NU SKIN ENTERPRISES INC (NUS)

10-K

Annual report pursuant to section 13 and 15(d)
Filed on 02/23/2011
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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, 2010

or

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

For the transition period from _____ to _____

Commission file number: 001-12421

NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware		**87-0565309**
(State or other jurisdiction of incorporation or organization)	**75 WEST CENTER STREET PROVO UT 84601** (Address of principal executive offices, including zip code)	(IRS Employer Identification No.)

Registrant's telephone number, including area code: (801) 345-1000

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

Title of each class	Name of exchange on which registered
Class A common stock, $.001 par value	New York Stock Exchange

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

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 Section 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 Website, 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(§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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.

Large accelerated filer ☑ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) 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 ☑

Based on the closing sales price of the Class A common stock on the New York Stock Exchange on June 30, 2010, the aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately $1.2 billion. All executive officers and directors of the Registrant, and all stockholders holding more than 10% of the Registrant's outstanding voting stock, other than institutional investors, such as registered investment companies, eligible to file beneficial ownership reports on Schedule 13G, have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the Registrant.

As of February 1, 2011, 61,821,041 shares of the Registrant's Class A common stock, $.001 par value per share, and no shares of the Registrant's Class B common stock, $.001 par value per share, were outstanding.

Documents incorporated by reference. Portions of the Registrant's definitive Proxy Statement for the Registrant's 2011 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the Registrant's fiscal year end are incorporated by reference in Part III of this report.

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FORWARD-LOOKING STATEMENTS

THIS ANNUAL REPORT ON FORM 10-K, IN PARTICULAR "ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION," AND "ITEM 1. BUSINESS," INCLUDE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"). WHEN USED IN THIS REPORT, THE WORDS OR PHRASES "WILL LIKELY RESULT," "EXPECT," "INTEND," "WILL CONTINUE," "ANTICIPATE," "ESTIMATE," "PROJECT," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE EXCHANGE ACT. THESE STATEMENTS REPRESENT OUR EXPECTATIONS OR BELIEFS CONCERNING, AMONG OTHER THINGS, FUTURE REVENUE, EARNINGS, GROWTH STRATEGIES, NEW PRODUCTS AND INITIATIVES, FUTURE OPERATIONS AND OPERATING RESULTS, AND FUTURE BUSINESS AND MARKET OPPORTUNITIES. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY LAW. WE CAUTION AND ADVISE READERS THAT THESE STATEMENTS ARE BASED ON CERTAIN ASSUMPTIONS THAT MAY NOT BE REALIZED AND INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS AND BELIEFS CONTAINED HEREIN. FOR A SUMMARY OF CERTAIN RISKS RELATED TO OUR BUSINESS, SEE "ITEM 1A – RISK FACTORS" BEGINNING ON PAGE 22.

In this Annual Report on Form 10-K, references to "dollars" and "$" are to United States dollars.

Nu Skin, Pharmanex and ageLOC are our trademarks. The italicized product names used in this Annual Report on Form 10-K are product names and also, in certain cases, our trademarks.

All references to our "distributors" in this Annual Report on Form 10-K include our independent distributors and preferred customers, and our sales employees and contractual sales promoters in China. All references to "executive distributors" include our independent distributors and China sales employees who have completed certain qualification requirements.

PART I

ITEM 1. BUSINESS

Overview

We are a leading, global direct selling company with operations in 51 markets worldwide. We develop and distribute innovative, premium-quality anti-aging personal care products and nutritional supplements under our Nu Skin and Pharmanex brands, respectively. We strive to secure competitive advantages in four key areas: our people, our products, the culture we promote, and the business opportunities we offer. In 2010, our 26th year of operations, we posted record revenue of $1.5 billion.

As of December 31, 2010, we had a global network of approximately 800,000 active distributors. Approximately 36,000 of our distributors were qualified sales leaders we refer to as "executive distributors." Our executive distributors play a critical leadership role in the growth and development of our business.

Approximately 86% of our 2010 revenue came from our markets outside of the United States. While we have become more geographically diverse over the past decade, Japan, our largest revenue market, accounted for approximately 31% of our 2010 total revenue. Due to the size of our foreign operations, our results are often impacted by foreign currency fluctuations, particularly fluctuations in the Japanese yen. In addition, our results are impacted by global economic, political, demographic and business trends and conditions.

Our business is subject to various laws and regulations globally, particularly with respect to our product categories as well as our direct selling distribution channel, sometimes referred to as "network marketing" or "multi-level marketing." Accordingly, we face certain risks, including risks associated with potential improper activities of our distributors or any inability to obtain necessary product registrations.

Our difference demonstrated

We strive to maintain a competitive advantage in four key areas: our people, our products, our culture, and our opportunity.

Our people•A global network of approximately 800,000 active distributors in 51 countries. We distribute all of our products exclusively through our distributors as opposed to traditional distribution channels such as retail stores or mail order catalogs. Consequently, our most significant asset is our extensive global network of distributors who enable us to introduce products and penetrate new markets with little upfront promotional expense. We believe our competitive sales compensation plan for our distributors has helped us to attract and develop a strong group of distributor leaders who play a critical role in building, motivating and training our extensive distributor network.

Our products•Science-based, proprietary anti-aging skin care and nutritional products. We believe our innovative approach to product development provides us with a competitive advantage in the anti-aging and direct selling markets. Over the last two years, we have successfully introduced a suite of innovative ageLOC anti-aging products including the *ageLOC Transformation* daily skin care system, *ageLOC Edition Galvanic Spa System II* and *ageLOC Vitality* nutritional supplement, and we are currently developing additional ageLOC anti-aging products for the future. These products are designed to positively influence the expression of genes that we believe play a critical role in the aging process. We believe that our in-house research expertise and our research collaborations uniquely position and enable us to continue to introduce innovative and proprietary anti-aging products in skin care and nutrition.

Our culture•Improving lives. Our mission statement encourages our people to be a "force for good" by improving lives through the use of both our products and business opportunities and promotes a humanitarian culture. We encourage our distributors, customers and employees to become involved in humanitarian efforts, the most significant of which are our Nourish the Children initiative, which provides our distributors the ability to donate meals to starving children, and our Force for Good Foundation, which supports charitable causes that benefit children. We believe that people are attracted to organizations that focus on more than just financial incentives.

Our opportunity•Global business opportunity. We believe our distributor compensation plan provides our distributors with the incentive to establish a sales organization and customer base in any country where we conduct business. We believe that we were the first major direct selling company to enable sales leaders to develop an international business and receive commissions on global sales volume in their home market. We believe our compensation plan, which pays approximately 42% of our product sales in commissions, is among the most generous compensation plans in the direct selling industry. We believe the high payout of our compensation plan enables sales leaders the opportunity to reach significant income levels and provides us with a competitive advantage in attracting and developing highly capable, motivated sales leaders.

Our product categories

We have two primary product categories, each operating under its own brand. We market our premium-quality personal care products under the Nu Skin brand and our science-based nutritional supplements under the Pharmanex brand.

Presented below are the U.S. dollar amounts and associated revenue percentages from the sale of Nu Skin, Pharmanex, and other products and services for the years ended December 31, 2008, 2009, and 2010. This table should be read in conjunction with the information presented in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operation," which discusses the factors impacting revenue trends and the costs associated with generating the aggregate revenue presented.

Revenue by product category
(U.S. dollars in millions)(1)

	Year Ended December 31,					
Product Category	**2008**		**2009**		**2010**	
Nu Skin	$ 633.4	50.8%	$ 752.7	56.5%	$ 913.8	59.4%
Pharmanex	597.7	47.9	565.6	42.5	612.2	39.8
Other	16.5	1.3	12.8	1.0	11.3	0.8
	$1,247.6	100.0%	$1,331.1	100.0%	$1,537.3	100.0%

(1) In 2010, 86% of our sales were transacted in foreign currencies that were then converted to U.S. dollars for financial reporting purposes at weighted-average exchange rates. Foreign currency fluctuations positively impacted reported revenue by approximately 5% in 2010 compared to 2009. Foreign currency fluctuations had no material impact on reported revenue in 2009 compared to 2008.

Nu Skin. Nu Skin is the brand of our original product line and offers premium-quality anti-aging personal care products. Our strategy is to leverage our network marketing distribution model to establish Nu Skin as an innovative leader in the anti-aging personal care market. We are committed to continuously improving and evolving our product formulations to develop and incorporate innovative and proven ingredients.

Our ageLOC anti-aging skin care products are designed to target both the signs and the ultimate sources of aging. Research for our ageLOC platform has identified and targeted what we call Youth Gene Clusters, functional groups of genes that regulate how we appear to age. We incorporate this research into ageLOC products that have been demonstrated to support and reset Youth Gene Clusters to function in more youthful patterns of activity. Our ageLOC products provide both corrective and preventative benefits in preserving youth and in reducing the signs of aging. In 2010, we launched our *ageLOC Transformation* skin care system in most of our markets globally, following a successful limited offering in the fourth quarter of 2009 at our global convention.

Another innovative product that positively impacted our revenue growth over the past five years is the *Galvanic Spa System.* The *Galvanic Spa* instrument emits a very mild electrical current. When the *Galvanic Spa System* is used to apply products that carry either positively or negatively charged active ingredients, product efficacy improves dramatically. The *Galvanic Spa System* is an ideal direct selling product because our distributors can demonstrate its benefits. This helps them to recruit new customers and distributors. Our *Galvanic Spa System, Galvanic Spa Gels,* and associated products accounted for approximately 15% of our total revenue and 27% of Nu Skin revenue in 2010. In 2010, we launched an *ageLOC Edition Galvanic Spa System II* to capitalize on enthusiasm for ageLOC generally in most of our markets except South Korea. This newest system is more user-friendly and improves the amount of ingredients delivered to the skin. We plan to introduce this improved *ageLOC Edition Galvanic Spa System II* in South Korea in the first quarter of 2011.

The following table summarizes our Nu Skin product line by category:

Category	Description	Selected products
Core Systems	Regardless of skin type, our core systems provide a solid foundation for our customers' individual skin care needs. Our systems are developed to target specific skin concerns and are made from ingredients scientifically proven to provide visible results for concerns ranging from aging to acne.	*ageLOC Transformation* *Nu Skin 180º Anti-Aging Skin Therapy System* *Nu Skin Tri-Phasic White* *Nutricentials* *Nu Skin Clear Action Acne Medication System*
Targeted Treatments	Our customized skin care line allows a customer to tailor product regimens that help deliver younger looking skin at any age. The products are developed using cutting-edge ingredient technologies that target specific skin care needs.	*ageLOC Edition Galvanic Spa System II* *Galvanic Spa Gels with ageLOC* *Tru Face Essence Ultra* *Tru Face Line Corrector* *Enhancer Skin Conditioning Gel* *Celltrex Ultra Recovery Fluid* *Celltrex CoQ10 Complete* *NAPCA Moisturizer* *Polishing Peel Skin Refinisher*
Total Care	Our total care line addresses body, hair and oral care. The total care line can be used by families and the products are designed to deliver superior benefits from head to toe for the ultimate sense of total body wellness.	*Body Bar* *Liquid Body Lufra* *Perennial Intense Body Moisturizer* *Dividends Men's Care* *AP-24 Dental Care* *Nu Skin Renu Hair Mask*
Cosmetic	The *Nu Colour* cosmetic line products are targeted to define and highlight your natural beauty.	*Tinted Moisturizer SPF 15* *Finishing Powder* *Contouring Lip Gloss* *Defining Effects Mascara*
Epoch	Our *Epoch* line is distinguished by utilizing traditional knowledge of indigenous cultures for skin care. Each *Epoch* product is formulated with botanical ingredients derived from renewable resources found in nature. In addition, we contribute a percentage of our proceeds from *Epoch* sales to charitable causes.	*Baobab Body Butter* *Sole Solution Foot Treatment* *Calming Touch Soothing Skin Cream* *Glacial Marine Mud* *IceDancer Invigorating Leg Gel* *Everglide Foaming Shave Gel* *Ava puhi moni Shampoo* *Epoch Baby Hibiscus Hair & Body Wash*

Pharmanex. We market a variety of anti-aging nutritional products under our Pharmanex brand. Direct selling has proven to be an extremely effective method of marketing our high-quality nutritional supplements because our distributors can personally educate consumers on the quality and benefits of our products, differentiating them from our competitors' offerings. *LifePak*, our flagship line of micronutrient supplements, accounted for 16% of our total revenue and 37% of Pharmanex revenue in 2010. We introduced *ageLOC Vitality*, our first ageLOC nutritional product designed to address the internal sources of aging, in Japan, the United States, Canada, and our markets in Europe and Latin America during the second half of 2010. We plan to fully launch *ageLOC Vitality* in these markets during the first quarter of 2011.

Our strategy for our nutritional supplement business is to continue to introduce innovative, substantiated anti-aging products based on extensive research and development and quality manufacturing. We are currently developing additional ageLOC anti-aging supplements, including a new product that we plan to introduce at our global convention in the fourth quarter of 2011 and rollout to our markets beginning in the fourth quarter of 2011 and throughout 2012.

The following table summarizes our Pharmanex product line by category:

Category	Description	Selected products
Nutritionals	Pharmanex nutritional products supply a broad spectrum of micronutrients that our bodies need as a foundation for a lifetime of optimal health.	*LifePak* family of products *g3* juice
Solutions	Our targeted solutions supplements contain standardized levels of botanical and other active ingredients that are formulated for consumers to meet the demands of everyday life.	*ageLOC Vitality* *Tegreen 97* *ReishiMax GLp* *MarineOmega* *Cholestin* *CordyMax Cs-4* *Cortitrol* *Detox Formula* *Eye Formula*
Weight Management	Our weight management products include supplements as well as meal replacement shakes.	*The Right Approach (TRA)* weight management system *MyVictory!* weight management program
Vitameal	A highly nutritious meal that can be purchased and donated through our Nourish the Children initiative to feed starving children or purchased for personal food storage.	*Vitameal*

Other. We also offer a limited number of other products and services, including digital content storage, water purifiers and other household products. We have also integrated technology into other areas of our business and offer advanced tools and services that help distributors establish an online presence and manage their business. These "other" categories of products represented only a small percentage of our revenue in 2010 and will not likely be an area of focus in the next few years.

Sourcing and Production

Nu Skin. In order to maintain high product quality, we acquire our ingredients and contract production of our proprietary products from suppliers and manufacturers that we believe are reliable, reputable and deliver high quality materials and service. Our *ageLOC Edition Galvanic Spa System II* is procured from a single vendor who owns certain patent rights associated with such product. We believe our agreements with this vendor are sufficiently long-term and exclusive. However, to continue offering this product category following any termination of our relationship with this vendor, we would need to develop a new galvanic unit and source it from another supplier. We also acquire ingredients and products from one other supplier that currently manufactures products representing approximately 30% of our Nu Skin personal care revenue in 2010. We maintain a good relationship with our suppliers and do not anticipate that either party will terminate the relationship in the near term. We also have ongoing relationships with secondary and tertiary suppliers. Please refer to "Risk Factors•The loss of suppliers or shortages in ingredients could harm our business" for a discussion of risks and uncertainties associated with our supplier relationships and with the sourcing of raw materials and ingredients.

We also operate a production facility in Shanghai, where we currently manufacture our personal care products sold in China, as well as a small portion of product exported to select other markets. We believe that if the need arose, this plant could be expanded or other facilities could be built in China to produce larger amounts of inventory for export or as a back up to our existing supply chain.

Pharmanex. Substantially all of our Pharmanex nutritional supplements and ingredients, including LifePak, are produced or provided by third-party suppliers and manufacturers. We rely on two partners for the majority of our Pharmanex products, one of which supplies products that represent approximately 52% of our nutritional supplement revenue while the other supplier manufactures products that represent approximately 14% of our nutritional supplement revenue in 2010. In the event we become unable to source any products or ingredients from these suppliers or from other current vendors, we believe that we would be able to produce or replace those products or substitute ingredients without great difficulty or significant increases to our cost of goods sold. Please refer to "Risk Factors•The loss of suppliers or shortages in ingredients could harm our business" for a discussion of certain risks and uncertainties associated with our supplier relationships, as well as with the sourcing of raw materials and ingredients.

