or unsatisfactory results of these trials;
- announcements about us or about our competitors, including clinical trial results, regulatory approvals or new product introductions;
- developments concerning our licensors or product manufacturers;
- litigation and other developments relating to our patents or other proprietary rights or those of our competitors;
- conditions in the pharmaceutical or biotechnology industries;
- governmental regulation and legislation;
- variations in our anticipated or actual operating results; and
- change in securities analysts' estimates of our performance, or our failure to meet analysts' expectations.

Many of these factors are beyond our control. The stock markets in general, and the market for pharmaceutical and biotechnological companies in particular, have historically experienced extreme price and volume fluctuations. These fluctuations often have been unrelated or disproportionate to the operating performance of these companies. These broad market and industry factors could reduce the market price of our common stock, regardless of our actual operating performance.

Sales of a substantial number of shares of our common stock, or the perception that such sales may occur, may adversely impact the price of our common stock.

Almost all of our 9,291,823 outstanding shares of common stock, as well as a substantial number of shares of our common stock underlying outstanding warrants, are available for sale in the public market, either pursuant to Rule 144 under the Securities Act or an effective registration statement. Sales of a substantial number of shares of our common stock, or the perception that such sales may occur, may adversely impact the price of our common stock.

We have never paid and do not intend to pay cash dividends. As a result, capital appreciation, if any, will be your sole source of gain.

We have never paid cash dividends on any of our capital stock and we currently intend to retain future earnings, if any, to fund the development and growth of our business. In addition, the terms of existing and future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Our affiliates control the majority of our shares of common stock. Provisions in our certificate of incorporation, our by-laws and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our certificate of incorporation, our by-laws and Delaware law may have the effect of deterring unsolicited takeovers or delaying or preventing a change in control of our company or changes in our management, including transactions in which our stockholders might otherwise receive a premium for their shares over then current market prices. In addition, these provisions may limit the ability of stockholders to approve transactions that they may deem to be in their best interests. These provisions include:

- the inability of stockholders to call special meetings; and
- the ability of our Board of Directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could include the right to approve an acquisition or other change in our control or could be used to institute a rights plan, also known as a poison pill, that would work to dilute the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our Board of Directors. The classification of our board of directors and limitation on filling of vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of our company.

In addition, Section 203 of the Delaware General Corporation Law prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns, or within the last three years, has owned 15% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. The existence of the forgoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition. Our directors and executive officers and their affiliates beneficially own approximately 65% of the outstanding shares of common stock.

Our common stock is quoted on the OTCQB, which may limit the liquidity and price of our common stock more than if our common stock was quoted or listed on a national securities exchange.

Our common stock is currently quoted on the OTCQB, an inter-dealer automated quotation system for equity securities not listed on a national securities exchange. Quotation of our common stock on the OTCQB may limit the liquidity and price of our common stock more than if our common stock was quoted or listed on a national securities exchange. The effects of not being able to list our securities on a national exchange include:

- limited release of the market price of our securities;
- limited news coverage;
- limited interest by investors in our securities;
- limited trading volume;
- volatility of our common stock price due to low trading volume;
- increased difficulty in selling our securities in certain states due to "blue sky" restrictions; and
- limited ability to issue additional securities or to secure additional financing.

We may not be successful in our plans to have our common stock listed on a national securities exchange.

We plan to seek to list our common stock on the NASDAQ Stock Market or another national securities exchange. However, we may not be successful in doing so and cannot assure you that our common stock will be listed on a national securities exchange. Even though our common stock is quoted for sale on the OTC Bulletin Board, an investor may find it more difficult to dispose of shares or obtain accurate quotations as to the market value of our common stock than would be the case if and when our common stock is listed on the NASDAQ Stock Market or another national securities exchange. We do not currently meet the initial listing standards of any national securities exchange. We cannot assure you that we will be able to meet the initial listing standards of any national securities exchange, or, if we do meet such initial listing standards, that we will be able to maintain any such listing.

Because the Company had merged into a "blank check" company, it is generally not eligible (subject to certain exceptions) to list its securities on the NASDAQ stock market until its common stock has traded for 12 months. The Company intends to file a listing application at such time. No assurances can be given that the Company will satisfy the other listing requirement of the NASDAQ at such time, that NASDAQ will accept the Company's common stock for trading, or that if it is accepted, that any significant trading market will develop. The Company may or may not qualify for such uplisting and no guarantees or automatic changes in the Company's listing status should be expected.

We are an “emerging growth company,” and may elect to comply with reduced public company reporting requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an “emerging growth company,” as defined by the JOBS Act. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an “emerging growth company,” we may, under Section 7(a)(2)(B) of the Securities Act, delay adoption of new or revised accounting standards applicable to public companies until such standards would otherwise apply to private companies.

We may take advantage of this extended transition period until the first to occur of the date that we (i) are no longer an “emerging growth company” or (ii) affirmatively and irrevocably opt out of this extended transition period. We could be an emerging growth company for up to five years after the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, with such fifth anniversary occurring in 2018. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” our annual gross revenues exceed \$1 billion or we issue more than \$1 billion of non-convertible debt in any three-year period, we would cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an “emerging growth company” or affirmatively and irrevocably opt out of the exemption provided by Securities Act Section 7(a)(2)(B), upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for nonemerging growth companies and the date on which we will adopt the recently issued accounting standard. As an emerging growth company, we are also exempt from the requirement to have our independent auditors provide an attestation report on our internal control over financial reporting.

We cannot predict if investors will find our common stock less attractive as a result of our reliance on these exemptions. If some investors find our common stock less attractive as a result of any choice we make to reduce disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 2. Properties

Our executive offices are located in approximately 4,200 square feet of space at 465 State Route 17, Ramsey, New Jersey. Our telephone number is (201) 478-5552. Currently we operate under a Shared Services Agreement with Areth, LLC for the office, warehouse space and certain related services and have the ability to cancel this agreement upon 30 days’ notice. Areth, LLC is a company controlled by Dr. Jerrold B. Grossman, our Vice Chairman, and we pay monthly fees for the use of such office space and for other information technology, general warehousing and administrative services. Rent under the shared services agreement is \$8,037 per month.

ADMA BioCenters’ facilities are located at 6290 Jimmy Carter Boulevard, Suite 208, Norcross, Georgia and in Marietta, Georgia. The combined facilities have a total of approximately 28,000 square feet of space for approximately \$30,000 per month rent. The Norcross, Georgia lease expires on September 30, 2023, and the Marietta, Georgia lease expires on January 31, 2024.

Item 3. Legal Proceedings

We are not party to any material legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our shares of common stock are quoted for trading on the OTC Bulletin Board (OTCBB) and the OTC Markets (OTCQB) under the symbol "ADMA." As of the date of this Annual Report, we had 7 shareholders of record.

We plan to seek to list our common stock on the NASDAQ Stock Market or another national securities exchange. However, we may not be successful in doing so and cannot assure you that our common stock will be listed on a national securities exchange. Even though our common stock is quoted for sale on the OTC Bulletin Board, an investor may find it more difficult to dispose of shares or obtain accurate quotations as to the market value of our common stock than would be the case if and when our common stock is listed on the NASDAQ Stock Market or another national securities exchange. We do not currently meet the initial listing standards of any national securities exchange. We cannot assure you that we will be able to meet the initial listing standards of any national securities exchange, or, if we do meet such initial listing standards, that we will be able to maintain any such listing.

We have been a public reporting company since February 13, 2012 and a publicly traded company since October 17, 2013, on the OTC Bulletin Board (OTCBB) and the OTC Markets (OTCQB) under the symbol "ADMA." The following table sets forth the high and low sales prices for our common stock for the periods indicated as report by the OTC Bulletin Board:

Fiscal Year 2013	High	Low
Fourth Quarter	\$9.15	\$6.52

Holders

As of March 26, 2014, there were 7 record holders of our common stock and we anticipate that we have in excess of 300 beneficial stockholders.

Registration Rights

In connection with the 2012 Financing and the Merger, we agreed, pursuant to a registration rights agreement (the "Registration Rights Agreement"), to register on a registration statement (the "Investor Registration Statement") the resale of the shares of common stock issued in the Merger in exchange for the shares of common stock issued in the 2012 Financing and the shares of common stock owned by our pre-Merger stockholders, as well as the resale of the shares of common stock issuable upon exercise of the warrants issued to the placement agent and its designees in the Merger in exchange for the placement agent warrants to purchase 111,587 shares of common stock of the Company. Such registration statement was declared effective on August 13, 2012.

We refer to the securities, the resale of which is required to be registered on the Investor Registration Statement, as the "Registrable Securities." If, among other events, the Investor Registration ceases to remain effective for more than 10 consecutive trading days or any 15 trading days during any 12-month period, we are required to pay in cash to the investors in the 2012 Financing an amount per month equal to one percent of the investors' subscription amount for Registrable Securities still held by the investors, until the Investor Registration Statement is filed, declared effective or continues to be effective (as the case may be). This payment is subject to a maximum of (i) one percent of the investors' subscription amount for Registrable Securities still held by the investors if we are diligently using our best efforts to have the Investor Registration Statement declared effective and the delays associated with the effectiveness of the Investor Registration Statement are the result of either continuing comments from or delays in reviewing by the SEC and (ii) ten percent of the investors' subscription amount for Registrable Securities still held by the investors in all other cases. In connection with the 2013 public offering of our shares, our stockholders waived the requirement to keep such registration statement current. We intend to file a post-effective amendment to such registration statement shortly.

We agreed to make such filings as are necessary to keep the Investor Registration Statement effective until the date on which all of the Registrable Securities have been sold or are saleable pursuant to Rule 144 ("Rule 144") or its other subsections (or any successor thereto) under the Securities Act. We are obligated to bear registration expenses (exclusive of transfer taxes, underwriters' discounts and commission) of all such registrations required.

The stockholders of Former ADMA also have registration rights with respect to the shares of common stock issued in the Merger in exchange for shares of Former ADMA's common stock and shares of common stock issuable upon exercise of options they hold, pursuant to the Investors' Rights Agreement. They have agreed to waive their piggy back registration rights with respect to the Investor Registration Statement; however, they will be entitled to require the filing of a resale registration statement pursuant to the Investors' Rights Agreement.

Under the terms of the securities purchase agreement entered into in connection with the 2012 Financing, we are obligated to cause securities to be delivered to non-affiliates without any restrictive legends if the resale of such securities has been registered, such securities have been sold pursuant to Rule 144 or, in certain circumstances, if such securities are eligible for sale under Rule 144. If we fail to do so, we are obligated to pay to the investor, for each \$1,000 of shares, \$1.00 per trading day, increasing to \$2.00 per trading day five trading days after such damages have begun to accrue, until unrestricted certificates are delivered. In addition, if the Company fails to satisfy the current public information requirement under Rule 144(c), then the Company is obligated to pay to an investor, for any delay in or reduction of its ability to sell the securities, an amount equal to 1% of the aggregate subscription amount of such investor's securities on the date of such current public information failure and on every 30th day thereafter (prorated for shorter periods) until the failure is cured or public information is no longer required for a Rule 144 sale.

Dividend Policy

We have never paid any cash dividends on our capital stock. We anticipate that we will retain earnings, if any, to support operations and to finance the growth and development of our business. In addition, the terms of existing and future debt agreements may preclude us from paying dividends. Therefore, we do not expect to pay cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2013:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	826,995	\$ 6.90	76,229
Equity compensation plans not approved by security holders	-	\$ -	-
Total	826,995	\$ 6.90	76,229

Recent Sales of Unregistered Securities

On December 21, 2012, ADMA and its subsidiaries entered into the Loan Agreement with Hercules. Under the Loan Agreement, ADMA has borrowed \$5.0 million. In connection with the Loan Agreement, ADMA issued to Hercules a warrant to purchase 31,750 shares of common stock with an exercise price of \$7.56, subject to customary anti-dilution adjustments. On February 24, 2014, ADMA and its subsidiaries amended the Loan Agreement with Hercules, which provides for an additional \$10 million of funding, along with additional warrants to Hercules of 34,800 shares of common stock of the Company (and a warrant for an additional 23,200 shares of common stock if the Company borrows an additional \$5.0 million with an exercise price set at the lower of (i) \$7.50 per share or (ii) the price per share of the next round of financing over the next twelve months, subject to customary anti-dilution adjustments. The warrant expires after 10 years and has piggyback registration rights with respect to the shares of common stock underlying the warrant.

The issuance of the warrants was not registered under the Securities Act. No general solicitation or advertising was used in connection with the issuance. In making the issuance to an accredited investor without registration under the Securities Act, the Company relied upon the exemption from registration contained in Section 4(2) of the Securities Act and/or Regulation D thereunder.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion, which refers to the historical results of ADMA and its predecessor business, should be read in conjunction with the other sections of this annual report, including "Risk Factors," "Business" and the consolidated financial statements and other consolidated financial information included in this report. The various sections of this discussion contain a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this report. See "Special Note Regarding Forward-Looking Statements." Our actual results may differ materially.

Financial Operations Overview

Revenues

Since inception, we have generated approximately \$5 million of revenue. Revenue for the year ended December 31, 2013 is comprised of \$3,023,503 from the product sale of normal source human plasma collected at our plasma collection center and plasma-derived medicinal products and \$44,074 of license revenues attributed to the out-licensing of RI-002 to Biotest AG to market and sell in Europe and selected countries in North Africa and the Middle East. In exchange, Biotest Pharmaceuticals Corporation, or Biotest, a subsidiary of Biotest AG, has provided us with certain services in accordance with the related license agreement and is obligated to pay us certain milestone payments in the future if such milestones are achieved. Revenue is recognized at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment; however, revenue is recognized at the time of delivery if we retain the risk of loss during shipment.

Our revenues are substantially attributed to one customer. Revenue from license fees and research and development services rendered are recognized as revenue when we have completed the performance obligations under the terms of the license agreement with Biotest. Deferred revenue of \$1.7 million was recorded in the second quarter of 2013 as a result of certain research and development services to be provided in accordance with a license agreement and is recognized over the term of the license. Deferred revenue is amortized for a period of approximately 20 years, the term of the license agreement.

Research and Development Expense

Research and development, or R&D, expense consists of clinical research organization and clinical trial costs related to our clinical trial, consulting expenses relating to regulatory affairs, quality control and manufacturing, assay development and ongoing testing costs, drug product manufacturing including the cost of plasma, plasma storage and transportation costs, as well as wages and benefits for employees directly related to the research and development of RI-002. All R&D is expensed as incurred.

The process of conducting pre-clinical studies and clinical trials necessary to obtain FDA approval is costly and time consuming. The probability of success for each product candidate and clinical trial may be affected by a variety of factors, including, among others, the quality of the product candidate's early clinical data, investment in the program, competition, manufacturing capabilities and commercial viability. As a result of the uncertainties discussed above, the uncertainty associated with clinical trial enrollments and the risks inherent in the development process, we are unable to determine the duration and completion costs of current or future clinical stages of our product candidates or when, or to what extent, we will generate revenues from the commercialization and sale of any of our product candidates. Development timelines, probability of success and development costs vary widely. R&D expense for the year ended December 31, 2013 increased significantly compared to the year ended December 31, 2012, due to fully enrolling our pivotal Phase III clinical study by the end of 2013 and manufacturing services as provided by Biotest under our license agreement with them. We expect that our R&D expense will increase throughout 2014, primarily attributable to the further development of RI-002 and our related clinical Phase III program.

General and Administrative Expense

General and administrative, or G&A expense, consists of rent, maintenance and utilities, insurance, wages, stock-based compensation and benefits for senior management and staff unrelated to R&D, legal fees, accounting and auditing fees, information technology, travel and other expenses related to the general operations of the business. G&A expense for the current year also includes a write-off of deferred financing fees related to our financing. We expect that our G&A expense will continue to increase in 2014 as a result of operating as a publicly traded company as a result of increased listing fees of our common stock and the hiring of additional staff.

Interest Income and Interest Expense

Interest income consists of interest earned on our cash and cash equivalents. Interest expense consists of interest incurred on our notes payable and previous convertible notes up to their automatic conversion into our common stock upon the completion of our private placement in February 2012, as well as the amortization and write-off of deferred financing costs and debt discounts and a charge for the beneficial conversion feature relating to our notes payable and previous convertible notes.

Results of Operations

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Summary Table

The following table presents a summary of our results of operations for the year ended December 31, 2013 compared to the year ended December 31, 2012.

	Years Ended December	
	2013	2012
Product revenue	\$ 3,023,503	\$ 1,118,118
License revenue	44,074	-
Total revenues	3,067,577	1,118,118
Cost of product revenue	2,023,441	669,056
Research and development	9,303,077	3,469,078
Plasma center	2,418,156	1,746,864
General and administrative	4,365,334	3,142,289
Total operating expenses	18,110,008	9,027,287
Loss from operations	(15,042,431)	(7,909,169)
Interest income	7,623	20,924
Interest expense	(618,225)	(30,683)
Change in fair value of stock warrants	43,290	-
Other income	82,497	-
Loss before income taxes	(15,527,246)	(7,918,928)
State income tax benefit	-	617,615
Net loss	(15,527,246)	(7,301,313)
Loss before income taxes in plasma collection segment	(1,425,676)	(1,297,802)
Loss before income taxes in research and development	(9,303,077)	(3,469,078)

Revenue

We recorded revenue of \$3,067,577 during the year ended December 31, 2013 compared to \$1,118,118 during the year ended December 31, 2012. Product revenue was \$3,023,503 for the year ended December 31, 2013, from the sale of blood plasma collected in our FDA-licensed, GHA-certified Georgia based blood plasma collection center compared to product revenue of \$1,118,118 for the year ended December 31, 2012. Product revenue for the year ended December 31, 2013 was primarily attributed to sales made pursuant to our plasma supply agreement with Biotest during June 2012, under which Biotest purchases normal source plasma from our Georgia facility to be used in their manufacturing. The increase in product revenue of \$1,905,385 was attributed to increased advertising and promotions to attract more plasma donors as well as the expansion of additional plasma donor equipment. For the year ended December 31, 2013, license revenue was \$44,074, which relates to services provided by Biotest in accordance with our license agreement with them. There was no license revenue for the same period in 2012. We have not generated any revenue from our therapeutics, research and development business.

Cost of Product Revenue

Cost of product revenue was \$2,023,441 for the year ended December 31, 2013, an increase of \$1,354,385 from \$669,056 for the year ended December 31, 2012. The increased cost of product revenues for the year ended December 31, 2013 was related to the costs associated with the increased production and sale of normal source plasma.

Research and Development Expenses

Research and development expenses were \$9,303,077 for the year ended December 31, 2013, an increase of \$5,833,999 from \$3,469,078 for the year ended December 31, 2012. Research and development expenses consist of consulting expenses relating to regulatory affairs, quality control and manufacturing, assay development and ongoing testing costs, clinical trial costs and fees, drug product manufacturing including the cost of plasma, plasma storage and transportation costs, as well as wages and benefits for staff directly related to the research and development of RI-002. Research and development expenses increased primarily as a result of higher manufacturing, testing, and regulatory costs for our Phase III clinical study, which has completed enrollment and related wages and stock-based compensation expense during the year ended December 31, 2013.

Plasma Center Operating Expenses

Plasma center operating expenses were \$2,418,156 for the year ended December 31, 2013, an increase of \$671,292 from \$1,746,864 for the year ended December 31, 2012. Plasma center operating expenses consist of general and administrative overhead, including rent, maintenance and utilities, wages and benefits for center staff, plasma collection supplies, plasma transportation and storage (off-site), advertising and promotion expenses, and computer software fees related to donor collections. The increase in plasma center expenses was primarily a result of increased donor collections during the year ended December 31, 2013. We expect that as plasma collection increases, our plasma center operating expenses will also increase accordingly.

General and Administrative Expenses

General and administrative expenses were \$4,365,334 for the year ended December 31, 2013, an increase of \$1,223,045 from \$3,142,289 for the year ended December 31, 2012. General and administrative expenses consist of wages and stock-based compensation for our senior management and staff unrelated to research and development, professional fees for our attorneys, accountants and auditors, maintenance and utilities, insurance, information technology, travel and other expenses related to the general operations of the business. General and administrative expenses increased as a result of increases in stock-based compensation costs for the year ended December 31, 2013, resulting from 2012 option grants to our President and Chief Executive Officer, members of our Board of Directors, our Chief Financial Officer who was appointed in May 2012, and new hires during 2012 in addition to higher professional services fees and SEC filing fees as a result of becoming a public reporting company in February 2012.

Total Operating Expenses

Total operating expenses were \$18,110,008 for the year ended December 31, 2013, an increase of \$9,082,721 from \$9,027,287 during the year ended December 31, 2012, for the reasons previously stated.

Other Income (Expense); Interest Income (Expense)

Interest income was \$7,623 for the year ended December 31, 2013, a decrease of \$13,301 from \$20,924 for the year ended December 31, 2012. The decrease was attributed to having lower cash reserves during majority of the year ended 2013 compared to the year ended 2012 as a result of the net proceeds received from the 2012 Financing. Interest expense was \$618,225 for the year ended December 31, 2013, an increase of \$587,542 from \$30,683 for the year ended December 31, 2012. Interest expense increased as a result of interest expense, amortization of debt discount and deferred financing fees related to the Hercules notes outstanding as of December 31, 2013. In connection with the Hercules notes, as of December 31, 2012, we recorded \$229,345 as the fair value of the warrant issued to Hercules, as warrant liability and as a debt discount to the carrying value of the loan. As of October 22, 2013, the closing of our initial public offering ("IPO"), we recorded \$186,055 as the elimination of the warrant to additional paid in capital. As a result of the decrease in warrant liability from the closing of our IPO, we recorded a \$43,290 change in the fair value of warrant liability. This warrant liability was adjusted to fair value each reporting period using a lattice-based option model and the debt discount was amortized to interest expense over the term of the loan. Upon the completion of our public offering of common stock in October 2013, the down round warrant protection feature resulting in the warrant liability's quarterly "marked-to-market" valuation terminated and, therefore, this liability was reclassified to additional paid in capital during the fourth quarter of 2013. There was no Hercules note outstanding as of December 31, 2012 and no other income for the year ended December 31, 2012.

Loss Before Income Taxes

Loss before income taxes was \$15,527,246 for the year ended December 31, 2013, an increase of \$7,608,318 from \$7,918,928 during the year ended December 31, 2012, for the reasons previously stated.

State Income Tax Benefit

In January 2012 we received \$617,615 from the sale of our State of New Jersey net operating losses. These losses were sold through the New Jersey Economic Development Authority Technology Business Tax Certificate Transfer Program. Under the terms of this program, if we do not use the proceeds from these sales for costs incurred with operating our biotechnology business in New Jersey, we have to refund the face value of the proceeds. If we do not maintain our headquarters or a base of operations in New Jersey during the five years following receipt of these proceeds (other than due to liquidation), we have to refund the face value of the proceeds less 20% for each year completed of the five year period. We cannot make assurances that we will qualify under this program in future years or even that the program will exist in future years.

Net Loss

Net loss increased to \$15,527,246 for the year ended December 31, 2013 from \$7,301,313 for the year ended December 31, 2012, for the reasons previously stated.

Net Cash Used in Operating Activities

Net cash used in operating activities was \$10,887,154 for the year ended December 31, 2013. The net loss for this period was higher than net cash used in operating activities by \$4,640,092, which was primarily attributable to increases in inventory of \$403,465, prepaid expenses of \$190,969 mostly related to our Phase III vendor payments for clinical sites, manufacturing and clinical research organization services, deferred revenue of \$1,700,000 related to license revenue, accounts payable of \$1,608,980 related to increased clinical and manufacturing expense and timing of payments incurred with our vendors and service providers and a decrease in other assets of \$593,051 comprised of the elimination of our restricted cash balance requirement by our landlord of \$452,000 through meeting our rental obligations, offset by stock-based compensation of \$888,295 and depreciation and amortization of \$210,633.

Net cash used in operating activities was \$6,903,795 for the year ended December 31, 2012. The net loss for the year ended December 31, 2012 is higher than cash used in operating activities by \$397,518, as a result of increases in restricted cash related to our letter of credit for our Georgia facility, inventories of finished goods normal source plasma available for sale and accrued expenses primarily relating to accrued compensation, offset by a decrease in accounts payable and non-cash expenses of stock-based compensation of \$626,787 and depreciation and amortization of \$182,089.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$3,131,819 for the year ended December 31, 2013, which pertained to purchases of short term investments of \$2,935,184 and office equipment of \$196,635, as a result of moving our offices from Hackensack, New Jersey to Ramsey, New Jersey and licensing software, as well as additional plasma center donor equipment.

Net cash used in investing activities for the year ended December 31, 2012 was \$118,853 related to equipment purchases.

Net Cash Provided by Financing Activities

Net cash provided by financing activities totaled \$27,632,778 for the year ended December 31, 2013, which primarily consisted of proceeds from our initial public offering of \$27,030,820 and a \$1,000,000 loan from Hercules.

Net cash provided by financing activities of \$19,470,549 for the year ended December 31, 2012 was attributable to the proceeds of \$17,287,288 received from the private placement of our common stock on February 13, 2012, net of equity issuance costs of \$1,338,009 consisting of professional services fees related to the February 2012 private placement of common stock and the proposed upcoming financing, proceeds from a note payable of \$3,906,000 and related debt issuance costs of \$25,000 along with a repurchase of our common stock for \$150,000 and the repayment of our notes payable of \$200,000.

Liquidity and Capital Resources

Overview

We have had limited revenue from operations and we have incurred cumulative losses of \$52.6 million since inception. We have funded our operations to date primarily from equity investments and loans from our primary stockholders. We received net cash proceeds of approximately \$26.6 million in our 2013 IPO, \$15.3 million in our 2012 Financing, after the payment of all related expenses, including legal, printing, and travel expenses, the placement agent's commissions and expense reimbursements, which amount does not include the secured promissory notes that were satisfied in exchange for common stock in the 2012 Financing. We have also received funds of approximately \$10.0 million through our Loan Agreement with Hercules, as described under "Hercules Loan and Security Agreement" below. We anticipate that based upon our projected revenue and expenditures for 2014, our current cash and cash equivalents, short term investments, along with available funds from Hercules under our Loan Agreement, will be sufficient to fund our operations into 2016.

As we do not anticipate receiving FDA approval for RI-002, until at the earliest, the first half of 2016, if at all, we would therefore not be able to generate revenues from the commercialization of RI-002 until after that date. We are unable to predict with reasonable certainty when, if ever, we will generate revenues from the commercialization of RI-002 and, therefore if our assumptions underlying our estimated revenues and expenses prove to be wrong, we may have to raise additional capital sooner than anticipated. As there are numerous risks and uncertainties associated with the research, development and future commercialization of our product candidate, we are unable to estimate with certainty the amounts of increased capital outlays and operating expenditures associated with our anticipated clinical trials and development activities. Our current estimates may be subject to change as circumstances regarding requirements further develop. We may decide to raise capital through public or private equity offerings, debt financings, grants or corporate collaboration and licensing arrangements. The sale of additional equity or debt securities, if convertible, could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also result in covenants that would restrict our operations or other financing alternatives.

Additional equity or debt financing, grants, or corporate collaboration and potential licensing arrangements may not be available on acceptable terms, if at all. If adequate funds are not available, we may be required to delay, reduce the scope of or eliminate our research and development programs, reduce our planned clinical trials and delay or abandon potential commercialization efforts of our lead product candidate. See also "Future Financing Needs" below.

As of December 31, 2013, we had working capital of \$27.4 million, consisting primarily of \$26.1 million of cash and cash equivalents, \$2.9 million of short term investments, \$1.7 million of inventories and \$0.3 million of prepaid expenses, offset by \$3.7 million of current liabilities which are mainly comprised of accounts payable and accrued expenses.

During January 2012, we received \$617,615 from the sale of our State of New Jersey net operating losses through the New Jersey Economic Development Authority program. We cannot make assurances that funding will be available for us in the future under this program.

Hercules Loan and Security Agreement

On December 21, 2012, we and our subsidiaries entered into a Loan and Security Agreement, or the Loan Agreement, with Hercules Technology Growth Capital, Inc., or Hercules. Under the Loan Agreement, we borrowed \$5.0 million consisting of \$4.0 million on the closing date and an additional \$1.0 million upon enrolling our first patient in our pivotal (Phase III) clinical study of our lead product candidate RI-002. On February 24, 2014, we entered into the First Amendment to the Loan Agreement, or Loan Amendment, under which we may borrow up to a maximum of \$15.0 million. We borrowed \$10.0 million on the closing date (\$5.0 million of which was used to refinance existing debt with Hercules) and an additional \$5.0 million will be made available upon us successfully meeting the clinical endpoints of a Phase III clinical study of RI-002 as a treatment for Primary Immunodeficiency Diseases in a manner that supports a Biologic License Application filing. The loan bears interest at a rate per annum equal to the greater of (i) 8.75% and (ii) the sum of (a) 8.75% plus (b) the Prime Rate (as reported in *The Wall Street Journal*) minus (c) 5.75%. Payment-in-kind interest accrues on the outstanding principal balance of the loan compounded monthly at 1.95% per annum and such accrued and unpaid interest is added to the principal balance of the loan on the first day of each month beginning on the month after the closing. The principal will be repaid over 27 months beginning no later than April 1, 2015 (unless extended to October 1, 2015 upon us meeting certain eligibility criteria for the final tranche), unless accelerated as a result of certain events of default. A backend fee equal to \$132,000 is due the earliest of April 1, 2016, the prepayment date and the date that the secured obligations become due and payable. In addition, a first amendment commitment fee and a facility fee in the amount of \$15,000 and \$135,000, respectively, were paid at closing. In the event we elect to prepay the loan, we are obligated to pay a prepayment charge corresponding to a percentage of the principal amount of the loan, with such percentage being: 2.5% if prepayment occurs in the first year, 1.5% if prepayment occurs in the second year and 0.5% if prepayment occurs after the second year but prior to the final day of the term. The loan matures no later than January 1, 2018.

The loan is secured by our assets, except for our intellectual property (which is subject to a negative pledge). Interest is due and payable on the 1st of every month and at the termination date, unless accelerated as a result of an event of default.

The Loan Agreement contains customary representations, warranties and covenants, including limitations on incurring indebtedness, engaging in mergers or acquisitions and making investments, distributions or transfers. The representations, warranties and covenants contained in the Loan Agreement were made only for purposes of such agreement and as of a specific date or specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Loan Agreement.

Events of default under the agreement include, but are not limited to: (i) insolvency, liquidation, bankruptcy or similar events; (ii) failure to pay any debts due under the Loan Agreement or other loan documents on a timely basis; (iii) failure to observe any covenant or secured obligation under the Loan Agreement or other loan documents, which failure, in most cases, is not cured within 10 days of written notice by lender; (iv) occurrence of any default under any other agreement between us and the lender, which is not cured within 10 days; (v) occurrence of an event that could reasonably be expected to have a material adverse effect; (vi) material misrepresentations; (vii) occurrence of any default under any other agreement involving indebtedness in excess of \$50,000 or the occurrence of a default under any agreement that could reasonably be expected to have a material adverse effect; and (viii) certain money judgments are entered against us or a certain portion of our assets are attached or seized. Remedies for events of default include acceleration of amounts owing under the Loan Agreement and taking immediate possession of, and selling, any collateral securing the loan.

In connection with the original Loan Agreement, we issued to Hercules a warrant to purchase 31,750 shares of common stock with an exercise price of \$7.56, and under the amended Loan Agreement, we issued to Hercules a warrant to purchase 34,800 shares of our common stock (and a warrant for an additional 23,200 shares of common stock if we borrow an additional \$5.0 million as described above), with an exercise price set at the lower of (i) \$7.50 per share or (ii) the price per share of the next round of financing over the next twelve months, subject to customary anti-dilution adjustments. The warrants expire after 10 years and have piggyback registration rights with respect to the shares of common stock underlying the warrant. In addition, we have also granted Hercules the option to invest (until the loan maturity date) up to \$1 million in future equity financings at the same terms as the other investors.

The Loan Agreement contains certain provisions that require the warrants issued to Hercules to be accounted for as a liability and "marked-to-market" each reporting period. Changes in the valuation of this liability at the end of each reporting period will be included in our reported operating results, and may create volatility in our reported operating results.

Future Financing Needs

The net proceeds from our 2013 IPO, and the \$10 million borrowed under the Hercules Loan Agreement are being used to conduct clinical trials, manufacture drug product, collect and procure plasma, test plasma donors for RSV titers, and the remainder for payment of existing accounts payable, general and administrative expenses as well as other business activities and general corporate purposes, including for the payment of accrued expenses and premiums for directors' and officers' insurance. We anticipate that, based upon our projected revenue and expenditures for 2014, our current cash and cash equivalents, short term investments, along with the available additional funding of \$5 million which will be made available upon our successfully meeting the clinical endpoints of a Phase III clinical study of RI-002 as a treatment for Primary Immunodeficiency Diseases in a manner that supports a Biologic License Application filing, under our Loan Agreement with Hercules, will be sufficient to fund our operations into 2016.

Our long term liquidity will be dependent on our ability to raise additional capital, to fund our research and development and commercial programs and meet our obligations on a timely basis. If we are unable to successfully raise sufficient additional capital we will likely not have sufficient cash flow and liquidity to fund our business operations, forcing us to delay, discontinue or prevent product development and clinical trial activities or the approval of any of our potential products or curtail our activities and, ultimately, potentially cease operations. Even if we are able to raise additional capital, such financings may only be available on unattractive terms, or could result in significant dilution of stockholders' interests and, in such event, the value and potential future market price of our common stock may decline. In addition, the incurrence of indebtedness would result in increased fixed obligations and could result in covenants that would restrict our operations or other financing alternatives. Thereafter, our ability to continue as a going concern will be dependent on our ability to achieve significant profitability or raise additional capital, to fund our research and development and commercial programs and meet our obligations on a timely basis.

Financial markets in the United States, Canada, Europe and Asia continue to experience disruption, including, among other things, significant volatility in security prices, declining valuations of certain investments, as well as severely diminished liquidity and credit availability. Business activity across a wide range of industries and regions continues to be greatly reduced and local governments and many businesses are still suffering from the lack of consumer spending and the lack of liquidity in the credit markets. The continued instability in the credit and financial market conditions may negatively impact our ability to access capital and credit markets and our ability to manage our cash balance. While we are unable to predict the continued duration and severity of the adverse conditions in the United States and other countries, any of the circumstances mentioned above could adversely affect our business, financial condition, operating results and cash flow or cash position.

Recent Accounting Pronouncements

In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (ASC Topic 740) - Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The objective is to end some inconsistent practices with regard to the presentation on the balance sheet of unrecognized tax benefits. The update is effective for financial statement periods beginning after December 15, 2013, with early adoption permitted. The Company will adopt this standard beginning January 1, 2014. The Company does not expect these changes to have a material impact on its consolidated financial statements.

The Financial Accounting Standards Board has issued certain accounting pronouncements as of December 31, 2013 that will become effective in subsequent periods; however, we do not believe that any of those pronouncements would have significantly affected our financial accounting measurements or disclosures had they been in effect during the year ended December 31, 2013 or that they will have a significant impact at the time they become effective.

Critical Accounting Policies and Estimates

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company," we may, under Section 7(a)(2)(B) of the Securities Act, delay adoption of new or revised accounting standards applicable to public companies until such standards would otherwise apply to private companies. We may take advantage of this extended transition period until the first to occur of the date that we (i) are no longer an "emerging growth company" or (ii) affirmatively and irrevocably opt out of this extended transition period. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an "emerging growth company" or affirmatively and irrevocably opt out of the exemption provided by Securities Act Section 7(a)(2)(B), upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

This Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate these estimates and assumptions, including those described below. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates.

Some of the estimates and assumptions we have to make under GAAP require difficult, subjective and/or complex judgments about matters that are inherently uncertain and, as a result, actual results could differ from those estimates. Due to the estimation processes involved, the following summarized accounting policies and their application are considered to be critical to understanding our business operations, financial condition and results of operations.

Stock-Based Compensation

Stock-based compensation cost is measured at grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite service period on a straight-line basis.

We account for stock options granted to non-employees on a fair value basis using the Black-Scholes option pricing model. The non-cash charge to operations for non-employee options with vesting are revalued at the end of each reporting period based upon the change in the fair value of the options and amortized to consulting expense over the related contract service period.

For the purpose of valuing options and warrants granted to our employees, non-employees and directors and officers during the year ended December 31, 2013, we used the Black-Scholes option pricing model. We granted options to purchase an aggregate of 84,134 shares of common stock during the year ended December 31, 2013. The options were granted to non-executive employees. To determine the risk-free interest rate, we utilized the U.S. Treasury yield curve in effect at the time of grant with a term consistent with the expected term of our awards. The expected term of the options granted is in accordance with Staff Accounting Bulletin 107 which is based the average between vesting term and contractual term. The expected dividend yield reflects our current and expected future policy for dividends on our common stock. The expected stock price volatility for our stock options was calculated by examining historical volatilities for similar publicly traded industry peers, since we do not have any trading history for our common stock. We will continue to analyze the expected stock price volatility and expected term assumptions as historical data for our common stock becomes available. We have not experienced any material forfeitures of stock options and as such, have not established a forfeiture rate. Since the stock options currently outstanding are primarily held by our senior management and directors, we will continue to evaluate the effects of such future potential forfeitures, as they may arise, to evaluate our estimated forfeiture rate. Due to our limited history, we use the simplified method to determine the expected life of the option grants.

Research and Development Costs

Our expenses include all research and development costs as incurred including the disposition of plasma and equipment for which there is no alternative future use. Such expenses include costs associated with planning and conducting clinical trials.

Our agreement with Biotest includes the in-license of certain rights to incomplete, in-process technology, which we expect to finalize by the end of the first half of 2014. As such, we expect to account for the value of this license as a charge to operations once the terms of the in-license agreement are finalized.

Revenue Recognition

Revenue from the sale of human plasma collected by ADMA BioCenters and plasma-derived medicinal products is recognized at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment. Revenue is recognized at the time of delivery if we retain the risk of loss during shipment. Our revenues are substantially attributed to one customer. Revenue from license fees and research and development services rendered are recognized as revenue when the performance obligations under the terms of the license agreement have been completed. Deferred revenue of \$1.7 million was recorded in the second quarter of 2013 as a result of certain research and development services to be provided in accordance with a license agreement and is recognized over the term of the license. Deferred revenue is amortized for a period of approximately 20 years or the life of the license agreement.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements except that we are currently obligated pursuant to two ten-year lease agreements for our ADMA BioCenters plasma collection facilities in Norcross, Georgia and Marietta, Georgia. There is a total minimum rent due under the leases of approximately \$3.6 million through the end of the lease terms which expire in January 2024.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data

Our financial statements and supplementary data required to be filed pursuant to this Item 8 appear in a separate section of this report beginning on page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We designed our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective to provide such reasonable assurance.

In designing and evaluating the disclosure controls and procedures, management recognized that such controls and procedures, as any controls and procedures, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management's Annual Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organization of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (1992). Based on this assessment, management concluded that as of December 31, 2013, the Company's internal control over financial reporting is effective.

As a smaller reporting company, the Company is not required to include in this annual report a report on the effectiveness of internal control over financial reporting by the Company's independent registered public accounting firm.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, and therefore, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. We do not expect that our disclosure controls and procedures or our internal control over financial reporting are able to prevent with certainty all errors and all fraud.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference to our definitive proxy statement or an amendment to our Annual Report on Form 10-K to be filed within 120 days of our fiscal year end.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to our definitive proxy statement or an amendment to our Annual Report on Form 10-K to be filed within 120 days of our fiscal year end.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to our definitive proxy statement or an amendment to our Annual Report on Form 10-K to be filed within 120 days of our fiscal year end.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference to our definitive proxy statement or an amendment to our Annual Report on Form 10-K to be filed within 120 days of our fiscal year end.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference to our definitive proxy statement or an amendment to our Annual Report on Form 10-K to be filed within 120 days of our fiscal year end.

Part IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statement Schedules

Required information is included in the footnotes to the financial statements.

EXHIBIT INDEX

Exhibit No.	Description
3.1 (1)	Certificate of Incorporation, as amended
3.2 (2)	Certificate of Amendment of Certificate of Incorporation
3.3 (3)	Bylaws
4.1 (4)	Specimen Common Stock Certificate
4.2 (1)	Form of Placement Agent Warrant
4.3 (5)	Form of Warrant Agreement with Hercules Technology Growth Capital, Inc.
4.4 (5)	Form of Secured Term Loan Promissory Note issued to Hercules Technology Growth Capital, Inc.
10.1† (6)	2007 Employee Stock Option Plan, as amended
10.2 (1)	Form of Securities Purchase Agreement, dated as of February 13, 2012
10.3 (1)	Form of Registration Rights Agreement, dated as of February 13, 2012
10.4 (1)	Amended and Restated Placement Agency Agreement, dated February 12, 2012, between ADMA Biologics, Inc. and the placement agent
10.5 (4)	Form of Lockup Agreement (February 13, 2012)
10.6† (1)	Employment Agreement, dated February 13, 2012, by and between ADMA Biologics, Inc. and Adam Grossman
10.7 (1)	Investors' Rights Agreement, dated July 17, 2007, by and among the ADMA Biologics, Inc. and each of the investors listed on Schedule A thereto
10.8+ (7)	Manufacturing Agreement, dated as of October 23, 2006, by and between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc., as amended as of October 23, 2011 and as of December 2, 2011
10.9+ (7)	Plasma Purchase Agreement, dated as of November 17, 2011, between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc., as amended as of December 1, 2011
10.10 (4)	Agreement for Services, dated July 23, 2007, between ADMA Biologics, LLC and Areth Inc.
10.11 (1)	Agreement of Lease between ADMA BioCenters Georgia, Inc. and ADMA Biologics, Inc. and C1VF I-GA1W15-W23, LLC (DCT Holdings), effective June 1, 2008 and confirmed on November 13, 2008, for the premises located in Norcross, Georgia, as amended
10.12+*	Agreement of Lease, dated as of January 20, 2014, between ADMA BioCenters Georgia, Inc. and U.S. Bank National Association, as trustee, effective February 1, 2014, for the premises located in Marietta, Georgia
10.13 (1)	Form of Indemnification Agreement
10.14 †(8)	Employment Agreement, dated as of April 30, 2012, by and between ADMA Biologics, Inc. and Brian Lenz

10.15 (9)	Modification and Release Agreement, dated June 15, 2012, between ADMA Biologics, Inc. and the placement agent
10.16+(10)	Testing Services Agreement, dated June 7, 2012, between ADMA Biologics, Inc. and Quest Diagnostics Clinical Laboratories, Inc.
10.17+ (10)	Plasma Supply Agreement, dated June 22, 2012, between ADMA Biologics, Inc. and Biotest Pharmaceuticals Corporation
10.18+*	Amendment No. 1, dated February 25, 2014, to the Plasma Supply Agreement, dated June 22, 2012, between ADMA Biologics, Inc. and Biotest Pharmaceuticals Corporation
10.19† (10)	Employment Agreement, dated July 18, 2012, by and among the ADMA Biologics, Inc. and James Mond
10.20 (5)	Loan and Security Agreement, dated as of December 21, 2012, by and among ADMA Biologics, Inc., ADMA Plasma Biologics, Inc., ADMA Bio Centers Georgia Inc. and Hercules Technology Growth Capital, Inc.
10.20.1*	First Amendment to Loan and Security Agreement, dated as of February 24, 2014, by and among ADMA Biologics, Inc., ADMA Plasma Biologics, Inc., ADMA BioCenters Georgia Inc. and Hercules Technology Growth Capital, Inc.
10.21 (5)	Equity Rights Letter, dated December 21, 2012, from ADMA Biologics, Inc. to Hercules Technology Growth Capital, Inc.
10.22+ (5)	Manufacturing, Supply and License Agreement, dated as of December 31, 2012, by and between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc.
10.23+ (5)	License Agreement, dated December 31, 2012, by and between ADMA Biologics, Inc. and Biotest Aktiengesellschaft
10.24 (11)	Form of Underwriting Agreement
16.1 (1)	Letter from Sherb & Co, LLP regarding change in certifying accountants
21.1 (4)	Subsidiaries of Registrant
23.1*	CohnReznick LLP Consent
24.1*	Power of Attorney (included on signature page)
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following materials from ADMA Biologics, Inc. Form 10-K for the year ended December 31, 2013, formatted in Extensible Business Reporting Language (XBRL): (i) Balance Sheets at December 31, 2013 and December 31, 2012, (ii) Statements of Operations for the years ended December 31, 2013 and 2012 (iii) Statements of Changes in Stockholders' Equity for the years ended December 31, 2013 and 2012, (iv) Statements of Cash Flows for the years ended December 31, 2013 and 2012 and (v) Notes to the Financial Statements

+ Confidential treatment requested as to certain portions of this exhibit. Such portions have been redacted and submitted separately to the SEC.

* Filed herewith.

** Furnished herewith.

† Management compensatory plan, contract or arrangement.

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

- (1) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on February 13, 2012.
- (2) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on August 26, 2013.
- (3) Incorporated herein by reference to the Company's Registration Statement on Form 10-SB (000-52120), filed with the Commission on July 10, 2006.
- (4) Incorporated herein by reference to Amendment No. 1 to the Company's Current Report on Form 8-K/A (000-52120), filed with the Commission on March 29, 2012.
- (5) Incorporated herein by reference to the Company's Registration Statement on Form S-1 (333-186579), filed with the Commission on February 11, 2013.
- (6) Incorporated herein by reference to Exhibit A to the Information Statement on Schedule 14C (000-52120), filed with the Commission on October 29, 2012.
- (7) Incorporated herein by reference to Amendment No. 3 to the Company's Current Report on Form 8-K/A (000-52120), filed with the Commission on June 22, 2012.
- (8) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on May 3, 2012.
- (9) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on June 21, 2012.
- (10) Incorporated herein by reference to Amendment No. 4 to the Company's Registration Statement on Form S-1 (333-180449), filed with the Commission on August 10, 2012.
- (11) Incorporated herein by reference to Amendment No. 1 to the Company's Registration Statement on Form S-1 (333-186579), filed with the Commission on April 8, 2013.

SIGNATURES

Pursuant to the requirements of sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, in the City of Ramsey, State of New Jersey on March 28, 2014.

ADMA Biologics, Inc.

By: /s/ Adam S. Grossman
Name: Adam S. Grossman
Title: President and Chief Executive Officer

POWER OF ATTORNEY

The undersigned directors and officers of ADMA Biologics, Inc. do hereby constitute and appoint Adam S. Grossman and Brian Lenz with full power of substitution and resubstitution, as their true and lawful attorneys and agents, to do any and all acts and things in their name and behalf in their capacities as directors and officers and to execute any and all instruments for them and in their names in the capacities indicated below, which said attorneys and agents, may deem necessary or advisable to enable said corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with this Annual Report on Form 10-K, including specifically but without limitation, power and authority to sign for them or any of them in their names in the capacities indicated below, any and all amendments hereto, and they do hereby ratify and confirm all that said attorneys and agents, or either of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
<u>/s/ Adam S. Grossman</u> Adam S. Grossman	President and Chief Executive Officer (Principal Executive Officer)	March 28, 2014
<u>/s/ Brian Lenz</u> Brian Lenz	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 28, 2014
<u>/s/ Steven A. Elms</u> Steven A. Elms	Chairman of the Board of Directors	March 28, 2014
<u>/s/ Dr. Jerrold B. Grossman</u> Dr. Jerrold B. Grossman	Vice Chairman of the Board of Directors and Director	March 28, 2014
<u>/s/ Bryant E. Fong</u> Bryant E. Fong	Director	March 28, 2014
<u>/s/ Dov A. Goldstein, M.D.</u> Dov A. Goldstein, M.D.	Director	March 28, 2014
<u>/s/ Lawrence P. Guiheen</u> Lawrence P. Guiheen	Director	March 28, 2014
<u>/s/ Eric I. Richman</u> Eric I. Richman	Director	March 28, 2014

ADMA BIOLOGICS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
ADMA Biologics, Inc.

We have audited the accompanying consolidated balance sheets of ADMA Biologics, Inc. and Subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ADMA Biologics, Inc. and Subsidiaries as of December 31, 2013 and 2012, and their results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ CohnReznick LLP

Roseland, New Jersey
March 28, 2014

ADMA BIOLOGICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2013 and 2012

	December 31,	
	2013	2012
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 26,149,477	\$ 12,535,672
Short-Term Investments	2,935,184	-
Accounts Receivable	-	39,112
Inventories	1,669,058	1,265,593
Prepaid Expenses	298,730	107,761
Total Current Assets	<u>31,052,449</u>	<u>13,948,138</u>
Property and Equipment at Cost, Net	765,299	779,297
Other Assets:		
Deferred Financing Costs	149,618	363,403
Restricted Cash	-	452,004
Deposits	12,577	12,577
Total Other Assets	<u>162,195</u>	<u>827,984</u>
TOTAL ASSETS	<u>\$ 31,979,943</u>	<u>\$ 15,555,419</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 2,709,489	\$ 1,058,671
Accrued Expenses	823,550	747,079
Accrued Interest	36,597	-
Current Portion of Deferred Revenue	75,556	-
Current Portion of Leasehold Improvement Loan	12,654	11,569
Total Current Liabilities	<u>3,657,846</u>	<u>1,817,319</u>
Notes Payable, Net of Debt Discount	4,865,228	3,773,524
Warrant Liability	-	229,345
End of Term Liability, Notes Payable	132,500	106,000
Deferred Revenue	1,580,370	-
Deferred Rent Liability	105,404	127,595
Leasehold Improvement Loan	65,236	77,890
TOTAL LIABILITIES	<u>10,406,584</u>	<u>6,131,673</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common Stock \$0.0001 par value 75,000,000 shares authorized, 9,291,823 and 5,871,002 shares issued and outstanding at December 31, 2013 and 2012, respectively	929	587
Additional Paid-In Capital	74,209,004	46,532,487
Accumulated Deficit	<u>(52,636,574)</u>	<u>(37,109,328)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>21,573,359</u>	<u>9,423,746</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 31,979,943</u>	<u>\$ 15,555,419</u>

See notes to consolidated financial statements

ADMA BIOLOGICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUES:		
Product revenue	\$ 3,023,503	\$ 1,118,118
License revenue	44,074	-
Total Revenues	<u>3,067,577</u>	<u>1,118,118</u>
OPERATING EXPENSES:		
Cost of product revenue	2,023,441	669,056
Research and development	9,303,077	3,469,078
Plasma center	2,418,156	1,746,864
General and administrative	4,365,334	3,142,289
TOTAL OPERATING EXPENSES	<u>18,110,008</u>	<u>9,027,287</u>
LOSS FROM OPERATIONS	<u>(15,042,431)</u>	<u>(7,909,169)</u>
OTHER INCOME(EXPENSE):		
Interest income	7,623	20,924
Interest expense	(618,225)	(30,683)
Change in fair value of stock warrants	43,290	-
Other income	82,497	-
TOTAL OTHER INCOME(EXPENSE)	<u>(484,815)</u>	<u>(9,759)</u>
LOSS BEFORE INCOME TAXES	<u>(15,527,246)</u>	<u>(7,918,928)</u>
State income tax benefit	-	617,615
NET LOSS	<u>\$ (15,527,246)</u>	<u>\$ (7,301,313)</u>
NET LOSS PER COMMON SHARE,		
Basic and Diluted	<u>\$ (2.38)</u>	<u>\$ (1.39)</u>
WEIGHTED AVERAGE SHARES		
OUTSTANDING, Basic and Diluted	<u>6,531,029</u>	<u>5,265,771</u>

See notes to consolidated financial statements

ADMA BIOLOGICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended December 31, 2013 and 2012

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance - January 1, 2012	8,221,678	\$ 8,222	518,908	\$ 519	\$ 30,185,090	\$ (29,808,015)	\$ 385,816
Conversion of preferred shares and accumulated dividends	(8,221,678)	(8,222)	3,002,988	3,003	5,219	-	-
Conversion of notes payable and accrued interest into common stock in private placement	-	-	34,759	35	262,705	-	262,740
Common stock sold in private placement, net of expenses	-	-	2,286,964	2,287	15,597,429	-	15,599,716
Common stock retained by stockholders of shell company as part of reverse merger	-	-	67,352	67	(67)	-	-
Effects of change in par value from \$0.001 to \$0.0001 as a result of the reverse merger	-	-	-	(5,320)	5,320	-	-
Repurchase of common stock from placement agent	-	-	(39,969)	(4)	(149,996)	-	(150,000)
Stock-based compensation	-	-	-	-	626,787	-	626,787
Net loss	-	-	-	-	-	(7,301,313)	(7,301,313)
Balance - December 31, 2012	-	-	5,871,002	587	46,532,487	(37,109,328)	9,423,746
Proceeds received from Initial Public Offering, net of equity issuance costs	-	-	3,420,821	342	26,602,167	-	26,602,509
Stock-based compensation	-	-	-	-	888,295	-	888,295
Elimination of warrant liability	-	-	-	-	186,055	-	186,055
Net loss	-	-	-	-	-	(15,527,246)	(15,527,246)
Balance - December 31, 2013	-	\$ -	9,291,823	\$ 929	\$ 74,209,004	\$ (52,636,574)	\$ 21,573,359

See notes to consolidated financial statements

ADMA BIOLOGICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (15,527,246)	\$ (7,301,313)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	210,633	182,089
Stock-based compensation	888,295	626,787
Warrant liability	(43,290)	-
Amortization of debt discount	91,704	2,869
Amortization of deferred financing costs	99,238	2,644
Non-cash interest expense related to notes payable	-	1,959
Loss on sale of equipment	-	18,399
Amortization of license revenue	(44,074)	-
Changes in operating assets and liabilities:		
Accounts receivable	39,112	(39,112)
Inventories	(403,465)	(118,248)
Prepaid expenses	(190,969)	(48,517)
Other assets	593,051	(115,041)
Accounts payable	1,608,980	(244,743)
Accrued expenses	76,471	150,622
Accrued interest	36,597	-
Deferred revenue	1,700,000	-
Deferred rent liability	(22,191)	(22,190)
Net cash used in operating activities	<u>(10,887,154)</u>	<u>(6,903,795)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investments	(2,935,184)	-
Purchase of property and equipment	(196,635)	(118,853)
Net cash used in investing activities	<u>(3,131,819)</u>	<u>(118,853)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	27,030,820	17,287,288
Proceeds from Hercules note payable	1,000,000	3,906,000
Payment of equity issuance costs	(386,473)	(1,338,009)
Debt issuance costs	-	(25,000)
Repurchase of common stock	-	(150,000)
Repayments of notes payable	-	(200,000)
Payments of leasehold improvement loan	(11,569)	(9,730)
Net cash provided by financing activities	<u>27,632,778</u>	<u>19,470,549</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>13,613,805</u>	<u>12,447,901</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>12,535,672</u>	<u>87,771</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 26,149,477</u>	<u>\$ 12,535,672</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 382,736	\$ 1,085
Supplemental Disclosure of Noncash Financing Activities:		
Conversion of notes payable and interest in private placement	\$ -	\$ 262,740
Reclassification of equity issuance costs to additional paid-in capital	\$ 428,311	\$ -
Accrued equity issuance costs	\$ 41,838	\$ 69,533
End of term liability for Hercules note payable	\$ 26,500	\$ 106,000
Warrants issued in connection with note payable	\$ -	\$ 229,345
Elimination of warrant liability	\$ 186,055	\$ -
Stock retained by stockholders of shell company	\$ -	\$ 67

See notes to consolidated financial statements

1. ORGANIZATION AND BUSINESS

ADMA Biologics, Inc. (“ADMA” or the “Company”) is a late-stage biopharmaceutical company that develops, manufactures, and intends to market specialty plasma-based biologics targeted to niche patient populations for the treatment and prevention of certain infectious diseases. The target patient populations include immune-compromised individuals who suffer from an underlying immune deficiency disease or who may be immune-compromised for medical reasons. ADMA also operates ADMA BioCenters Georgia, Inc., (“ADMA BioCenters”) of Norcross, Georgia, a source plasma collection facility licensed by the U.S. Food and Drug Administration (“FDA”) and certified by the German Health Authority (“GHA”), which provides ADMA with a portion of its blood plasma for the manufacture of RI-002, ADMA’s lead product candidate.

The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. The Company has needed to raise capital from the sales of its equity and debt securities to sustain operations. In October 2013, the Company completed an Initial Public Offering (“IPO”) to raise gross proceeds of \$29.1 million, and in February 2012, the Company completed a private placement to raise gross proceeds of \$17.3 million (see Note 6), and during December 2012 and February 2014, the Company borrowed a total of \$10 million from Hercules Technology Growth Capital, Inc. (“Hercules”) (see Note 5).