We also operate a facility in Zhejiang Province, China, where we produce some of our Pharmanex nutritional supplements for sale in China and herbal extracts used to produce *Tegreen 97*, *ReishiMax GLp* and other products sold globally.

Research and Development

We continually invest in our research and development capabilities. Our research and development expenditures were $9.6 million, $10.4 million and $12.4 million in 2008, 2009 and 2010, respectively. These amounts do not include salary and overhead expenses for our internal research and development activities. Because of our commitment to product innovation, we plan to continue to commit resources to research and development in the future. As we invest in our ageLOC platform of products, we expect to increase our research and development expenditures.

The Nu Skin Center for Anti-Aging Research, our primary research and testing laboratory located adjacent to our office complex in Provo, Utah, houses both Pharmanex and Nu Skin research facilities and professional and technical personnel. We are currently in the design phase of building a state-of-the-art innovation center adjacent to our corporate headquarters, a portion of which will be dedicated to research and development. We also maintain research facilities in China. Much of our Pharmanex research is conducted in China, where we benefit from a well-educated, low-cost, scientific labor pool that enables us to conduct research at a much lower cost than would be possible in the United States.

We have joint research projects with numerous independent scientists, including a scientific advisory board comprised of recognized authorities in disciplines related to our nutritional and personal care product categories. We also fund and collaborate on basic research projects with researchers from prominent universities and research institutions in the United States, Europe and Asia, whose staffs include scientists with basic research expertise in natural product chemistry, biochemistry, dermatology, pharmacology and clinical studies.

In addition, we evaluate a significant number of product ideas for our Nu Skin and Pharmanex categories presented by outside sources. We utilize strategic licensing and other relationships with vendors for access to directed research and development work for innovative and proprietary offerings.

Intellectual Property

Our major trademarks are registered in the United States and in each country where we operate or have plans to operate, and we consider trademark protection to be very important to our business. Our major trademarks include Nu Skin®, our fountain logos, Pharmanex®, ageLOC™, LifePak® and Galvanic Spa®. In addition, a number of our products, including the *ageLOC Edition Galvanic Spa System II* and *Pharmanex BioPhotonic Scanner*, are based on proprietary technologies and formulations, some of which are patented or licensed from third parties. We also rely on trade secret protection to protect our proprietary formulas and other proprietary information.

Geographic Sales Regions

We currently sell and distribute our products in 51 markets. We have segregated our markets into five geographic regions: North Asia, Greater China, Americas, South Asia/Pacific and Europe. The following table sets forth the revenue for each of the geographic regions for the years ended December 31, 2008, 2009 and 2010:

	Year Ended December 31,					
(U.S. dollars in millions)	**2008**		**2009**		**2010**	
North Asia	$ 594.5	48%	$ 606.1	45%	$ 686.1	45%
Greater China	210.0	17	210.4	16	268.2	17
Americas	223.9	18	260.9	20	250.0	16
South Asia/Pacific	107.6	8	120.1	9	182.8	12
Europe	111.6	9	133.6	10	150.2	10
	$1,247.6	100%	$1,331.1	100%	$1,537.3	100%

Additional comparative revenue and related financial information is presented in the tables captioned *"Segment Information"* in Note 17 to our Consolidated Financial Statements. The information from these tables is incorporated by reference in this Report.

Set forth below is information regarding the key markets in our geographic regions. The information includes information about the introduction and launch of key new products. With the launch of *ageLOC Transformation*, we implemented a product launch process that has been refined in our South Korea market. This process generally involves introducing the product in a market through an initial limited offering that is often tied to a distributor event. The limited offering typically generates significant distributor activity and a high level of distributor purchasing. This generally results in a higher than normal increase in revenue during the quarter of the limited offering. We typically launch the product for general sales a few months following the limited offering. Information regarding product launches below refers to the launch of the product for general sales and not to the limited offering used to introduce the product. Reference to introduction of a product refers to the limited offering.

North Asia. The following table provides information on each of the markets in the North Asia region, including the year we commenced operations in the market, 2010 revenue, and the percentage of our total 2010 revenue for each market:

(U.S. dollars in millions)	**Year Opened**	**2010 Revenue**	**Percentage of 2010 Revenue**
Japan	1993	$ 471.4	31%
South Korea	1996	$ 214.7	14%

Japan is our largest market and accounted for approximately 31% of total revenue in 2010. We market most of our Nu Skin and Pharmanex products in Japan, along with a limited number of other offerings. In addition, all product categories offer a limited number of locally developed products sold exclusively in our Japanese market. In the first quarter of 2010, we launched our *ageLOC Future Serum* in Japan, following a limited offering in the fourth quarter of 2009. During the fourth quarter of 2009, we also introduced our *ageLOC Edition Galvanic Spa System II*. We launched the full *ageLOC Transformation* skin care system in Japan in the second quarter of 2010. In the third quarter of 2010, we introduced *ageLOC Vitality*, our first ageLOC nutritional product designed to address the internal sources of aging, through a limited offering in Japan. We plan to fully launch *ageLOC Vitality* in Japan during the first quarter of 2011. We currently plan to introduce additional ageLOC anti-aging nutritional products in connection with our global convention during the fourth quarter of 2011.

The direct selling environment in Japan continues to be difficult as the industry has been on the decline for several years and regulatory and media scrutiny have increased. Please refer to "Business – Government Regulation" and "Risk Factors" for a discussion of risks and uncertainties associated with challenges in the Japan market.

In South Korea, we offer most of our Nu Skin and Pharmanex products, along with a limited number of other offerings. In the second quarter of 2010, we launched the *ageLOC Transformation* skin care system, following a very successful limited offering in the first quarter of 2010. We currently plan to introduce the *ageLOC Edition Galvanic Spa System II* in South Korea in the first quarter of 2011, followed by the introduction of additional ageLOC anti-aging products in connection with our global convention during the fourth quarter of 2011.

Greater China. The following table provides information on each of the markets in the Greater China region, including the year we commenced operations in the market, 2010 revenue, and the percentage of our total 2010 revenue for each market:

(U.S. dollars in millions)	**Year Opened**	**2010 Revenue**	**Percentage of 2010 Revenue**
Taiwan	1992	$ 107.1	7%
China	2003	$ 91.4	6%
Hong Kong	1991	$ 69.7	4%

Our Hong Kong and Taiwan markets operate using our global direct selling business model and global compensation plan. We offer a robust product offering of the majority of our Nu Skin and Pharmanex products and limited other products and services in Hong Kong and Taiwan, although one of our flagship Nu Skin products, the *Galvanic Spa System* is not approved for sale in Taiwan. Approximately 50% of our revenue in these markets comes from orders through our monthly product subscription program, which has led to improved retention of customers and distributors and has helped streamline the ordering process.

In China, we sell many of our Nu Skin products and a locally produced value line of personal care products under the *Scion* brand name. We also sell a select number of Pharmanex products, including our number one nutritional product, *LifePak.*

We currently are unable to operate under our global direct selling business model in China as a result of regulatory restrictions on direct selling activities in this market. Consequently, we have developed a hybrid business model that utilizes retail stores with an employed sales force and contractual sales promoters to sell products through fixed locations, which we supplement with a direct sales opportunity in those locations where we have obtained a direct sales license. We continue to operate our retail store/employed sales representative model because we believe it provides us with more flexibility in the manner in which we can operate throughout China and compensate our sales representatives given the restrictions in the direct selling regulations. We rely on our sales force to market and sell products at the various retail locations supported by only minimal advertising and traditional promotional efforts. Our sales employees may also refer individuals to us for employment as sales representatives or contractual sales promoters. Our retail model in China is largely based upon our ability to attract customers to our retail stores through our sales force, to educate them about our products through frequent training meetings, and to obtain repeat purchases.

We also continue to implement a direct sales opportunity that allows us to engage independent direct sellers who can sell products away from our retail stores. We have received licenses and approvals to engage in direct selling activities in the municipalities of Beijing, Shanghai, Shenzhen and four cities in the Guangdong province, and we continue to work to obtain the necessary approvals in other locations in China. The direct selling licenses allow us to engage an entry-level, non-employee sales force that can sell products away from fixed retail locations. Our current direct sales model is structured in a manner that we believe is complementary to our existing retail sales model.

We introduced our *ageLOC Edition Galvanic Spa System II* in our Greater China markets, excluding Taiwan, in the fourth quarter of 2009. In connection with our Greater China regional convention in the second quarter of 2010, we introduced our *ageLOC Transformation* skin care system in Taiwan and Hong Kong. We currently plan to introduce our *ageLOC Transformation* skin care system in Mainland China as soon as we obtain necessary regulatory approvals. We also currently plan to introduce ageLOC anti-aging nutritional products in connection with our global convention during the fourth quarter of 2011, followed by a full launch of the products in 2012.

***Americas*.** The following table provides information on each of the markets in the Americas region, including the year we commenced operations in the market, 2010 revenue, and the percentage of our total 2010 revenue for each market:

(U.S. dollars in millions)	**Year Opened**	**2010 Revenue**	**Percentage of 2010 Revenue**
United States	1984	$ 212.1	14%
Canada	1990	$ 23.9	1%
Latin America(1)	1994	$ 14.0	1%

(1) Latin America includes Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico and Venezuela.

Substantially all of our Nu Skin and Pharmanex products, as well as limited other products and services, are available for sale in the United States. In the first quarter of 2010, we launched our *ageLOC Transformation* skin care system in the United States, following a successful limited offering in the fourth quarter of 2009 at our global convention. During the first quarter of 2010, we also launched our *ageLOC Edition Galvanic Spa System II*. In the third quarter of 2010, we introduced *ageLOC Vitality*, our first ageLOC nutritional product designed to address the internal sources of aging, through a limited offering in the United States. We plan to fully launch *ageLOC Vitality* in the United States beginning in the first quarter of 2011. We currently plan to introduce additional ageLOC anti-aging nutritional products in connection with our global convention during the fourth quarter of 2011.

South Asia/Pacific. The following table provides information on each of the markets in the South Asia/Pacific region, including the year opened, 2010 revenue, and the percentage of our total 2010 revenue for each market:

(U.S. dollars in millions)	**Year Opened**	**2010 Revenue**	**Percentage of 2010 Revenue**
Singapore/Malaysia/Brunei	2000/2001/2004	$ 76.8	5%
Thailand	1997	$ 56.7	4%
Australia/New Zealand	1993	$ 21.7	1%
Indonesia	2005	$ 15.5	1%
Philippines	1998	$ 12.1	1%

The South Asia/Pacific region was our fastest growing region in 2010, with a 39% increase in constant currency revenue. We offer a majority of our Pharmanex and Nu Skin products in the South Asia/Pacific region. In the third quarter of 2010, we launched the *ageLOC Transformation* skin care system, following limited offerings during the first half of 2010. In 2010, we also launched our *ageLOC Edition Galvanic Spa System II*. We currently plan to introduce ageLOC anti-aging nutritional products in connection with our global convention during the fourth quarter of 2011, followed by a full launch of the products in 2012. Our *TRA* weight management products also continue to contribute to our strong growth in this region.

Europe. The following table provides information on our Europe region, including the year we commenced operations in the market, 2010 revenue, and the percentage of our total 2010 revenue:

(U.S. dollars in millions)	**Year Opened**	**2010 Revenue**	**Percentage of 2010 Revenue**
Europe region(1)	1995	$ 150.2	10%

(1) Europe region includes Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Iceland, Israel, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom.

We currently operate and offer a full range of Nu Skin and Pharmanex products in 27 countries throughout Northern, Eastern and Central Europe as well as in Israel and South Africa. Various products and distributor tools have contributed to Europe's recent success, including the *Galvanic Spa System II*, the *Pharmanex BioPhotonic Scanner*, and *g3*. In the first quarter of 2010, we launched the *ageLOC Transformation* skin care system, following a limited offering in the fourth quarter of 2009. In the first quarter of 2010, we also launched our *ageLOC Edition Galvanic Spa System II*. In connection with our Europe regional convention in the fourth quarter of 2010, we introduced *ageLOC Vitality*, our first ageLOC nutritional product designed to address the internal sources of aging, through a limited offering. We plan to fully launch *ageLOC Vitality* in most of our markets in Europe beginning in the first quarter of 2011. We currently plan to introduce additional ageLOC anti-aging nutritional products in connection with our global convention during the fourth quarter of 2011.

Distribution

Overview. The foundation of our sales philosophy and distribution system is network marketing. We sell our products through distributors who are not employees, except in China where we sell our products through employed retail sales representatives, contractual sales promoters and direct sellers. Our distributors generally purchase products from us for resale to consumers and for personal consumption. We also sell products directly to preferred customers at discounted monthly subscription prices.

We believe network marketing is an effective vehicle to distribute our products because:

- distributors can educate consumers about our products in person, which we believe is more effective for premium-quality, differentiated products than using traditional advertising;
- direct sales allow for actual product demonstrations and testing by potential customers;
- there is greater opportunity for distributor and customer testimonials; and
- as compared to other distribution methods, our distributors can provide customers higher levels of service and encourage repeat purchases.

"Active distributors" under our global compensation plan are defined as those distributors who have purchased products for resale or personal consumption during the previous three months. In addition, we have implemented "preferred customer" programs in many of our markets, which allow customers to purchase products directly from us, generally on a recurring monthly product subscription basis. We include preferred customers who have purchased products during the previous three months in our "active distributor" numbers. While preferred customers are legally very different from distributors, both are considered customers of our products.

"Executive distributors" under our global compensation plan must achieve and maintain specified personal and group sales volumes each month. Once an individual becomes an executive distributor, he or she can begin to take advantage of the benefits of commission payments on personal and group sales volume. As a result of direct selling restrictions in China, we have implemented a hybrid business model utilizing sales employees and contractual sales promoters in our retail stores in addition to direct sellers. (See the discussion on China in "Business – Geographic Sales Regions.")

Our revenue is highly dependent upon the number and productivity of our distributors. Growth in sales volume requires an increase in the productivity and/or growth in the total number of distributors. As of December 31, 2010, we had a global network of approximately 800,000 active distributors. Approximately 36,000 of our distributors were executive distributors. Our number of active distributors has historically fluctuated from year to year based on various factors, including our business model transition in China, efforts to train and discipline distributors in Japan and changes in promotions. As of each of the dates indicated below, we had the following number of active and executive distributors in the referenced regions:

Total Number of Active and Executive Distributors by Region

	As of December 31, 2008		As of December 31, 2009		As of December 31, 2010	
	Active	Executive	Active	Executive	Active	Executive
North Asia	326,000	13,937	319,000	14,144	329,000	14,687
Greater China	115,000	6,323	106,000	6,938	118,000	8,015
Americas	171,000	4,876	171,000	5,522	161,000	5,305
South Asia/Pacific	66,000	2,541	71,000	2,950	84,000	3,930
Europe	83,000	2,911	94,000	3,385	107,000	3,739
Total	761,000	30,588	761,000	32,939	799,000	35,676

Sponsoring. We rely on our distributors to recruit and sponsor new distributors of our products. While we provide internet support, product samples, brochures, magazines, and other sales and marketing materials at cost, distributors are primarily responsible for recruiting and educating new distributors with respect to products, our global compensation plan, and how to build a successful distributorship.

The sponsoring of new distributors creates multiple levels in a network marketing structure. Individuals that a distributor sponsors are referred to as "downline" or "sponsored" distributors. If downline distributors also sponsor new distributors, they create additional levels in the structure, but their downline distributors remain in the same downline network as their original sponsoring distributor.

Sponsoring activities are not required of distributors and we do not pay any commissions for sponsoring new distributors. However, because of the financial incentives provided to those who succeed in building and mentoring a distributor network that resells and consumes products, many of our distributors attempt, with varying degrees of effort and success, to sponsor additional distributors. People often become distributors after using our products as regular customers. Once a person becomes a distributor, he or she is able to purchase products directly from us at wholesale prices. The distributor is also entitled to sponsor other distributors in order to build a network of distributors and product users. A potential distributor must enter into a standard distributor agreement, which among other things, obligates the distributor to abide by our policies and procedures.