Based upon the Company’s projected revenue and expenditures for 2014, management currently believes the Company’s existing cash and cash equivalents, short term investments along with an additional \$5.0 million from Hercules, which will be made available upon the Company successfully meeting the clinical endpoints of a Phase III clinical study of RI-002 as a treatment for Primary Immunodeficiency Diseases in a manner that supports a Biologic License Application filing from our existing Amended Loan and Security Agreement with Hercules, will be sufficient to enable it to fund its operating expenses, research and development expenses and capital expenditures into 2016. Because the Company does not anticipate receiving FDA approval for RI-002 until, at the earliest, the first half of 2016 if at all, and would therefore not be able to generate revenues from the commercialization of RI-002 until after that date, if the Company’s assumptions underlying its estimated revenues and expenses prove to be wrong, it may have to raise additional capital sooner than anticipated. There can be no assurance that such funds, if available at all, can be obtained on terms acceptable to the Company. Because of numerous risks and uncertainties associated with the research, development and future commercialization of the Company’s product candidate, it is unable to estimate with certainty the amounts of increased capital outlays and operating expenditures associated with its anticipated clinical trials and development activities. Its current estimates may be subject to change as circumstances regarding requirements further develop.

ADMA’s long term liquidity will be dependent upon on its ability to raise additional capital, to fund its research and development and commercial programs and meet its obligations on a timely basis. If ADMA is unable to successfully raise sufficient additional capital, it will likely not have sufficient cash flow and liquidity to fund its business operations, forcing ADMA to curtail activities and, ultimately, potentially cease operations. Even if ADMA is able to raise additional capital, such financings may only be available on unattractive terms, resulting in significant dilution of stockholders’ interests and, in such event, the value and potential future market price of its common stock may decline.

There can be no assurance that the Company’s research and development will be successfully completed or that any product will be approved or commercially viable. The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, dependence on collaborative arrangements, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with FDA and other governmental regulations and approval requirements.

ADMA’s primary focus since 2004 has been conducting research and development of human plasma-derived products for the treatment of specific disease states. The plasma collection center in Georgia was established in 2008 as a complementary business operation. The Georgia facility received its Food and Drug Administration or FDA license in August 2011. Under FDA license, ADMA BioCenters can collect normal source plasma and high-titer RSV plasma. The Company sells a portion of the collected normal source plasma to buyers in the open “spot” market. The Company also plans to use the high-titer Respiratory Syncytial Virus (“RSV”) plasma collected by ADMA BioCenters in the manufacturing of RI-002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following comprises the Company's significant accounting policies:

Basis of presentation

The accompanying consolidated financial statements include the accounts of ADMA Biologics, Inc. and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and cash equivalents

The Company considers all highly-liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company purchases certificates of deposits with maturity schedules of three, six, nine and twelve months. Instruments with maturity greater than three months but less than twelve months are included in short term investments. As of December 31, 2012, the Company had \$0.5 million in restricted cash associated with a letter of credit related to our landlord agreement for our Georgia ADMA BioCenters facility. As of December 31, 2013, none of our cash was restricted and the letter of credit expired.

The Company regularly maintains cash and short term investments at third-party financial institutions in excess of the Federal Deposit Insurance Corporation, or FDIC, insurance limit. While the Company monitors the daily cash balances in the operating accounts and adjusts the balances as appropriate, these balances could be impacted, and there could be a material adverse effect on our business, if one or more of the financial institutions with which the Company has deposits fails or is subject to other adverse conditions in the financial or credit markets. To date, the Company has not experienced a loss or lack of access to its invested cash or cash equivalents; however, the Company cannot provide assurance that access to its invested cash and cash equivalents will not be impacted by adverse conditions in the financial and credit markets.

Inventories

Plasma inventories (both plasma intended for resale and plasma intended for internal use in our research and development activities) are carried at the lower of cost or market value determined on the first-in, first-out method. Once the research and development plasma is processed to a finished good for ongoing trials it is then expensed to research and development. Inventory at December 31, 2013 and 2012 consists of raw materials. Inventory also includes plasma collected at the Company's FDA licensed plasma collection center.

Revenue recognition

Revenue from the sale of human plasma collected at the Company's FDA licensed plasma collection center and plasma-derived medicinal products is recognized at the time of transfer of title and risk of loss to the customer, which occurs at the time of shipment. Revenue is recognized at the time of delivery if the Company retains the risk of loss during shipment. The Company's revenues are substantially attributed to one customer. Revenue from license fees and research and development services rendered are recognized as revenue when the performance obligations under the terms of the license agreement have been completed. Deferred revenue of \$1.7 million was recorded in 2013 as a result of certain research and development services to be provided in accordance with a license agreement and is recognized over the term of the license. Deferred revenue is amortized into income for a period of approximately 20 years, the term of the license agreement.

Concentration of Significant Customers and Accounts Receivable

As of December 31, 2013 and 2012, the Company's customers, revenues and trade receivable balances were substantially attributed to one customer.

Research and development costs

The Company expenses all research and development costs as incurred including plasma and equipment for which there is no alternative future use. Such expenses include licensing fees and costs associated with planning and conducting clinical trials.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of inventory, assumptions used in the fair value of stock-based compensation, and the allowance for the valuation of future tax benefits.

Concentration of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and short-term investments.

Property and equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the asset's estimated useful life, which is five to ten years. Leasehold improvements are amortized over the lesser of the lease term or their estimated useful lives.

Income taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined on the basis of the difference between the tax basis of assets and liabilities and their respective financial reporting amounts ("temporary differences") at enacted tax rates in effect for the years in which the temporary differences are expected to reverse. The Company records a valuation allowance on its deferred income tax assets if it is more likely than not that these deferred income tax assets will not be realized.

The Company has no unrecognized tax benefits at December 31, 2013 and 2012. The Company's U.S. Federal and state income tax returns prior to fiscal year 2010 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company will recognize interest and penalties associated with tax matters as income tax expense.

Earnings (Loss) Per Share

Basic net loss per share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is calculated by dividing net loss applicable to common stockholders as adjusted for the effect of dilutive securities, if any, by the weighted average number of common stock and dilutive common stock outstanding during the period. No potentially dilutive securities are included in the computation of any diluted per share amounts as the Company reported a net loss for all periods presented. Potentially dilutive securities that would be issued upon the exercise of outstanding warrants and stock options were 1.0 million at December 31, 2013 and 0.7 million at December 31, 2012.

Stock-based compensation

The Company follows recognized accounting guidance which requires all stock-based payments, including grants of stock options, to be recognized in the statement of operations as compensation expense, based on their fair values on the grant date. The estimated fair value of options granted under the Company's 2007 Employee Stock Option Plan (the "Plan") are recognized as compensation expense over the option-service period.

During the years ended December 31, 2013 and 2012, the Company recorded stock-based compensation expense to employees of \$888,295 and \$626,787, respectively. There were 84,134 and 506,559 options granted to employees and members of the Board of Directors for the years ended December 31, 2013 and 2012, respectively. For the year ended December 31, 2013, 6,350 options were forfeited due to an employee termination.

The fair value of employee options granted was determined on the date of grant using the Black-Scholes model. The Black-Scholes option valuation model was developed for use in estimating the fair value of publicly traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Company's employee stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate. Because there is no public market for the Company's stock and very little historical experience with the Company's stock options, small similar publicly traded companies were used for comparison and expectations as to assumptions required for fair value computation using the Black-Scholes methodology. Guidance for stock-based compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company currently estimates there will be no forfeitures of options. Due to the Company's limited history, the Company uses the simplified method, to determine the expected life of the option grants, which is the average between vesting terms and contractual terms.

The Company records compensation expense associated with stock options and other forms of equity compensation using the Black-Scholes option-pricing model and the following assumptions:

	Year Ended
	December 31, 2013
Expected term	6.3 years
Volatility	63%
Dividend yield	0.0
Risk-free interest rate	1.24-2.25%

Fair value of financial instruments

The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, short-term investments, accounts payable, and notes payable are shown at cost which approximates fair value due to the short-term nature of these instruments. The carrying value of the long-term note payable bears interest at a rate per annum equal to the greater of (i) 8.75% and (ii) the sum of (a) 8.75% plus (b) the Prime Rate (as reported in The Wall Street Journal) minus (c) 5.75%, which approximates its fair value as of December 31, 2013 and also approximates the February 2014 terms of the amended loan agreement.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31,	2013	2012
Lab and office equipment	\$ 674,885	\$ 523,300
Computer software	184,077	141,277
Leasehold improvements	942,353	940,103
	1,801,315	1,604,680
Less: Accumulated depreciation and amortization	(1,036,016)	(825,383)
	<u>\$ 765,299</u>	<u>\$ 779,297</u>

The Company recorded depreciation and amortization expense of \$210,633 and \$182,089 for the years ended December 31, 2013 and 2012, respectively. The Company recorded a loss on disposal of equipment of \$18,399 for the year ended December 31, 2012.

4. LEASEHOLD IMPROVEMENT LOAN

In connection with the lease of commercial real estate by the Company's wholly-owned subsidiary for the operation of the plasma collection center, the Company borrowed \$125,980 from the lessor to pay for leasehold improvement costs in excess of the allowance provided for in the lease agreement. The loan bears interest at 9% and is payable in 120 monthly installments of \$1,596 maturing December 31, 2018. Principal maturities under the loan are as follows:

2014	\$ 12,654
2015	13,841
2016	15,139
2017	16,559
2018	18,113
2019	1,584
	<u>\$ 77,890</u>

5. DEBT*Hercules Debt Agreement*

On December 21, 2012, the Company and its subsidiaries entered into a Loan and Security Agreement, or the Loan Agreement, with Hercules Technology Growth Capital, Inc., or Hercules. Under the Loan Agreement, the Company borrowed \$5.0 million consisting of \$4.0 million on the closing date and an additional \$1.0 million upon enrolling its first patient in its pivotal (Phase III) clinical study of its lead product candidate RI-002. On February 24, 2014, the Company entered into the First Amendment to the Loan Agreement, or Loan Amendment, under which the Company may borrow up to a maximum of \$15.0 million. The Company borrowed \$10.0 million on the closing date (\$5.0 million of which was used to refinance existing debt with Hercules) and an additional \$5.0 million will be made available upon the Company successfully meeting the clinical endpoints of a Phase III clinical study of RI-002 as a treatment for Primary Immunodeficiency Diseases in a manner that supports a Biologic License Application filing. The loan bears interest at a rate per annum equal to the greater of (i) 8.75% and (ii) the sum of (a) 8.75% plus (b) the Prime Rate (as reported in *The Wall Street Journal*) minus (c) 5.75%. Payment-in-kind interest accrues on the outstanding principal balance of the loan compounded monthly at 1.95% per annum and such accrued and unpaid interest is added to the principal balance of the loan on the first day of each month beginning on the month after the closing. The principal will be repaid over 27 months beginning no later than April 1, 2015 (unless extended to October 1, 2015 upon the Company meeting certain eligibility criteria for the final tranche), unless accelerated as a result of certain events of default. A backend fee equal to \$132,000 is due the earliest of April 1, 2016, the prepayment date and the date that the secured obligations become due and payable. In addition, a first amendment commitment fee and a facility fee in the amount of \$15,000 and \$135,000, respectively, were paid at closing. In the event the Company elects to prepay the loan, the Company is obligated to pay a prepayment charge corresponding to a percentage of the principal amount of the loan, with such percentage being: 2.5% if prepayment occurs in the first year, 1.5% if prepayment occurs in the second year and 0.5% if prepayment occurs after the second year but prior to the final day of the term. The loan matures no later than January 1, 2018.

The loan is secured by the Company's assets, except for its intellectual property (which is subject to a negative pledge). Interest is due and payable on the 1st of every month and at the termination date, unless accelerated as a result of an event of default.

The Loan Agreement contains customary representations, warranties and covenants, including limitations on incurring indebtedness, engaging in mergers or acquisitions and making investments, distributions or transfers. The representations, warranties and covenants contained in the Loan Agreement were made only for purposes of such agreement and as of a specific date or specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Loan Agreement.

Events of default under the agreement include, but are not limited to: (i) insolvency, liquidation, bankruptcy or similar events; (ii) failure to pay any debts due under the Loan Agreement or other loan documents on a timely basis; (iii) failure to observe any covenant or secured obligation under the Loan Agreement or other loan documents, which failure, in most cases, is not cured within 10 days of written notice by lender; (iv) occurrence of any default under any other agreement between us and the lender, which is not cured within 10 days; (v) occurrence of an event that could reasonably be expected to have a material adverse effect; (vi) material misrepresentations; (vii) occurrence of any default under any other agreement involving indebtedness in excess of \$50,000 or the occurrence of a default under any agreement that could reasonably be expected to have a material adverse effect; and (viii) certain money judgments are entered against us or a certain portion of our assets are attached or seized. Remedies for events of default include acceleration of amounts owing under the Loan Agreement and taking immediate possession of, and selling, any collateral securing the loan.

In connection with the original Loan Agreement, the Company issued to Hercules a warrant to purchase 31,750 shares of common stock with an exercise price of \$7.56, and under the amended Loan Agreement, the Company issued to Hercules a warrant to purchase 34,800 shares of its common stock (and a warrant for an additional 23,200 shares of common stock if the Company borrows an additional \$5.0 million as described above), with an exercise price set at the lower of (i) \$7.50 per share or (ii) the price per share of the next round of financing over the next twelve months, subject to customary anti-dilution adjustments. The warrants expire after 10 years and have piggyback registration rights with respect to the shares of common stock underlying the warrant. In addition, the Company has also granted Hercules the option to invest (until the loan maturity date) up to \$1.0 million in future equity financings at the same terms as the other investors.

The Loan Agreement contains certain provisions that require the warrants issued to Hercules to be accounted for as a liability and "marked-to-market" each reporting period. Changes in the valuation of this liability at the end of each reporting period will be included in its reported operating results, and may create volatility in its reported operating results.

The fair value of the initial Loan Agreement warrant was calculated using a lattice-based option model in order to account for features in the warrant that could cause the exercise price to reset ("down round protection") in the next issuance of our common stock (the next round of equity financing). The Company recorded the fair value of the warrant of \$229,345 as warrant liability and as a debt discount to the carrying value of the loan. The key assumptions used to value the warrants included the expected date of the next round of equity financing, volatility of 59% on our common stock based upon similar public companies volatilities for comparison, an expected dividend yield of 0.0%, and a term of 10 years. As of October 22, 2013, the closing of the IPO, the Company recorded \$186,055 as the fair value of the warrant, as additional paid in capital. As a result of the decrease in warrant liability, the Company recorded a \$43,290 change in the fair value of warrant liability. This warrant liability was adjusted from inception of the initial Loan Agreement to October 22, 2013, to fair value each reporting period using a lattice-based option model and the debt discount will be amortized to interest expense over the term of the loan. Upon the completion of the IPO of common stock in October 2013, the down round warrant protection feature resulting in the warrant liability's quarterly "marked-to-market" valuation terminated and, therefore, this liability was reclassified to additional paid-in capital during the fourth quarter of 2013.

6. STOCKHOLDERS' EQUITY

Hercules Debt Financing Warrant Issuance

In connection with the original Loan Agreement, the Company issued to Hercules a warrant to purchase 31,750 shares of common stock with an exercise price of \$7.56, subject to customary anti-dilution adjustments. In connection with the Loan Amendment, the Company issued to Hercules a warrant to purchase 34,800 shares of common stock of the Company (and a warrant for an additional 23,200 shares of common stock if the Company borrows an additional \$5.0 million as described above), with an exercise price set at the lower of (i) \$7.50 per share or (ii) the price per share of the next round of financing over the next twelve months, subject to customary anti-dilution adjustments. The warrant expires after 10 years and has piggyback registration rights with respect to the shares of common stock underlying the warrant.

2012 Merger and Financing

On February 13, 2012, in connection with, and immediately prior to the closing of the Merger (as defined below), the Company completed a private placement (the "2012 Financing") of 2,321,723 shares of the Company's common stock at a price per share of \$7.56 to accredited investors, for gross proceeds to the Company of \$17,550,029 pursuant to a securities purchase agreement (the "Securities Purchase Agreement"). In lieu of repayment of senior secured promissory notes in the aggregate principal amount of \$250,000 (plus \$12,740 in accrued interest), the aggregate amount of unpaid principal and interest on the notes was invested by the holders of such notes in the 2012 Financing in exchange for shares of the Company's common stock. The net cash proceeds from the 2012 Financing, after the payment of all expenses related to the 2012 Financing and the Merger, approximated \$15.3 million.

The placement agent was paid a cash fee by the Company for its services. As additional compensation, the Company issued the placement agent warrants (the "Placement Agent Warrants") to purchase 111,587 shares of common stock of the Company. The Placement Agent Warrants, which were exchanged for warrants of the Company in the Merger, are exercisable at \$7.56 per share of Common Stock at any time beginning on August 11, 2012 and ending on February 12, 2017. The Company also agreed to reimburse the Placement Agent for up to \$100,000 of expenses it incurred in connection with the 2012 Financing and to indemnify it against certain liabilities in connection with the 2012 Financing.

On February 13, 2012, the Company entered into a merger agreement whereby forming ADMA Acquisition Sub, Inc., a Delaware corporation ("Acquisition Sub") ("Merger"). Upon closing of the Merger, Acquisition Sub was merged with and into the Company, and the Company, as the surviving corporation in the Merger, became a wholly-owned subsidiary of the Company and the corporate name was changed to ADMA Biologics, Inc.

For accounting purposes, the Merger was accounted for as a reverse acquisition, with the Company as the accounting acquiror (legal acquiree) and parentco as the accounting acquiree (legal acquiror), effectively a recapitalization of the Company.

Following the Merger, the Company is authorized by its certificate of incorporation to issue an aggregate of 85,000,000 shares of capital stock, of which 75,000,000 are shares of common stock and 10,000,000 are shares of preferred stock, each with a par value of \$0.0001 per share.

During October and November the Company completed its IPO and over-allotment of common stock by issuing 3,420,821 shares of its common stock, priced at \$8.50 per share. Aggregate net proceeds to ADMA, after deducting underwriting discounts and commissions and expenses was \$26.6 million.

7. RELATED PARTY TRANSACTIONS

The Company leases an office building and equipment from an entity owned by related parties on a month-to-month basis. Rent expense amounted to \$96,448 for each of the years ended December 31, 2013 and 2012, respectively. The Company maintains deposits and other accounts at a bank which is less than 5%-owned by related parties and where a stockholder is a member of the Board of Directors of the bank.

8. COMMITMENTS AND CONTINGENCIESLease commitments

The Company has entered into leases for its ADMA BioCenters' facilities located at 6290 Jimmy Carter Boulevard, Suite 208, Norcross, Georgia and in Marietta, Georgia. The Norcross, Georgia lease expires on September 30, 2023, and the Marietta, Georgia lease expires on January 31, 2024. Total rent expense for its New Jersey and Georgia facilities during the years ended 2013 and 2012 were approximately, \$253,000 and \$249,000, respectively.

Future minimum lease payments for both leases, for each of the five years ending December 31 and thereafter are as follows:

2014	\$ 168,928
2015	330,176
2016	348,383
2017	353,059
2018	356,774
Thereafter	1,998,966
	<u>\$ 3,556,286</u>

Vendor and Licensor Commitments

On December 31, 2012, the Company entered into a Manufacturing, Supply and License Agreement with Biotest, which replaces a prior agreement that expired on December 31, 2012. Under the agreement, the Company agreed to purchase exclusively from Biotest its worldwide requirements of Respiratory Syncytial Virus ("RSV") immune globulin manufactured from human plasma containing RSV antibodies. The term of the agreement is for a period of ten years from January 1, 2013, renewable for two additional five-year periods at the agreement of both parties. The Company is obligated under this agreement to purchase a minimum of at least one lot of product during each calendar year after the finished product is approved by the Food and Drug Administration ("FDA"). This number is subject to increase at the Company's option. As consideration for Biotest's obligations under the agreement, the Company is obligated to pay a dollar amount per lot of RSV immune globulin manufactured from human plasma containing RSV antibodies, as well as a percentage royalty on the sales thereof and of RI-002, up to a specified cumulative maximum. The agreement may be terminated by either party (a) by reason of a material breach if the breaching party fails to remedy the breach within 120 days after receiving notice of the breach from the other party, (b) upon bankruptcy, insolvency, dissolution, or winding up of the other party, or (c) if the other party is unable to fulfill its obligations under the agreement for 120 consecutive days or more as a result of (a) or (b) above.

In a separate license agreement effective December 31, 2012, the Company granted Biotest an exclusive license to market and sell RSV antibody-enriched Immune Globulin Intravenous ("IGIV") in Europe and in selected countries in North Africa and the Middle East, collectively referred to as the Territory, to have access to the Company's testing services for testing of Biotest's plasma samples using the Company's proprietary RSV assay, and to reference (but not access) the Company's proprietary information for the purpose of Biotest seeking regulatory approval for the RSV antibody-enriched IGIV in the Territory. As consideration for the license, Biotest agreed to provide the Company with certain services at no charge and also compensate us with cash payments upon the completion of certain milestones. Such services have been accounted for as deferred revenue which were recorded in 2013 as a result of certain research and development services as provided for in accordance with a license agreement. Deferred revenue is recognized over the term of the license and is amortized into income for a period of approximately 20 years, the term of the license agreement. Biotest is also obligated to pay the Company an adjustable royalty based on a percentage of revenues from the sale of RSV antibody-enriched IGIV in the Territory for 20 years from the date of first commercial sale. Additionally, Biotest has agreed to grant the Company an exclusive license for marketing and sales in the United States and Canada for Biotest's Varicella Zoster Immune Globulin ("VZIG"), the terms of which the Company expects to finalize by the end of the first half of 2014. As such, the Company expects to account for the value of this license as a charge to operations once the terms of the in-license agreement are finalized.

Pursuant to the terms of a Plasma Purchase Agreement with Biotest, the Company has agreed to purchase from Biotest an annual minimum volume of source plasma containing antibodies to RSV to be used in the manufacture of RI-002. This volume will increase at the earlier of our receipt of a Biologics License Application ("BLA") from the FDA, or March 31, 2016. The Company must purchase a to-be-determined and agreed upon annual minimum volume from Biotest but may also collect high-titer RSV plasma from up to five wholly-owned ADMA BioCenters. Unless terminated earlier, the agreement expires in November 2021, after which it may be renewed for two additional five-year periods if agreed to by the parties. Either party may terminate the agreement if the other party fails to remedy any material default in the performance of any material condition or obligation under the agreement following notice. Either party may also terminate the agreement, after providing written notice, if a proceeding under any bankruptcy, reorganization, arrangement of debts, insolvency or receivership law is filed by or against the other party, and is not dismissed or stayed, or a receiver or trustee is appointed for all or a substantial portion of the assets of the other party, or the other party makes an assignment for the benefit of its creditors or becomes insolvent. The Company may also terminate the agreement upon written notice if the clinical development of our product candidate is halted or terminated, whether by the FDA, a Data Safety Monitoring Board, or any other regulatory authority. Upon termination of the agreement, the Company must pay for any source plasma already delivered to the Company and for any source plasma collected under the terms of the agreement.

Employment Contracts

The Company has entered into employment agreements with its executive management team consisting of its President and Chief Executive Officer, Chief Medical and Scientific Officer and Chief Financial Officer. In accordance with the employment agreements, the total financial obligation the Company has with the named executives totals approximately \$1.5 million.

General Legal Matters

The Company is subject to certain legal proceedings and claims arising in connection with the normal course of our business. In the opinion of management, there are currently no claims that would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Other Commitments

In the normal course of business, the Company enters into contracts that contain a variety of indemnifications with its employees, licensors, suppliers and service providers. Further, the Company indemnifies its directors and officers who are, or were, serving at the Company's request in such capacities. The Company's maximum exposure under these arrangements is unknown as of December 31, 2013. The Company does not anticipate recognizing any significant losses relating to these arrangements.

9. STOCK OPTIONS

On July 16, 2007 (the "Effective Date"), the Company's Board and stockholders adopted the 2007 Employee Stock Options Plan (the "Plan"). On July 17, 2012, the Company's Board and stockholders amended the Plan to increase the aggregate number of options available for grant to 903,224. On February 21, 2014, the Board of Directors (the "Board") of the Company approved, subject to stockholder approval at the Company's 2014 Annual Meeting of Stockholders (the "Annual Meeting") of the 2014 Omnibus Incentive Compensation Plan of the Company (the "Prospective Plan"), incentive stock options to purchase an aggregate of 167,932 shares of the Company's common stock under the Prospective Plan, which is subject to stockholder approval at the Annual Meeting, to three of its executive officers, of which options to purchase 99,309 shares were approved by the Board for the Company's President and Chief Executive Officer, Adam S. Grossman; options to purchase 39,032 shares were approved by the Board for the Company's Chief Financial Officer, Brian Lenz; and options to purchase 29,591 shares were approved by the Board for the Company's Chief Scientific and Medical Officer, James Mond, M.D., Ph.D. The options will vest over a period of four years and are exercisable at a price per share of \$8.50, the closing price of the Company's common stock on the OTC Bulletin Board on February 21, 2014. The Board also approved, subject to stockholder approval at the Annual Meeting under the Prospective Plan, nonqualified stock options to purchase an aggregate of 54,000 shares of the Company's common stock to its Board. Such options will vest over a period of two years and are exercisable at a price per share of \$8.50, the closing price of the Company's common stock on the OTC Bulletin Board on February 21, 2014. Additionally, the Board also, approved subject to stockholder approval at the Annual meeting under the Prospective Plan, 800,000 shares of common stock plus an annual increase to be added as of the first day of the Company's fiscal year, beginning in 2015 and occurring each year thereafter through 2020, equal to the lower of 200,000, or 1% of the outstanding shares of common stock as of the end of the Company's immediately preceding fiscal year and any lesser number of shares determined by the Board, provided that the aggregate number of shares available for issuance pursuant to such increases shall not exceed a total of 800,000 shares reserved for issuance under the terms of the Prospective Plan.

The Plan provides for the Board or a Committee of the Board (the "Committee") to grant awards to optionees and to determine the exercise price, vesting term, expiration date and all other terms and conditions of the awards, including acceleration of the vesting of an award at any time. All options granted under the Plan are intended to be incentive stock options ("ISOs"), unless specified by the Committee to be non-qualified options ("NQOs") as defined by the Internal Revenue Code. ISOs and NQOs may be granted to employees, consultants or Board members at an option price not less than the fair market value of the common stock subject to the Stock Option Agreement. The following table summarizes information about stock options outstanding as of December 31, 2013 and 2012:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	749,211	\$ 6.86	105,890	\$ 2.62
Forfeited	(6,350)	\$ 7.56	-	\$ -
Granted	84,134	\$ 7.56	643,321	\$ 7.56
Outstanding at end of year and expected to vest	<u>826,995</u>	<u>\$ 6.90</u>	<u>749,211</u>	<u>\$ 6.86</u>
Options exercisable	<u>391,822</u>	<u>\$ 6.23</u>	<u>175,022</u>	<u>\$ 6.67</u>
Weighted average fair value of options granted during the period		<u>\$ 4.35</u>		<u>\$ 5.37</u>

The weighted average remaining contractual term of stock options outstanding and expected to vest at December 31, 2013 is 7.9 years. The weighted average remaining contractual term of stock options exercisable at December 31, 2013 is 7.0 years.

Stock-based compensation expense for the years ended December 31, 2013 and 2012 was:

	2013	2012
Research and development	\$ 227,085	\$ 101,606
General and administrative	661,210	525,181
Total stock-based compensation expense	<u>\$ 888,295</u>	<u>\$ 626,787</u>

As of December 31, 2013, the total compensation expense related to unvested options not yet recognized totaled \$2,283,314. The weighted-average vesting period over which the total compensation expense will be recorded related to unvested options not yet recognized at December 31, 2013 was approximately 2.6 years. As of December 31, 2013, the Company had 76,229 options available for future grant under the Plan.

The aggregate intrinsic value is calculated as the difference between (i) the closing price of the common stock at December 31, 2013 and (ii) the exercise price of the underlying awards, multiplied by the number of options that had an exercise price less than the closing price on the last trading day. Our outstanding and exercisable options had an intrinsic value of \$591,574 as of December 31, 2013.