Global Compensation Plan. One of our competitive advantages is our global sales compensation plan. Under our global compensation plan, a distributor is paid consolidated monthly commissions in the distributor's home country, in local currency, for the distributor's own product sales and for product sales in that distributor's downline distributor network across all geographic markets. Because of restrictions on direct selling in China, our sales employees and contractual sales promoters there do not participate in the global compensation plan, but are instead compensated according to a compensation model established for that market.

Commissions on the sale of an individual Nu Skin or Pharmanex product can exceed 50% of the wholesale price, except in a limited number of markets where commissions are limited by law. The actual commission payout percentage, however, varies depending on the number of distributors at each payout level within our global compensation plan. Historically, our distributor compensation plan has paid out to distributors approximately 42% of commissionable sales. We believe that our commission payout as a percentage of total sales is among the most generous paid by major direct selling companies.

From time to time, we make modifications and enhancements to our global compensation plan to help motivate distributors. In 2008 and 2009, we implemented modifications to our compensation plan to improve commission payments early in the distributor lifecycle. The results from these modifications have been positive. We continue to evaluate further changes to our compensation plan to help increase distributor productivity and earnings potential. In addition, we evaluate a limited number of distributor requests on a monthly basis for exceptions to the terms and conditions of the global compensation plan, including volume requirements. While our general policy is to discourage exceptions, we believe that the flexibility to grant exceptions is critical in retaining distributor loyalty and dedication and we make exceptions in limited cases as necessary.

High Level of Distributor Incentives. Based upon management's knowledge of our competitors' distributor compensation plans, we believe our global compensation plan is among the most financially rewarding plans offered by leading direct selling companies. There are two fundamental ways in which our distributors can earn money:

- through retail markups on sales of products purchased by distributors at wholesale; and
- through a series of commissions on product sales.

Each of our products carries a specified number of sales volume points. Commissions are based on total personal and group sales volume points per month. Sales volume points are generally based upon a product's wholesale cost, net of any point-of-sale taxes. As a distributor's business expands to successfully sponsoring other distributors into the business, who in turn expand their own businesses, a distributor receives a higher percentage of commissions. An executive's commissions can increase substantially as multiple downline distributors achieve executive status. In determining commissions, the number of levels of downline distributors included in an executive's commissionable group increases as the number of executive distributorships directly below the executive increases.

Distributor Support. We are committed to providing high-level support services tailored to the needs of our distributors in each market. We attempt to meet the needs and build the loyalty of distributors by providing personalized distributor services and by maintaining a generous product return policy. Because the majority of our distributors are part time and have only a limited number of hours each week to concentrate on their business, we believe that maximizing a distributor's efforts by providing effective distributor support has been, and will continue to be, important to our success.

Through training meetings, distributor conventions, web-based messages, distributor focus groups, regular telephone conference calls, and other personal contacts with distributors, we seek to understand and satisfy the needs of our distributors. We provide walk-in, telephonic, and Web-based product fulfillment and tracking services that result in user-friendly, timely product distribution. Several of our walk-in retail centers maintain meeting rooms, which our distributors may utilize for training and sponsoring activities. Because of our efficient distribution system, we believe that most of our distributors do not maintain a significant inventory of our products.

Payments. Distributors generally pay for products prior to shipment. Accordingly, we carry minimal accounts receivable from distributors. Distributors typically pay for products in cash, by wire transfer or by credit card.

Product Returns. In order to provide a high level of consumer-protection, we offer a generous return policy. While our operations and applicable regulations vary somewhat from country to country, we generally follow a uniform procedure for product returns. For 30 days from the date of purchase, our product return policy generally allows a retail customer to return any Nu Skin or Pharmanex product to us directly or to the distributor through whom the product was purchased for a full refund. After 30 days from the date of purchase, the end user's return privilege is at the discretion of the distributor. Our distributors can generally return unused products directly to us for a 90% refund for one year. Through 2010, our experience with actual product returns averaged less than 5% of annual revenue.

Rules Affecting Distributors. We monitor regulations and distributor activity in each market to ensure our distributors comply with local laws. Our published distributor policies and procedures establish the rules that distributors must follow in each market. We also monitor distributor activity to maintain a level playing field for our distributors, ensuring that some are not disadvantaged by the activities of others. We require our distributors to present products and business opportunities ethically and professionally. Distributors further agree that their presentations to customers must be consistent with, and limited to, the product claims and representations made in our literature.

Distributors must represent to us that their receipt of commissions is based on retail sales and substantial personal sales efforts. We must also monitor sales aids used by distributors to help ensure they comply with applicable laws and regulations. Distributors may not use any form of media advertising to promote products. Products may be promoted only by personal contact or by literature that we produce or approve.

Our products may not be sold, and our business opportunities may not be promoted, in traditional retail environments. We have made an exception to this rule by allowing some of our Pharmanex products to be sold in independently owned pharmacies and drug stores meeting specified requirements. Distributors who own or are employed by a service-related business, such as a doctor's office, hair salon or health club, may make products available to regular customers as long as products are not displayed visibly to the general public in a manner to attract the general public into the establishment to purchase products.

In order to qualify for commission bonuses, our distributors generally must satisfy specific requirements including achieving at least 100 points, which is approximately $100 in personal sales volume per month. In addition, individual markets may have requirements specific to that country based on regulatory factors. For example, in the United States, distributors must also:

- document retail sales or customer connections to established numbers of retail customers; and
- sell and/or consume at least 80% of personal sales volume.

We systematically review reports of alleged distributor misbehavior. If we determine one of our distributors has violated any of our policies or procedures, we may terminate the distributor's rights completely. Alternatively, we may impose sanctions, such as warnings, probation, withdrawal or denial of an award, suspension of privileges of a distributorship, fines and/or withholding of commissions until specified conditions are satisfied, or other appropriate injunctive relief.

Our Culture

From our inception over 26 years ago, Nu Skin Enterprises' mission has been to improve people's lives•through our quality products, our rewarding business opportunities and by promoting an uplifting and enriching culture. Our mission statement encourages people to be a "force for good" in the world around them. Our culture unites our distributors, customers and employees in innovative humanitarian efforts, the most significant of which are our Nourish the Children initiative that provides our distributors the ability to donate meals to starving children, and our Force for Good Foundation that supports many charitable causes that benefit children. In short, we believe that people are attracted to organizations that focus on more than just financial incentives. We encourage our distributors and our employees to live each day with an understanding that together we have the opportunity to make the world a better place.

Nourish the Children. In 2002, we introduced an innovative humanitarian initiative, Nourish the Children, which applies the power of our distribution network to help address the problem of hunger and malnutrition. We sell a highly nutritious meal replacement product under the brand, "VitaMeal," and encourage our distributors, customers and employees to purchase VitaMeal and donate their purchase to charitable organizations that specialize in distributing food to alleviate famine and poverty. Distributors earn commissions on sales of Vitameal to distributors in their downline and their customers. For every eight packages of VitaMeal purchased and donated, we donate an additional package. Since 2002, our distributors, customers and employees have joined together to donate more than 210 million meals to malnourished children in various locations throughout the world.

Force for Good Foundation. The original Force for Good campaign was introduced in conjunction with the Nu Skin *Epoch* product line in 1996. This unique brand of skin and hair care products was developed in partnership with the world's leading ethnobotanists. A donation of 25 cents from the sale of each *Epoch* product was directed to preserve the environments, languages, lifestyles, and traditions of indigenous people around the world. Today, the Force for Good Foundation provides support for charitable efforts throughout the globe, with a special emphasis on addressing the humanitarian needs of children. Charitable projects supported by the Force for Good Foundation, us, our employees, and our distributors include helping to provide crucial heart surgeries for children in Southeast Asia and China, supporting schools for children in need, helping farmers in Malawi be trained to grow more crops to better support the needs of their families, and other projects.

Competition

Direct Selling Companies. We compete with other direct selling organizations, some of which have a longer operating history and higher visibility, name recognition and financial resources than we do. The leading direct selling companies in our existing markets are Avon, Alticor (Amway) and Herbalife. We compete for new distributors on the strength of our multiple business opportunities, product offerings, global compensation plan, management, and our international operations. In order to successfully compete in this market and attract and retain distributors, we must maintain the attractiveness of our business opportunities to our distributors.

Nu Skin and Pharmanex Products. The markets for our Nu Skin and Pharmanex products are highly competitive. Our competitors include manufacturers and marketers of personal care and nutritional products, pharmaceutical companies and other direct selling organizations, many of which have longer operating histories and greater name recognition and financial resources than we do. We compete in these markets by emphasizing the innovation, value and premium quality of our products and the convenience of our distribution system.

Government Regulation

Direct Selling Activities. Direct selling activities are regulated by various federal, state and local governmental agencies in the United States and foreign countries. Laws and regulations in Japan, South Korea and China are particularly restrictive and difficult. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as “pyramid” schemes, that compensate participants for recruiting additional participants irrespective of product sales, use high-pressure recruiting methods and/or do not involve legitimate products. The laws and regulations in our current markets often:

- impose cancellation/product return, inventory buy-backs and cooling-off rights for consumers and distributors;
- require us or our distributors to register with governmental agencies;

- impose caps on the amount of commission we can pay;
- impose reporting requirements; and
- impose upon us requirements, such as requiring distributors to maintain levels of retail sales to qualify to receive commissions, to ensure that distributors are being compensated for sales of products and not for recruiting new distributors.

The laws and regulations governing direct selling are modified from time to time, and, like other direct selling companies, we are subject from time to time to government investigations in our various markets related to our direct selling activities. This can require us to make changes to our business model and aspects of our global compensation plan in the markets impacted by such changes and investigations.

We continue to experience heightened regulatory and media scrutiny of the direct selling industry in Japan. Several direct sellers in Japan have been penalized for actions of distributors that violated applicable regulations, including one prominent international direct selling company that was suspended from sponsoring activities for three months in 2008, and another large Japanese direct selling company that was suspended from sponsoring activities for six months in 2009. In addition, some Japanese lawmakers have experienced increased political pressure to discontinue supporting the direct selling industry.

We also continue to experience a high level of general inquiries regarding our business and complaints to consumer protection centers in Japan and have taken steps to try to resolve these issues including providing additional training to distributors, and restructuring our compliance group in Japan. We have seen improvements in some prefectures, but not in others. We have received warnings from consumer centers in certain prefectures raising concerns about our distributor training and number of general inquiries and complaints. Although we are implementing additional steps to reinforce our distributor education and training in Japan to help address these concerns, we cannot be sure that such steps will be successful. If consumer complaints and inquiries escalate to a government review or if the current level of complaints and inquiries does not improve, there is an increased likelihood that regulators could take action against us, including a suspension of our sponsoring activities, or we could receive negative media attention, either of which could harm our business. In 2009, Japan implemented a national organization of consumer protection centers, which appears to have resulted in a further increase in the scrutiny of our business and industry.

As a result of restrictions in China on direct selling activities, we have implemented a retail store model utilizing an employed sales force and contractual sales promoters, and we are currently integrating direct selling in our business model in this market pursuant to applicable direct selling regulations. The regulatory environment in China remains complex. China's direct selling and anti-pyramiding regulations are restrictive and contain various limitations, including a restriction on the ability to pay multi-level compensation. Our operations in China have attracted significant regulatory and media scrutiny since we expanded our operations there in January 2003. Regulations are subject to discretionary interpretation by municipal and provincial level regulators as well as local customs and practices. Interpretations of what constitutes permissible activities by regulators can vary from province to province and can change from time to time because of the lack of clarity in the rules regarding direct selling activities and differences in customs and practices in each location.

Because of the Chinese government's significant concerns about direct selling activities, it scrutinizes very closely activities of direct selling companies. At times, investigations and related actions by government regulators have impeded our ability to conduct business in certain locations, and have resulted in a few cases where we have paid substantial fines. In each of these cases, we have been allowed to recommence operations after the government's investigation, and no material changes to our business model were required in connection with these fines and impediments. Please refer to *"Risk Factors"* for more information on the regulatory risks associated with our business in China.

The regulatory environment with respect to direct selling in China remains fluid and the process for obtaining the necessary governmental approvals to conduct direct selling continues to evolve. The regulations and processes in some circumstances have been interpreted differently by different governmental authorities. In order to expand our direct selling model into additional provinces we currently must obtain a series of approvals from the Departments of Commerce in such provinces, the Shanghai Department of Commerce (our supervisory authority), as well as the Departments of Commerce in each city and district in which we plan to operate. We also are required to obtain the approval of the State Ministry of Commerce, which is the national governmental authority overseeing direct selling. In addition, regulators are acting cautiously as they monitor the roll-out of direct selling, which has made the approval process take longer than we anticipated. Please refer to *"Risk Factors"* for more information on the risks associated with our planned expansion of direct selling in China.

***Regulation of Our Products*.** Our Nu Skin and Pharmanex products and related promotional and marketing activities are subject to extensive governmental regulation by numerous domestic and foreign governmental agencies and authorities, including the Food and Drug Administration (the "FDA"), the Federal Trade Commission (the "FTC"), the Consumer Product Safety Commission, the Department of Agriculture, State Attorneys General and other state regulatory agencies in the United States, and the Ministry of Health, Labor and Welfare in Japan and similar government agencies in each market in which we operate.

Our personal care products are subject to various laws and regulations that regulate cosmetic products and set forth regulations for determining whether a product can be marketed as a "cosmetic" or requires further approval as an over-the-counter drug. In the United States, regulation of cosmetics are under the jurisdiction of the FDA. The Food, Drug and Cosmetic Act defines cosmetics by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body . . . for cleansing, beautifying, promoting attractiveness, or altering the appearance." Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup preparations, shampoos, permanent waves, hair colors, toothpastes and deodorants, as well as any material intended for use as a component of a cosmetic product. Conversely, a product will not be considered a cosmetic, but may be considered a drug if it is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or is intended to affect the structure or any function of the body. A product's intended use can be inferred from marketing or product claims. The other markets in which we operate have similar regulations. In Japan, the Ministry of Health, Labor and Welfare regulates the sale and distribution of cosmetics and requires us to have an import business license and to register each personal care product imported into Japan. In Taiwan, all "medicated" cosmetic products require registration. In China, personal care products are placed into one of two categories, "general" and "drug." Products in both categories require submission of formulas and other information with the health authorities, and drug products require human clinical studies. The product registration process in China for these products can take from nine to more than 18 months or longer. Such regulations in any given market can limit our ability to import products and can delay product launches as we go through the registration and approval process for those products. The sale of cosmetic products is regulated in the European Union under the European Union Cosmetics Directive, which requires a uniform application for foreign companies making personal care product sales.

Our Pharmanex products are subject to various regulations promulgated by government agencies in the markets in which we operate. In the United States, we generally market our nutritional products as conventional foods or dietary supplements. The FDA has jurisdiction over this regulatory area. Because these products are regulated under the Dietary Supplement and Health Education Act, we are generally not required to obtain regulatory approval prior to introducing a product into the United States market. None of this infringes, however, upon the FDA's power to remove from the market any product it determines to be unsafe or an unapproved drug. In our foreign markets, the products are generally regulated by similar government agencies, such as the Japan Ministry of Health, Labor and Welfare, the South Korea Food and Drug Administration, and the Taiwan Department of Health. We typically market our Pharmanex products in international markets as foods or health foods under applicable regulatory regimes. In the event a product, or an ingredient in a product, is classified as a drug or pharmaceutical product in any market, we will generally not be able to distribute that product in that market through our distribution channel because of strict restrictions applicable to drug and pharmaceutical products. China has some of the most restrictive nutritional supplement product regulations. Products marketed as "health foods" are subject to extensive laboratory and clinical analysis by governmental authorities, and the product registration process for these products can take from nine to more than 18 months or longer. We market both "health foods" and "general foods" in China. Our flagship product, *LifePak*, is currently marketed as a general food, as only two of the three main capsules have received "health food" classification. Currently, "general foods" is not an approved category for direct selling; therefore, we will only market *LifePak* through our retail stores until final "health food" classification for *LifePak* is obtained for the other capsule. Additionally, there is some risk associated with the common practice in China of marketing a product as a "general food" while seeking "health food" classification. If government officials feel our categorization of our products is inconsistent with product claims, ingredients or function, this could end or limit our ability to market such products in China in their current form.