10. INCOME TAXES

A reconciliation of income taxes at the U.S. Federal statutory rate to the benefit for income taxes is as follows:

	Year Ended December 31,	
	2013	2012
Benefit at US federal statutory rate	\$ (5,279,264)	\$ (2,692,436)
State taxes - deferred	(901,800)	(395,946)
Increase in valuation allowance, inclusive of true-ups	6,850,118	3,088,382
Research and development credits	(599,003)	-
Sale of state net operating loss	-	(617,615)
Other	(70,051)	-
Benefit for income taxes	<u>\$ -</u>	<u>\$ (617,615)</u>

A summary of our deferred tax assets is as follows:

	Year Ended December 31,	
	2013	2012
Federal and state net operating loss carryforwards	\$ 16,791,893	\$ 11,602,301
Federal and state research credits	2,846,245	1,938,664
Accrued expenses and other	752,945	-
Total gross deferred taxassets	20,391,083	13,540,965
Less: valuation allowance for deferred taxassets	(20,391,083)	(13,540,965)
Net deferred taxassets	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2013, the Company had Federal and state net operating loss carryforwards of approximately \$44.1 million and \$33.3 million, respectively. The Company also had Federal and state research and development tax credit carryforwards of approximately \$2.2 million and \$0.6 million, respectively. The net operating loss carryforwards and tax credits will expire at various dates beginning in 2027 if not utilized.

The Company received \$617,615 in January 2012 from the sale of net operating loss and research and development credit carryforwards under the New Jersey Economic Development Authority Technology Business Tax Certificate Transfer Program. These amounts are recorded on the financial statements as income tax benefits in the year they are received.

11. SEGMENTS

The Company is engaged in the development and commercialization of human plasma and plasma-derived therapeutics. The Company also operates an FDA-licensed source plasma collection facility located in Norcross, Georgia. The Company defines its segments as those business units whose operating results are regularly reviewed by the chief operating decision maker ("CODM") to analyze performance and allocate resources. The Company's CODM, is its President and Chief Executive Officer.

The plasma collection center segment includes the Company's operation in Georgia. The research and development segment includes the Company's plasma development operations in New Jersey.

Summarized financial information concerning reportable segments is shown in the following table:

Year Ended December 31, 2013	Plasma Collection Center	Research and Development	Corporate	Consolidated
Revenues	\$ 3,023,503	\$ -	\$ 44,074	\$ 3,067,577
Cost of product revenue	2,023,441	-	-	2,023,441
Gross profit	1,000,062	-	44,074	1,044,136
Loss from operations	(1,418,094)	(9,303,077)	(4,321,260)	(15,042,431)
Other expense	(7,582)	-	(477,233)	(484,815)
Loss before income taxes	(1,425,676)	(9,303,077)	(4,798,493)	(15,527,246)
Property and equipment, net	587,032	2,729	175,538	765,299
Depreciation and amortization expense	168,686	3,238	38,709	210,633

Year Ended December 31, 2012	Plasma Collection Center	Research and Development	Corporate	Consolidated
Revenues	\$ 1,118,118	\$ -	\$ -	\$ 1,118,118
Cost of product revenue	669,056	-	-	669,056
Gross profit	449,062	-	-	449,062
Loss from operations	(1,297,802)	(3,469,078)	(3,142,289)	(7,909,169)
Other income (expense)	-	-	(9,759)	(9,759)
Loss before income taxes	(1,297,802)	(3,469,078)	(3,152,048)	(7,918,928)
Property and equipment, net	687,462	5,967	85,868	779,297
Depreciation and amortization expense	164,514	4,558	13,017	182,089

The "Corporate" column includes general and administrative overhead expenses. Property and equipment, net, included in the "Corporate" column above includes assets related to corporate and support functions.

EXHIBIT INDEX

Exhibit No.	Description
3.1 (1)	Certificate of Incorporation, as amended
3.2 (2)	Certificate of Amendment of Certificate of Incorporation
3.3 (3)	Bylaws
4.1 (4)	Specimen Common Stock Certificate
4.2 (1)	Form of Placement Agent Warrant
4.3 (5)	Form of Warrant Agreement with Hercules Technology Growth Capital, Inc.
4.4 (5)	Form of Secured Term Loan Promissory Note issued to Hercules Technology Growth Capital, Inc.
10.1† (6)	2007 Employee Stock Option Plan, as amended
10.2 (1)	Form of Securities Purchase Agreement, dated as of February 13, 2012
10.3 (1)	Form of Registration Rights Agreement, dated as of February 13, 2012
10.4 (1)	Amended and Restated Placement Agency Agreement, dated February 12, 2012, between ADMA Biologics, Inc. and the placement agent
10.5 (4)	Form of Lockup Agreement (February 13, 2012)
10.6† (1)	Employment Agreement, dated February 13, 2012, by and between ADMA Biologics, Inc. and Adam Grossman
10.7 (1)	Investors' Rights Agreement, dated July 17, 2007, by and among the ADMA Biologics, Inc. and each of the investors listed on Schedule A thereto
10.8+ (7)	Manufacturing Agreement, dated as of October 23, 2006, by and between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc., as amended as of October 23, 2011 and as of December 2, 2011
10.9+ (7)	Plasma Purchase Agreement, dated as of November 17, 2011, between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc., as amended as of December 1, 2011
10.10 (4)	Agreement for Services, dated July 23, 2007, between ADMA Biologics, LLC and Areth Inc.
10.11 (1)	Agreement of Lease between ADMA BioCenters Georgia, Inc. and ADMA Biologics, Inc. and C1VF I-GA1W15-W23, LLC (DCT Holdings), effective June 1, 2008 and confirmed on November 13, 2008, for the premises located in Norcross, Georgia, as amended
10.12+*	Agreement of Lease, dated as of January 20, 2014, between ADMA BioCenters Georgia, Inc. and U.S. Bank National Association, as trustee, effective February 1, 2014, for the premises located in Marietta, Georgia
10.13 (1)	Form of Indemnification Agreement
10.14 †(8)	Employment Agreement, dated as of April 30, 2012, by and between ADMA Biologics, Inc. and Brian Lenz
10.15 (9)	Modification and Release Agreement, dated June 15, 2012, between ADMA Biologics, Inc. and the placement agent
10.16+(10)	Testing Services Agreement, dated June 7, 2012, between ADMA Biologics, Inc. and Quest Diagnostics Clinical Laboratories, Inc.
10.17+ (10)	Plasma Supply Agreement, dated June 22, 2012, between ADMA Biologics, Inc. and Biotest Pharmaceuticals Corporation
10.18+*	Amendment No. 1, dated February 25, 2014, to the Plasma Supply Agreement, dated June 22, 2012, between ADMA Biologics, Inc. and Biotest Pharmaceuticals Corporation
10.19† (10)	Employment Agreement, dated July 18, 2012, by and among the ADMA Biologics, Inc. and James Mond
10.20 (5)	Loan and Security Agreement, dated as of December 21, 2012, by and among ADMA Biologics, Inc., ADMA Plasma Biologics, Inc., ADMA BioCenters Georgia Inc. and Hercules Technology Growth Capital, Inc.
10.20.1*	First Amendment to Loan and Security Agreement, dated as of February 24, 2014, by and among ADMA Biologics, Inc., ADMA Plasma Biologics, Inc., ADMA BioCenters Georgia Inc. and Hercules Technology Growth Capital, Inc.
10.21 (5)	Equity Rights Letter, dated December 21, 2012, from ADMA Biologics, Inc. to Hercules Technology Growth Capital, Inc.

10.22+ (5)	Manufacturing, Supply and License Agreement, dated as of December 31, 2012, by and between Biotest Pharmaceuticals Corporation and ADMA Biologics, Inc.
10.23+ (5)	License Agreement, dated December 31, 2012, by and between ADMA Biologics, Inc. and Biotest Aktiengesellschaft
10.24 (11)	Form of Underwriting Agreement
16.1 (1)	Letter from Sherb & Co, LLP regarding change in certifying accountants
21.1 (4)	Subsidiaries of Registrant
23.1*	CohnReznick LLP Consent
24.1*	Power of Attorney (included on signature page)
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following materials from ADMA Biologics, Inc. Form 10-K for the year ended December 31, 2013, formatted in Extensible Business Reporting Language (XBRL): (i) Balance Sheets at December 31, 2013 and December 31, 2012, (ii) Statements of Operations for the years ended December 31, 2013 and 2012 (iii) Statements of Changes in Stockholders' Equity for the years ended December 31, 2013 and 2012, (iv) Statements of Cash Flows for the years ended December 31, 2013 and 2012 and (v) Notes to the Financial Statements

+ Confidential treatment requested as to certain portions of this exhibit. Such portions have been redacted and submitted separately to the SEC.

* Filed herewith.

** Furnished herewith.

† Management compensatory plan, contract or arrangement.

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

- (1) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on February 13, 2012.
- (2) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on August 26, 2013.
- (3) Incorporated herein by reference to the Company's Registration Statement on Form 10-SB (000-52120), filed with the Commission on July 10, 2006.
- (4) Incorporated herein by reference to Amendment No. 1 to the Company's Current Report on Form 8-K/A (000-52120), filed with the Commission on March 29, 2012.
- (5) Incorporated herein by reference to the Company's Registration Statement on Form S-1 (333-186579), filed with the Commission on February 11, 2013.
- (6) Incorporated herein by reference to Exhibit A to the Information Statement on Schedule 14C (000-52120), filed with the Commission on October 29, 2012.
- (7) Incorporated herein by reference to Amendment No. 3 to the Company's Current Report on Form 8-K/A (000-52120), filed with the Commission on June 22, 2012.
- (8) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on May 3, 2012.
- (9) Incorporated herein by reference to the Company's Current Report on Form 8-K (000-52120), filed with the Commission on June 21, 2012.
- (10) Incorporated herein by reference to Amendment No. 4 to the Company's Registration Statement on Form S-1 (333-180449), filed with the Commission on August 10, 2012.
- (11) Incorporated herein by reference to Amendment No. 1 to the Company's Registration Statement on Form S-1 (333-186579), filed with the Commission on April 8, 2013.

LEASE

Confidential Materials Omitted and Filed Separately with the
U.S. Securities and Exchange Commission
Confidential Portions denoted by [***]

NOTICE:

The submission of this document for examination does not constitute an option or offer to lease space at the Property. This document shall have no binding effect on the parties unless executed by the Landlord and the executed copy is delivered to the Tenant.

Cover Page 1 of 1

- 1.7. Basic Rent: Initially: [***] per annum, payable in equal monthly installments of [***] per month (subject to the above Abatement Period). Subject to adjustment(s) as provided in Section 1.16 below.
- 1.8. Percentage Rent: Intentionally omitted.
- 1.9. Security Deposit: Security Deposit: [***]. Payable upon execution and submission of the Lease to Landlord, together with the first month's payable installment of Basic Rent of [***] plus applicable sales tax due thereon (if any) (such first month's installment to be held by Landlord under the terms of Section 24 of this Lease until applied toward such rental obligation).
- 1.10. Permitted Use: Tenant covenants and agrees to use, occupy and during normal business hours operate the Premises for the collection, storage, research and distribution of blood products and for general office use ancillary thereto, and for no other purposes and under no other name without the prior written consent of Landlord; and notwithstanding anything else herein, subject to and not in violation of, and Tenant shall abide by and not violate, the terms, conditions, restrictions, exclusives and limitations set out on **Schedule 5** attached and made a part hereof. Tenant agrees to use the Premises in a careful, safe and proper manner, and not to use or permit the Premises to be used for any purposes prohibited by applicable federal, state, county, municipal or other governmental laws, codes, rules and regulations. Tenant shall specifically provide by separate lawful service provider at Tenant's sole cost and expense, for the disposal of all bio-hazardous waste products, none of which shall be placed into any of the Property trash or dumpster receptacles. Tenant shall not commit waste, or suffer or permit waste to be committed, or permit any nuisances on or in the Premises.
- 1.11. Trade Name: ADMA BioCenters.
- 1.12. Minimum Hours of Operation for the Property:
- | | |
|------------------|----------------------|
| Monday - Friday: | 10:00 AM to 9:00 PM* |
| Saturday: | 10:00 AM to 9:00 PM* |
| Sunday: | Noon to 6:00 PM* |

*Notwithstanding anything to the contrary herein, Tenant may, without notice to or consent from Landlord, reduce (including to zero) or extend its hours of operation beyond the Minimum Hours of Operation for the Property, from time to time except no such operating hours shall be permitted over night between 11:00PM and 6:00AM. Any so-called "continuous operating covenant" or the like included or deemed included in this Lease is waived by Landlord and Landlord acknowledges that Tenant need not operate at all or during any specific hours, subject to the above prohibition of certain overnight hours.

Minimum Hours of Illumination of Exterior Windows: N/A.

- 1.13. Promotional Program Amount: None.
- 1.14. Radius: N/A.
- 1.15. Late Charges: The parties agree that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the amount of which is extremely difficult to ascertain. Therefore, the parties agree that if any installment of rent is not received by Landlord within 10 days after rent is due, Tenant will pay to Landlord a sum equal to 2% of the monthly rent as a late charge.
- 1.16. Rental Adjustment(s) during initial term (all rents pro-rated based upon a 30-day month for any partial month): **FOR SUITE** [***]:

Period*	Annual Basic Rent	Monthly Installment of Annual Basic Rent
1	[***]**	[***]**
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]
7	[***]	[***]
8	[***]	[***]
9	[***]	[***]
10	[***]	[***]

****Period 1**** shall be the time from the Rent Commencement Date through the end of the day which is the last day of the twelfth (12th) full month of the initial Term but if the Rent Commencement Date does not fall on the first day of a month, then, Period 1 shall be the time from the Rent Commencement Date through the end of the day of the twelfth (12th) full month following the month during which the Rent Commencement Date occurs; and each succeeding full twelve (12) months shall constitute each next succeeding **“Period”** under this Lease.

**Period 1 is subject to the Abatement Period provisions above and to the balance of the terms of this Lease.

AND:

Rental Adjustment(s) during initial term (all rents pro-rated based upon a 30-day month for any partial month): **FOR SUITE [***]**:

Period*	Annual Basic Rent	Monthly Installment of Annual Basic Rent
1	[***]**	[***]**
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]
7	[***]	[***]
8	[***]	[***]
9	[***]	[***]
10	[***]	[***]

- 1.17. Options to Extend: [***] successive options to extend the Term; each option for [***], subject expressly to the terms, timing, and conditions specified below. Each Option is in respect of the entirety of the Premises (Tenant may not exercise an Option in respect of less than all the aggregate Premises). Herein called the **“First Option Term”** and the **“Second Option Term”**, respectively.
- 1.18. Rent for Option Period: Fair market rent and Stipulated Rent as specified in, and subject to and see **Schedule 2** and see any applicable additional terms and conditions therein.
- 1.19. Option Exercise Deadline: Tenant shall (if at all) give Landlord written notice of the exercise of the option(s) set forth in Paragraph 1.17 above no fewer than 270 days prior to the date this Lease would terminate if such option were not exercised (in each case, an **“Option Exercise Deadline”**). Tenant’s exercise of the option(s) will only be effective if Tenant is not in default on the date on which Tenant exercises said option(s) and if Tenant is also not in default on the date on which the option period commences (but Landlord may in its sole and absolute discretion elect to waive any such default solely for purposes of avoiding nullification of the exercise of the option but without waiving its rights otherwise for collection and/or to demand cure). Exercise of an option is only effective if timely delivered in writing, time being strictly of the essence; and such exercise shall then irrevocably commit Tenant to the ensuing option term.
- 1.20. Base Year for Operating Expenses and Taxes: **2014**.
- 1.21. Calculation of Operating Expense Rent: See **Paragraph 6**.
- 1.22. Guarantor: **ADMA BIOLOGICS, INC., a Delaware corporation**. See **Schedule 3**.

1.23. Address for payment of rent and notices:

Landlord (rent payment address):

[***]

Landlord (notices):

[***]

With a copy to:

[***]

Tenant (notices):

ADMA Biologics Inc.
465 State Route 17 S
Ramsey, NJ 07446

With a copy to:

Jeffrey Baumel
c/o Dentons US LLP
1221 Avenue of the America
New York, NY 10020-1089

1.24. Broker: The Broker is: [***] and Landlord will bear the cost of the commission payable to Broker in connection with this Lease through a separate written agreement. No broker is an intended third party beneficiary hereof nor a party hereto. Landlord and Tenant warrant and represent to each other that they have not consulted or negotiated with any broker or finder with regard to the Premises or this Lease other than Broker. If either party shall be in breach of the foregoing warranty, such party shall indemnify the other against any loss, liability and expense (including attorneys' fees and court costs) arising out of claims for fees or commissions from anyone having dealt with such party in breach.

2. **DEFINITIONS:** Unless the context otherwise specifies or requires, the following terms will have the meanings set forth below:

2.1. **Common Areas:** All areas and facilities outside the Premises and within the exterior boundaries of the Property that are not leased to other tenants and that are provided and designated by Landlord, in its sole discretion from time to time, for the general use and convenience of Tenant and other tenants of the Property and their authorized representatives, entities, invitees and the general public. Common Areas are areas within and outside of the buildings on the Property, such as pedestrian walkways, patios, landscaped areas, sidewalks, service corridors, elevators, restrooms, stairways, decorative walls, plazas, mall throughways, loading areas, parking areas and roads.

2.2. **Rent:** Basic Rent and Tenant's share of Operating Expenses collectively constitute "Rent" hereunder.

2.3. **Lease Year:** Each 12 month period during the term of this Lease ending on December 31st, provided that the first Lease Year will commence upon the commencement of the term hereof and will end on the next succeeding December 31st and the last Lease Year will end upon the expiration of the term hereof.

2.4. **Net Rentable Area:** All floor area within the Premises measured at floor level from the midpoint of all demising walls to the exterior surface of all exterior walls and exterior glass separating the Premises from the Common Areas (without deduction for columns or projections necessary to the Property) plus Tenant's proportionate share of the Common Areas. The Net Rentable Area of the Premises noted above, even if stated as "approximate", is deemed and stipulated correct for all purposes under this Lease irrespective of what an actual measurement would find, including without limitation in respect of the computation of rents, any allowance and Tenant's Percentage Share; the parties acknowledging that rents and value of the Premises derive from numerous factors beyond the exact measurement of the Premises.

2.5. **Operating Expenses:** All costs of operating, servicing, administering, repairing and maintaining the Property (excluding costs paid directly by Tenant and other Tenants in the Property or otherwise reimbursed to Landlord), the landscaping of Common Areas of the Property and the parking lot contiguous to the Property if Tenant is not paying any parking fees. If the Property is less than ninety-five percent (95%) occupied throughout any calendar year of the Term, then the actual Operating Expenses for the calendar year in question shall be increased to the amount of Operating Expenses which Landlord reasonably determines would have been incurred during that calendar year if the Property had been fully occupied throughout such calendar year. The Base Year Amount shall likewise be adjusted for the calendar year on which it is based. All costs of operating, servicing, administering, repairing and maintaining the Property include any reasonable and necessary costs of operation, maintenance and repair, computed in accordance with generally accepted accounting principles applied on a consistent basis ("GAAP"), and will include by way of illustration, but not limitation:

- (i) all reasonably necessary costs of managing, operating and maintaining the Property, including, without limitation, wages, salaries, fringe benefits and payroll burden for employees on-site utilized in the day to day operation of the Property (and then only to the extent the cost of such personnel is allocated to the Property proportionately to the amount of time spent on the Property by such personnel); public liability, flood, property damage and all other competitive insurance premiums paid by Landlord with respect to the Property, including any amounts that would be charged as premiums if Landlord self-insures any of the insurance risks; liability disclaimers; water, sewer, heating, air conditioning, ventilating and all other utility charges (other than with respect to utilities separately metered and paid directly by Tenant or other tenants); the reasonable cost of contesting the validity or amount of real estate and personal property taxes; janitorial services; access control; window cleaning; elevator maintenance; fire detection and security services; gardening and landscape maintenance; all reasonable costs of snow and ice removal; trash, rubbish, garbage and other refuse removal; pest control; painting; facade maintenance; lighting; exterior and partition (demising) wall repairs; roof repairs; maintenance of all steam, water and other water retention and discharging piping, lakes, culverts, fountains, pumps, weirs, lift stations, catch basins and other areas and facilities, whether or not on-site; canal embankment and related maintenance; repair and repainting of sidewalks due to settlement and potholes and general resurfacing and maintenance of parking areas; sanitary control; depreciation of machinery and equipment used in any of such maintenance and repair activities; management fees; union increases; road sidewalk and driveway maintenance; and all other Property maintenance, repairs and insurance;
- (ii) the costs (evenly amortized over the useful life of each such capital improvement in accordance with GAAP, with interest on the unamortized amount at one percent (1%) per annum above the "prime rate" or "corporate base rate" announced from time to time by a major Georgia bank selected by Landlord (the "Prime Rate") (but in no event at a rate which is more than the highest lawful rate allowable in the State of Georgia)) of any capital improvements: (A) made to the Property by Landlord primarily for the purpose of reducing Operating Expenses; or (B) made to the Property by Landlord primarily to comply with any governmental law or regulation that was not in force at the Commencement Date;
- (iii) the costs of supplies, materials and tools;
- (iv) all real and personal property taxes, assessments (whether they be general or special), sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent if ever imposed by governmental authority but excluding income taxes arising from such rents and any other federal, state or local government charge, general, special, ordinary or extraordinary (but not including income taxes), which may now or hereafter be levied or assessed against the land upon which the Property stands or the Property for such year or upon the fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Property for the operation thereof (the "Taxes").

Operating Expenses shall not include:

- (a) depreciation on the Property or any Common Areas;
- (b) costs of space planning, tenant improvements, marketing expenses, finders fees, real estate broker commissions, leasing commissions, tenant allowances, advertising and promotional expenses related to leasing, and legal fees for the preparation of leases;
- (c) any and all expenses for which Landlord is reimbursed (either by an insurer, condemnor or other person or entity), but only to the extent of such reimbursement (or would have received reimbursement had Landlord carried property insurance on the Property for 80% replacement costs value, as reasonably determined by Landlord, to the extent such insurance costs were includable by the terms of this Lease in these Operating Expenses and any and all expenses for which Landlord is reimbursed or entitled to reimbursement by a tenant in the Property pursuant to a lease provision in such tenant's lease;
- (d) salaries for personnel above the grade of senior property manager, senior controller, senior accountant and senior engineer;
- (e) costs in connection with services or benefits of a type which are not provided to Tenant, but are provided to another tenant or occupant;

- (f) mark-ups on electricity and condenser cooling water for heat pumps in excess of Landlord's costs therefor;
- (g) Landlord's general overhead and administrative expenses not directly allocable to the operation of the Property;
- (h) cost of repair or other work necessitated by the gross negligence or willful misconduct of Landlord or Landlord's employees, contractors or agents;
- (i) costs of capital improvements to any tenant's premises;
- (j) principal or interest payments on loans secured by mortgages or trust deeds on the Property or rent payable on any ground lease of the Land;
- (k) costs of capital improvements to the Property, except capital improvements expressly included as Operating Expenses in Section 2.5(ii) above;
- (l) costs of utilities and other services provided to and used in the operation of the other tenants' premises,
- (m) costs of initial improvements to, or alterations of, space leased to any tenant (other than costs for shared infrastructure, to the extent otherwise includable even if portions thereof traverse in or through or under or above a premises);
- (n) depreciation or amortization of any improvements except as specifically set forth in this Lease;
- (o) the cost of repairs, alterations or replacements required as the result of the exercise of any right of eminent domain to the extent Landlord receives net condemnation proceeds in reimbursement of such costs, as the result of such exercise;
- (p) any late fees, fines, penalties and interest on past due amounts incurred by Landlord due to Landlord's violation of any applicable law, rule or regulation;
- (q) costs incurred for relocating tenants within the Property;
- (r) costs and expenses (including legal and auditing fees) in connection with disputes with tenants (but costs of enforcing the Property's rules and regulations shall be included in Operating Expenses);
- (s) costs of removing, encapsulating or otherwise abating any Hazardous Materials in or about the Property not placed there by Tenant;
- (t) costs of purchase of fine arts for display in public areas;
- (u) the costs of any service or utility (or level, amount or hours thereof) provided to any tenant or occupant in the Property in excess of that required by this Lease to be furnished by Landlord to Tenant free of separate or additional charge;
- (v) amounts paid to affiliates or subsidiaries of Landlord for services which are in excess of the competitive costs for such services;
- (w) lease takeover or takeback costs incurred by Landlord in connection with leases in the Property;
- (x) costs associated with the operation of the business of the ownership or entity which constitutes Landlord as the same are distinguished from the costs of operation of the Property, including, but not limited to, partnership accounting and legal matters and land trust fees, costs of defending any lawsuits with or claims by any mortgagee (except where the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Property, costs of any disputes between Landlord and its employees (if any) not engaged in Property operation, or disputes of Landlord with Property management;
- (y) Landlord's political or charitable contributions; and
- (z) any compensation paid to clerks, attendants or other persons working or managing commercial concessions operated by Landlord.

PREMISES:

- 3.1. Lease of Premises: Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and subject to the agreements, covenants, conditions and provisions set forth in this Lease, to which Landlord and Tenant hereby mutually agree, the premises (the “**Premises**”) described in Paragraphs 1.1 and 1.2 above.
- 3.2. Property: The Premises are a part of the Property (the “**Property**”) described in Paragraph 1. Landlord may increase, reduce or change the number, dimensions or locations of the walks, buildings, mall areas, parking and other Common Areas and other improvements located in the Property in any manner that Landlord, in its sole discretion, shall deem proper. Landlord further reserves the right to make alterations and/or additions to and to build or cause to be built additional stories on the building in which the Premises are situated and to add any buildings adjoining the Premises or elsewhere in the Property. Without limiting the generality of the foregoing, Landlord may add additional department stores, retail shops, building and parking decks anywhere in the Property. Landlord reserves the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through the Premises and serving other parts of the Property in a manner that will not materially interfere with Tenant’s use of the Premises. Landlord will also have the right to increase and expand the size of the Property by adding additional land, buildings and other structures to the Property. Landlord shall have the right to change the Property’s name without notice, to change the Property’s street address upon 90 days prior notice, to grant to any person or entity the exclusive right to conduct any business or render any service in or to the Property, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purpose set forth in Paragraph 1, to retain at all times master keys or passkeys to the Premises, and to place such signs, notices or displays as Landlord reasonably deems necessary or desirable upon the roof and exterior of the Property. Notwithstanding any provision in this Lease to the contrary, the exercise by Landlord (which for purposes hereof shall include their respective agents, employees, contractors, designees or Lender) of any right pursuant to this Section or pursuant to any other provision in this Lease, including Landlord’s right to make changes or revisions to the Common Areas and/or Property or Landlord’s performance of any obligation under this Lease shall not materially adversely interfere with access to the Premises and further shall not (more than temporarily) materially adversely affect the visibility, size, configuration or location of the Premises. Landlord shall use diligence and commercially reasonable efforts not to interfere with or interrupt Tenant’s business or use of the Premises by the exercise of any of its rights or performance of its obligations under this Lease and in cases of temporary circumstances including prosecution of work or alterations any such interference or interruption would occur, Landlord shall make reasonable accommodations and temporary reasonable changes to avoid such interferences or interruptions, such as, without limitation, the clear marking of alternative paths of travel for vehicles and/or pedestrians around construction or staging areas and alternative reasonably convenient temporary additional or replacement parking areas. If due to construction, alteration, remodeling, or other exercise of Landlord’s rights or performance of Landlord’s obligations under this Lease, Tenant in its reasonable business judgment, is unable to conduct its business operation in all or any part of the Premises for a period in excess of twenty-four (24) consecutive hours, and if for such reason Tenant in fact ceases its business operations in the Premises or a portion thereof for such period of time and then notifies Landlord in writing that it has done so for this reason, then (notwithstanding any provision herein to the contrary), Base Rent, and all other charges due Landlord from Tenant hereunder shall proportionately abate (based upon the portion of the Premises rendered unusable and in fact not being used for such reason) from the date of giving of such written notice until Tenant is again, in Tenant’s reasonable business judgment, able to conduct its business in the entire Premises. Landlord shall promptly and efficiently repair any damage to the Premises and/or Tenant’s property caused or occasioned by Landlord’s entry into the Premises or resulting from Landlord’s exercise of any right or performance of any obligation under the Lease.

- 3.3. Relocation. Intentionally omitted.