The markets in which we operate all have varied regulations that distinguish foods and nutritional health supplements from "drugs" or "pharmaceutical products." Because of the varied regulations, some products or ingredients that are recognized as a "food" in certain markets may be treated as a "pharmaceutical" in other markets. In Japan, for example, if a specified ingredient is not listed as a "food" by the Ministry of Health and Welfare, we must either modify the product to eliminate or substitute that ingredient, or petition the government to treat such ingredient as a food. We experience similar issues in our other markets. This is particularly a problem in Europe where the regulations differ from country to country. As a result, we must often modify the ingredients and/or the levels of ingredients in our products for certain markets. In some circumstances, the regulations in foreign markets may require us to obtain regulatory approval prior to introduction of a new product or limit our uses of certain ingredients altogether. Because of negative publicity associated with some supplements, there has been an increased movement in the United States and other markets to expand the regulation of dietary supplements, which could impose additional restrictions or requirements in the future. In general, the regulatory environment is becoming more complex with increasingly strict regulations each year.

Effective June 2008, the FDA established regulations to require current good manufacturing practices (cGMP) for dietary supplements. The regulations ensure that dietary supplements are produced in a quality manner, do not contain contaminants or impurities, and are accurately labeled. The regulations include requirements for establishing quality control procedures for us and our vendors and suppliers, designing and constructing manufacturing plants, and testing ingredients and finished products. The regulations also include requirements for record keeping and handling consumer product complaints. If dietary supplements contain contaminants or do not contain the type or quantity of dietary ingredient they are represented to contain, the FDA would consider those products to be adulterated or misbranded. Our business is subject to additional FDA regulations, such as those implementing an adverse event reporting system ("AER's") effective December 2007, which requires us to document and track adverse events and report serious adverse events, which are events involving hospitalization or death, associated with consumers' use of our products. Compliance with these regulations has increased and may further increase the cost of manufacturing and selling certain of our products as we work with our vendors to assure they are in compliance.

Most of our major markets also regulate advertising and product claims regarding the efficacy of products. Accordingly, these regulations can limit our ability to inform consumers of the full benefits of our products. For example, in the United States, we are unable to claim that any of our nutritional supplements will diagnose, cure, mitigate, treat or prevent disease. In most of our foreign markets, we are not able to make any "medicinal" claims with respect to our Pharmanex products. In the United States, the Dietary Supplement Health and Education Act, however, permits substantiated, truthful and non-misleading statements of nutritional support to be made in labeling, such as statements describing general well-being resulting from consumption of a dietary ingredient or the role of a nutrient or dietary ingredient in affecting or maintaining a structure or a function of the body. Most of the other markets in which we operate have not adopted similar legislation and we may be subject to more restrictive limitations on the claims we can make about our products in these markets. For example, in Japan, our nutritional supplements are marketed as food products, which significantly limits our ability to make any claims regarding these products.

To date, we have not experienced any difficulty maintaining our import licenses. However, due to the varied regulations governing the manufacture and sale of nutritional products in the various markets, we have found it necessary to reformulate many of our products or develop new products in order to comply with such local requirements. In the United States, we are also subject to a consent decree with the FTC and various state regulatory agencies arising out of investigations that occurred in the early 1990s of certain alleged unsubstantiated product and earnings claims made by our distributors. The consent decree requires us to, among other things, supplement our procedures to enforce our policies, not allow our distributors to make earnings representations without making certain average earnings disclosures, and not allow our distributors to make unsubstantiated product claims. Compliance with the anti terrorism regulations of the United States has caused some delays in customs but these situations have been resolved by working with the United States customs officials and training our vendors and market staff in the guidelines. Effective December 1, 2009, the FTC approved revisions to its Guides Concerning the Use of Endorsements and Testimonials in Advertising, or Guides, that restrict marketing to those results obtained by a "typical" consumer and require disclosure of any material connections between an endorser and the company or products they are endorsing.

Our *Pharmanex BioPhotonic Scanner* and our *Galvanic Spa System* are technologically advanced business tools designed to help our distributors effectively market our Nu Skin and Pharmanex products. These tools are subject to the regulations of various health, consumer protection and other governmental authorities around the world. These regulations vary from market to market and affect whether our business tools are required to be registered as medical devices, the claims that can be made with respect to these tools, who can use them, and where they can be used. We have been subject to regulatory inquiries in the United States, Japan, and other countries with respect to the status of the *Pharmanex BioPhotonic Scanner* as a non-medical device. Any determination that medical device clearance is required for one of our products, in a market where we currently market and sell such product as a cosmetic or non-medical device, could require us to expend significant time and resources in order to meet the additional stringent standards imposed on medical device companies or prevent us from marketing the product. For example, in Indonesia, Thailand, Taiwan and Colombia we are not able to market the *Galvanic Spa System* without registering it as a medical device. We are also subject to regulatory constraints on the claims that can be made with respect to the use of our business tools.

Other Regulatory Issues. As a United States entity operating through subsidiaries in foreign jurisdictions, we are subject to foreign exchange control, transfer pricing and customs laws that regulate the flow of funds between us and our subsidiaries and for product purchases, management services and contractual obligations, such as the payment of distributor commissions.

As is the case with most companies that operate in our product categories, we receive from time to time inquiries from government regulatory authorities regarding the nature of our business and other issues, such as compliance with local direct selling, transfer pricing, customs, taxation, foreign exchange control, securities and other laws. Negative publicity resulting from inquiries into our operations by the United States and state government agencies in the early 1990s, stemming in part from alleged inappropriate product and earnings claims by distributors, and in the late 1990s resulting from adverse media attention in South Korea, harmed our business.

Employees

As of December 31, 2010, we had approximately 3,400 full- and part-time employees worldwide. This does not include approximately 1,654 individuals who were employed as sales representatives in our China operations. None of our employees are represented by a union or other collective bargaining group, except in China and a small number of employees in Japan. We believe that our relationship with our employees is good, and we do not foresee a shortage in qualified personnel necessary to operate our business.

Available Information

Our Internet address is www.nuskinenterprises.com. We make available free of charge on or through our internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1–800–SEC–0330. The SEC maintains an internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Executive Officers

Our executive officers as of February 1, 2011, are as follows:

Name	Age	Position
Blake Roney	52	Chairman of the Board
Truman Hunt	51	President and Chief Executive Officer
Ritch Wood	45	Chief Financial Officer
Joe Chang	58	Chief Scientific Officer and Executive Vice President, Product Development
Dan Chard	46	President, Global Sales and Operations
Scott Schwerdt	53	President, Americas, Europe and South Pacific
Matthew Dorny	47	General Counsel and Secretary

Set forth below is the business background of each of our executive officers.

Blake Roney founded our company in 1984 and served as its president through 1996. Mr. Roney currently serves as the Chairman of the Board, a position he has held since our company became public in 1996. Mr. Roney is also a trustee of the Force for Good Foundation, a charitable organization that was established in 1996 by Mr. Roney and the other founders of our company to help encourage and drive the philanthropic efforts of our company, its employees, its distributors and its customers to enrich the lives of others. He received a B.S. degree from Brigham Young University.

Truman Hunt has served as our President since January 2003 and our Chief Executive Officer since May 2003. He has also served as a director of our company since May 2003. Mr. Hunt joined our company in 1994 and has served in various positions, including Vice President and General Counsel from 1996 to January 2003 and Executive Vice President from January 2001 until January 2003. He received a B.S. degree from Brigham Young University and a J.D. degree from the University of Utah.

Ritch Wood has served as our Chief Financial Officer since November 2002. Prior to this appointment, Mr. Wood served as Vice President, Finance from July 2002 to November 2002 and Vice President, New Market Development from June 2001 to July 2002. Mr. Wood joined our company in 1993 and has served in various capacities. Prior to joining us, he worked for the accounting firm of Grant Thornton LLP. Mr. Wood earned a B.S. and a Master of Accountancy degrees from Brigham Young University.

Joe Chang has served as Chief Scientific Officer and Executive Vice President of Product Development since February 2006. Dr. Chang served as President of our Pharmanex division from April 2000 to February 2006. Dr. Chang served as Vice President of Clinical Studies and Pharmacology of Pharmanex from 1997 until April 2000. Dr. Chang has nearly 20 years of pharmaceutical experience. He received a B.S. degree from Portsmouth University and a Ph.D. degree from the University of London.

Daniel Chard has served as President of Global Sales and Operations since May 2009. Prior to serving in this position, Mr. Chard served as Executive Vice President of Distributor Success from February 2006 to May 2009 and President of Nu Skin Europe from April 2004 to February 2006. Mr. Chard also served as Vice President of Marketing and Product Management of Big Planet, our technology products and services division, from May 2003 to April 2004 and as Senior Director of Marketing and Product Development at Pharmanex. Prior to joining us in 1998, Mr. Chard worked in a variety of strategic marketing positions in the consumer products industry. Mr. Chard holds a B.A. degree in Economics from Brigham Young University and an M.B.A. from the University of Minnesota.

Scott Schwerdt has served as President, Americas, Europe and South Pacific since February 2006. Mr. Schwerdt served as Regional Vice President of North America and President of Nu Skin Enterprises United States, Inc. from May 2004 to February 2006. Mr. Schwerdt previously served as the General Manager of our U.S. operations from May 2001 to May 2004. Mr. Schwerdt joined our company in 1988 and has held various positions, including Vice President of North America/South Pacific Operations and Vice President of Europe. Mr. Schwerdt received a B.A. degree in International Relations from Brigham Young University.

Matthew Dorny has served as our General Counsel and Secretary since January 2003. Mr. Dorny previously served as Assistant General Counsel from May 1998 to January 2003. Prior to joining us, Mr. Dorny was a securities and business attorney in private practice in Salt Lake City, Utah. Mr. Dorny received B.A., M.B.A. and J.D. degrees from the University of Utah.

ITEM 1A. RISK FACTORS

We face a number of substantial risks. Our business, financial condition or results of operations could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and they should be considered in connection with the other information contained in this Annual Report on Form 10-K. These risk factors should be read together with the other items in this Annual Report on Form 10-K, including "Item 1. Business" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation."

Difficult economic conditions could harm our business.

Global economic conditions continue to be challenging. Although the economy appears to be recovering in some countries, it is not possible for us to predict the extent and timing of any improvement in global economic conditions. Even with continued growth in many of our markets during this period, the economic downturn could adversely impact our business in the future by causing a decline in demand for our products, particularly if the economic conditions are prolonged or worsen. In addition, such economic conditions may adversely impact access to capital for us and our suppliers, may decrease our distributors' ability to obtain or maintain credit cards, and may otherwise adversely impact our operations and overall financial condition.

Currency exchange rate fluctuations could impact our financial results.

In 2010, approximately 86% of our sales occurred in markets outside of the United States in each market's respective local currency. We purchase inventory primarily in the United States in U.S. dollars. In preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted average exchange rates. If the U.S. dollar strengthens relative to local currencies, particularly the Japanese yen which accounted for approximately 31% of our 2010 revenue, our reported revenue, gross profit and net income will likely be reduced. Foreign currency fluctuations, particularly with respect to the Japanese yen given the amount of yen denominated debt on our balance sheet, can also result in losses and gains resulting from translation of foreign currency denominated balances on our balance sheet. Given the complex global political and economic dynamics that affect exchange rate fluctuations, it is difficult to predict future fluctuations and the effect these fluctuations may have upon future reported results or our overall financial condition.

Because our Japanese operations account for a significant part of our business, continued weakness in our business operations in Japan could harm our business.

Approximately 31% of our 2010 revenue was generated in Japan. We have experienced local currency revenue declines in Japan over the last several years and continue to face challenges in this market. These declines could continue or increase. Factors that could impact our results in the market include:

- continued or increased levels of regulatory and media scrutiny and any regulatory actions taken by regulators, or any adoption of more restrictive regulations, in response to such scrutiny;
- significant weakening of the Japanese yen;
- increased regulatory constraints with respect to the claims we can make regarding the efficacy of products and tools, which could limit our ability to effectively market them;
- risks that the initiatives we have implemented in Japan, which are patterned after successful initiatives implemented in other markets, will not have the same level of success in Japan, may not generate renewed growth or increased productivity among our distributors, and may cost more or require more time to implement than we have anticipated;
- inappropriate activities by our distributors and any resulting regulatory actions against us or our distributors;
- improper practices of other direct selling companies or their distributors that increase regulatory and media scrutiny of our industry;
- any weakness in the economy or consumer confidence; and
- increased competitive pressures from other direct selling companies and their distributors who actively seek to solicit our distributors to join their businesses.

Heightened regulatory scrutiny of the direct selling industry in Japan could harm our business if we are not able to successfully limit the number of general inquiries and complaints regarding our business received by consumer protection centers.

We continue to experience heightened regulatory scrutiny of the direct selling industry in Japan. Several direct sellers in Japan have been penalized for actions of distributors that violated applicable regulations, including one prominent international direct selling company that was suspended from sponsoring activities for three months in 2008, and another large Japanese direct selling company that was suspended from sponsoring activities for six months in 2009. In addition, some Japanese lawmakers have experienced increased political pressure to discontinue supporting the direct selling industry.

We also continue to experience a high level of general inquiries and complaints to consumer protection centers in Japan and have taken steps to try to resolve these issues including providing additional training to distributors, and restructuring our compliance group in Japan. We have seen improvements in some prefectures, but not in others. We have received warnings from consumer centers in certain prefectures raising concerns about our distributor training and number of general inquiries and complaints. Although we are implementing additional steps to reinforce our distributor education and training in Japan to help address these concerns, we cannot be sure that such steps will be successful. If consumer complaints and inquiries escalate to a government review or if the current level of complaints and inquiries does not improve, there is an increased likelihood that regulators could take action against us, including a suspension of our sponsoring activities, or we could receive negative media attention, either of which could harm our business. In 2009, Japan implemented a national organization of consumer protection centers, which appears to have resulted in a further increase in the scrutiny of our business and industry.

If we are unable to retain our existing distributors and recruit additional distributors, our revenue will not increase and may even decline.

We distribute almost all of our products through our distributors and we depend on them to generate virtually all of our revenue. Our distributors may terminate their services at any time, and, like most direct selling companies, we experience high turnover among distributors from year to year. Distributors who join to purchase our products for personal consumption or for short-term income goals frequently only stay with us for a short time. Executive distributors who have committed time and effort to build a sales organization will generally stay for longer periods. Distributors have highly variable levels of training, skills and capabilities. As a result, in order to maintain sales and increase sales in the future, we need to increase our retention of existing distributors and continue to successfully recruit additional distributors. To increase our revenue, we must increase the number of and/or the productivity of our distributors.

We have experienced periodic declines in both active distributors and executive distributors in the past and could experience such declines again in the future. For example, over the last several months we have experienced some softness in our active and executive distributor numbers in the United States. If our initiatives for 2011 do not drive growth in our distributor numbers, particularly in the United States and Japan where our distributors numbers have been down, our operating results could be harmed. While we take many steps to help train, motivate, and retain distributors, we cannot accurately predict how the number and productivity of distributors may fluctuate because we rely primarily upon our distributor leaders to recruit, train, and motivate new distributors. Our operating results could be harmed if we and our distributor leaders do not generate sufficient interest in our business to retain existing distributors and attract new distributors.

The number and productivity of our distributors could be harmed by several additional factors, including:

- any adverse publicity regarding us, our products, our distribution channel, or our competitors;
- lack of interest in, or the technical failure of, existing or new products;
    - lack of a compelling sponsoring story that generates interest for potential new distributors and effectively draws them into the business;
- any negative public perception of our products and their ingredients;
- any negative public perception of our distributors and direct selling businesses in general;
- our actions to enforce our policies and procedures;
- any regulatory actions or charges against us or others in our industry;
- general economic and business conditions; and
    - potential saturation or maturity levels in a given country or market which could negatively impact our ability to attract and retain distributors in such market.