COMMON AREAS:

- 4.1. Tenant’s Right to Use Common Areas: Landlord grants Tenant and its authorized representatives and invitees the non-exclusive right to use the Common Areas with others who are entitled to use the Common Areas subject to Landlord’s rights as set forth in this Lease.
- 4.2. Landlord’s Control: Landlord has the right to:
- (a) establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use and operation of the Common Areas, so long as such rules and regulations do not materially and adversely affect the rights of Tenant hereunder and do not conflict with any provision of this Lease;

- (b) close, if necessary, any of the Common Areas to prevent dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas;
- (c) subject to Section 3.2 above, close temporarily any of the Common Areas for maintenance purposes;
- (d) select a person, firm or corporation which may be an entity related to Landlord to maintain and operate any of the Common Areas; and
- (e) designate other lands outside the exterior boundaries of the Property to become part of the Common Areas; provided, however, such addition of other lands shall not materially increase Tenant's share of Operating Expenses hereunder.

Notwithstanding the provisions of this Subparagraph, in exercising its rights hereunder, Landlord will provide reasonable access to and from the Premises.

RENT/AUDIT:

- 5.1. Base: Tenant will pay to Landlord as rent for the use and occupancy of the Premises at the times and in the manner provided below, the following sums of money:
 - (a) Basic Rent: Tenant will pay to Landlord Basic Rent in the amount specified in Paragraph 1 above payable in advance on the commencement of the term of this Lease and, on or before the first day of each and every successive calendar month during the term hereof, except during the Abatement Period, without notice, demand, setoff or deduction, unless expressly permitted herein.
 - (b) Percentage Rent: Intentionally omitted.
- 5.2. Monthly Statements: Intentionally omitted.
- 5.3. Books and Records of Sales: Intentionally omitted.
- 5.4. Retention of Records: Intentionally omitted.
- 5.5. Yearly Statement/Adjustment: Intentionally omitted.
- 5.6. Sales Tax; Additional Rent: If now or in the future ever applicable: In addition to the Basic Rent, Tenant agrees to pay Landlord monthly all sales or use taxes or excise taxes imposed or levied by the State in which the Property is located or any other governmental body or agency against any rent or any other charge or payment required hereunder to be made by Tenant to Landlord. All sums of money as shall become due and payable by Tenant to Landlord under this Lease, including, without limitation, sales tax and Tenant's percentage share of Operating Expenses, shall be additional rent which Tenant shall be obligated to pay. Landlord shall have the same remedies for default in the payment of additional rent as are available to Landlord in the case of a default in the payment of Basic Rent.

OPERATING EXPENSES:

- 6.1. Operating Expenses Rent: In addition to Basic Rent, Tenant shall pay Tenant's Percentage Share, as specified in Paragraph 1 above, of the Operating Expenses paid or incurred by Landlord in such year in excess of the Operating Expenses for the Base Year ("**Operating Expenses Rent**"). In addition to Operating Expenses Rent, Tenant shall also pay to Landlord an administrative charge equal to [***] of the Operating Expenses Rent (after excluding therefrom all taxes and special assessments, insurance premiums and utilities), to be paid concurrently with Tenant's payment of Operating Expenses Rent; provided, however, Landlord shall not include such administrative fee or any other management type fee as an Operating Expense.
- 6.2. Payment: During December of each calendar year or as soon thereafter as practicable, Landlord will give Tenant written notice of its estimate (line item and detailed support included) of Operating Expenses Rent for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant will pay to Landlord 1/12th of such estimated amounts, provided that if such notice is not given in December, Tenant will continue to pay on the basis of the prior year's estimate until the month after such notice is given (whereupon any deficiency in what was paid for the preceding months of such year, shall also be due and such notice shall be retroactively effective accordingly). If at any time or times it appears to Landlord that the amounts payable for Operating Expenses Rent for the current calendar year will vary from its estimate by more than [***], Landlord, by written notice to Tenant, will revise its estimate for such year, and subsequent payments by Tenant for such year will be in an amount so that by the end of such year Tenant will have paid a total sum equal to such revised estimate. Landlord will indicate in its notice to Tenant the reasons Landlord believes its estimate is low by more than [***].

- 6.3. Statement: Within 180 days after the close of each calendar year or as soon after such 180 day period as practicable, Landlord will deliver to Tenant a statement of amounts of Operating Expenses Rent payable under this Lease for such calendar year. If such statement shows an amount owing by Tenant that is more than the estimated payments for such calendar year previously made by Tenant, Tenant will pay the deficiency to Landlord within 30 days after delivery of the statement. If the total of the estimated monthly installments paid by Tenant during any Calendar Year exceeds the actual amount due from Tenant for such Calendar Year and provided Tenant is not in default hereunder, such excess shall, at Landlord's option, be either credited against payments next due hereunder or refunded by Landlord to Tenant (such refund made to Tenant if the Lease has expired without default then pending). Tenant has the right, exercisable no more than once each calendar year on reasonable notice and at a time reasonably acceptable to Landlord, to cause an audit to be performed but only by a professional who is not compensated on a contingency basis at Tenant's sole cost and expense of Landlord's operations and/or books and records pertaining to Operating Expenses for the preceding two (2) calendar years. Landlord, at Landlord's sole discretion, may provide an audit prepared by a certified public accountant in lieu of allowing Tenant to audit Landlord's operations and/or books. In the event Landlord has overstated Operating Expenses by more than [***], within 30 days after demand therefor by Tenant accompanied by Tenant's verification of such overcharges and paid invoices, Landlord will reimburse Tenant for all overcharges and the costs of such audit and verification incurred by Tenant (but such costs of such audit and verification shall be in an amount not to exceed [***] and limited to actual professional fees incurred, and thus excluding such additional costs as travel, meals, lodging and materials).
- 6.4. Proration: If for any reason other than the default of Tenant, this Lease terminates on a day other than the last day of a calendar year, the amount of Operating Expenses Rent payable by Tenant applicable to the calendar year in which such termination occurs will be prorated on the basis which the number of days from the commencement of such calendar year to and including such termination date bears to 365.
- 6.5. Computation: Tenant's Percentage Share of the Operating Expenses is the proportion that the rentable square footage occupied by Tenant bears to the total rentable square footage of the Property, as determined from time to time by Landlord.
- 6.6. Taxes Payable by Tenant: Tenant shall be directly responsible for taxes upon, measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or by the cost or value of any leasehold improvements made in or to the Premises by or for Tenant other than the initial improvements to be installed at Landlord's expense regardless of whether title to such improvements is in Tenant or Landlord.

USE OF PREMISES:

- 7.1. Effect on Insurance: Tenant shall not use any portion of the Premises for purposes other than those specified in Paragraph 1 and no other use shall be made or permitted to be made upon the Premises, nor acts done, which will increase the existing rate of insurance upon the Property, or cause cancellation of insurance policies covering said Property.
- 7.2. Intentionally Deleted:
- 7.3. Miscellaneous Restrictions: Tenant will operate from the Premises using the Trade Name set forth in Paragraph 1. Tenant will not use the Premises for or permit in the Premises any nuisance, or dangerous trade, business, manufacture or occupation or materially interfere with the business of any other tenant in the Property or permit any auction, liquidation, fire or bankruptcy sale to be held or conducted in or about the Premises. Tenant agrees not to cause, permit or suffer any waste or damage, disfigurement or injury to the Premises or the fixtures or equipment thereof or the Common Areas. Tenant will not use the Premises for washing clothes or cooking (except for normal employee designated breakroom heating and cooking activities) and nothing will be prepared, manufactured or mixed in the Premises which might emit any offensive odor into the Property. Tenant will not keep, display or sell any merchandise outside of the Premises or otherwise obstruct the sidewalks, mall or Common Areas in the Property or use the same for business operations or advertising. Tenant will not install, maintain, use or allow in or upon the Premises any pinball machines, coin operated music machines, video game machines or any other coin operated amusement device of any kind. Tenant will at all times comply with the rules and regulations of the Property attached hereto as **Schedule 4** and with such additional rules and regulations as may be adopted by Landlord from time to time, so long as such rules and regulations do not materially and adversely affect the rights of Tenant hereunder and do not conflict with any provision of this Lease.

PARKING:

- 8.1. **Tenant's Parking Rights:** Within the Common Areas, Landlord will provide parking areas with necessary access. Only automobiles, delivery vans and pickup trucks will be permitted on the parking areas.
- 8.2. **Landlord's Control Over Parking:** Tenant and its authorized representatives will park their cars only in areas specifically designated for that purpose by Landlord; provided, however such parking areas shall be reasonably close to the Leased Premises. In the event Tenant determines such parking area is not reasonably close or safe for its authorized representatives, Landlord shall reasonably cooperate with Tenant to designate a mutually agreed upon parking area for Tenant and its authorized representatives. Within 5 days after written request by Landlord, Tenant will furnish to Landlord the license numbers assigned to its cars and the cars of all of its authorized representatives. Tenant will not park or permit the parking of any vehicles adjacent to loading areas so as to interfere in any way with the use of such areas. Landlord shall have the right, in Landlord's sole discretion, to designate parking spaces for the exclusive use of a particular tenant or particular tenants. Landlord will have the right to institute reasonable procedures and/or methods to enforce the terms of this Subparagraph, so long as such procedures do not materially and adversely affect the rights of Tenant hereunder and do not conflict with any provision of this Lease.
9. **SIGNS:** Tenant, at Tenant's sole cost and expense, will install and maintain on the exterior of the Premises adjacent to entrances to the Premises and above the entrances to the Premises such sign or signs as have first received the written approval of the Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, as to type, size, color, location, copy nature and display qualities. Landlord may withhold said approval in Landlord's reasonable discretion. Landlord must also approve Tenant's signage contractor, which approval will not be unreasonably withheld. The installation and maintenance of any signs or other advertising matter will at all times be in strict compliance with any and all laws. If at any time Tenant's signs are not in compliance with any and all laws, Landlord shall have the right to remove or otherwise cause such signs to be in compliance. Tenant shall promptly upon demand by Landlord pay Landlord for all of Landlord's reasonable third party out-of-pocket costs and expenses incurred in such removal or other action, which such costs and expenses shall constitute additional rent hereunder. Upon expiration or the termination of this Lease, Tenant, at Landlord's election but at Tenant's expense, will remove any and all signs and restore the exterior of the Premises or wherever Tenant has installed signs in a manner satisfactory to Landlord.
10. **ASSIGNMENT AND SUBLETTING; ENCUMBRANCE:** Tenant shall not assign this Lease or sublet any portion of the Premises without prior written consent of the Landlord, which will not be unreasonably withheld, conditioned or delayed, it being understood that it shall be reasonable for Landlord, among other things, to withhold consent if Landlord is not satisfied with the financial responsibility, identity, reputation or business character of the proposed assignee or sublessee. Except for a Permitted Transfer (as defined below), any change in the ownership of Tenant, if Tenant is a corporation or partnership, shall constitute an assignment for purposes of this Paragraph. Notwithstanding any consent by Landlord, Tenant and Guarantor(s), if any, shall remain jointly and severally liable (along with each approved assignee and sublessee, which shall automatically become liable for all obligations of Tenant hereunder with respect to that portion of the Premises so transferred), and Landlord shall be permitted to enforce the provisions of this Lease directly against Tenant or any assignee or sublessee without proceeding in any way against any other party. In the event of an assignment, contemporaneously with the granting of Landlord's consent, Tenant shall cause the assignee to expressly assume in writing and agree to perform all of the covenants, duties and obligations of Tenant hereunder and such assignee shall be jointly and severally liable therefore along with Tenant. No usage of the Premises different from the usage provided for in Paragraph 1 above shall be permitted, and all other terms and provisions of the Lease shall continue to apply after such assignment or sublease. Tenant shall not make or consent to any conditional, contingent or deferred assignment of some or all of Tenant's interest in this Lease without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Tenant shall not enter into, execute or deliver any financing or security agreement that can be given priority over any mortgage given by Landlord or its successors, and, in the event Tenant does so execute or deliver such financing or security agreement, such action on the part of Tenant shall be considered a breach of the terms and conditions of this Lease and a default by Tenant entitling Landlord to such remedies as are provided for in this Lease. Landlord shall have the right to assign or transfer, in whole or in part, Landlord's rights and obligations hereunder and in the Property and the Premises. Notwithstanding any provision herein to the contrary, Tenant may, without Landlord's consent or other condition (other than herein expressly provided), assign this Lease or sublet the Premises to: (a) any parent, subsidiary, or affiliate of Tenant or any subsidiary or affiliate of any parent of Tenant, or (b) Tenant's successor by merger, consolidation, acquisition of all of Tenant's assets for all of its operations or of all of the stock of Tenant (herein each a "Permitted Transfer") provided written notice of such event shall be given to Landlord within a reasonable period of time thereafter (not to exceed 30 days) and provided the principals with continued management / operating responsibilities will either remain the same or such management and operating responsibilities shall remain vested in duly qualified, competent and experienced personnel (the "Competent Control Condition"); and provided that no such circumstance shall in any way diminish, impair, reduce, or otherwise negatively affect the full force and effect of this Lease and any guaranties of this Lease (and in case of any guaranties of this Lease, the guarantors thereunder shall in writing confirm that their guaranty remains in full force and effect). Notwithstanding anything in this Lease to the contrary, the following shall not be deemed an assignment, sublease or transfer for purposes of this Lease so long as Tenant remains in compliance with the Competent Control Condition: Tenant or any parent, subsidiary, or affiliate of Tenant going from a publicly held corporation to a privately held corporation; any public or private offering of Tenant's or Tenant's parent's, subsidiary's or affiliate's stock or American Depository Receipts; any transfer of corporate shares or American Depository Receipts by gift, bequest or inheritance by and between or among present shareholders of Tenant or any parent, subsidiary, or affiliate of Tenant or to their immediate family (i.e. spouses, parents, siblings, children or grandchildren); the sale, issuance or transfer of any capital stock or American Depository Receipts of Tenant or any parent, subsidiary, or affiliate of Tenant traded on any stock exchange or over the counter market or any exchange subject to the Securities and Exchange Act of 1934.

II. ORDINANCES AND STATUTES: At Tenant's sole cost, Tenant will comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, occasioned by or affecting the use thereof by Tenant, including, but not limited to, the Americans With Disabilities Act ("ADA"). The commencement or pendency of any state or federal court abatement proceeding affecting the use of the Premises shall, at the option of the Landlord, be deemed a breach thereof. Tenant hereby indemnifies and holds harmless Landlord from and against any and all claims, damages, suits, liabilities and attorneys' fees (including but not limited to appellate attorneys' fees) asserted against or suffered by Landlord in any way relating to or arising from in whole or in part, an actual or asserted claim that the Premises, or any portion thereof, is in violation of the ADA or the regulations promulgated pursuant thereto.

12. MAINTENANCE, REPAIRS, ALTERATIONS:

12.1. Tenant's Obligations: Tenant acknowledges that the Premises are in good order and repair, unless otherwise indicated herein. Tenant shall, at its own expense and at all times, maintain the Premises in good and safe condition, including plate glass, electrical wiring, plumbing and HVAC installations exclusively serving the Premises and any other system or equipment exclusively serving the Premises and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted. As part of its air conditioning maintenance obligation, Tenant shall enter into an annual contract with an air conditioning repair firm which is fully licensed to repair air conditioning units in the State in which the Property is located. No later than 10 days after the Commencement Date, Tenant shall deliver to Landlord a copy of the air conditioning maintenance contract and proof that the annual premium for such contract has been paid. Such air conditioning maintenance firm shall (i) regularly service the air conditioning unit(s) (including the timely changing of filters), (ii) perform necessary repairs, and (iii) keep a reasonable record of all services performed and make same available to Landlord upon request. Tenant, at Tenant's expense, shall be responsible for all repairs required, excepting the roof, exterior walls, structural foundations, parking areas and other Common Areas, which shall be repaired by Landlord and included in Operating Expenses. Tenant's obligation hereunder shall exclude any maintenance, repair and replacement required because of the wrongful act or breach or violation of the Lease by Landlord, its employees, contractors or agents, which in such cases only instead shall be the responsibility of Landlord.

12.2. Limits on Alterations / Tenant's Work: Tenant may not make any structural improvement or alteration to the Premises without the prior written consent of Landlord, which consent for non-structural matters shall not be unreasonably withheld, conditioned or delayed. Tenant may not make any nonstructural improvement or alteration of the Premises costing in excess of [***] without the prior written consent of the Landlord. Prior to the commencement of any repair, improvement, or alteration, Tenant shall give Landlord at least 2 days written notice in order that Landlord may post appropriate notices to avoid any liability for liens. All alterations will be made by a licensed contractor reasonably consented to by Landlord and performed in a good and workmanlike manner. All materials used shall be of a quality comparable to or better than those in the Premises and shall be in accordance with plans and specifications, if applicable, approved by Landlord. In any event, no work may be prosecuted by Tenant except after first securing Landlord's written approval of plans and specifications therefor in such form as Landlord shall reasonably require and same shall then be prosecuted continuously in a good and workman-like manner to lien free completion without causing interference to other tenants or occupants of the Property, performed in compliance with such approved plans and specifications and other writings or directions generated by Landlord and required, including if applicable a work letter, and otherwise in compliance with all law and "code". Changes to any such plans and/or work letter shall not be permitted absent written advance approval from Landlord, not to be unreasonably withheld, conditioned or delayed as to all items which are non-structural and which do not impact load bearing walls and which do not impact mechanical, electrical, HVAC and plumbing systems. For further clarity, no such alterations or improvements shall be permitted to impact building infrastructure or structural components. At inception of this Lease, Tenant shall determine what alterations or improvements are required ("Tenant's Work") and Tenant shall submit plans and specifications therefor in accordance herewith, and prosecute same diligently strictly in accordance with such plans and specifications having been approved in writing by Landlord, to lien-free completion as herein provided and in compliance with all law and "code". Tenant shall within ten (10) days of securing same, supply to Landlord a copy of its building permit and Tenant shall supply to Landlord final releases of lien and final contractor's affidavit, all duly executed in proper legal form, and all in form and with such content reasonably required by Landlord, within thirty (30) days of completion of Tenant's Work. Tenant shall complete all Tenant's Work by the date which is sixty (60) days following the Rent Commencement Date.

- 12.3. **Liens:** Tenant will pay all costs of construction done by it or caused to be done by it on the Premises as permitted by this Lease. Tenant will keep the Property free and clear of all construction, mechanic's, materialman's, laborer's and supplier's liens, resulting from construction done by or for Tenant. The interest of Landlord in the Premises and the Property shall not be subject to liens for improvements made by Tenant. Any lien filed by any contractor, materialman, laborer or supplier performing work for Tenant shall attach only to Tenant's interest in the Premises. Tenant agrees to indemnify, defend and hold harmless Landlord from and against any and all costs and liabilities (including attorneys' fees and expenses) and any and all construction, mechanic's, materialman's, laborer's or supplier's liens arising out of or pertaining to any improvements or construction done by Tenant. All persons and entities contracting or otherwise dealing with Tenant relative to the Premises or the Property are hereby placed on notice of the provisions of this Paragraph, and Tenant shall further notify in writing such persons or entities of the provisions of this Paragraph prior to commencement of any Tenant work in the Premises. If any construction, mechanic's, materialman's, laborer's or supplier's lien is ever claimed, fixed or asserted against the Premises or any other portion of the Property in connection with any such Tenant work, Tenant shall, within 10 days after receipt by Tenant of notice of such lien, discharge same as a lien either by payment or by posting of any bond as permitted by law. If Tenant shall fail to discharge or bond over any such lien, whether valid or not, within 10 days after receipt of notice from Landlord, Landlord shall have the right, but not the obligation, to discharge such lien on behalf of Tenant and all costs and expenses incurred by Landlord associated with the discharge of the lien, including, without limitation, attorneys' fees, shall constitute additional rent hereunder and shall be immediately due and payable by Tenant.
- 12.4. **Surrender of Premises:** On the last day of the term hereof or on any sooner termination, Tenant shall surrender the Premises to Landlord in the same condition as when received, ordinary wear and tear excepted, clear and free of debris. Tenant shall repair any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings and equipment.
- 12.5 **Landlord's Obligations:** Landlord shall, at its own cost and expense, maintain in good condition and repair the foundation, the floor slab load bearing walls, members supporting the roof and all other structural components of the Building (including the Premises) (collectively, the "Core and Structural Items"). Landlord shall further maintain in good order, condition and repair the roof of the building housing the Premises including all gutters and downspouts, the exterior of the Premises including all exterior walls, all utility and mechanical systems serving the Premises to the point of entry into the Premises and all utility and mechanical systems in but not exclusively serving the Premises. Landlord's obligation shall exclude the cost of any maintenance or repair required because of the intentional act or negligence of Tenant or any of Tenant's subsidiaries or affiliates, or any of Tenant's or such subsidiaries' or affiliates' agents, contractors, employees, vendors, licensees or invitees or cause by or growing out of work, additions, alterations, improvements or changes made by Tenant or such parties to any such Core and Structural Items (collectively, "Tenant's Affiliates"), the cost of which shall be the responsibility of Tenant.
13. **ENTRY AND INSPECTION:** Tenant shall permit Landlord or Landlord's agents to enter upon the Premises at reasonable times and upon two (2) days prior written notice for the purpose of inspecting the same, performing any services required of Landlord hereunder and showing the Premises to potential and existing mortgagees and purchasers and prospective tenants of other space in the Property. The foregoing notwithstanding, Landlord is not required to give notice to Tenant if Landlord must enter the Premises because of an emergency. Tenant will permit Landlord, with 24 hours prior written notice, and within 270 days prior to the expiration of this Lease, to show potential tenants the Premises.

14. INDEMNIFICATION:

14.1 Tenant Indemnification. Subject to Paragraph 16.10 below, Tenant agrees to and shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, losses, damages, costs and expenses (including attorneys' fees and expenses) or death of or injury to any person or damage to any property whatsoever arising out of Tenant's negligent acts or omissions, or relating to Tenant's breach or default under this Lease, including, but not limited to, Tenant's breach of Paragraph 21 below or Tenant's use or occupancy of the Premises or caused by Tenant or its agents or employees. Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any co-tenant or other occupant of the Property or by any owner or occupant of adjoining or contiguous property. Tenant agrees to pay for all damage to the Property as well as all damage to tenants or occupants thereof caused by misuse or neglect of said Premises, its apparatus or appurtenances or the Common Areas, by Tenant or Tenant's employees, contractors and agents.

14.2 Landlord Indemnification. Subject to Paragraph 16.10 below, Landlord agrees to and shall indemnify, defend and hold Tenant harmless from and against any and all claims, demands, losses, damages, costs and expenses (including attorneys' fees and expenses) or death of or injury to any person or damage to any property whatsoever arising out of Landlord's negligent acts or omissions, or relating to Landlord's breach or default under this Lease, including, but not limited to, Landlord's breach of Paragraph 21 below or Landlord's use or occupancy of the Common Area or caused by Landlord's or its agents or employees. Tenant shall not be liable to Landlord for any damage by or from any act or negligence of any co-tenant or other occupant of the Property or by any owner or occupant of adjoining or contiguous property. Landlord agrees to pay for all damage to the Premises caused by misuse or neglect of said Common Area, its apparatus or appurtenances, or by Landlord's failure to honor its obligations concerning portions of the Premises as specified above in this Lease.

15. **POSSESSION:** If Landlord is unable to deliver possession of the Premises at the commencement hereof, Landlord shall not be liable for any damage caused thereby, nor shall this Lease be void or voidable, but Tenant shall not be liable for any rent until possession is delivered, at which time the term shall commence and the Expiration Date shall be extended so as to give effect to the full stated term; provided, however, Tenant may terminate this Lease if possession is not tendered in accordance with Section 1.4 hereof.

16. **TENANT'S INSURANCE:** At all times during the term of this Lease, Tenant shall, at its sole expense, procure and maintain the following types of insurance coverage:

16.1. Commercial General Liability: Commercial General Liability insurance, including Bodily Injury and Property Damage Liability, Products and Completed Operations, Personal and Advertising Injury Liability, and Fire Damage Liability against any and all damages and liability, including attorneys' fees and expenses, on account of or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Premises in amounts not less than [***];

16.2. Plate Glass: Insurance on all plate or tempered glass in or enclosing the Premises, for the replacement cost of such glass;

16.3. Personal Property: Insurance on an All Risks basis covering 100% of the Replacement Cost value of property at the Premises including, without limitation, leasehold improvements, trade fixtures, merchandise, furnishings, equipment, goods and inventory;

16.4. Boiler & Machinery: Where applicable, insurance covering central heating, air conditioning and ventilating systems, refrigeration equipment, machinery and electrical equipment, boilers and other high pressure piping and machinery, and other similar apparatus installed in the Premises, including Business Income loss;

16.5. Business Income: a) Business Interruption insurance for a period of not less than 12 months from the date of fire or casualty; b) Loss of Rents insurance to cover rental loss of Landlord for a period of not less than 12 months from the date of fire or casualty, naming Landlord as Loss Payee;

16.6. Employer's Liability/Workers' Compensation: Employer's Liability insurance with limits not less than [***], and Workers' Compensation insurance providing statutory state benefits for all persons employed by Tenant in connection with the Premises as required by applicable law;

16.7. Sprinkler Leakage: Insurance covering damage from leakage of sprinkler systems now or hereafter installed in the Premises in an amount not less than the current replacement cost covering Tenant's merchandise, Tenant's improvements and Tenant's trade fixtures; and

- 16.8. **Other Insurance:** Such other insurance and in such amounts as may be required by Landlord against other insurable hazards as at the time are commonly insured against by prudent owners of comparable Properties in the area in which the Property is located.
- 16.9. **Form of Insurance/Companies:** All insurance provided for in Section 16 hereof shall be in a form satisfactory to Landlord and carried with insurance companies reasonably acceptable to Landlord that are licensed or authorized to do business in the State in which the Property is located, are in good standing with the Department of Insurance in the State in which the Property is located, have a current rating issued by A.M. Best Company of not less than A-:VII, and/or whose claim paying ability is rated no lower than A by Standard & Poor's Ratings Service and A2 by Moody's Investors Service. Insurance coverage shall be written as primary policy coverage and not contributing with or excess of any coverage which Landlord may carry, and LNR Partners, Inc., Landlord, and Landlord's managing agent shall be named as Additional Insureds with respect to Commercial General Liability and Automobile Liability, including any Umbrella or Excess policies. Tenant shall furnish Landlord at the inception of this Lease (i) a Certificate of Insurance evidencing that all such insurance is in effect and that Landlord will be given at least 30 days prior written notice of cancellation or non-renewal, and (ii) proof that premiums have been paid by Tenant. Not later than 15 days prior to the expiration of any insurance policy, evidence of renewals or replacements of such policy shall be delivered to Landlord, together with proof of payment of the associated premiums. In the event Tenant shall fail to procure any contract of insurance required under the terms hereof or any renewal of or replacement for any contract of insurance that is expiring or has been canceled, Landlord may, but shall not be obligated to, procure such insurance on behalf of Tenant and the cost thereof shall be payable to Landlord as additional rent within 10 days following written demand therefor.
- 16.10. **Subrogation:** Landlord and Tenant shall each obtain from their respective insurers under all policies of property insurance maintained by either of them at any time during the term hereof insuring or covering the Premises, a waiver of all rights of subrogation which the insurer of one party might otherwise have, if at all, against the other party.
- 17. UTILITIES:**
- 17.1. **Tenant's Responsibility:** Tenant agrees that it shall be responsible for the payment of all utilities, including water, gas, electricity, heat and other services delivered to the Premises. If any such services are not separately metered to the Premises, Tenant shall pay a reasonable proportion, as determined by Landlord, of all charges jointly metered with other premises. Tenant shall also be responsible for its own janitorial services in its Premises.
- 17.2. **Landlord's Responsibility:** Landlord shall not be liable for failure to furnish any of the utilities described in Paragraph 17 and Tenant shall have no right to abatement of rental hereunder or to termination of this Lease with respect to any such interruption nor shall such failure constitute an eviction, nor shall Landlord be liable under any circumstances for loss of or injury to property, however occurring through or in connection with or incidental to the furnishing of any of the services enumerated above. Provided, however, Landlord shall use commercially reasonable efforts to avoid and remedy any material interference with Tenant's operations due to any failure, variation or interruption of any utilities services and, to the extent practicable, Landlord will conduct any necessary restoration work within the Premises outside Tenant's normal business hours. Notwithstanding the foregoing to the contrary, in the event (a) the need for any such repairs or alterations is due to the gross negligence or willful misconduct of Landlord, its agents, employees or contractors or Landlord is not using its commercially reasonable efforts to diligently pursue the cure of such interruption and (b) during the course of such interruption Tenant is prevented from operating the Premises for the Permitted Use (and in fact Tenant for such reason reasonably ceases operations or use in all of the Premises) for a period in excess of two (2) days, then, provided the utility at issue is limited to electricity, water and sewer interruption, and provided written notice is promptly given to Landlord (in any case within three (3) days of such event), all Rent shall abate commencing on the third (3rd) such day and continuing until Tenant is again able to operate the Premises for the Permitted Use due to restoration of such interrupted utility service; provided further, utility interruptions arising from events exterior to the Property (such as a community or area-wide power outage) shall not under any circumstances give rise to Tenant remedies such as abatement of rent.
- 18. CONDEMNATION:** If thirty (30%) percent of the land area of the Property shall be taken or condemned for public use, either party hereto may elect to terminate this Lease effective on the date of taking; otherwise this Lease will remain in full force and effect. If there is a taking of all of the Premises or a part thereof so that the remaining part of the Premises is not suited for Tenant's continued use, either party may elect to terminate this Lease effective on the date of taking. If there is a taking of a portion of the Premises and a part remains which is suitable for Tenant's use, this Lease shall, as to the part taken, terminate as of the date the condemnor acquires possession, and thereafter Tenant shall be required to pay such proportion of the rent for the remaining term as the value of the Premises remaining bears to the total value of the Premises at the date of condemnation. The election to terminate this Lease as provided herein must be exercised, if at all, within 60 days after the nature and extent of the taking is determined, otherwise, this Lease will remain in full force and effect. All sums which may be payable on account of any condemnation shall belong solely to the Landlord, and Tenant shall not be entitled to any part thereof, provided however, that Tenant shall be entitled to retain any amount awarded to it for its trade fixtures or moving expenses.

19. **TRADE FIXTURES:** Any and all improvements made to the Premises during the term hereof shall, unless Landlord requests their removal at the time of installation, belong to the Landlord without compensation, allowance or credit to Tenant, except movable trade fixtures of the Tenant which can be removed without defacing the Premises or the Property.
20. **DESTRUCTION OF PREMISES:**
- 20.1. Partial Destruction: In the event of a partial destruction of the Premises during the term hereof, from any cause covered by insurance, Landlord must repair the same to the extent insurance proceeds are received by Landlord for such repairs, and within 60 days from receipt of such proceeds under then existing governmental laws and regulations. Such partial destruction shall not terminate this Lease and Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Tenant on the Premises. If such repairs cannot be made within said 60 day period, Landlord, at its option, may make the repairs within a reasonable time. If Landlord elects to make said repairs, this Lease will continue in effect and the rent will be proportionately abated as stated above. If the repairs cannot be made within 60 days from receipt of insurance proceeds by Landlord, and Landlord elects not to make said repairs, this Lease may be terminated at the option of either party.
- 20.2. Material/Total Destruction: If the Building in which the Premises are situated or the Property sustains damage of more than 1/3 of the replacement cost thereof, Landlord may elect to terminate this Lease whether the Premises are injured or not. A total destruction of the Building in which the Premises are situated or the Property shall terminate this Lease.
- 20.3 Major Renovation. Notwithstanding anything contained in this Lease to the contrary, in the event the Premises, is damaged or destroyed and this Lease has not been terminated as elsewhere provided herein, and Landlord does not complete the reconstruction of the Premises and the building the Premises are located in, within two hundred seventy (270) days after such damage or destruction, Tenant, at its option, may terminate this Lease effective upon written notice thereof to Landlord given at any time prior to the substantial completion of such reconstruction.

HAZARDOUS SUBSTANCES:

- 21.1. Definitions: For the purposes of this Agreement, the following terms have the following meanings:
- (a) **“Environmental Law”** means any law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environment including, without limitation, **CERCLA** (Comprehensive Environmental Response, Compensation and Liability Act of 1980), **RCRA** (Resources Conservation and Recovery Act of 1976) and **SARA** (Superfund Amendments and Reauthorization Act of 1986).
- (b) **“Hazardous Substance”** means any substance, material or waste which is or becomes designated, classified or regulated as being “toxic” or “hazardous” or a “pollutant” or which is or becomes similarly designated, classified or regulated, under any Environmental Law, including asbestos, petroleum and petroleum products.
- 21.2. Tenant’s Responsibilities: At its own expense, Tenant will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant’s use of the Premises. Except in the ordinary course of Tenant’s business and in accordance with Environmental Laws, Tenant will not cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Property by Tenant, its agents, employees, contractors or invitees without the prior written consent of Landlord. Tenant will cause any and all Hazardous Substances brought upon the Premises or Property by Tenant to be removed from the Premises and Property and transported in accordance with Environmental Laws. Tenant will, in all respects, handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises or Property in total conformity with all applicable Environmental Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Tenant will cause all Hazardous Substances placed on, under or about the Premises or Property by Tenant or at Tenant’s direction (expressly including without limitation as may arise by reason of the operation of the Generator noted below in this Lease) to be removed and transported for use, storage or disposal in accordance and compliance with all applicable Environmental Laws. Tenant will not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises or the Property, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises or Property without first notifying Landlord of Tenant’s intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord’s interests with respect thereto.

- 21.3. Indemnification: If the Premises or the Property become contaminated in any manner for which Tenant is legally liable or otherwise become contaminated by any release or discharge of a Hazardous Substance, Tenant shall immediately notify Landlord of the release or discharge of the Hazardous Substance, and Tenant shall indemnify, defend and hold harmless Landlord from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Property or the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees and expenses, consultant fees and expert fees) arising during or after the term of this Lease and arising as a result of such contamination, release or discharge. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by federal, state or local agency or political subdivision.
- 21.4 Landlord Representations. Landlord represents and warrants that Landlord (commencing as of its period of stewardship of the Property through the date of execution of this Lease) has not treated, stored or disposed of any Hazardous Substances upon or within the Premises (other than minor uses of ordinary commercially standard and lawfully employed cleaning and similar typical operational activities to the extent employing chemical agents and the like which comply with law), nor, to the best of Landlord's actual knowledge, has any predecessor owner of the Premises provided, Landlord does not have ordinary diligence information or knowledge about any predecessor's conduct due to the circumstances by which Landlord succeeded to its position in control of the Property. Landlord has not investigated the Premises nor tested it to determine the inclusion of any asbestos (friable or otherwise) or other Hazardous Substances whether or not beyond thresholds which violate law and/or require remediation and Tenant has been given ample opportunity to perform such diligence prior to executing this Lease. Landlord further represents and warrants the following to the best of Landlord's actual knowledge only:
- (a) No unresolved notice, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any governmental or other entity or any other party: (a) with respect to any alleged violation of any Environmental Laws applicable to its ownership of or at or activities at the Premises or the Property by the Landlord or its affiliates or, to Landlord's actual knowledge, by anyone else in relation to the Premises; or (b) with respect to any alleged failure to have any Environmental Permit in connection with the Premises; or (c) with respect to any Hazardous Substances at, on, in, under or emanating from the Premises to the extent in violation of law, requiring remediation, and/or reasonably foreseeable to cause adverse impact to or upon Tenant or its contemplated operations at the Premises.
 - (b) Neither Landlord nor its affiliates or, to Landlord's actual knowledge, any other party, has received any request for information, notice of claim, demand or notification that it or they are or may be potentially responsible with respect to any investigation or clean-up of any threatened or actual release of any Hazardous Substance at, on, in, under or emanating from the Premises.
 - (c) Landlord has not tested for and does not have actual knowledge of any PCBs or asbestos-containing materials (friable or otherwise) present at the Premises, nor of any underground storage tanks, active or abandoned, at the Premises which are in violation of law.
 - (d) Landlord has no actual knowledge of any Hazardous Substance having been released at, on, in, under, about or from the Premises in violation of law or to the extent to require remediation.
 - (e) No oral or written notification of a release or threat of release of a Hazardous Substance has been filed by the Landlord, its Affiliates or, to Landlord's knowledge, any other party or in relation to the Premises, nor is the Premises listed or proposed for listing on the National Priority List promulgated pursuant to CERCLA, on the Comprehensive Environmental Response, Compensation and Liability Information System ("CERCLIS") or on any similar state list of sites requiring investigation or clean-up.

(f) To Landlord's actual knowledge there are no environmental liens on the Premises and no government actions have been taken or are in process or pending which could subject the Premises to such liens.

(g) To Landlord's knowledge no consent, approval or authorization of, or registration or filing with any person, including any environmental governmental authority or regulatory agency ("Governmental Entity"), is required in connection with the execution and delivery of this Lease or the commencement of Tenant's occupancy of the Premises as contemplated hereby provided, any such requirement arising out of Tenant's specific manner of use and/or operation (as opposed to a general office or general retail use) shall be the sole responsibility of Tenant to comply with and Tenant agrees and covenants to do so at Tenant's sole cost and expense.

(h) Intentionally omitted.

(i) To Landlord's actual knowledge Landlord and its affiliates know of no facts or circumstances related to environmental matters concerning the Premises that could lead to any future environmental claims, liabilities or responsibilities against Landlord, its affiliates or Tenant.

(j) Landlord and its affiliates will comply in all material respects with all Environmental Laws applicable to its or their ownership of or at activities at the Premises and the Property during the term of this Lease but without hereby waiving rights, claims or demands properly arising hereunder or by law against Tenant or others for their conduct or operations.

(k) Intentionally omitted.

(l) Landlord and its affiliates shall reasonably cooperate so long as same is at no cost or expense to Landlord, with and assist Tenant with any actions necessary or required (a) to transfer any permit, consent or approval applicable to the Premises or Tenant's operations to Tenant; and (b) to obtain any permit, consent or approval necessary for Tenant to construct and operate its facilities at the Premises.

(m) Intentionally omitted.

22. EVENTS OF DEFAULT: If one or more of the following events ("**Event of Default**") occurs, such occurrence constitutes a breach of this Lease by Tenant:

22.1. Intentionally Omitted:

22.2. Rent: Tenant fails to pay any monthly Basic Rent or Operating Expenses Rent, if applicable, as and when the same becomes due and payable, and such failure continues for more than five (5) days after written notice thereof is given; or

22.3. Other Sums: Tenant fails to pay any other sum or charge payable by Tenant hereunder as and when the same becomes due and payable, and such failure continues for more than ten (10) days after written notice thereof is given; or

22.4. Other Provisions: Tenant fails to perform or observe any other agreement, covenant, condition or provision of this Lease to be performed or observed by Tenant as and when performance or observance is due, and such failure continues for more than 30 days after Landlord gives written notice thereof to Tenant, or if the default cannot be cured within said 30 day period and Tenant fails promptly to commence with due diligence and dispatch the curing of such default or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default; or

22.5. Insolvency: Tenant (a) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (b) makes an assignment for the benefit of its creditors; or (c) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or

22.6. Receiver: A court or governmental authority of competent jurisdiction, without consent by Tenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial power of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Tenant, or if any such petition is filed against Tenant and such petition is not dismissed within 45 days; or

22.7. Attachments: This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within 60 days; or

22.8. Assignment/Sublease: Tenant assigns this Lease or subleases all or any portion of the Premises in violation of Section 10 hereof.

23. REMEDIES OF LANDLORD ON DEFAULT:

23.1. Termination: In the event of any breach of this Lease by Tenant, Landlord may, at its option, terminate the Lease and repossess the Premises pursuant to the laws of the State in which the Property is located and recover from Tenant as damages:

- (a) the unpaid rent and other amounts due at the time of termination plus statutory interest from the date such debts arose plus statutory interest upon any judgments then secured, all at the State's statutory rate for such amounts; and
- (b) the present value of the balance of the rent for the remainder of the term after termination less the present value of the fair market value rental of the Premises for said period (both determined by applying a discount rate of 1½% below the Wall Street Journal Prime Rate); and
- (c) A damage value computed as a portion of half (1/2) of all Abated Rent ("**Abated Rent Damage Recovery**"), calculated as follows: (i) In case of such a termination properly so arising by reason of a Tenant Event of Default during Period 1 of the initial Term of this Lease, the Abated Rent Damage Recovery amount shall be an amount equal to half (1/2) of all Abated Rent having accrued prior to such date of termination. (ii) In case of such a termination properly so arising by reason of a Tenant Event of Default during Periods 2, 3, 4, or 5 of the initial Term of this Lease, or during Period 6 (being the first Period of the First Option Term), the Abated Rent Damage Recovery amount shall be the then unamortized value of half (1/2) of all Abated Rent, computing same over a five (5) year assumed amortization period which is deemed to have commenced on the first day of Period 2 of the initial Term, deemed to have an initial balance for purposes of amortizing which is equal to the full amount half (1/2) of all Abated Rent accrued through all of Period 1 of the initial Term, and computing same utilizing a standard continuously "self-liquidating" (to zero at end of such five [5] year period) straight-line constantly declining amortization schedule.

23.2. Landlord's Options: Landlord may, in the alternative, (i) continue this Lease in effect, as long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under the Lease, including the right to recover the rent as it becomes due under the Lease; or (ii) terminate Tenant's right of possession (but not this Lease) and repossess the Premises pursuant to the laws of the State in which the Property is located, without demand or notice of any kind to Tenant, in which event Landlord shall use commercially reasonable efforts to relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For purpose of such reletting Landlord is authorized by Tenant to decorate or to make any repairs, changes, alterations or additions in or to the Premises that may be necessary or convenient, at Tenant's expense. Tenant shall also be responsible for rent for the period that the Premises are vacant and all costs of re-letting, including, without limitation, reasonable brokerage commissions and attorneys' fees. Tenant shall be liable for any deficiency of such rental below the total rental and all other payments herein provided for the unexpired balance of the term of this Lease. If said breach of the Lease continues, Landlord may, at any time thereafter, elect to terminate the Lease; or (iii) exercise any and all other rights and remedies available to Landlord at law or in equity.

24. **SECURITY DEPOSIT**: The Security Deposit set forth in Paragraph 1, if any, and any other sums collected by Landlord until same are applied by Landlord shall secure the performance of the Tenant's obligations hereunder. Landlord may, but shall not be obligated to, apply all or portions of the Security Deposit on account of Tenant's obligations hereunder. In the event that Landlord applies all or a portion of the Security Deposit to Tenant's obligations hereunder, Tenant shall be obligated, within 10 days of receipt of notice from Landlord, to deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the full amount stated in Paragraph 1.9 above. Failure to deposit such cash shall be a default under the terms of this Lease. Provided Tenant is not in default, any balance remaining upon termination shall be returned to Tenant. Tenant shall not have the right to apply the Security Deposit in payment of the last month's rent. No interest shall be paid by Landlord on the Security Deposit. In the event of a sale of the Property, Landlord shall have the right to transfer the Security Deposit to the purchaser, upon such transfer Landlord shall have no further liability with respect thereto, and Tenant agrees to look solely to such purchaser for the return of the Security Deposit. Landlord shall not be required to keep the Security Deposit in a segregated account, and the Security Deposit may be commingled with other funds of Landlord.

25. **LIEN FOR RENT:** Intentionally deleted.
26. **ERISA:** Intentionally deleted.
27. **LANDLORD DEFAULT:** Landlord shall be in default under this Lease (herein "Landlord's Default") upon the failure or refusal of Landlord, at any time during the Term, to fulfill or perform any covenant, agreement or obligation of Landlord hereunder if such failure or refusal shall continue without correction for a period of thirty (30) days (or such shorter period of time as reasonable in an emergency or such longer period as reasonably necessary as provided below) after written notice thereof to Landlord, provided that if such covenant, agreement or obligation shall be of such a nature that it cannot be reasonably fulfilled or performed within such thirty (30) days exercising due diligence and if Landlord in good faith commences to fulfill or perform same within said thirty (30) day period, a Landlord's Default shall not be deemed to have occurred if Landlord is then diligently pursuing the fulfillment or performance of the covenant, agreement or obligation and shall thereafter continuously and diligently proceed therewith until completion. Tenant shall have all remedies at law and in equity upon any such Landlord Default, subject to the following. Notwithstanding anything else contained in this Lease, should Landlord breach any of its duties or obligations to Tenant in respect of any Landlord-required repair actions within or to the Premises itself only, and if Tenant reasonably concludes that an emergency situation exists in or to the Premises which materially jeopardizes Tenant's ability to operate business (including imminent harm to person or property), Tenant shall provide such written notice and time for Landlord to cure as may be practicable under the circumstances and Tenant in such circumstances only, where Landlord does not timely then commence the cure and prosecute same with reasonable diligence toward completion, may take such action as is reasonably necessary to begin to remedy such emergency situation so as to mitigate damages and losses, pending Landlord's undertaking action as required under this Lease, but taking same to completion where (if) Landlord does not undertake the effort in a reasonable time under the circumstances (and the parties acknowledge that under emergency circumstances it is possible to reasonably conclude that very little notice is sufficient due to such exigency). In connection therewith, provided Tenant is not in default or violation of this Lease of which written notice has been given (and if so, not until such default or violation has been cured), Landlord shall promptly thereafter reimburse Tenant following submission of reasonable documentation evidencing the reasonable actual expenses reasonably so incurred by Tenant (including paid receipts therefor so as to assure Landlord of repairs having been performed in a good and workman-like manner to lien-free completion) in taking only such action herein permitted which was otherwise required of Landlord; provided further, however, notwithstanding this sentence, no such action may be taken by Tenant in respect of the roof except Tenant may take certain reasonable non-structural non-invasive non-damaging measures to mitigate its losses, such as having a tarp or other covering or similar temporary protection installed or placed but only while exercising commercially reasonable care in good faith to try to avoid further damaging the roof or voiding any roof warranty or bond; and provided further under no circumstances may Tenant take a rental off-set or abatement in respect of any cost, expense or reimbursement so incurred or otherwise due Tenant hereunder, Tenant's sole and exclusive remedy for Landlord's failure to reimburse same being limited to an action for damages against Landlord (and the prevailing party shall be entitled to recover from the non-prevailing party, such prevailing party's reasonable attorneys' fees and costs reasonably incurred in the prosecution or defense of such an action (as applicable), through and including appellate levels). Under no circumstances shall any provision of this Lease be deemed or construed to consent to or otherwise permit Tenant to take any such actions outside of its Premises (other than as to the roof as aforesaid and other than against the immediate exterior if the situation qualifies otherwise hereunder for such self-help attention).
28. **LIMITATION ON LANDLORD'S PERSONAL LIABILITY:** Tenant specifically agrees to look solely to Landlord's interest in the Property including income therefrom (such as but not limited to rent) and all net proceeds of sale on execution of the interest of Landlord in the Property, for the recovery of any judgment from Landlord, it being agreed that Landlord (and any officers, shareholders, directors or employees of Landlord) shall never be personally liable for any such judgment. In event of a sale or conveyance by Landlord of the Property, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, contained in this Lease in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. Except as set forth in this Article, this Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. If any security has been given by Tenant to secure the faithful performance of any of the covenants of this Lease, Landlord shall transfer or deliver (including by means of a closing credit in connection with a sale so as to cause the successor to be deemed to take a transfer of) said security, as such, to Landlord's successor in interest and, thereupon Landlord shall be discharged from any further liability with regard to said security.

29. **ATTORNEYS' FEES:** In the event Tenant defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease and Landlord places the enforcement of this Lease or the collection of any rent due or to become due hereunder or recovery of the possession of the Premises in the hands of an attorney, Tenant agrees to pay Landlord reasonable attorneys' fees and costs. If there is any legal action or proceeding between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either Landlord or Tenant hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees (including allocated costs of Landlord's in-house attorney), incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court handling the proceeding and will be included in and as a part of such judgment.
29. **WAIVER:** No failure of Landlord to enforce any term hereof shall be deemed to be a waiver.
30. **SEVERABILITY:** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term hereof, then it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there shall be added as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.
31. **NOTICES:** All notices or other communications required or permitted hereunder must be in writing, and be (i) personally delivered (including by means of professional messenger service), (ii) sent by overnight courier, with request for next Business Day delivery, or (iii) sent by registered or certified mail, postage prepaid, return receipt requested, to the addresses set forth in Paragraph 1. All notices sent by mail will be deemed received 2 days after the date of mailing or upon delivery or refusal of delivery.
32. **HOLDING OVER:** Any holding over after the expiration or termination of this Lease shall be construed as a month-to-month tenancy at a rental of **200%** (but, same shall be **150%** for the first thirty (30) days of any such holding over if the parties are then in good faith engaged in negotiations to finalize a term extension) of the rent for the month of the Lease preceding the month in which the expiration or termination occurred, and otherwise in accordance with the terms hereof, as applicable. In the event Tenant shall be or become a holdover tenant, Tenant shall also indemnify Landlord against all claims for damages against Landlord as a result of Tenant's possession of the Premises, including, without limitation, claims for damages by any tenant to whom Landlord may have leased the Premises, or any portion thereof, for a term commencing after the expiration or termination of this Lease.
33. **TIME:** Time is of the essence of this Lease.
34. **HEIRS, ASSIGNS, SUCCESSORS:** This Lease is binding upon and inures to the benefit of the assigns and successors in interest of Landlord and is binding upon and inures to the benefit of Tenant and Tenant's heirs and successors and, to the extent assignment may be approved by Landlord hereunder, Tenant's assigns.
35. **SUBORDINATION:** This Lease is and shall always be subject and subordinate to the lien of any mortgages which are now or shall at any future time be placed upon the Property, the Premises or Landlord's rights hereunder, and to any renewals, extensions, modifications or consolidations of any such mortgage. This clause shall be self-operative and no further instrument of subordination need be required by any mortgagee. In confirmation of such subordination, however, Tenant, at Landlord's request, shall execute promptly any appropriate certificate or instrument that Landlord may reasonably request. If there currently (as of the date of execution of this Lease) exists a mortgage or other encumbrance of the Property securing debt of Landlord, then, Tenant and Landlord's mortgagee shall enter into the lender's form of subordination, nondisturbance and attornment agreement in recordable form reasonably acceptable to Tenant and Landlord's mortgagee, which provides that in any event of foreclosure, sale under power of sale, ground or master lease termination or transfer in lieu of any the foregoing or exercise of any other remedy pursuant to such mortgage: (a) Tenant's use, possession and enjoyment of the Premises shall not be disturbed and this Lease shall continue in full force and effect so long as Tenant is not in default hereunder beyond any applicable notice and cure period and so long as Tenant attorns to such successor and agrees to and in fact does pay rents and charges hereunder due Landlord, to such successor, and (b) this Lease shall automatically and unconditionally become a direct lease between any successor to Landlord's interest, as landlord, and Tenant as if such successor was the Landlord originally named hereunder.
36. **ESTOPPEL CERTIFICATE; FINANCIAL STATEMENTS:**
- 36.1. Content: Tenant shall at any time upon not less than 10 days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing:
- (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any; and

- (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by a prospective purchaser or encumbrancer to the Premises.
- 36.2. **Failure to Deliver:** At Landlord's option, Tenant's failure to deliver such statement within such time shall be a material breach of this Lease or shall be conclusive upon Tenant:
- (a) that this Lease is in full force and effect, without modification, except as may be represented by Landlord;
- (b) that there are no uncured defaults in Landlord's performance; and
- (c) that not more than one month's rent has been paid in advance or such failure may be considered by Lessor as a default by Tenant under this Lease.
- 36.3. **Financial Statements:** No more often than once every two (2) years during the Term and in case of an Event of Default and in case of a pending sale, financing or refinancing of the Property, Tenant shall deliver to Landlord, Tenant's reasonable financial statements and financial information provided same are held by Landlord and its lender as applicable in confidence and provided no such obligation shall arise where Tenant is a public company (meaning, a company whose shares are regularly traded on a US national SEC-regulated securities exchange). Provided, however, so long as Tenant consolidates its financial statements with a public company then Tenant shall have no obligation to deliver financial statements as provided in this Section 36.3.
37. **AUTHORIZATION:** If Tenant executes this Lease as a corporation or partnership, then Tenant and the person(s) executing this Lease on behalf of Tenant, represent and warrant that such entity is duly qualified to do business in the State in which the Property is located and that the individuals executing this Lease on Tenant's behalf are duly authorized to execute and deliver this Lease on Tenant's behalf.
38. **JOINT AND SEVERAL LIABILITY:** In the event that more than one person or entity executes the Lease as Tenant, all such persons and entities shall be jointly and severally liable for all of Tenant's obligations hereunder.
39. **FORCE MAJEURE:** Each party hereto shall be excused for the period of any delay in the performance of any non-monetary obligations hereunder when prevented from doing so by cause or causes beyond such party's reasonable control which shall include, without limitation, all labor disputes, civil commotion, civil disorder, riot, civil disturbance, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations, orders, moratoriums or controls, fire or other casualty, inability to obtain any material, or services, or Acts of God.
40. **RECORDING:** Tenant shall not record this Lease, or any memorandum or short form thereof, without the written consent and joinder of Landlord, which may be unreasonably withheld.
41. **RIDER:** A Rider portion of this Lease, captioned "Rider Provisions (Additional Terms)" appears above the signature blocks at the end of the body of this Lease (below); and includes additional terms and provisions to which the parties agree unless no such Rider portion appears, in which case none is deemed included.
42. **ENTIRE AGREEMENT:** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.
43. **GOVERNING LAW:** This Lease shall be construed in accordance with the laws of the State in which the Property is located.
44. **RADON GAS:** Intentionally omitted; not applicable to a non-Florida property.
45. **RADIUS:** Intentionally omitted.
46. **PROMOTIONAL PROGRAM:** Intentionally omitted.
47. **WAIVER OF THE RIGHT TO TRIAL BY JURY: LANDLORD AND TENANT HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING THAT LANDLORD OR TENANT MAY HERINAFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS LEASE OR THE LEASED PREMISES. THE PARTIES FURTHER HEREBY WAIVE THE RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE FOREGOING WAIVERS ARE IRREVOCABLE AND MUTUALLY, KNOWINGLY, WILLINGLY, INTENTIONALLY AND VOLUNTARILY MADE AFTER EACH PARTY HAS HAD THE BENEFIT OF, OR AMPLE OPPORTUNITY, TO GAIN LEGAL ADVICE AND COUNSEL.**

48. **NO CONSEQUENTIAL OR PUNITIVE DAMAGES.** NOTWITHSTANDING ANY PROVISION IN THIS LEASE TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES.

49. **SPECIAL STIPULATIONS:**

SS-1 HVAC, Plumbing, Electrical Systems: (A) Notwithstanding anything else set forth in this Lease, including any expression of Tenant accepting the Premises in its "AS-IS" condition: Landlord agrees that upon tender, the HVAC, plumbing and electrical systems within and/or exclusively serving the Premises shall be in good working order and condition, and are fit for their intended purposes. (B) Tenant shall promptly (but in any case within forty-five (45) days after the date of initial tender of possession of the Premises, time being strictly of the essence), deliver to Landlord in writing a notice, as Tenant's sole and exclusive remedy, should Tenant determine that, at such time of initial tender of the Premises, any of the said plumbing and/or electrical systems are not in good working order (herein, a circumstance where the said plumbing and/or electrical systems or any part thereof "**Lacks Good Systems Order**"), specifying in such written notice with detail Tenant reasonably can give, exactly what facts or circumstances observed by Tenant give rise to Tenant's assertion that a Lacks Good Systems Order circumstance pertains. Where Tenant timely so notifies Landlord in the time and manner noted above, time being strictly of the essence, that such a Lacks Good Systems Order circumstance pertains, then, as Tenant's sole and exclusive remedy, Landlord shall at its expense repair such plumbing and/or electrical systems so as to put same back into good working order so long as no such repair or action by Landlord is required by reason of Tenant's work or actions taken in or to such plumbing and/or electrical systems. (C) Tenant shall promptly (but in any case within one (1) year after the date of initial tender of possession of the Premises, time being strictly of the essence), deliver to Landlord in writing a notice, as Tenant's sole and exclusive remedy, should Tenant determine that, at such time of initial tender of the Premises or any subsequent time during such year, any of the said HVAC systems are not in good working order (herein, a circumstance where the said systems or any part thereof "**Lacks Good HVAC Order**"), specifying in such written notice with detail Tenant reasonably can give, exactly what facts or circumstances observed by Tenant give rise to Tenant's assertion that a Lacks Good HVAC Order circumstance pertains. Where Tenant timely so notifies Landlord in the time and manner noted above, time being strictly of the essence, that such a Lacks Good HVAC Order circumstance pertains, then, as Tenant's sole and exclusive remedy, Landlord shall at its expense repair such HVAC systems so as to put same back into good working order so long as no such repair or action by Landlord is required by reason of Tenant's work or actions taken in or to such HVAC systems. **NOTWITHSTANDING THE FOREGOING, ALL STATEMENTS CONCERNING HVAC ARE MODIFIED AS SET OUT ON THE "SLIP PAGE" 26.5 ATTACHED AND THE TERMS OF SUCH SLIP PAGE INSTEAD SHALL GOVERN THE PARTIES' OBLIGATIONS.**

SS-2 GENERATOR: Landlord does hereby consent to the construction and installation of an electrical generator either powered by natural gas or diesel fuel or other generally accepted method (the "Generator") by Tenant to exclusively serve the Premises, subject to the following terms and conditions:

(a) The cost and expense of installing, constructing, maintaining, operating and removing the Generator shall be the sole cost and expense of Tenant. Tenant shall be responsible for all costs and expenses associated with such Generator, including, without limitation, any utility costs, and Tenant shall promptly repair any damage to the Premises or the Building resulting from the installation, construction, maintenance, operation and removal of such Generator.