Although our distributors are independent contractors, improper distributor actions that violate laws or regulations could harm our business.

Distributor activities that violate applicable laws or regulations could result in government or third party actions against us, which could harm our business. Except in China, our distributors are not employees and act independently of us. We implement strict policies and procedures to ensure our distributors will comply with legal requirements. However, given the size of our distributor force, we experience problems with distributors from time to time. For example, product claims made by some of our distributors in 1990 and 1991 led to an investigation by the Federal Trade Commission ("FTC") in the United States, which resulted in our entering into a consent decree with the FTC. In addition, rulings by the South Korean Federal Trade Commission and by judicial authorities against us and other companies in South Korea indicate that vicarious liability may be imposed on us for the criminal activity of our distributors. In addition, we have seen an increase in sales aids and promotional material being produced by distributors and distributor groups in some markets, which places an increased burden on us to monitor compliance of such materials and increases the risk of materials that violate our policies and applicable regulations. As we expand internationally, our distributors often attempt to anticipate which markets we will open in the future and begin marketing and sponsoring activities in markets where we are not qualified to conduct business. If we are unable to adequately address these issues, we could face fines or other legal action.

Laws and regulations may prohibit or severely restrict our direct sales efforts and cause our revenue and profitability to decline, and regulators could adopt new regulations that harm our business.

Various government agencies throughout the world regulate direct sales practices. Laws and regulations in Japan, South Korea and China are particularly restrictive and difficult. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as "pyramid" schemes, that compensate participants for recruiting additional participants irrespective of product sales, use high pressure recruiting methods and/or do not involve legitimate products. The laws and regulations in our current markets often:

- impose order cancellations, product returns, inventory buy-backs and cooling-off rights for consumers and distributors;
- require us or our distributors to register with government agencies;
- impose caps on the amount of commissions we can pay; and/or
- require us to ensure that distributors are not being compensated based upon the recruitment of new distributors.

Complying with these widely varying and sometimes inconsistent rules and regulations can be difficult and may require the devotion of significant resources on our part. If we are unable to continue business in existing markets or commence operations in new markets because of these laws, our revenue and profitability may decline. In addition, countries where we currently do business could change their laws or regulations to negatively affect or completely prohibit direct sales efforts.

Challenges to the form of our network marketing system or other regulatory compliance issues could harm our business.

We may be subject to challenges by government regulators regarding the form of our network marketing system or elements of our business including marketing and product claims made by us or our distributors. Legal and regulatory requirements concerning our industry involve a high level of subjectivity and are inherently fact-based and subject to interpretation, which provides regulators with more discretion in their application of these laws and regulations. We have seen an increase in government scrutiny of our industry in various markets, including Japan, South Korea, China, Europe, and the United Kingdom. From time to time, we receive formal and informal inquiries from various government regulatory authorities about our business and our compliance with local laws and regulations. For example, in 2009, we received notice from Belgium authorities alleging that we have violated the anti-pyramid regulations in that market and an inquiry from the Consumer Protection Agency in Hungary regarding various marketing claims. In the early 1990s, we entered into voluntary consent agreements with the FTC and a few state regulatory agencies relating to investigations of our distributors' product claims and practices. Pursuant to the consent decrees, we agreed, among other things, to supplement our procedures to enforce our policies, to not allow distributors to make earnings representations without making additional disclosures relating to average earnings and to not make, or allow our distributors to make, product claims that were not substantiated. As a result of the previous investigations, the FTC makes inquiries from time to time regarding our compliance with applicable laws and regulations and our consent decree. If we are not able to resolve existing regulatory reviews to the satisfaction of the applicable governmental agencies, or there are any new regulatory challenges regarding our business or others in our industry, our business could be harmed if such actions result in the imposition of any fines or damages on our business, create adverse publicity, increase scrutiny of our industry, detrimentally affect our efforts to recruit or motivate distributors and attract customers, or interpret laws in a manner inconsistent with our current business practices.

Challenges by third parties to the form of our business model or the actions of our company or distributors could harm our business.

There have been private actions filed against some of our competitors in our industry in recent years by their distributors challenging the legality of their form of business. One of our largest competitors recently settled a class-action lawsuit, requiring it to pay a large cash settlement. There is a risk that such challenges and settlements could provide incentives for similar actions by distributors against us and other direct selling companies. Any challenges regarding us or others in our industry could harm our business if such challenges result in the imposition of any fines or damages on our business, create adverse publicity, increase scrutiny of our industry, detrimentally affect our efforts to recruit or motivate distributors and attract customers, or interpret laws in a manner inconsistent with our current business practices. Because legal and regulatory requirements concerning our industry involve a high level of subjectivity and are inherently fact-based and subject to judicial interpretation, we can provide no assurance that we would not be harmed by the application or interpretation of statutes or regulations governing network marketing in any civil challenge by a current or former distributor.

Government regulations relating to the marketing and advertising of our products and services may restrict, inhibit or delay our ability to sell these products and harm our business.

Our products and our related marketing and advertising efforts are subject to numerous domestic and foreign government agencies' and authorities' laws and extensive regulations, which govern the ingredients and products that may be marketed without pre-market approval and/or registration as a drug and the claims that may be made regarding such products. Many of these laws and regulations involve a high level of subjectivity, are inherently fact-based and subject to interpretation, and vary significantly from market to market. These laws and regulations can limit the claims we can make regarding our products and often restrict our ability to introduce products or ingredients into one or more markets. In Europe for example, we are unable to market supplements that contain ingredients that were not marketed prior to May 1997 in Europe ("novel foods") without going through an extensive registration and pre-market approval process. In addition, there has been increased regulatory scrutiny of nutritional supplements and marketing claims under existing and new regulations. At times these laws and regulations may prevent us from launching a product in a market, require us to reformulate a product or limit the claims made regarding a product. For example, as we prepare for the global launch of our new ageLOC nutritional product, we face regulatory issues that may force us to reformulate the product for some markets and may limit our ability to revise the product formulations without delaying necessary registrations. If these laws and regulations restrict, inhibit or delay our ability to introduce or market our products or limit the claims we are able to make regarding our products, our business may be harmed.

During recent years, authorities' enforcement activity and interpretation of these regulations suggest a greater allowance for scientific-based and substantiated claims when not involving specific drug or disease claims. As a result, as companies have developed new and innovative products, there has been a trend towards more aggressive claims and the inclusion of greater science regarding the marketing of cosmetic and nutritional products. We believe in order to remain competitive we need to have similarly compelling claims. Because there is a degree of subjectivity in determining whether marketing materials or statements constitute product claims and whether they involve improper drug claims, our claims and our interpretation of applicable regulations may be challenged, which could harm our business. This is a particular risk with respect to our ageLOC line of products based on our novel approach to these products and our focus on genes and sources of aging in both our scientific explanation for support of our products as well as our marketing claims. If regulators take a more restrictive stance regarding such claims, alter their enforcement priorities, or determine that any of our claims violate applicable regulations, we could be fined or forced to modify our claims or stop selling a product.

New regulations governing the marketing and sale of nutritional supplements could harm our business.

There has been an increasing movement in the United States and other markets to increase the regulation of dietary supplements, which could impose additional restrictions or requirements in the future. In the United States, for example, some legislators and industry critics continue to push for increased regulatory authority by the FDA over nutritional supplements. Our business could be harmed if more restrictive legislation is successfully introduced and adopted in the future. In particular, the adoption of legislation requiring FDA approval of supplements or ingredients could delay or inhibit our ability to introduce new supplements. We face similar pressures in our other markets, including Europe, which is expected to adopt additional regulations setting new limits on acceptable maximum levels of vitamins and minerals. In the United States, effective December 1, 2009, the FTC approved revisions to its Guides Concerning the Use of Endorsements and Testimonials in Advertising, or Guides, that require disclosure of material connections between an endorser and the company they are endorsing and do not allow marketing using atypical results. The requirements and restrictions of the revised Guides may diminish the impact of our marketing efforts and negatively impact our sales results. If we or our distributors fail to comply with these Guides, the FTC could bring an enforcement action against us and we could be fined and/or forced to alter our operations. Our operations also could be harmed if new laws or regulations are enacted that restrict our ability to market or distribute nutritional supplements or impose additional burdens or requirements on nutritional supplement companies or require us to reformulate our products.

Regulations governing the production and marketing of our personal care products could harm our business.

Our personal care products are subject to various domestic and foreign laws and regulations that regulate cosmetic products and set forth regulations for determining whether a product can be marketed as a "cosmetic" or requires further approval as an over-the-counter drug. A determination that our cosmetic products impact the structure or function of the human body, or improper marketing claims by our distributors may lead to a determination that such products require pre-market approval as a drug. Such regulations in any given market can limit our ability to import products and can delay product launches as we go through the registration and approval process for those products. Furthermore, if we fail to comply with these regulations, we could face enforcement action against us and we could be fined, forced to alter or stop selling our products and/or required to adjust our operations. Our operations also could be harmed if new laws or regulations are enacted that restrict our ability to market or distribute our personal care products or impose additional burdens or requirements on the contents of our personal care products or require us to reformulate our products.

If we are found not to be in compliance with Good Manufacturing Practices our operations could be harmed.

FDA regulations on Good Manufacturing Practices and Adverse Event Reporting requirements for the nutritional supplement industry have recently gone into effect and require good manufacturing processes for us and our vendors, including stringent vendor qualifications, ingredient identification, manufacturing controls and record keeping. The ingredient identification requirement, which requires us to confirm the levels, identity and potency of ingredients listed on our product labels within a narrow range, is particularly burdensome and difficult for us with respect to a product like *LifePak*, which contains 46 different ingredients. We are also now required to report serious adverse events associated with consumer use of our products. Our operations could be harmed if regulatory authorities make determinations that we or our vendors are not in compliance with the new regulations. A finding of noncompliance may result in administrative warnings, penalties or actions impacting our ability to continue selling certain of our products. In addition, compliance with these regulations has increased and may further increase the cost of manufacturing certain of our products as we work with our vendors to assure they are qualified and in compliance.

Our operations in China are subject to significant government scrutiny and may be harmed by the results of such scrutiny.

Because of the government's significant concerns about direct selling activities, government regulators in China closely scrutinize activities of direct selling companies or activities that resemble direct selling. The regulatory environment in China with regards to direct selling is evolving, and officials in multiple national and local levels in the Chinese government often exercise broad discretion in deciding how to interpret, apply and enforce applicable regulations. We cannot be certain that our operations will continue to be deemed by national and local regulatory authorities to be in compliance with such regulations. In the past, the government has taken significant actions against companies that the government found were engaging in direct selling activities in violation of applicable law, including shutting down their businesses and imposing substantial fines.

Our operations in China are subject to significant regulatory scrutiny, and we have experienced challenges in the past, including interruption of sales activities at certain stores and fines being paid in some cases. Although we have now obtained direct selling licenses in a limited number of provinces, we continue to operate a hybrid model that utilizes sales employees, contractual sales promoters and direct sellers to market our products. Government regulators continue to scrutinize our activities and the activities of our sales employees, contractual sales promoters and direct sellers to monitor our compliance with applicable regulations. We continue to be subject to government reviews and investigations. At times, complaints made by our sales representatives to the government have resulted in increased scrutiny by the government. Any determination that our operations or activities, or the activities of our sales employees, contractual sales promoters or direct sellers, are not in compliance with applicable regulations could result in substantial fines, extended interruptions of business, termination of necessary licenses and permits, including our direct selling licenses, or restrictions on our ability to open new stores, obtain approvals for service centers or expand into new locations, all of which could harm our business.

If regulations in China are interpreted or enforced by government authorities in a manner that negatively impacts our retail business model or our hybrid business model there, our business in China could be harmed.

The Chinese government has adopted anti-pyramiding and direct selling regulations that contain significant restrictions and limitations, including a restriction on multi-level compensation for independent distributors selling away from a fixed location. The regulations also impose various requirements that are more burdensome than in our other markets and which could negatively impact the willingness of some people to sign up to become direct sellers. There continues to be uncertainty as to the interpretation and enforcement of the regulations and their scope, and the specific types of restrictions and requirements imposed under them and national and local regulatory authorities exercise broad discretion in interpreting, applying and enforcing these direct selling regulations. Our business and growth prospects would be harmed if the anti-pyramiding regulations or direct selling regulations are interpreted in such a manner that our current method of conducting business through the use of sales employees, contractual sales promoters and direct sellers is deemed to violate these regulations. In particular, our business would be harmed by any determination that our current method of compensating our sales employees and contractual sales promoters, including our use of the sales productivity of an individual and the group of individuals whom he or she trains and supervises as one of the factors in establishing salary and compensation, violates the restriction on multi-level compensation under the rules. Our business could also be harmed if regulators inhibit our ability to operate our hybrid business model, which includes retail stores, sales employees, contractual sales promoters and direct sellers.

If we are unable to obtain additional necessary national and local government approvals in China as quickly as we would like, our ability to expand our direct selling business and grow our business there could be negatively impacted.

We have completed the required national and local licensing process and commenced direct selling activities in Beijing, Shanghai, Shenzhen and four cities in the Guangdong province. In order to expand our direct selling model into additional provinces, we currently must obtain a series of approvals from district, city, provincial and national government agencies with respect to each province in which we wish to expand. The process for obtaining the necessary government approvals to conduct direct selling continues to evolve. As we are being required to work with such a large number of provincial, city, district and national government authorities, we have found that it is taking more time than anticipated to work through the approval process with these authorities. The complexity of the approval process as well as the government's continued cautious approach as direct selling develops in China makes it difficult to predict the timeline for obtaining these approvals. If the results of the government's evaluation of our direct selling activities result in further delays in obtaining licenses elsewhere, or if the current processes for obtaining approvals are delayed further for any reason or are changed or are interpreted differently than currently understood, our ability to expand direct selling in China and our growth prospects in this market, could be negatively impacted.

Our compensation plan and business model for our sales force in China differs from other markets and could harm our ability to grow our business in China.

The direct selling regulations in China impose various limitations and requirements, including a prohibition on multi-level compensation and a required examination prior to becoming a distributor. The regulations also impose other restrictions on direct selling activities that differ from the regulations in our other markets. As a result, our direct selling compensation plan and business model for the direct sales component of our business differs from the model we use in other markets. There can be no assurance that these restrictions will not negatively impact our ability to provide an attractive business opportunity to distributors in this market and limit our ability to grow our business in this market. In addition, the regulations do not allow the sale of general foods through a direct selling business model. Because some of our supplements, including *LifePak*, are currently marketed as general foods pending approval as health foods these products cannot currently be approved for sale through our direct selling channel. Failure of these products to receive health food status or direct selling product approval in a timely manner could have a negative impact on our direct selling business.

The loss of suppliers or shortages in ingredients could harm our business.

We acquire ingredients and products from two suppliers that each currently manufactures a significant portion of our Nu Skin personal care products. In addition, we currently rely on two suppliers for a majority of Pharmanex nutritional supplement products. In the event we were to lose any of these suppliers and experience any difficulties in finding or transitioning to alternative suppliers, this could harm our business. In addition, we obtain some of our products from sole suppliers that own or control the product formulations, ingredients, or other intellectual property rights associated with such products. These products include our *Galvanic Spa System* and *True Face Essence Ultra* products, two of our better selling products. We also license the right to distribute some of our products from third parties. In the event we are unable to renew these contracts, we may need to discontinue some products or develop substitute products, which could harm our revenue. In addition, if we experience supply shortages or regulatory impediments with respect to the raw materials and ingredients we use in our products, we may need to seek alternative supplies or suppliers and may experience difficulties in finding ingredients that are comparable in quality and price. Some of our nutritional products, including *g3* juice, incorporate natural products that are only harvested once a year and may have limited supplies. If demand exceeds forecasts, we may have difficulties in obtaining additional supplies to meet the excess demand until the next growing season. If we are unable to successfully respond to such issues, our business could be harmed.