(b) The nature, type, kind, manufacturer, technical specifications, size, including screening, height and location, and other specifications of the Generator shall be subject to reasonable approval by Landlord prior to Tenant's installation of the Generator and such approval will not be unreasonably withheld. Tenant shall deliver to Landlord Tenant's plans and specifications for the installation of the Generator and the surrounding screening for review and approval by Landlord's engineer not less than thirty (30) days prior to commencing installation of the Generator.

(c) Tenant shall have the right to install and use the Generator and to use the electrical current supplied from the Generator provided that: (i) Tenant's construction and placement of the Generator is in substantial conformity with the plans and specifications previously approved by Landlord in writing; (ii) Tenant's connection to and use of the Generator shall comply with and not violate any applicable laws, rules, regulations or ordinances including, without limitation, laws, rules and regulations as to Hazardous Substances; and (iii) at the expiration or the sooner termination of the Lease, Tenant, at its sole cost and expense, shall remove the Generator and any other connections to the Generator and restore the Generator site to its condition prior to Tenant's installation thereof, free of any hazardous materials or other environmental contamination ("**Tenant's Restoration Obligation**"). If Tenant fails to satisfy Tenant's Restoration Obligation after five (5) business days prior written notice to Tenant, in addition to any other rights and remedies of Landlord, Landlord shall be permitted to satisfy Tenant's Restoration Obligation and Tenant shall reimburse Landlord its actual costs and expenses in connection therewith ("**Landlord's Self Help Remedy**"). In the event the Generator creates any unsafe or hazardous condition, Tenant shall move and/or relocate the generator to a more suitable location to alleviate any unsafe or hazardous condition at its own expense.

(d) To the extent visible from public areas, Tenant shall install the Generator in an aesthetically pleasing manner and exercise all reasonable steps to shield or screen the Generator from public view. Tenant shall fence or screen the Generator so as to minimize any risks and to ensure that the Generator does not create a nuisance and the design and operation of the Generator shall be such as to avoid material interference with other tenants. All installation of the Generator or other construction work shall be completed by a qualified contractor approved in writing by Landlord and Tenant.

(e) Without limitation and in addition to any other release and indemnification provision contained in the Lease, Tenant hereby releases Landlord its principals, officers, directors, agents, contractors, employees, managing agents and lenders from and against any liability, claim, loss, cost, damage, injury and expense of whatever kind arising directly or indirectly from Tenant's installation of the Generator and related Generator equipment, or from Tenant's use of the Generator or from any failure of the Generator or related system or equipment to provide power or for any damage, injury or loss to equipment or data which is connected to the Generator or for any damage, injury or loss to any equipment or data which is connected to the Generator or for any failure of the Generator or other related equipment to comply with any applicable laws, rules, regulations or ordinances or Landlord's or Tenant's exercise of any rights or remedies afforded to it, in connection with the Generator, pursuant to the Lease (collectively, the "**Released Claims**"). Further, Tenant hereby indemnifies and agrees to hold harmless Landlord, their principals, officers, directors, agents, contractors, employees, managing agents and lenders harmless from and against any liability, claim, loss, cost, damage and expense of whatever kind arising directly or indirectly from, arising out of or related to the Released Claims, including, but not limited to, reasonable attorneys' fees, court costs and consultant fees, except to the extent such liability, claim, loss, cost, damage or expense is due to the gross negligence or willful misconduct of Landlord or Tenant, their employees, agents or contractors. The release and indemnity provisions of this provision shall survive termination of the Lease. Tenant shall keep in force at all times the Generator is in existence at the Premises, such Commercial General Liability insurance policy or policies (which complies with the other requirements of the Lease) to protect the Landlord against any liability to the public or to any invitee of Tenant or Landlord incidental to the use of the Generator or resulting from any accident occurring in or upon the Premises with limit of not less than the amounts specified for insurance in this Lease.

(f) Tenant shall periodically inspect the Generator to identify any conditions that are dangerous or in need of maintenance or repair. Tenant shall, as a matter of information only, promptly provide Landlord with notice of any dangerous conditions.

(g) Tenant shall be solely responsible for obtaining, at its expense, all required permits, approvals, and certificates from all governmental authorities having or claiming jurisdiction with respect to the location, connection and operation of the Generator, and for compliance with all laws applicable thereto, including the installation of any required venting and noise suppression devices. Without limitation of the foregoing, if the Generator or any other associated equipment which Landlord permits Tenant to locate or install in such licensed area generates noise which disturbs other occupants of the Property, excepting noise generated on a short-term, incidental basis due to a general interruption in electricity service to the Premises, then Tenant shall install, at Tenant's sole cost and expense, sound attenuated acoustic enclosures reasonably satisfactory to Landlord designed to reduce such noise or reduce such noise to acceptable levels. Tenant agrees to perform its periodic Generator testing during hours that other tenants of the Property are closed for business.

(h) The generator pad shall have such curbing as is necessary to contain any fuel spill; provided, Tenant shall not store on-site, whether above or underground, fuel for the operation of such generator and such generator may not operate on liquid petroleum distillates such as gasoline, but instead may only operate with natural gas or other compressed gas fuel. Under no circumstances shall any underground storage tanks be installed. The design and operation of the Generator shall be such as to avoid material interference with other tenants and the standards, plans, points of entry of connecting lines, wires and/or conduits and the like, and all other installation criteria shall all be subject to Landlord's reasonable advance approval. The Generator shall be used only for periodic testing and in the event of such power outages noted above. All indemnity provisions of the Lease are deemed applicable so as to indemnify, defend and hold Landlord harmless from and against all loss, cost, fines, penalties or other damages arising out of or in connection with the installation, use, operation and removal of the Generator including expressly and without limitation all manner of environmental liabilities there from arising.

SS-3 SATELLITE DISH / ANTENNA: Subject to the terms and conditions of this Special Stipulation 3, and subject to the approval of any applicable private associations whose rights are evidenced of Public Record (if any), Tenant shall have the right to install a satellite dish, microwave antenna or other similar equipment on the roof of Building in a location selected by Landlord or at another location designated by Landlord. Except as otherwise provided herein, all provisions of the Lease shall be deemed applicable to the said installation, subject to the limited use and purpose of same as herein contemplated. Tenant shall not sell or rent time on or use such equipment to other occupants of the Building or any other third parties. Such equipment shall be installed accordance with plans and specifications prepared by Tenant and approved by Landlord and in accordance with all applicable building codes, and Landlord shall not be obligated to provide any additional utility service required by said equipment. Once so approved by Landlord in writing, such installation shall be prosecuted with commercially reasonable diligence to completion within thirty (30) days. Tenant shall be responsible in determining the sufficiency of the roof structure to support the live and static load of the said installation. No logo, business or similar image or design, or trade name, or similar written feature (other than ordinary brand name imprints of the equipment), shall be visible upon any surface of any such equipment or installation and no surface thereof may be used for promotional or advertising purposes. Such equipment shall be properly screened so as to not be visible from the common areas of the Building or Property. No roof penetrations shall be permitted. Nonetheless if for any reason Landlord does consent to any level of installation that involves any degree of roof penetration, then, any such roof penetrations in the roof of the Premises or the Building shall be made by Landlord's roofing contractor at Tenant's sole cost and expense. Tenant shall provide Landlord with a letter from the roofing contractor stating that such work has not affected the roof bond or guaranty for the roof of Building, as applicable. All access to the roof shall be coordinated with Landlord. Tenant shall maintain said equipment in a good state of repair and shall protect, defend, indemnify, save and hold harmless Landlord against and from any and all claims, losses, costs, damages and expenses, including attorneys' fees, resulting from, or in connection with, the erection, maintenance, existence or removal of such equipment; and shall repair any damage which may have been caused by the erection, maintenance, existence or removal of such equipment. Tenant shall be responsible for obtaining the consent of all regulatory license commissions and government agencies before erecting any such equipment, and thereafter maintaining such consent. No consent here given shall operate as an assurance or warranty that the said installation or equipment is permitted by law. Under no circumstances will Tenant permit the operation of the installation and its equipment to interfere with or otherwise impede the operations of any other communications, electronic transmission or other similar systems operating in, to or from the Property. Any taxes or assessments or increases in insurance costs levied or arising against or in connection with the Building or Landlord or the Property because of the existence of such equipment shall be Tenant's sole responsibility to pay in full upon invoice therefor. Upon vacating the Premises, Tenant shall remove such equipment and repair all damage caused by such removal and dispose of the equipment and other installation items so removed, off-site. Where Tenant fails to remove same upon expiration or termination of the Lease, Tenant shall be liable for the reasonable costs incurred by Landlord to effectuate the removal and disposal as otherwise herein required of Tenant. Tenant's obligation to observe or perform this covenant shall survive the expiration or termination of this Lease.

SS-4 EXCLUSIVE: (A) During the term of this Lease (as the same may be extended or earlier terminated), provided Tenant is not in default or violation of any term or condition of this Lease beyond any thereto applicable curative period, and only for so long as Tenant has not ceased operating in substantially all of the Premises during Property normal reasonable business hours and days, Landlord agrees hereafter (that is, after the Effective Date of this Lease) not to enter into any lease for space in the Property owned by Landlord, with any tenant **operating primarily as a blood plasma donation center**. Any such operation in violation of the foregoing exclusive would be herein called a "**Competing User**"; subject however to the following terms and conditions. In addition to the foregoing agreement whereby Landlord shall not enter into any lease, Landlord further agrees not to enter into any modification of an existing lease for any space in the Property owned by Landlord in contravention of the foregoing provisions of this SS-4 unless by the terms of such existing lease Landlord is contractually or legally obligated to do so. However, notwithstanding anything in this Lease, nothing contained in this SS-4 shall limit, impair or otherwise affect (i) Landlord's leases (existing as of the date of full execution and delivery hereof), tenants thereunder, and their successors and assigns or their uses or permitted uses under their leases, as extended, renewed, relocated, assigned, transferred, sublet, substituted or replaced or (ii) any portions of the Property which are not owned by Landlord. (B) Notwithstanding anything to the contrary herein set forth, in the event Landlord is in violation of this SS-4 (a "**Competing User Violation**"), irrespective of whether or not such party whose acts give rise to a Competing User Violation is a "**Rogue Tenant**" (meaning, a tenant acting in violation of its lease), then, Tenant shall, as an express condition precedent to the right to exercise any remedies, deliver written notice to Landlord thereof and allow Landlord an opportunity of at least thirty (30) days within which to remedy the violation (but such time frame shall be extended to the extent Landlord is in good faith prosecuting its efforts to bring about a cessation of such Competing User Violation, including without limitation the prosecution of litigation against such tenant; herein any such efforts throughout such 30 day period or thereafter is called "**Remedial Actions**"). So long as Landlord is taking such Remedial Actions, Tenant shall not exercise nor be entitled to any other remedy or redress as against Landlord; provided, nothing herein shall limit or impair Tenant's rights or remedies directly against such Competing User following the first thirty (30) days after such notice is given. If notwithstanding such Remedial Actions by Landlord, the Competing User Violation has not ceased within one hundred eighty (180) following the giving of such notice by Tenant, then, Tenant shall have an ongoing right thereafter (until such violation has ceased or if sooner, until the conclusion of a period three hundred sixty-five [365] days following the conclusion of such initial thirty [30] day period) to terminate the Lease by reason thereof upon written notice ("**Termination Notice**"), effective at the conclusion of the month following the month during which such Termination Notice is given. (C) Any such Termination Notice so properly and timely given shall provide for a termination effective on the last day of the month following the month during which such notice is delivered to Landlord; but no such Termination Notice may be given after the time when the Competing User Violation has ceased. In case of such a properly and timely given Termination Notice, the Lease shall terminate as aforesaid on the last day of the month following the month during which such Termination Notice is delivered to Landlord, subject to the following. Any such properly effectuated Termination Notice shall be automatically treated as though the Lease had been amended to modify the date of the natural expiration of the then current term, so that such natural expiration date shall be deemed to be the date of termination arising under such Termination Notice. All terms and conditions of the Lease which control, govern and survive in connection with a natural expiration of the term, shall control, govern and survive in like manner upon a termination so effectuated under this SS-4.

SS-5 **TENANT IMPROVEMENT ALLOWANCE FOR SUITE [***] ONLY:** In consideration of Tenant performing "Tenant's Work", defined here as work limited to new carpet and painting (subject to Landlord's advance reasonably given approval of the carpet and paint including quality of same), provided Tenant is not in default and is current in its payment of all rents and charges due under the Lease, then, Tenant shall be granted a tenant allowance in the amount of up to [***], to be used by Tenant solely in connection with the Tenant's Work improvements to the Suite [***] portion of the Premises only and for the purchase of up to [***] of furniture to be used in connection with Tenant's Permitted Use of the Premises ("**Tenant Improvement Allowance**" or also herein called "**Landlord's Contribution**"), paid by Landlord to Tenant within sixty (60) days of the last to occur of the following (but such amount first shall be reduced in any event by the construction supervision fee indicated below): (a) Tenant's completion of Tenant's Work, in a good and workman-like manner and in accordance with all requirements of law and "code" and in compliance with all previously secured approvals from Landlord concerning same as having been previously submitted to Landlord for Landlord's review and approval, all as reasonably determined by Landlord or Landlord's architect, in a lien-free condition, and (b) Landlord's receipt of a release and waiver of lien, in form and substance reasonably satisfactory to Landlord, executed by Tenant's contractor or contractors, covering (that is, referring to) every subcontractor, laborer and material supplier supplying labor and/or materials of Tenant's Work, as well as any other documentation including similar lien releases if and as required by Landlord from all such subcontractors, sub-subcontractors, laborers, materialmen, suppliers and any other party who by law may have the right to lien the job for non-payment provided Landlord will reasonably relax the foregoing standards where paid invoices reasonably will suffice to evidence such expenditures, and (c) Tenant shall have caused the completion of Tenant's Work in accordance with the said approved plans and specifications and all provisions of the Lease, and (d) Tenant shall have delivered to Landlord all of the following: (i) Tenant's written statement that Landlord is not in default to date (or stating any defaults claimed) and that Tenant reserves no claims, offsets or backcharges (or stating those claimed) together with paid invoices or other receipts evidencing Tenant has incurred expenses directly in the prosecution of its Tenant's Work to the Premises in an amount at least equal to the Tenant Improvement Allowance (or, if same evidence such expenditures in an aggregate amount which is less than the above stated Tenant Improvement Allowance, then the Tenant Improvement Allowance hereunder shall automatically adjust to such lower value of actual expenditures). In any case the Tenant Improvement Allowance also shall be reduced by the construction supervision fee of an amount not to exceed three (3%) percent of the maximum Tenant Improvement Allowance hereunder to reimburse Landlord and any professionals or others charged with ordinary construction supervision tasks, (ii) any monies owing to Landlord, (iii) all certificates and approvals with respect to Tenant's Work that may be required by any governmental authorities as a condition for the issuance of a certificate of occupancy for the Premises, and such certificate of occupancy (all if and as applicable), and (iv) all certifications of insurance required under the Lease, and (e) Tenant shall have complied with any and all other requirements reasonably imposed by Landlord. Notwithstanding any other term or condition hereof, Tenant acknowledges that the foregoing conditions to Landlord's obligation to disburse the Tenant Improvement Allowance must be satisfied by Tenant by no later than November 30, 2014, time being strictly of the essence in respect thereof.

SS-6 [***].

Signature page for that certain Lease by and between U.S. Bank National Association, as Trustee, [***] (“Landlord”) and **ADMA Bio Centers Georgia Inc., a Delaware corporation** (“Tenant”), respecting premises at [***] **in Marietta, Georgia**, identified as: [***], **Marietta, Georgia 30067**, Premises’ Unit/Suite No.: Suite [***] having an area of approximately [***] square feet and Suite [***] having an area of approximately [***] square feet.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

U.S. Bank National Association, as Trustee, [***]

By: [***]

By: [***]

Name: [***]

Title: [***]

TENANT:

ADMA Bio Centers Georgia Inc., a
Delaware corporation

By: /s/ Adam Grossman

Name: Adam Grossman

Title: President*

*Signatory above represents and warrants that he or she is acting as a duly authorized officer of the entity and has full right, power and authority to completely bind the said entity hereto.

WITNESSES:

[***]
First Witness for Landlord
[Sign above; print name: [***]]

[***]
Second Witness for Landlord
[Sign above; print name: [***]]

Attachments:

- Schedule 1 Site Plan
- Schedule 2 Option Terms Rent
- Schedule 3 Guaranty
- Schedule 4 Rules and Regulations
- Schedule 5 Exclusives or Use Restrictions

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WITNESSES:

/s/ Brian Lenz
First Witness for Tenant
[Sign above; print name: Brian Lenz]

/s/ Alexandra Furia
Second Witness for Tenant
[Sign above; print name: Alexandra Furia]

SCHEDULE 1

SITE PLAN, AND APPROXIMATE LOCATION OF PREMISES

[***]

The following is deemed incorporated onto the site plan sketch here pictured: This Schedule is diagrammatic and is intended only for the purpose of indicating the approximate location of constructed areas comprising the Property and the approximate location of the Premises therein, and for the purposes of indicating approximately the boundaries of the Property. It does not in any way supersede any of Landlord's rights set forth in the Lease, including in respect of arrangements and/or locations of shared-use parts of the common areas and changes in such arrangements and/or locations, including without limitation parking areas; and Landlord expressly reserves the right to make changes in the location of buildings or constructed improvements including adding thereto, diminishing therefrom, relocating same, adding stories thereto, reconfiguring same, converting landscaping to additional parking, modifying boundaries and access ways of the Property or otherwise. Areas reflected as or which are drainage, pond, lake and/or "Not a Part" or "Not Included" or similar words (if any) are or may be excluded from the Property but Landlord may in the future elect to incorporate some or all of the same at any time (to the extent excluded). It is not to be scaled; any measurements or distances shown or parking counts should be taken as approximate. Dimensions indicated (if any) are not exact nor to scale and in any case are approximate and are measured to the center line of interior and party walls, and to the exterior face of exterior walls, or lease lines. It does not purport to show the exact or final location of columns, division walls or other required architectural, structural, mechanical or electrical elements. References to tenants (if any) are not and shall not be deemed representations of existing or future tenancies nor of any particular tenant-mix or tenant physical arrangement or placement or operation or use or closures, now or in the future anticipated.

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SCHEDULE 2

FAIR MARKET RENT / STIPULATED RENT (SUITES [***] AND [***])

SUITE [***]:

The Basic Rent payable by Tenant during any option period (“**Option Period Base Rent**”) will be the fair market rental value of the portion of the Premises comprising Suite [***], which shall be determined as follows provided if the result of the determination below shall be an amount in excess of 25% higher than the annual Basic Rent due during the last year of the immediately preceding Term (or Option Term as applicable), then, the lesser value (that is, an amount which is 25% higher than the annual Basic Rental for the last year of the immediately preceding Term or Option Term, shall instead be deemed the Fair Market Rent determination hereunder):

- (i) Within thirty (30) days after receipt of Tenant’s notice to exercise its option to extend the Term, Landlord will deliver to Tenant a written statement of Landlord’s determination of the fair market rental value of the Premises (the “Market Rental Rate”). If Tenant objects to Landlord’s determination of the Market Rental Rate for the Premises, then Tenant shall, within ten (10) business days after receipt of Landlord’s notice, notify Landlord in writing that Tenant disagrees with Landlord’s determination, whereupon Landlord and Tenant shall meet and endeavor in good faith to agree upon the Market Rental Rate for the applicable option term. If Landlord and Tenant fail to reach agreement within twenty (20) business days after Tenant’s notice, then, within twenty (20) days thereafter, each party, at its own cost and by giving notice to the other party, shall appoint a licensed commercial real estate broker with at least seven (7) years full-time experience as a real estate broker active in the leasing of commercial space or appraising properties in the City of Marietta and surrounding areas. Market Rental Rate shall be based on prevailing rates for leases of retail space similar to and in the vicinity of the Premises, including any savings to Landlord by virtue of Landlord’s not having to pay additional tenant improvement or inducement costs, or pay additional brokers’ commissions and any savings to Tenant by not having to pay so-called “key money” if then a fair market term, but shall not reflect the value added to the Premises by virtue of tenant improvements made by Tenant at its expense. If a party does not appoint a broker within the aforementioned period, the single broker appointed shall determine the Market Rental Rate for the applicable option term. If there are two (2) brokers appointed by the parties as stated above, the brokers shall meet within twenty (20) days after the second agent has been appointed and attempt to determine the Market Rental Rate for the applicable option term. If they are unable to agree on such Market Rental Rate within twenty (20) days after the second broker has been appointed, they shall, within ten (10) days: (i) notify all of the parties in writing as to their respective Market Rental Rate determinations, and (ii) select a third broker who shall be a licensed commercial real estate agent meeting the qualifications stated above. If Landlord’s broker and Tenant’s broker are unable to agree on the third broker within such ten (10) day period, then either Landlord or Tenant may request the President of the BOMA Chapter including the area of the Project to select a third broker meeting the qualifications stated in this subsection. Each of the parties shall bear one-half (1/2) of the cost of appointing the third broker and the third broker’s fee.
- (ii) Within ten (10) business days after the selection of the third broker, the third broker shall notify both parties in writing as to which of the two determinations is closest to the Market Rental Rate for the applicable option term, and the Market Rental Rate determination so selected by the third broker shall be the Market Rental Rate for the first year of the applicable option term.
- (iii) Each broker shall consider such information as Landlord and Tenant timely presents regarding the determination of Market Rental Rate for the first year of the applicable option term, and each broker shall be given access to the information used by each other broker.

SUITE [***]:

The Basic Rent payable by Tenant during any First Option Term and any Second Option Term for Suite [***] shall be determined as Fair Market Rent, employing the identical provisions above which are applicable to Suite [***] for Fair Market Rent computation, substituting references to Suite [***] for existing references to Suite [***].

SCHEDULE 3

Guaranty Attached and made a part hereof

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GUARANTY OF LEASE

ANNEXED TO AND FORMING A PART OF THE LEASE DATED January 20, 2014, BETWEEN U.S. Bank National Association, as Trustee, [***] (“Landlord”) and **ADMA Bio Centers Georgia Inc., a Delaware corporation** (“Tenant”).

The undersigned, **ADMA BIOLOGICS, INC., a Delaware corporation** (“Guarantor”), whose address is set forth below, in consideration of the leasing of the Premises described in the annexed Lease at the [***] **in Marietta, Georgia**, to the above named Tenant, does hereby covenant and agree as follows:

- I. If Tenant shall default in the performance of any of the covenants and obligations of said Lease on Tenant’s part to be performed (including payment of all amounts due thereunder), then Guarantor will on demand perform the covenants and obligations of the Lease on Tenant’s part to be performed and will on demand pay to Landlord any and all sums due to Landlord, including all damages and expenses that may arise in consequence of Tenant’s default, and Guarantor does hereby waive all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or nonperformance by Tenant.
- II. This Guaranty is a guaranty of payment, and not of collection, for any sum of money owing from Tenant to Landlord.
- III. Guarantor hereby waives:
 - A. any right to require that any prior action be brought against Tenant;
 - B. any right to require that resort be had to any security or to any other credit in favor of Tenant; and
 - C. all suretyship defenses generally, and the right to petition for the marshaling of assets.
- IV. This Guaranty shall remain and continue in full force and effect:
 - A. as to any renewal, extension, holdover, modification or amendment of the Lease (including any expansion of the Premises and any increase in Tenant’s obligations to Landlord) and this Guaranty shall remain and continue in full force and effect as to the Lease even though Tenant may have subleased all or any portion of the Premises or assigned all or any portion of Tenant’s interest in the Lease. Guarantor waives notice of any and all such renewals, extensions, holdovers, modifications, amendments, subleases or assignments;
 - B. even though Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral given as additional security (including other guaranties) or released Tenant from the performance of its obligation under the Lease;
 - C. notwithstanding the institution by or against Tenant of bankruptcy, reorganization, readjustment, receivership or insolvency proceeding of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise; and
 - D. until such time as Landlord has executed and delivered to Guarantor an instrument specifically releasing Guarantor, Guarantor may not be released by any actions or oral statements of Landlord or by implication.
- V. If the Lease shall be terminated due to a default by Tenant, Guarantor shall (without in any way limiting its liability under any other provision of this Guaranty), at the request of and within the complete discretion of Landlord, enter into a new Lease with Landlord on the same terms and conditions as contained in the Lease immediately prior to its termination, commencing on the termination date of said Lease and ending on the expiration date of said Lease; this provision shall not, however, vest Guarantor with any right to demand or require such a new Lease from Landlord. Landlord shall have sole and absolute discretion as to whether or not such a new lease shall be required.
- VI. Guarantor shall submit to Landlord annually, or at such other times as Landlord shall request, financial statements and such other financial information as Landlord shall require, which shall be audited by a certified public accountant if required by Landlord; provided no such obligation shall arise where Guarantor is a public company (meaning, a company whose shares are regularly traded on a US national SEC-regulated securities exchange).
- VII. If Guarantor is a corporation, Guarantor represents and warrants that this Guaranty has been duly authorized by all necessary corporate action on Guarantor’s part, has been duly executed and delivered by a duly authorized officer, and constitutes Guarantor’s valid and legally binding agreement in accordance with its terms.
- VIII. This Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.
- IX. Guarantor may, at Landlord’s option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in the Lease and/or this Guaranty, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Guarantor.

- X. If this Guaranty is signed by more than one party, their obligations shall be joint and several and the release of one of such Guarantors shall not release any other such Guarantors.
- XI. The liability of Guarantor is co-extensive with that of Tenant and also joint and several; an action may be brought against Guarantor and carried to final judgment either with or without making Tenant a party thereto.
- XII. Until all of Tenant's obligations under said Lease are fully performed, Guarantor (1) waives any rights that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligation of Guarantor under this Guaranty, and (2) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under said Lease.
- XIII. This Guaranty and the Lease shall be governed by, interpreted under the laws of, and enforced in the courts of the State in which the Premises are located.
- XIV. Guarantor hereby waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty and any plea or claim of lack of personal jurisdiction or improper venue in any action, suit or proceeding brought to enforce this Guaranty or any of the obligations arising hereunder. Guarantor specifically authorizes any such action to be instituted and prosecuted in any Circuit Court in the State in which the Premises are located or United States District Court of the State in which the Premises are located, at the election of Landlord, where venue would lie and be proper. Guarantor irrevocably appoints Tenant as its agent for service of process.
- XV. Guarantor will pay to Landlord all of Landlord's expenses incurred in enforcing this Guaranty, including, but not limited to, attorneys' fees and costs at the trial level and at all levels of appeal and in connection with any bankruptcy or administrative proceedings and proceedings for the determination of attorneys' fees at any level.
- XVI. LANDLORD AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENTS CONTEMPLATED HEREBY TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO. THE PARTIES FURTHER HEREBY WAIVE THE RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LANDLORD'S ACCEPTANCE OF THIS GUARANTY. THE FOREGOING WAIVERS ARE IRREVOCABLE AND MUTUALLY, KNOWINGLY, WILLINGLY, INTENTIONALLY AND VOLUNTARILY MADE AFTER EACH PARTY HAS HAD THE BENEFIT OF OR OPPORTUNITY TO GAIN LEGAL ADVICE AND COUNSEL. LANDLORD IS DEEMED TO HAVE JOINED IN THE WAIVERS OF JURY TRIAL AND RELATED PROVISIONS OF THIS CAPITALIZED PARAGRAPH BY ITS ACCEPTANCE OF THIS GUARANTY. NOTWITHSTANDING THE FOREGOING IN THE EVENT ANY PROVISION OF THIS GUARANTY IS PROHIBITED, UNENFORCEABLE OR INVALID UNDER THE LAWS OF ANY JURISDICTION, INCLUDING THOSE OF THE STATE INDICATED ABOVE, SUCH PROHIBITION, UNENFORCEABLE OR INVALID PROVISION SHALL NOT IN ANY FASHION AFFECT THE ENFORCEABILITY OR VALIDITY OF THE REMAINING PROVISIONS HEREOF.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty this 20th day of January, 2014.