Product diversion to certain markets, including China, may have a negative impact on our business.

From time to time, we see our product being sold through online or other distribution channels in certain markets. Although we have taken steps to try to control this activity for products sold in China, this issue continues to be a significant challenge. Product diversion causes confusion regarding our distribution channels and negatively impacts our distributors' ability to retail our products. It also creates a negative impression regarding the viability of the business opportunity for our distributors and sales representatives, which can harm our ability to recruit new distributors and sales representatives. In addition, in some cases, product diversion schemes may also involve illegal importation, investment or other activities. If we are unable to effectively address this issue or if diversion increases, our business could be harmed.

Intellectual property rights are difficult to enforce in China.

Chinese commercial law is relatively undeveloped compared to most of our other major markets, and, as a result, we may have limited legal recourse in the event we encounter significant difficulties with patent or trademark infringement or theft of trade secrets. Limited protection of intellectual property is available under Chinese law, and the local manufacturing of our products may subject us to an increased risk that unauthorized parties may attempt to copy or otherwise obtain or use our product formulations. As a result, we cannot assure that we will be able to adequately protect our intellectual property and product formulations.

If our *Galvanic Spa System* or *Pharmanex BioPhotonic Scanner* are determined to be a medical device in a particular geographic market or if our distributors use it for medical purposes, our ability to continue to market and distribute such tools could be harmed.

One of our strategies is to market unique and innovative products and tools that allow our distributors to distinguish our products, including the *Galvanic Spa System* and the *Pharmanex BioPhotonic Scanner*. We do not believe these products are medical devices. However, we have faced regulatory inquiries in Japan, South Korea, Indonesia, Taiwan, Singapore, Thailand and the United States regarding our *Pharmanex BioPhotonic Scanner* and/or our *Galvanic Spa System.* While we have successfully worked with regulators to resolve these matters in some markets, we have not been able to market the *Galvanic Spa System* as a cosmetic device in Taiwan, Indonesia, Thailand and Colombia, due to similar regulatory restrictions that have required us to register the *Galvanic Spa System* as a medical device. There have also been legislative proposals in Singapore and Malaysia relating to the regulation of medical devices that could affect the way we market the *Galvanic Spa System* and the *Pharmanex BioPhotonic Scanner* in these countries. Any determination in additional markets that the *Galvanic Spa System* or the *Pharmanex BioPhotonic Scanner* are medical devices or that distributors are using them to make medical claims or perform medical diagnoses or other activities limited to licensed professionals or approved medical devices could negatively impact our ability to use these products in a market. Regulatory scrutiny of a product could also dampen distributor enthusiasm and hinder the ability of distributors to effectively utilize such product.

Where necessary, obtaining medical device registrations could require us to provide documentation concerning product manufacturing and clinical utility and to make design, specification and manufacturing process modifications to meet stringent standards imposed on medical device companies. We have registered, or are currently in the process of registering, the *Galvanic Spa System* as a medical device in Taiwan, Indonesia, Thailand and Colombia. Any difficulty, delay or inability to comply with regulatory requirements, including obtaining or maintaining any required registrations, in these markets may harm our business. In an effort to allow registration of the *Galvanic Spa System* in Taiwan and to update the registration in Indonesia, we are working with our vendor to obtain certification of its facilities for medical device manufacturing. There can be no assurance we will be able to provide the required medical device documentation, prove clinical utility in a manner sufficient to obtain medical device approval or make such changes promptly or in a manner that is satisfactory to regulatory authorities. If we obtain such medical device approval in order to sell a product in one market, such approval may be used as precedent to a claim that similar approval should be required in another market. Such additional requirements could negatively impact the cost associated with manufacturing the *Galvanic Spa System* and sale of the *Galvanic Spa System* as a non-medical device in those markets.

Changes to our distributor compensation arrangements could be viewed negatively by some distributors, could fail to achieve desired long-term results and have a negative impact on revenue.

Our distributor compensation plan includes some components that differ from market to market. We modify components of our compensation plan from time to time in an attempt to keep our compensation plan competitive and attractive to existing and potential distributors, to address changing market dynamics, to provide incentives to distributors that we believe will help grow our business, to conform to local regulations and to address other business needs. Because of the size of our distributor force and the complexity of our compensation plans, it is difficult to predict how such changes will be viewed by distributors and whether such changes will achieve their desired results. For example, certain changes we made to our compensation plan in 2005, which had been successful in several markets, did not achieve anticipated results in Japan, China and certain markets in Southeast Asia and negatively impacted our business.

Our ability to conduct business, particularly in international markets, may be affected by political, legal, tax and regulatory risks.

Our ability to capitalize on growth in new international markets and to maintain the current level of operations in our existing international markets is exposed to risks associated with our international operations, including:

- the possibility that a foreign government might ban or severely restrict our business method of direct selling, or that local civil unrest, political instability or changes in diplomatic or trade relationships might disrupt our operations in an international market;
- the lack of well-established or reliable legal systems in certain areas where we operate;
- the presence of high inflation in the economies of international markets in which we operate;
- the possibility that a government authority might impose legal, tax or other financial burdens on us or our distributors, due, for example, to the structure of our operations in various markets; and
- the possibility that a government authority might challenge the status of our distributors as independent contractors or impose employment or social taxes on our distributors.

Another risk associated with our international operations is the possibility that a foreign government may impose currency remittance restrictions. Due to the possibility of government restrictions on transfers of cash out of the country and control of exchange rates, we may not be able to immediately repatriate cash at the official exchange rate or if the official exchange rate devalues, it may have a material adverse effect on our business, results of operations and financial condition.

Our international operations may also expose us to the risk that we violate the Foreign Corrupt Practices Act ("FCPA") or related U.S. and foreign laws. Any determination that our operations or activities are not in compliance with existing laws or regulations could result in the imposition of substantial fines, civil and criminal penalties, equitable remedies, including disgorgement, injunctive relief and other sanctions against us or our personnel. In addition, other countries in which we do business may initiate their own investigations and impose similar sanctions. Should this be the case, there can be no assurance as to how the resulting consequences, if any, may impact our internal controls, business, reputation, results of operations or financial condition. One of our competitors has announced that it is investigating claims that its employees violated the FCPA in China and other markets. If this investigation causes adverse publicity or increased scrutiny of our industry, our business could be harmed.

We are also subject to the interpretation and enforcement by governmental agencies of other foreign laws, rules, regulations or policies, including any changes thereto, such as restrictions on trade, import and export license requirements, privacy and data protection laws, and tariffs and taxes, which may require us to adjust our operations in certain markets where we do business. In addition, we face legal and regulatory risks in the United States and, in particular, cannot predict with certainty the outcome of various contingencies or the impact that pending or future legislative and regulatory changes may have on our business in the future.

If we are unable to successfully expand and grow operations within developing markets, we may have difficulty achieving our long-term objectives.

A significant percentage of our revenue growth over the past decade has been attributable to our expansion into new markets. Our growth over the next several years depends in part on our ability to successfully introduce products and tools, and to successfully implement initiatives in developing markets that will help generate growth. In addition to the regulatory difficulties we may face in introducing our products and initiatives in these markets, we could face difficulties in achieving acceptance of our premium-priced products in developing markets. In the past, we have struggled to operate profitably in developing markets. We may experience similar difficulty in our current and future new markets. If we are unable to successfully expand our operations within these developing markets, our opportunities to grow our business may be limited, and, as a result, we may not be able to achieve our long-term objectives.

Adverse publicity concerning our business, marketing plan or products could harm our business and reputation.

The size of our distribution force and the results of our operations can be particularly impacted by adverse publicity regarding us, the nature of our distributor network, our products or the actions of our distributors. Specifically, we are susceptible to adverse publicity concerning:

- suspicions about the legality and ethics of network marketing;
- the safety or effectiveness of ingredients in our or our competitors' products;
- regulatory investigations of us, our competitors and our respective products;
- the actions of our current or former distributors; and
    - public perceptions of the direct selling industry or the nutritional or personal care industry generally.

For example, in 2010 we received a 60-day notice from a consumer group in California of its intent to file a citizen enforcement action under California Proposition 65, alleging that we failed to warn consumers of exposure to lead in four of our products. We are aware that a number of other nutritional companies have received similar notices and withdrawals from the same group. In 2010, we also received a letter from the California Attorney General, alleging that one of our products contained lead in excess of the level allowed under California Proposition 65. If one or more of these products is found to be in violation of California Proposition 65, we may be required to reformulate the product, label the product in compliance with California Proposition 65 or, at our election, discontinue selling the product in California. We may also be required to pay civil fines. Although we believe we are in compliance with the requirements of California Proposition 65, any negative media attention or other adverse publicity created by these allegations, or any new or additional allegations, could negatively impact consumer and distributor perceptions of our products and harm our business.

In addition, in the past we have experienced negative publicity that has harmed our business in connection with regulatory investigations and inquiries. Critics of our industry and other individuals who want to pursue an agenda, have in the past and may in the future utilize the internet, the press and other means to publish criticisms of the industry, our company and our competitors, or make allegations regarding our business and operations, or the business and operations of our competitors. We or others in our industry may receive similar negative publicity or allegations in the future, and it may harm our business and reputation.

Any failure of our internal controls over financial reporting or our compliance efforts could harm our financial and operating results or result in fines or penalties if our employees or distributors violate any material laws or regulations.

We have implemented internal controls to help ensure the accuracy of our financial reporting and have implemented compliance policies and programs to help ensure that our employees and distributors comply with applicable laws and regulations. Our internal audit team regularly audits our internal controls and various aspects of our business and we regularly assess the effectiveness of our internal controls. In addition, our independent external auditor audits our controls and provides its opinion regarding the effectiveness of our controls. There can be no assurance, however, that these internal or external assessments and audits will identify all significant or material weaknesses in our internal controls. If we fail to identify a material weakness or if we fail to correct any noted weakness there would be a risk that we may have to restate financial statements if the material weakness resulted in a material misstatement in our financial results.

From time to time, we initiate further investigations into our business operations based on the results of these audits or complaints, questions, or allegations made by employees or other parties regarding our business practices and operations. In addition, our business and operations may be investigated by applicable government authorities. In the event any of these investigations identify material violations of applicable laws by our employees or distributors, we could be subject to adverse publicity, fines, penalties or loss of licenses or permits.

Inability of new products and other initiatives to gain distributor and market acceptance could harm our business.

Our ability to retain key and executive level distributors or to sponsor new executive distributors is critical to our success. Because our products are distributed exclusively through our distributors and we compete with other direct selling companies in attracting distributors, our operating results could be adversely affected if our existing and new business opportunities and incentives, products and other initiatives do not generate sufficient enthusiasm and economic incentive to retain our existing distributors or to sponsor new distributors on a sustained basis. Factors that could affect our ability to continue to introduce new products include, among others, government regulations, the inability to attract and retain qualified research and development staff, the termination of third-party research and collaborative arrangements, proprietary protections of competitors that may limit our ability to offer comparable products and the difficulties in anticipating changes in consumer tastes and buying preferences. In addition, in our more mature markets, one of the challenges we face is keeping distributor leaders with established businesses and high income levels motivated and actively engaged in business building activities and in developing new distributor leaders. There can be no assurance that our initiatives will continue to generate excitement among our distributors in the long-term or that planned initiatives will be successful in maintaining distributor activity and productivity or in motivating distributor leaders to remain engaged in business building and developing new distributor leaders. Some initiatives may have unanticipated negative impacts on our distributors, particularly changes to our compensation plan. The introduction of a new product or key initiative can also negatively impact other product lines to the extent our distributor leaders focus their efforts on the new product or initiative. In addition, if any of our products fail to gain distributor acceptance, we could see an increase in returns.

The loss of key high-level distributors could negatively impact our distributor growth and our revenue.

As of December 31, 2010, we had a global network of approximately 800,000 active distributors. Approximately 36,000 of our distributors were executive distributors. Approximately 480 distributors occupied the highest distributor level under our global compensation plan as of that date. These distributors, together with their extensive networks of downline distributors, generate substantially all of our revenue. As a result, the loss of a high-level distributor or a group of leading distributors in the distributor's network of downline distributors, whether by their own choice or through disciplinary actions by us for violations of our policies and procedures, could negatively impact our distributor growth and our revenue.

We are currently involved in disputes regarding customs assessments in Japan and any adverse rulings in these matters could require us to take charges to our earnings.

We are currently involved in two separate disputes with the customs authorities in Japan with respect to duty assessments on several of our Pharmanex nutritional products totaling approximately 5.3 billion Japanese yen as of December 31, 2010 (approximately $65.3 million), net of any recovery of consumption taxes. We also recently were notified that we are likely to receive an additional assessment of 0.6 billion Japanese yen (approximately $7.7 million) related to the second dispute.

The first dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2002 through July 2005. The aggregate amount of these additional assessments is 2.7 billion Japanese yen (approximately $33.2 million as of December 31, 2010), net of any recovery of consumption taxes. The final hearing on this matter was held on February 1, 2011 and the court indicated it would issue a decision on this case on March 25, 2011. Either party has the right to appeal this decision. If we receive an adverse decision in this case, we may be required to record an expense for the full amount of the disputed assessments, or $33.2 million.

The second dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through November 2008 in connection with an audit in 2009, as well as the disputed portion of our current import duty rate we have been required to pay or hold in bond, and have paid under protest, since October of 2009. The aggregate amount of these additional assessments and disputed duties is 2.6 billion Japanese yen as of December 31, 2010 (approximately $32.1 million), net of any recovery of consumption taxes. We were also recently notified that we are likely to be assessed an additional 0.6 billion Japanese yen as of December 31, 2010 (approximately $7.7 million), net of any recovery of consumption taxes based on an audit of the period of November 2008 through September 2009. With this assessment, we have been required to pay or hold in bond amounts for all periods from October 2006 to present and we believe that additional assessments related to any prior period would be barred by applicable statutes of limitations. To the extent that we are unsuccessful in recovering the amounts assessed and paid or held in bond, we will likely be required to record an expense for the full amount of the disputed assessments, or $32.1 million as of December 31, 2010.

Government authorities may question our tax positions or transfer pricing policies or change their laws in a manner that could increase our effective tax rate or otherwise harm our business.

As a U.S. company doing business in international markets through subsidiaries, we are subject to various tax and intercompany pricing laws, including those relating to the flow of funds between our company and our subsidiaries. From time to time, we are audited by tax regulators in the United States and in our foreign markets. If regulators challenge our tax positions, corporate structure, transfer pricing mechanisms or intercompany transfers, we may be subject to fines and payment of back taxes, our effective tax rate may increase and our operations may be harmed. Tax rates vary from country to country, and, if regulators determine that our profits in one jurisdiction may need to be increased, we may not be able to fully utilize all foreign tax credits that are generated, which will increase our effective tax rate. For example, our corporate income tax rate in the United States is 35%. If our profitability in a higher tax jurisdiction, such as Japan where the corporate tax rate is currently set at 45%, increases disproportionately to the rest of our business, our effective tax rate may increase. The various customs, exchange control and transfer pricing laws are continually changing and are subject to the interpretation of government agencies. Despite our efforts to be aware of and comply with such laws and changes to and interpretations thereof, there is a risk that we may not continue to operate in compliance with such laws. We may need to adjust our operating procedures in response to such changes, and as a result, our business may suffer.

In addition, due to the international nature of our business, we are subject from time to time to reviews and audits by the foreign taxing authorities of other jurisdictions in which we conduct business throughout the world.

We may be held responsible for certain taxes or assessments relating to the activities of our distributors, which could harm our financial condition and operating results.

Our distributors are subject to taxation, and in some instances, legislation or governmental agencies impose an obligation on us to collect taxes, such as value added taxes, and to maintain appropriate records. In addition, we are subject to the risk in some jurisdictions of being responsible for social security and similar taxes with respect to our distributors. In the event that local laws and regulations or the interpretation of local laws and regulations change to require us to treat our independent distributors as employees, or that our distributors are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors under existing laws and interpretations, we may be held responsible for social security and related taxes in those jurisdictions, plus any related assessments and penalties, which could harm our financial condition and operating results. If our distributors were deemed to be employees rather than independent contractors, we would also face the threat of increased vicarious liability for their actions.

Production difficulties and quality control problems could harm our business.

Production difficulties and quality control problems and our reliance on third party suppliers to deliver quality products in a timely manner could harm our business. Occasionally, we have experienced production difficulties with respect to our products, including the import or export of ingredients and delivery of products that do not meet our specifications and quality control standards. These quality problems have resulted in the past, and could result in the future, in stock outages or shortages in our markets with respect to such products, harming our sales and creating inventory write-offs for unusable products.

Beginning with the 2009 launch of our *ageLOC Transformation* skin care system, we have launched new products globally on a condensed schedule, which has increased pressure on our supply chain. If we are not able to accurately forecast sales levels on a market by market basis, or are unable to produce a sufficient supply to meet such demand globally, we may incur higher expedited shipping costs and we may experience stockouts, which could negatively impact the enthusiasm of our distributors. However, if we over forecast demand for a global product launch, we could incur increased write-offs.

The loss of or a disruption in our manufacturing and distribution operations could adversely affect our business.

As of December 31, 2010, our principal properties consist of distribution centers where offices are located and where finished merchandise is packed and shipped to distributors in fulfillment of their orders, our worldwide headquarters, three research and development facilities and 40 retail stores and manufacturing facilities in mainland China. Additionally, we also use third party manufacturers to manufacture certain of our products. As a company engaged in manufacturing, distribution and research and development on a global scale, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, fires, strikes and other labor or industrial disputes, disruptions in logistics or information systems, loss or impairment of key manufacturing or distribution sites, product quality control, safety, licensing requirements and other regulatory or government issues, as well as natural disasters, pandemics, border disputes, acts of terrorism and other external factors over which we have no control. These risks may be exacerbated by our efforts to increase facility consolidation covering our manufacturing, distribution and supply footprints or if we are unable to successfully enhance our disaster recovery planning. The loss of, or damage to, any of our facilities or centers, or that of our third party manufacturers could have a material adverse effect on our business, results of operations and financial condition.

Disruptions to transportation channels that we use to distribute our products to international warehouses may adversely affect our margins and profitability in those markets.

We may experience disruptions to the transportation channels used to distribute our products, including increased airport and shipping port congestion, a lack of transportation capacity, increased fuel expenses, and a shortage of manpower. Disruptions in our container shipments may result in increased costs, including the additional use of airfreight to meet demand. Although we have not recently experienced significant shipping disruptions, we continue to watch for signs of upcoming congestion. Congestion to ports can affect previously negotiated contracts with shipping companies, resulting in unexpected increases in shipping costs and reduction in our net sales.

We depend on our key personnel, and the loss of the services provided by any of our executive officers or other key employees could harm our business and results of operations.

Our success depends to a significant degree upon the continued contributions of our senior management, many of whom would be difficult to replace. In addition, expatriates serve in key management positions in several of our foreign markets, including Japan and China. These employees may voluntarily terminate their employment with us at any time. We may not be able to successfully retain existing personnel or identify, hire and integrate new personnel. We do not carry key person insurance for any of our personnel. Although we have signed offer letters or written agreements summarizing the compensation terms for some of our senior executives, we have generally not entered into formal employment agreements with our executive officers. If we lose the services of our executive officers or key employees for any reason, our business, financial condition and results of operations could be harmed.

Our markets are intensely competitive, and market conditions and the strengths of competitors may harm our business.

The markets for our products are intensely competitive. Our results of operations may be harmed by market conditions and competition in the future. Many competitors have much greater name recognition and financial resources than we have, which may give them a competitive advantage. For example, our Nu Skin products compete directly with branded, premium retail products. We also compete with other direct selling organizations. Some of the leading direct selling companies in our existing markets are Herbalife, Mary Kay, Oriflame, Melaleuca, Avon and Amway. Because of regulatory restrictions concerning claims about the efficacy of personal care products and dietary supplements, we may have difficulty differentiating our products from our competitors' products, and competing products entering the personal care and nutritional market could harm our revenue.

We also compete with other network marketing companies for distributors. Some of these competitors have a longer operating history and greater visibility, name recognition and financial resources than we do. Some of our competitors have also adopted and could continue to adopt some of our successful business strategies, including our global compensation plan for distributors. Consequently, to successfully compete in this market and attract and retain distributors, we must ensure that our business opportunities and compensation plans are financially rewarding. We are beginning our 27th year in this industry and believe we have significant competitive advantages, but we cannot assure you that we will be able to successfully compete in every endeavor in this market.

Any future acquisitions may expose us to additional risks.

From time to time we review acquisition prospects that would complement our current product offerings, increase the size and geographic scope of our operations or otherwise offer growth and operating efficiency opportunities. The financing for any of these acquisitions could dilute the interests of our stockholders, result in an increase in our indebtedness or both. Acquisitions may entail numerous risks, including:

- difficulties in assimilating acquired operations or products, including the loss of key employees from acquired businesses and disruption to our direct selling channel;
- diversion of management's attention from our core business;
- adverse effects on existing business relationships with suppliers and customers; and
- risks of entering markets in which we have limited or no prior experience.

Our failure to successfully complete the integration of any acquired business could have a material adverse effect on our business, financial condition and operating results. In addition, there can be no assurance that we will be able to identify suitable acquisition candidates or consummate acquisitions on favorable terms.

Product liability claims could harm our business.

We may be required to pay for losses or injuries purportedly or actually caused by our products. Although historically we have had a very limited number and relatively low financial exposure from product claims, we have experienced difficulty in finding insurers that are willing to provide product liability coverage at reasonable rates due to insurance industry trends and the rising cost of insurance generally. As a result, we have elected to self-insure our product liability risks for our product lines. Until we elect and are able at reasonable rates to obtain product liability insurance, if any of our products are found to cause any injury or damage, we will be subject to the full amount of liability associated with any injuries or damages. This liability could be substantial and may exceed our reserves. We cannot predict if and when product liability insurance will be available to us on reasonable terms.

We are involved, and may become involved in the future, in legal proceedings that, if adversely adjudicated or settled, could adversely affect our financial results.

We are and may in the future become party to litigation. In general, litigation claims can be expensive and time consuming to bring or defend against and could result in settlements or damages that could significantly affect financial results. We are currently vigorously contesting certain of these litigation claims. However, it is not possible to predict the final resolution of the litigation to which we currently are or may in the future become party to, and the impact of certain of these matters on our business, results of operations and financial condition could be material.

Our intellectual property may infringe on the rights of others, resulting in costly litigation. In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. In particular, there has been an increase in the filing of suits alleging infringement of intellectual property rights, which pressure defendants into entering settlement arrangements quickly to dispose of such suits, regardless of their merit. Other companies or individuals may allege that we, our customers, licensees or other parties indemnified by us infringe on their intellectual property rights. Even if we believe that such claims are without merit, defending such intellectual property litigation can be costly, distract management's attention and resources, and the outcome is inherently uncertain. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our products. Any of these results may adversely affect our financial condition.

If we are unable to protect our intellectual property rights, our ability to compete could be negatively impacted.

The market for our products depends to a significant extent upon the value associated with our product innovations and our brand equity. We rely upon patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and non-disclosure, confidentiality and other types of agreements with our employees, customers, suppliers and other parties, to establish, maintain and enforce our intellectual property rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property rights may not be sufficient to permit us to provide competitive advantages, which could result in costly product redesign efforts, discontinuance of certain product offerings or other competitive harm. In addition, the laws of certain foreign countries, including many emerging markets, may not protect our intellectual property rights to the same extent as the laws of the United States. The costs required to protect our patents and trademarks may be substantial. We have filed patent applications to protect our intellectual property rights in our new technologies, however, there can be no assurance that our patent applications will be approved, that any patents issued will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Moreover, many of our products rely on technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms.

In order to protect or enforce and protect our intellectual property rights, we may initiate litigation against third parties, such as patent infringement suits or interference proceedings. Any lawsuits that we initiate could be expensive, take significant time and divert management's attention from other business concerns. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially valuable. The occurrence of any of these events may adversely affect our financial condition.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our products could be adversely affected.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how. Despite these measures, any of our intellectual property rights could, however, be challenged, invalidated, circumvented or misappropriated. We generally seek to protect this information by confidentiality, non-disclosure and assignment of invention agreements with our employees, consultants, scientific advisors and third parties. Our employees may leave to work for competitors. These agreements may be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may be disclosed to or otherwise become known or be independently developed by competitors. To the extent that our current or former employees, consultants or contractors 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. If, for any of the above reasons, our intellectual property is disclosed or misappropriated, it would harm our ability to protect our rights and adversely affect our financial condition.

We may be subject to claims that our employees or we have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of former employers of our employees.

We employ individuals who were previously employed at other personal care product or nutritional supplement companies, including our competitors or potential competitors. To the extent that our employees are involved in research areas that are similar to those in which they were involved with their former employers, we may be subject to claims that such employees have inadvertently or otherwise used or disclosed the alleged trade secrets or other proprietary information of the former employers. Litigation may be necessary to defend against such claims.

System failures could harm our business.

Because of our diverse geographic operations and our complex distributor compensation plan, our business is highly dependent on efficiently functioning information technology systems. These systems and operations are vulnerable to damage or interruption from fires, earthquakes, telecommunications failures and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. We have adopted and implemented a Business Continuity/Disaster Recovery Plan. Our primary data sets are archived and stored at third-party secure sites. We have set up a recovery site for certain critical data and operations related to our distributors and we are currently setting up a recovery site for certain other critical data and operations. Despite these precautions, the occurrence of a natural disaster or other unanticipated problems could result in interruptions in services and reduce our revenue and profits.

Epidemics and other global health risks could negatively impact our business.

Our revenue was negatively impacted in 2003 by the SARS epidemic that hit Asia during that year. It is difficult to predict the impact on our business, if any, of a recurrence of SARS, or the emergence of new epidemics, such as avian flu or H1N1 flu. Although such events could generate increased sales of health and immune supplements and certain personal care products, our direct selling and retail activities and results of operations could be harmed if the fear of any communicable and rapidly spreading disease results in travel restrictions or causes people to avoid group meetings or gatherings or interaction with other people. In addition, most of our Pharmanex nutritional supplement revenue is generated from products that are encapsulated in bovine- and/or porcine-sourced gel capsules. If we experience production difficulties, quality control problems, or shortages in supply in connection with bovine or porcine related health concerns, this could result in additional risk of product shortages or write-offs of inventory that no longer can be used. We may be unable to introduce our products in some markets if we are unable to obtain the necessary regulatory approvals or if any product ingredients are prohibited, which could harm our business.

The market price of our Class A common stock is subject to significant fluctuations due to a number of factors that are beyond our control.

Our Class A common stock closed at $9.64 per share on February 2, 2009 and closed at $31.21 per share on February 1, 2011. During this two-year period, our Class A common stock traded as low as $7.90 per share and as high as $33.99 per share. Many factors could cause the market price of our Class A common stock to fall. Some of these factors include:

- fluctuations in our quarterly operating results;

- the sale of shares of Class A common stock by our original or significant stockholders;
- general trends in the market for our products;
- acquisitions by us or our competitors;
  - economic and/or currency exchange issues in markets in which we operate;
  - changes in estimates of our operating performance or changes in recommendations by securities analysts; and
- general business and political conditions.

Broad market fluctuations could also lower the market price of our Class A common stock regardless of our actual operating performance.

If our stockholders sell a substantial number of shares of our Class A common stock in the public market, the market price of our Class A common stock could fall.

Several of our principal stockholders hold a large number of shares of the outstanding Class A common stock. Some of the original stockholders have actively sold shares during the last year. Additional sales by these stockholders or a decision by any of the other principal stockholders to aggressively sell shares could depress the market price of our Class A common stock. As of December 31, 2010, we had approximately 62.1 million shares of Class A common stock outstanding.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal properties consist of the following:

Operational Facilities. These facilities include administrative offices, walk-in centers, and warehouse/distribution centers. Our operational facilities measuring 30,000 square feet or more include the following:

- our worldwide headquarters in Provo, Utah;
- our worldwide distribution center/warehouse in Provo, Utah; and
- our distribution center in Tokyo, Japan.

Manufacturing Facilities. Each of our manufacturing facilities measure 30,000 square feet or more, and include the following:

- our nutritional supplement manufacturing facility in Zhejiang Province, China;

- our personal care manufacturing facility in Shanghai, China;
- our Vitameal manufacturing facility in Jixi, Heilongjiang Province;
- our herbal extraction facility in Zhejiang Province.

Retail Stores. As of December 31, 2010, we operated 40 stores throughout China.

Research and Development Centers. We operate three research and development centers, one in Provo, Utah, one in Shanghai, China, and one in Beijing, China. We are currently in the design phase of building a state-of-the-art innovation center adjacent to our corporate headquarters. We believe this facility will cost approximately $85 million and will take roughly two years to complete.

We own our corporate headquarters buildings, distribution center and research and development center located in Provo, Utah. We also own our nutritional supplement plant in China, and a few other minor facilities. We currently lease the other properties described above. We believe that our existing and planned facilities are adequate for our current operations in each of our existing markets.

ITEM 3. LEGAL PROCEEDINGS

Due to the international nature of our business, we are subject from time to time to reviews and audits by the foreign taxing authorities of the various jurisdictions in which we conduct business throughout the world. We are currently involved in two separate disputes with the customs authorities in Japan with respect to duty assessments on several of our Pharmanex nutritional products totaling approximately 5.3 billion Japanese yen as of December 31, 2010 (approximately $65.3 million), net of any recovery of consumption taxes. We also recently were notified that we are likely to receive an additional assessment of 0.6 billion Japanese yen (approximately $7.7 million) related to the second dispute.

The first dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2002 through July 2005. The aggregate amount of these additional assessments is 2.7 billion Japanese yen (approximately $33.2 million as of December 31, 2010), net of any recovery of consumption taxes. The dispute relates to whether we used the proper valuation method for these products in determining the applicable customs duties. The primary legal issue in the case is whether the relevant import transaction is a sale between our third party manufacturers and our Japan subsidiary, or a sale between our US subsidiary and our Japan subsidiary. In 1999, we worked with the Yokohama Customs authorities to restructure the form of the relevant transactions in order to have the import transaction be a sale between our third party manufacturers and our Japan subsidiary, and thus have the duties assessed on the price paid to our third party manufacturers. With the input and guidance of the Yokohama Customs authorities, we restructured the form of the transaction and the agreements between the relevant parties based on these discussions so that our US subsidiary would be acting on behalf of our Japan subsidiary with respect to the purchase of these products rather than as a buyer/seller. Our Japan subsidiary entered into a Memorandum of Understanding with each of our third party manufacturers of the relevant products, which provided that our Japan subsidiary was the purchaser of the products and that our US subsidiary was acting for and on behalf of our Japan subsidiary with respect to these products. Our Japan subsidiary also entered into a Memorandum of Understanding with our US subsidiary documenting the same agency relationship. We believe that these legal documents establish that our US subsidiary was acting as an agent and not buyer and seller of the relevant products. The additional assessment of duties by Yokohama Customs was based on its re-characterization of the transaction as a sale between our US subsidiary and our Japan subsidiary for custom law purposes despite the legal form of the transaction. We do not believe the legal documentation supports the re-characterization of these transactions. Yokohama Customs has raised several issues to support its re-characterization, including the fact that we have treated the relevant transaction as a sale between our US subsidiary and Japan subsidiary for income tax purposes. However, we believe that the relevant income tax and transfer pricing rules and regulations apply different standards and are not relevant to the customs issue. Because we believe that the legal documentation for these transactions support our position, we filed a complaint in the Tokyo District Court Civil Action Section in December 2006 to have the Ministry of Finance's affirmation of the additional assessments reversed. The final hearing on this matter was held on February 1, 2011 and the court indicated it would issue a decision on this case on March 25, 2011. Either party has the right to appeal this decision. If we receive an adverse decision in this case, we may be required to record an expense for the full amount of the disputed assessments, or $33.2 million.