WITNESSES:

[***]
[Witness Sign & Print Above]

[***]
[Witness Sign & Print Above]

GUARANTOR:

ADMA BIOLOGICS, INC., a
Delaware corporation

By: /s/ Adam Grossman
Print name: Adam Grossman
FEIN: [***]

ADDRESS: 465 Route 17S

Ramsey, NJ 07446

TELEPHONE: 201-478-5552

SCHEDULE 4

RULES AND REGULATIONS

1. In the event of any conflict between the terms of these rules and regulations and the express provisions of the Lease, the express, applicable provisions of the Lease shall control. Landlord reserves the right, without the approval of Tenant, to rescind, add to and amend any rules or regulations, to add new reasonable rules or regulations and to waive any rules or regulations with respect to any tenant or tenants. Tenant shall provide a copy of these rules and regulations to each of its employees to facilitate compliance with these standards.
2. The sidewalks, walks, plaza entries, corridors, ramps, staircases and elevators of the Property shall not be obstructed, and shall not be used by Tenant, or the employees, agents, servants, visitors or invitees of Tenant, for any purpose other than ingress and egress to and from the Premises. No skateboards, roller skates, roller blades or similar items shall be used in or about the Property.
3. No freight, furniture or other large or bulky merchandise or equipment of any description will be received into the Property or carried into the elevators, if any, except in such a manner, during such hours and using such elevators and passageways as may be approved or designated by Landlord, and then only upon having been scheduled in advance. Any hand trucks, carryalls, or similar equipment used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as Landlord shall reasonably require. Although Landlord or its personnel may participate or assist in the supervision of such movement, Tenant assumes financial responsibility for all risks as to damage to articles moved and injury to persons or public engaged or not engaged in such movement, including any equipment, property or personnel of Landlord damaged or injured in connection with carrying out this service for Tenant.
4. Landlord shall have the right to prescribe the weight, position and manner of installation of safes or other heavy equipment which shall, if considered necessary by Landlord, be installed in a manner which shall insure satisfactory weight distribution. All damage done to the Property by reason of a safe or any other article of Tenant's equipment being on the Premises shall be repaired at the expense of Tenant. The time, routing and manner of moving safes or other heavy equipment shall be subject to prior approval by Landlord.
5. Only persons authorized by Landlord will be permitted to furnish newspapers, ice, drinking water, towels, barbering, shoe shining, janitorial services, floor polishing and other similar services and concessions in the Property, and only at hours and under regulations fixed by Landlord.
6. Tenant, or the employees, agents, servants, visitors or invitees of Tenant, shall not at any time place, leave or discard any rubbish, paper, articles or object of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Property.
7. Tenant shall not place, or cause or allow to be placed, any sign, placard, picture, advertisement, notice or lettering whatsoever, in, about or on the exterior of the Premises, Building or Property, except in and at such places as may be designated by Landlord and consented to by Landlord in writing. Any such sign, placard, advertisement, picture, notice or lettering so placed without such consent may be removed by Landlord without notice to and at the expense of Tenant. All lettering and graphics on doors and windows shall conform to the building standard prescribed by Landlord.
8. Except as expressly permitted in its Lease. Tenant shall not place, or cause or allow to be placed, any satellite dish, communications equipment, computer or microwave receiving equipment, antennae or other similar equipment about or on the exterior of the Premises, Building or Property. Any such equipment so placed may be removed by Landlord without notice to and at the expense of Tenant.
9. Canvassing, soliciting or peddling in the Property is prohibited and Tenant shall cooperate reasonably to prevent same.
10. Landlord shall have the right to exclude any person from the Property, and any person in the Property will be subject to identification by employees and agents of Landlord. If Tenant desires additional security service for the Premises, Tenant shall have the right (with advance written consent of Landlord) to obtain such additional service at Tenant's sole cost and expense. Tenant shall keep doors to unattended areas locked and shall otherwise exercise reasonable precautions to protect property from theft, loss or damage. Landlord shall not be responsible for the theft, loss or damage of any property or for any error with regard to the exclusion from or admission to the Property of any person. In case of invasion, mob, riot or public incitement, the Landlord reserves the right to prevent access to the Property during the continuance of same by taking measures for the safety of the tenants and protection of the Property and property or persons therein.
11. Only workmen employed, designated or approved by Landlord may be employed for repairs, installations, alterations, painting, material moving and other similar work that may be done in or on the Property.
12. Tenant shall not bring or permit to be brought or kept in or on the Premises or Property any inflammable, combustible, corrosive, caustic, poisonous, or explosive substance, or firearms, or cause or permit any odors to permeate in or emanate from the Premises, or permit or suffer the Property to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Property by reason of light, radiation, magnetism, noise, odors and/or vibrations.

13. Tenant shall not mark, paint, drill into, or in any way deface any part of the Property or the Premises. No boring, driving of nails or screws, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant shall not install any resilient tile or similar floor covering in the Premises, except with the prior approval of Landlord, which approval shall not be unreasonably withheld or delayed.
14. No additional locks or bolts of any kind shall be placed on any door in the Premises and no lock on any door therein shall be changed or altered in any respect. Tenant shall not make duplicate keys. All keys shall be returned to Landlord upon the termination of this Lease and Tenant shall give to Landlord the explanations of the combinations of all safes, vaults and combination locks remaining with the Premises. Landlord may at all times keep a pass key to the Premises. All entrance doors to the Premises shall be left closed at all times and left locked when the Premises are not in use.
15. Tenant shall give immediate notice to Landlord in case of known theft, unauthorized solicitation or accident in the Premises or in the Property, or of known defects therein or in any fixtures or equipment, or of any known emergency in the Property.
16. Tenant shall not use the Premises or permit the Premises to be used for photographic, multilith or multigraph reproductions, except in connection with its own business and not as a service for others without Landlord's prior written permission.
17. No animals or birds shall be brought or kept in or about the Property, with the exception of guide dogs accompanying visually handicapped persons.
18. No awnings, draperies, shutters or other interior or exterior window coverings that are visible from the exterior of the Premises may be installed by Tenant without Landlord's prior written consent.
19. Tenant shall not place, install or operate within the Premises or any other part of the Property any engine, stove, or machinery, or conduct mechanical operations therein, without the written consent of Landlord.
20. No portion of the Premises or any other part of the Property shall at any time be used or occupied as sleeping or lodging quarters.
21. Tenant shall at all times keep the Premises neat and orderly.
22. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expenses of any breakage, stoppage or damage, resulting from the violation of this rule shall be borne by the Tenant who (or whose employees or invitees) shall have caused such damage.
23. All tenant modifications resulting from alterations or physical additions in or to the Premises must conform to all applicable building and fire codes. Tenant shall obtain written approval from the management office prior to commencement of any such modifications and shall deliver as built plans to the management office upon completion.
24. Tenant agrees to place all indoor potted plants requiring water within a container capable of collecting any water overflow, such containers to be approved and/or supplied by Landlord, at Tenant's sole expense. Tenant agrees to use caution so that indoor plants do not damage or soil the Premises.
25. Tenant shall not park (and shall insure that Tenant's employees, agents, and invitees do not park) in any reserved parking space other than those reserved parking spaces, if any, specifically assigned to Tenant. Any vehicle improperly parked, or parked in any unauthorized parking area in the Property, shall be towed at the vehicle owner's expense and without further or additional notice.
26. Persons using the Parking Areas do so at their own risk. Landlord specifically disclaims all liability, except when caused solely by its gross negligence or willful misconduct, for any personal injury incurred by users of the Parking Areas, their agents, employees, family, friends, guests or invitees, or as a result of damage to, theft of, or destruction of any vehicle or any contents thereof, as a result of the operation or parking of vehicles in the Parking Areas.

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SCHEDULE 5

LIST OF EXCLUSIVES OR USE RESTRICTIONS – [*]**

The following is a list of prohibited uses including exclusives, use restrictions, and restrictive covenants and limitations and other use limitations affecting and/or arising in respect of tenants or occupants at the above indicated Property. By the attachment of this Exhibit to its lease or lease modification or amendment, this Exhibit is deemed incorporated into such lease and made a part thereof; and in connection therewith, the above noted Tenant under the lease to which this Exhibit relates, hereby covenants and agrees, for the benefit of Landlord and independently also for the benefit of each of the parties below previously having secured the following described exclusive or restriction or other covenants or protections, that, throughout the term(s) of the Lease, including any renewals or extensions, including as the premises may be relocated and including as the lease may be assigned or sublet, the Premises, in whole or in part, will not be used to operate directly or indirectly for any of the business set forth below, and Tenant shall abide by all of, and Tenant shall not violate any of, the following described covenants, restrictions, exclusives or limitations. Tenant further acknowledges that it has carefully studied the following list; and, where any generally stated exclusive or other restriction or limitation or covenant below (which may be a summary rather than the actual quoted language), may reasonably be read to affect Tenant's expected rights or operations or use, it was incumbent upon Tenant to have made inquiry (and Tenant in fact did make such inquiry to the extent it determined was necessary) to learn the precise language from the specific lease at bar and noted below, before entering into this Lease or Lease modification or amendment, so as to best understand and appreciate precisely what shall govern and control Tenant's use and operations. References herein or on the attachments to the trade names of tenants shall not be deemed or construed in any respect as a representation or warranty or other assurance that any such tenancy now or in the future exists or shall continue to exist or be open or operating in the Property nor shall closures (other than permanent termination of the applicable lease including termination of any surviving continuing restrictions or limitations noted below) operate or be deemed to diminish or impair the full force and effect of Tenant's obligation to abide by and not violate the following. In addition, no tenant whose exclusive or similar lease provisions are set forth in or otherwise referenced or summarized or expressed in this Exhibit, may rely upon this Exhibit as the basis for its own rights or remedies and such tenant shall look (if at all) only and solely and exclusively to its own written lease for the sole and controlling memorialization of the terms and conditions which govern and control such tenant's rights and remedies (any bold text below, if any, is by virtue of emphasis added for this Exhibit without suggesting necessarily that same appears in the source text): [***]

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Amendment #1 to the Plasma Supply Agreement**Confidential Materials Omitted and Filed Separately with the
U.S. Securities and Exchange Commission
Confidential Portions denoted by [***]**

This Amendment #1 to the Plasma Supply Agreement (this “**Amendment #1**”), effective as of February 25, 2014 (“**Effective Date**”), is by and between **Biotech Pharmaceuticals Corporation**, a Delaware corporation, having a place of business at 5800 Park of Commerce Boulevard NW, Boca Raton, Florida 33487 (“**BPC**”) and **ADMA Biologics, Inc.**, a Delaware corporation, having its principal place of business at 465 Route 17 South, Ramsey, New Jersey 07446 (“**ADMA**”).

WHEREAS, BPC and ADMA are Parties to that certain Plasma Supply Agreement, with and effective date of June 22, 2012 (the “**Agreement**”); and

WHEREAS, BPC and ADMA desire to amend the Agreement in order to extend the Agreement and memorialize the amendment of certain provisions in the Agreement;

NOW, THEREFORE, in consideration of the respective promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

Amendment:

1. Section A(1) of the Agreement, entitled “Term of Agreement,” is hereby amended by deleting the last two sentences of the paragraph and replacing them with the following:

“The Parties hereto agree to extend the Agreement for an additional [***] period such that Agreement shall continue until [***]. The Agreement may be renewed for an additional [***] term upon the mutual consent of the Parties. Each Party agrees to notify the other of its intention to renew or not to renew the Agreement no less than [***] prior to the expiration of the term of this Agreement.”

2. Section A(2) of the Agreement, entitled “Prices and Volumes” is hereby amended by adding the following: [***]

¹ ADMA must offer all of its available Plasma produced at the ADMA BioCenter located at 6290 Jimmy Carter Boulevard, Suite 208, Norcross, Georgia, [***], during each year for the term of the Agreement to BPC for purchase. BPC must notify ADMA no later than thirty (30) calendar days after receipt of such notice, whether it wishes to purchase such [***]. ADMA and BPC may mutually agree from time to time to increase the minimum purchase volume quantity to adjust for increased Normal Source Plasma collections during the term and extensions of this agreement. If BPC fails to respond or specifically responds in the negative, ADMA may then offer and sell its [***] to any other party.

²Both ADMA and BPC agree that at such time that ADMA notifies BPC of the execution of a lease for a second plasma facility (“Second ADMA Center”), BPC shall have the option to purchase Plasma which amount shall not be less than [***] annually, pursuant to the terms and conditions of the Agreement, provided the Plasma meets BPC’s specifications and is [***]. BPC will, within [***] from receipt of notification by ADMA of the execution of a lease for Second ADMA Center, inform ADMA of its desired minimum purchase quantity of Plasma from this Second ADMA Center (“Proposal”). If BPC fails to provide ADMA with a Proposal within [***] from receipt of notice, ADMA shall have the right, in its sole discretion, to sell such future rights to purchase the plasma to any third party on any terms it deems to be in its best interest.

3. Section A(2)(b) of the Agreement, is hereby deleted and replaced with the following:

“Beginning in [***], the pricing for Plasma will be the price per liter in effect as of [***].”

Miscellaneous:

Each party certifies that each of its representations and warranties set forth in this Amendment #1 is true and correct as of the date hereof as though made on the date hereof.

Except as expressly provided herein, all terms and conditions set forth in the Agreement remain unchanged and continue in full force and effect. This Amendment #1 shall govern in the event of any conflict between this Amendment #1 and the Agreement. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Agreement. It is agreed by the parties that all references to the Agreement hereafter made by them in any document or instrument delivered pursuant to or in connection with the Agreement shall be deemed to refer to the Agreement as amended hereby.

This Amendment #1 and the Agreement embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter.

This Amendment #1 may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same single document, and any such counterpart containing an electronically scanned or facsimile signature will have the same effect as original manual signatures.

The Parties agree that they and their employees shall execute all documents and do all other things necessary to carry out the intent to implement the provisions of this Amendment #1.

IN WITNESS WHEREOF, the parties hereby have caused this Amendment #1 to the Agreement to be executed and the persons signing below warrant that they are duly authorized to sign for and on behalf of their respective Parties.

ADMA Biologics, Inc.

Biotest Pharmaceuticals Corporation

By: /s/ Adam Grossman

By: /s/ Jordan Siegel

Name: Adam Grossman

Name: Jordan Siegel

Title: President and Chief Executive Officer

Title: Chief Executive Officer

Date: February 25, 2014

Date: February 25, 2014

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

This **FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this “Amendment”), dated as of February 24, 2014 (the “First Amendment Date”), is by and among ADMA Biologics, Inc., a Delaware corporation (“Biologics”), ADMA Plasma Biologics, Inc., a Delaware corporation (“Plasma”), ADMA Bio Centers Georgia Inc., a Delaware corporation (“Georgia”); Biologics, Plasma and Georgia are hereinafter referred to individually and collectively, jointly and severally, as “Borrower”, and HERCULES TECHNOLOGY GROWTH CAPITAL, INC., a Maryland corporation (“Lender”).

WHEREAS, Borrower and Lender are parties to a certain Loan and Security Agreement, dated as of December 21, 2012 (the “Loan Agreement”); and

WHEREAS, in accordance with Section 11.3 of the Loan Agreement, Borrower and Lender desire to amend the Loan Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual agreements contained in the Loan Agreement and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Defined Terms.** Terms not otherwise defined herein which are defined in the Loan Agreement shall have the same respective meanings herein as therein.
2. **Amendments to Loan Agreement.** Subject to the satisfaction of the conditions set forth in Section 3 of this Amendment, as of the First Amendment Date, the Loan Agreement is hereby amended as follows:
 - (a) **Exhibit B** (Form of Amended and Restated Secured Term Loan Promissory Note) to the Loan Agreement is hereby amended and restated in its entirety in the form attached hereto on **Exhibit A**.
 - (b) **Schedule 5.14** (Capitalization) to the Loan Agreement is hereby amended and restated in its entirety in the form attached hereto on **Exhibit B**.
 - (c) The first recital to the Loan Agreement is hereby amended by deleting the text “Six Million Dollars (\$6,000,000) in up to three (3) tranches” therein and inserting the text “Fifteen Million Dollars (\$15,000,000)” in lieu thereof.
 - (d) Section 1.1 of the Loan Agreement is hereby amended as follows:
 - i. The definition of “Amortization Date” is hereby amended and restated in its entirety as follows:

“Amortization Date” means April 1, 2015; provided that the Amortization Date shall be extended to October 1, 2015 upon the commencement of the Fourth Tranche Draw Period.”

- ii. The definition of “Facility Charge” is hereby amended and restated in its entirety as follows:

“Facility Charge” means \$60,000.

- iii. New definitions of the terms “First Amendment Commitment Fee”, “First Amendment Date” “First Amendment Facility Charge”, “Fourth Tranche Draw Condition” and “Fourth Tranche Draw Period” are hereby added reading as follows:

“First Amendment Commitment Fee” means \$15,000.

“First Amendment Date” means February 24, 2014.

“First Amendment Facility Charge” means \$135,000.

“Fourth Tranche Draw Condition” means Borrower successfully achieving on or before February 1, 2015 the clinical endpoints of a phase III clinical study of RI-002 as a treatment for Primary Immunodeficiency Diseases (PIDD) in a manner that supports a Biologic License Application (BLA) filing.

“Fourth Tranche Draw Period” means the period commencing on the occurrence of the Fourth Tranche Draw Condition and ending on the earlier to occur of (i) an Event of Default and (ii) March 31, 2015.

- iv. The definitions of “Subsequent Equity Event”, “Third Tranche Draw Conditions” and “Third Tranche Draw Period” are hereby deleted in its entirety.

- v. The definition of “Maximum Term Loan Amount” is hereby amended and restated in its entirety as follows:

“Maximum Term Loan Amount” means Fifteen Million Dollars (\$15,000,000).

- vi. The definition of “Term Loan Interest Rate” is hereby amended and restated in its entirety as follows:

“Term Loan Interest Rate” means a floating per annum rate equal to the greater of (i) 8.75%, and (ii) 8.75% plus the “Prime Rate” as reported in The Wall Street Journal, minus 5.75%.”

- vii. The definition of “Warrant” is hereby amended and restated in its entirety as follows:

“Warrant” means, collectively, the warrants entered into in connection with the Loans.”

(e) Section 2.1(a) of the Loan Agreement is hereby amended and restated in its entirety as follows:

“(a) Advances. Subject to the terms and conditions of this Agreement, Lender will make, and Borrower agrees to draw, an initial Term Loan Advance of Four Million Dollars (\$4,000,000) on the Closing Date (the “First Tranche Term Loan”). During the Second Tranche Draw Period, Borrower may request an additional Term Loan Advance in an amount of up to One Million Dollars (\$1,000,000) in one Advance (the “Second Tranche Term Loan”). On the First Amendment Date, Borrower may request an additional Term Loan Advance in an amount of Five Million Dollars (\$5,000,000) in one Advance (the “Third Tranche Term Loan”). In addition, during the Fourth Tranche Draw Period, Borrower may request an additional Term Loan Advance in an amount of up to Five Million Dollars (\$5,000,000) (the “Fourth Tranche Term Loan”). The aggregate outstanding Term Loan Advances shall not exceed the Maximum Term Loan Amount. Proceeds of any Advance shall be deposited in an account that is subject to a perfected security interest in favor of Lender.”

(f) Section 2.1(c) of the Loan Agreement is hereby amended and restated in its entirety as follows:

“(c) Interest. The principal balance of each Term Loan Advance (including all PIK Interest added thereto) shall bear interest thereon from such Advance Date at the Term Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed. The Term Loan Interest Rate will float and change on the day the Prime Rate changes from time to time. In addition, additional “pay-in-kind” interest (“PIK Interest”) shall accrue on the outstanding principal balance of the Term Loan Advances, compounded monthly, at a per annum rate equal to 1.95%. Accrued and unpaid PIK Interest shall be added to the principal balance of the Term Loan Advances on the first day of each month, beginning the month after the applicable Advance Date.”

(g) Section 2.4 of the Loan Agreement is hereby amended and restated in its entirety as follows:

“2.4 Prepayment. At its option, upon at least seven (7) business days prior notice to Lender, Borrower may prepay all, but not less than all, of the outstanding Advances by paying the entire principal balance, all accrued and unpaid interest thereon, all unpaid Lender’s fees and expenses accrued to the date of the prepayment, together with a prepayment charge equal to the following percentage of the principal amount of the Advances: if the principal amount of the Advances are prepaid in any of the first twelve (12) months following the First Amendment Date, two and one-half percent (2.5%); if prepaid after twelve (12) months but prior to twenty four (24) months following the First Amendment Date, one and one-half percent (1.5%); and if prepaid thereafter, but prior to the Term Loan Maturity Date, one-half of one percent (0.5%) (each, a “Prepayment Charge”). Borrower agrees that the Prepayment Charge is a reasonable calculation of Lender’s lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early repayment of the Advances. Borrower shall prepay the entire principal balance of the Advances, all accrued and unpaid interest thereon, all unpaid Lender’s fees and expenses accrued to the date of the prepayment and the Prepayment Charge upon the occurrence of a Change in Control. Lender agrees that there shall be no prepayment charge or penalty owed by Borrower to Lender resulting from the restatement of the Restated Notes (as defined in the Term Note).”

(h) Section 2.5 of the Loan Agreement is hereby amended and restated in its entirety as follows:

“2.5 End of Term Charge-- First Tranche Term Loan and the Second Tranche Term Loan. On the earliest to occur of (i) the date that Borrower prepays all of the outstanding Secured Obligations, or (ii) the date that the Secured Obligations become due and payable, or (iii) April 1, 2016, Borrower shall pay Lender a fee \$132,000 in respect of the First Tranche Term Loan and the Second Tranche Term Loan. Notwithstanding the required payment date of such charge, it shall be deemed earned by Lender as of the Closing Date.”

3. **Conditions to Effectiveness.** Lender and Borrower agree that this Amendment shall become effective upon the satisfaction of the following conditions precedent, each in form and substance satisfactory to Lender:

(a) Lender shall have received a fully-executed counterpart of this Amendment signed by Borrower;

(b) Lender shall have received a fully-executed Amended and Restated Secured Term Loan Promissory Note, in the form attached to this Amendment as Exhibit A (the “Amended Note”);

(c) Lender shall have received a fully-executed Warrant, in the form attached hereto as Exhibit C;

(d) Lender shall have received certified resolutions of Borrower’s board of directors evidencing approval of (i) this Amendment, the Amended Note and the transactions evidenced by the Loan Documents amended thereby, and (ii) the Warrant and the transactions evidenced thereby;

(e) Lender shall have received certified copies of the Certificate of Incorporation and Bylaws of Borrower, as amended through the First Amendment Date, or a certificate of Borrower certifying that the Certificate of Incorporation and Bylaws of Borrower have not been amended, modified or supplemented since the Closing Date;

(f) Lender shall have received a certificate of good standing for Borrower from its state of incorporation and similar certificate from all other jurisdictions in which it does business and where failure to be qualified would have a Material Adverse Effect;

(g) Borrower shall have paid to Lender, for the account of Lender, the First Amendment Commitment Fee and the First Amendment Facility Charge; and

(h) Lender shall have received payment for all fees and expenses incurred by Lender in connection with this Amendment and the Equity Documents, including, but not limited to, all reasonable legal fees and expenses, which fees and expenses shall not exceed \$12,500.00 without the prior consent of Borrower.

4. **Representations and Warranties.** The Borrower hereby represents and warrants to Lender as follows:

(a) **Representations and Warranties in the Loan Agreement.** The representations and warranties of Borrower set forth in Section 5 of the Loan Agreement are true and correct in all material respects on and as of the First Amendment Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) **Ratification, Etc.** Except as expressly amended or waived hereby, the Loan Agreement, the other Loan Documents and all documents, instruments and agreements related thereto, are hereby ratified and confirmed in all respects and shall continue in full force and effect. The Loan Agreement, together with this Amendment, shall be read and construed as a single agreement. All references in the Loan Documents to the Loan Agreement or any other Loan Document shall hereafter refer to the Loan Agreement or any other Loan Document as amended hereby.

(c) **Authority, Etc.** The execution and delivery by Borrower of this Amendment, the Amended Note and the Warrant, and the performance by Borrower of all of its agreements and obligations under the Loan Agreement and the other Loan Documents as amended hereby are within the corporate authority of Borrower and have been duly authorized by all necessary corporate action on the part of Borrower. The execution and delivery by Borrower of this Amendment, the Amended Note and the Warrant do not and will not require any registration with, consent or approval of, or notice to any Person (including any governmental authority).

(d) **Enforceability of Obligations.** This Amendment, the Amended Note, the Warrant, the Loan Agreement and the other Loan Documents, as amended hereby, constitute the legal, valid and binding obligations enforceable against Borrower in accordance with their terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of, creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(e) **No Default.** (i) No fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default, and (ii) no event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

(f) **Event of Default.** By its signature below, Borrower hereby agrees that it shall constitute an Event of Default if any representation or warranty made herein should be false or misleading in any material respect when made.

5. **Reaffirmations.** Except as expressly provided in this Amendment, all of the terms and conditions of the Loan Agreement and the other Loan Documents remain in full force and effect. Nothing contained in this Amendment shall in any way prejudice, impair or effect any rights or remedies of Lender under the Loan Agreement and the other Loan Documents. Except as specifically amended hereby, Borrower hereby ratifies, confirms, and reaffirms all covenants contained in the Loan Agreement and the other Loan Documents.

6. **Execution in Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute one instrument.

7. **Miscellaneous.**

(a) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, EXCLUDING CONFLICT OF LAWS PRINCIPLES THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY OTHER JURISDICTION.

(b) The captions in this Amendment are for convenience of reference only and shall not define or limit the provisions hereof.

(c) This Amendment expresses the entire understanding of the parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.

(d) Any determination that any provision of this Amendment or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Amendment.

(e) Borrower warrants and represents that Borrower has consulted with independent legal counsel of Borrower's selection in connection with this Amendment and is not relying on any representations or warranties of Lender or its counsel in entering into this Amendment.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Borrower and Lender have duly executed and delivered this Amendment as of the day and year first above written.

BORROWER:

ADMA BIOLOGICS, INC.

Signature: /s/ Adam Grossman

Print Name: Adam Grossman

Title: President and Chief Executive Officer

ADMA PLASMA BIOLOGICS, INC.

Signature: /s/ Adam Grossman

Print Name: Adam Grossman

Title: President and Chief Executive Officer

ADMA BIO CENTERS GEORGIA INC.

Signature: /s/ Adam Grossman

Print Name: Adam Grossman

Title: President and Chief Executive Officer

Accepted in Palo Alto, California:

LENDER:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.,
a Maryland corporation

By: /s/ Ben Bang

Name: Ben Bang

Its: Senior Counsel

Signature Page to First Amendment to Loan and Security Agreement

**Consent of Independent Registered
Public Accounting Firm**

We consent to the incorporation by reference in the registration statement on Form S-8 filed by ADMA Biologics, Inc. of our report dated March 28, 2014, on our audits of the consolidated financial statements of ADMA Biologics, Inc. and Subsidiaries as of December 31, 2013 and 2012 and for the years then ended, included in this Annual Report on Form 10-K of ADMA Biologics, Inc. for the year ended December 31, 2013.

/s/ CohnReznick LLP

Roseland, New Jersey
March 28, 2014

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam S. Grossman, certify that:

1. I have reviewed this annual report on Form 10-K of ADMA Biologics, Inc. for the year ended December 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 28, 2014

/s/ Adam S. Grossman

Name: Adam S. Grossman

Title: President and Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Lenz, certify that:

1. I have reviewed this annual report on Form 10-K of ADMA Biologics, Inc. for the year ended December 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 28, 2014

/s/ Brian Lenz

Name: Brian Lenz

Title: Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of ADMA Biologics, Inc., a Delaware corporation (the "Company") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam S. Grossman, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 28, 2014

/s/ Adam S. Grossman

Name: Adam S. Grossman

Title: President and Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of ADMA Biologics, Inc., a Delaware corporation (the "Company") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian Lenz, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 28, 2014

/s/ Brian Lenz
Name: Brian Lenz
Title: Chief Financial Officer
(Principal Financial Officer)