The second dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through November 2008 in connection with an audit in 2009, as well as the disputed portion of our current import duty rate we have been required to pay or hold in bond, and have paid under protest, since October of 2009. The aggregate amount of these additional assessments and disputed duties is 2.6 billion Japanese yen as of December 31, 2010 (approximately $32.1 million), net of any recovery of consumption taxes. We were also recently notified that we are likely to be assessed an additional 0.6 billion Japanese yen (approximately $7.7 million), net of any recovery of consumption taxes based on an audit of the period of November 2008 through September 2009. With this assessment, we have been required to pay or hold in bond amounts for all periods from October 2006 to present and we believe that additional assessments related to any prior period would be barred by applicable statutes of limitations. In July 2005, we changed our operating structure in Japan and believed that these changes would eliminate further valuation disputes with Yokohama Customs as the new structure eliminated the issues that were the basis of the litigation in the first dispute (i.e., whether our US subsidiary was acting as an agent for our Japan subsidiary or was acting as the seller). However, in October 2009 we received notice from Yokohama Customs authorities that they were assessing additional duties, penalties and interest for the period of October 2006 through November 2008 based on their view that we were not utilizing the proper valuation method. The basis for such additional assessment is different from the issues that are being litigated in the first dispute. The issue in this second case is whether a US entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that the additional assessments are improper and are not supported by applicable customs laws. We filed letters of protest with Yokohama Customs, which were rejected. We have appealed the matter to the Ministry of Finance in Japan. In addition, we are currently being required to post a bond or make a deposit equal to the difference between our declared duties and the amount the customs authorities have determined we should be paying on all current imports. Because we believe that the higher rate determined by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets in our consolidated financial statements. To the extent that we are unsuccessful in recovering the amounts assessed and paid or held in bond, we will likely be required to record an expense for the full amount of the disputed assessments, or $32.1 million as of December 31, 2010.

ITEM 4. [REMOVED AND RESERVED]

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "NUS." The following table is based upon the information available to us and sets forth the range of the high and low sales prices for our Class A common stock for the quarterly periods during 2009 and 2010 based upon quotations on the NYSE.

Quarter Ended	High	Low
March 31, 2009	$ 11.56	$ 7.90
June 30, 2009	15.70	10.05
September 30, 2009	18.80	14.69
December 31, 2009	28.78	18.23

Quarter Ended	High	Low
March 31, 2010	$ 30.23	$ 22.86
June 30, 2010	33.99	23.12
September 30, 2010	29.87	23.55
December 31, 2010	32.72	28.24

The market price of our Class A common stock is subject to significant fluctuations in response to variations in our quarterly operating results, general trends in the market for our products and product candidates, economic and currency exchange issues in the foreign markets in which we operate and other factors, many of which are not within our control. In addition, broad market fluctuations, as well as general economic, business, regulatory and political conditions may adversely affect the market for our Class A common stock, regardless of our actual or projected performance.

The closing price of our Class A common stock on February 1, 2011, was $31.21. The approximate number of holders of record of our Class A common stock as of February 1, 2011 was 626. This number of holders of record does not represent the actual number of beneficial owners of shares of our Class A common stock because shares are frequently held in "street name" by securities dealers and others for the benefit of individual owners who have the right to vote their shares.

Dividends

We declared and paid a $0.115 per share dividend for Class A common stock in March, June, September and December of 2009, and a $0.125 per share quarterly dividend for Class A common stock in March, June, September and December of 2010. The board of directors has approved an increased quarterly cash dividend of $0.135 per share of Class A common stock to be paid on March 16, 2011, to stockholders of record on February 25, 2011. Annually, this would increase the dividend to $0.54 from $0.50 in the prior year. Management believes that cash flows from operations will be sufficient to fund this and future dividend payments, if any.

We expect to continue to pay dividends on our common stock. However, the declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our board of directors.

Purchases of Equity Securities by the Issuer

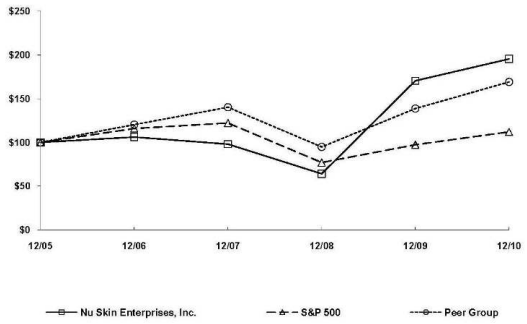
Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs (in millions)(1)
October 1 – 31, 2010	12,649	$ 29.21	10,500	$ 160.8
November 1 – 30, 2010	105,000	30.80	105,000	157.6
December 1 – 31, 2010	157,446	31.29	146,000	153.6
Total	275,095(2)	31.01	261,500	

(1) In August 1998, our board of directors approved a plan to repurchase $10.0 million of our Class A common stock on the open market or in private transactions. Our board has from time to time increased the amount authorized under the plan, including a $150.0 million increase in June 2010, and a total amount of approximately $485.0 million is currently authorized. As of December 31, 2010, we had repurchased approximately $331.4 million of shares under the plan. There has been no termination or expiration of the plan since the initial date of approval.

(2) We have authorized the repurchase of shares acquired by our employees and distributors in certain foreign markets because of regulatory and other issues that make it difficult or costly for these persons to sell such shares in the open market. These shares were awarded or acquired in connection with our initial public offering in 1996. Of the shares listed in this column, 2,149 shares in October at an average price per share of $31.79 and 11,446 shares in December at an average price per share of $31.61, relate to repurchases from such employees and distributors.

Stock Performance Graph

Set forth below is a line graph comparing the cumulative total stockholder return (stock price appreciation plus dividends) on the Class A Common Stock with the cumulative total return of the S&P 500 Index, a market-weighted index of publicly traded peers ("Peer Group") for the period from December 31, 2005 through December 31, 2010. The graph assumes that $100 is invested in each of the Class A Common Stock, the S&P 500 Index, and each of the indexes of publicly traded peers on December 31, 2005 and that all dividends were reinvested. The Peer Group consists of all of the following companies, which compete in our industry and product categories: Avon Products, Inc., Estee Lauder, Tupperware Corporation, Herbalife LTD., USANA Health Sciences, Inc. and Alberto Culver Co.



Measured Period	Company	S&P 500 Index	Peer Group Index
December 31, 2005	100.00	100.00	100.00
December 31, 2006	106.04	115.80	120.23
December 31, 2007	98.02	122.16	140.08
December 31, 2008	64.16	76.96	94.79
December 31, 2009	170.40	97.33	138.61
December 31, 2010	195.34	111.99	169.10

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data as of and for the years ended December 31, 2006, 2007, 2008, 2009 and 2010 have been derived from the audited consolidated financial statements.

	Year Ended December 31,				
	2006	2007	2008	2009	2010
	(U.S. dollars in thousands, except per share data and cash dividends)				
Income Statement Data:					
Revenue	$ 1,115,409	$ 1,157,667	$ 1,247,646	$ 1,331,058	$ 1,537,259
Cost of sales	195,203	209,283	228,597	243,648	272,431
Gross profit	920,206	948,384	1,019,049	1,087,410	1,264,828
Operating expenses:					
Selling expenses	482,931	499,095	533,151	559,605	646,348
General and administrative expenses	350,617	358,601	360,470	369,368	401,418
Restructuring charges	11,115	19,775	•	10,724	•
Impairment of assets and other	20,840	•	•	•	•
Total operating expenses	865,503	877,471	893,621	939,697	1,047,766
Operating income	54,703	70,913	125,428	147,713	217,062
Other income (expense), net	(2,027)	(2,435)	(24,775)	(6,589)	(9,449)
Income before provision for income taxes	52,676	68,478	100,653	141,124	207,613
Provision for income taxes	19,859	24,606	35,306	51,279	71,562
Net income	$ 32,817	$ 43,872	$ 65,347	$ 89,845	$ 136,051
Net income per share:					
Basic	$ 0.47	$ 0.68	$ 1.03	$ 1.42	$ 2.18
Diluted	$ 0.47	$ 0.67	$ 1.02	$ 1.40	$ 2.11
Weighted-average common shares outstanding (000s):					
Basic	69,418	64,783	63,510	63,333	62,370
Diluted	70,506	65,584	64,132	64,296	64,547
Balance Sheet Data (at end of period)**:**					
Cash and cash equivalents and current investments	$ 121,353	$ 92,552	$ 114,586	$ 158,045	$ 230,337
Working capital	109,418	95,175	124,036	152,731	206,078
Total assets	664,849	683,243	709,772	748,449	892,224
Current portion of long-term debt	26,652	31,441	30,196	35,400	27,865
Long-term debt	136,173	169,229	158,760	121,119	133,013
Stockholders' equity	318,980	275,009	316,180	375,687	471,249
Cash dividends declared	0.40	0.42	0.44	0.46	0.50
Supplemental Operating Data (at end of period)**:**					
Approximate number of active distributors(1)	761,000	755,000	761,000	761,000	799,000
Number of executive distributors(1)	29,756	30,002	30,588	32,939	35,676

(1) Active distributors include preferred customers and distributors purchasing products directly from us during the three months ended as of the date indicated. An executive distributor is an active distributor who has achieved required personal and group sales volumes.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operation should be read in conjunction with the Consolidated Financial Statements and related Notes thereto, which are included in this Annual Report on Form 10-K.

Overview

We are a leading, global direct selling company with operations in over 51 markets worldwide. We develop and distribute innovative, premium-quality anti-aging personal care products and nutritional supplements under our Nu Skin and Pharmanex brands, respectively. We strive to secure competitive advantage in four key areas: our people, our products, the culture we promote, and the business opportunities we offer. In 2010, we posted record revenue of $1.5 billion. Revenue in 2010 grew 15% based on the success of strong product launches and distributor initiatives. As of December 31, 2010, we had a global network of approximately 800,000 active independent distributors. Approximately 36,000 of our distributors were qualified sales leaders we refer to as "executive distributors." Our executive distributors play a critical leadership role in the growth and development of our business. Approximately 86% of our 2010 revenue came from markets outside the United States. While we have become more geographically diverse over the past decade, Japan, our largest revenue market, accounted for approximately 31% of our 2010 total revenue. Due to the size of our foreign operations, our results are often impacted by foreign currency fluctuations, particularly fluctuations in the Japanese yen. In addition, our results are generally impacted by global economic, political, demographic and business conditions.

Our revenue depends on the number and productivity of our active distributors and executive distributor leaders. We have been successful in attracting and motivating distributors by:

- developing and marketing innovative, technologically and scientifically advanced products;
- providing compelling initiatives and strong distributor support; and
- offering attractive incentives that motivate distributors to build sales organizations.

Our distributors market and sell our products and recruit new distributors based on the distinguishing benefits and innovative characteristics of our products. As a result, it is vital to our business that we continuously leverage our research and development resources to develop and introduce innovative products and provide our distributors with an attractive portfolio of products. Over the last two years, we have successfully introduced a suite of innovative ageLOC anti-aging products including the *ageLOC Transformation* daily skin care system, *ageLOC Edition Galvanic Spa System II* and *ageLOC Vitality* nutritional supplement, and we are currently developing additional ageLOC anti-aging products for the future. These products are designed to positively influence the expression of genes that we believe play a critical role in the aging process. We also offer unique initiatives, products, and business tools, such as our *Galvanic Spa System* and *Pharmanex BioPhotonic Scanner*, to help distributors effectively differentiate our earnings opportunity and product offering. Any delays or difficulties in introducing compelling products or attractive initiatives or tools into our markets may have a negative impact on our revenue and distributor recruiting.

We have developed a global distributor compensation plan and other incentives designed to motivate our distributors to market and sell our products and to build sales organizations around the world and across product lines. In 2008 and 2009, we implemented modifications to our compensation plan to improve commission payments early in the distributor lifecycle. The results from these modifications have been positive. We continue to evaluate further changes to our compensation plan to help increase distributor productivity and earnings potential. However, there are always risks associated with making changes to our compensation plan as there is a degree of uncertainty as to how distributors will react to such changes and whether such changes will impact distributor activity in unanticipated ways.

With the launch of *ageLOC Transformation,* we implemented a product launch process that has been refined in our South Korea market that has contributed to our growth in revenue in 2010. This process generally involves introducing the product in a market through an initial limited offering that is often tied to a distributor event. The limited offering typically generates significant distributor activity and a high level of distributor purchasing. This generally results in a higher than normal increase in revenue during the quarter of the limited offering. We typically launch the product for general sales a few months following the limited offering. Information regarding product launches below refers to the launch of the product for general sales and not to the limited offering used to introduce the product. Reference to introduction of a product refers to the limited offering.

Our extensive global distributor network helps us to rapidly introduce products and penetrate our markets with little up-front promotional expense. Similar to other companies in our industry, we experience a high level of turnover among our distributors. As a result, it is important that we regularly introduce innovative and compelling products and initiatives in order to maintain a compelling business opportunity that will attract new distributors. We have also developed, and continue to promote in many of our markets, product subscription and loyalty programs that provide incentives for customers to commit to purchase a specific amount of products on a monthly basis. We believe these subscription programs have improved customer retention, have had a stabilizing impact on revenue, and have helped generate recurring sales for our distributors. Subscription orders represented 54% of our revenue in 2010.

Global economic conditions continue to be challenging in many of our markets. Although the economy appears to be recovering, it is not possible for us to predict the extent and timing of any improvement in global economic conditions. Despite difficult economic conditions, we experienced healthy growth in 2010. We believe we have benefited from the nature of our distribution model and strong execution around a demonstrative product/opportunity initiative, which has helped offset to some degree the impact of weaker consumer spending. As a direct selling company, we offer a direct selling opportunity that allows an individual to supplement his/her income by selling our products and building a sales organization to market and sell our products. As the economy and the labor market decline, we find that there can be an increase in the number of people interested in becoming distributors in order to supplement their income. We believe that this increase in interest in our direct selling opportunity coupled with the strong marketing position of our new ageLOC anti-aging products and our other products and tools have helped us to continue growing our business in these difficult economic conditions. However, if the economic problems are prolonged or worsen, we expect that we could see a negative impact on our business as distributors may have a more difficult time selling products and finding new customers.

Our business is subject to various laws and regulations globally, particularly with respect to network marketing activities, cosmetics, and nutritional supplements. Accordingly, we face certain risks, including any improper claims or activities of our distributors or any inability to obtain or maintain necessary product registrations. For example, we continue to experience heightened regulatory and media scrutiny of the direct selling industry in Japan. Several direct sellers in Japan have been penalized for actions of distributors that violated applicable regulations. We could face similar penalties if we are unable to effectively manage the activities of our distributors.

Income Statement Presentation

We recognize revenue in five geographic regions and we translate revenue from each market's local currency into U.S. dollars using weighted-average exchange rates. The following table sets forth revenue information by region for the periods indicated. This table should be reviewed in connection with the tables presented under "Results of Operations," which disclose selling expenses and other costs associated with generating the aggregate revenue presented.

Revenue by Region

	Year Ended December 31,					
(U.S. dollars in millions)	**2008**		**2009**		**2010**	
North Asia	$ 594.5	48%	$ 606.1	45%	$ 686.1	45%
Greater China	210.0	17	210.4	16	268.2	17
Americas	223.9	18	260.9	20	250.0	16
South Asia/Pacific	107.6	8	120.1	9	182.8	12
Europe	111.6	9	133.6	10	150.2	10
	$1,247.6	100%	$1,331.1	100%	$1,537.3	100%

Cost of sales primarily consists of:

- cost of products purchased from third-party vendors, generally in U.S. dollars;
- costs of self-manufactured products;
- cost of sales materials which we sell to distributors at or near cost;
- amortization expenses associated with certain products and services such as the *Pharmanex BioPhotonic Scanners* that are leased to distributors;
- freight cost of shipping products to distributors and import duties for the products; and
- royalties and related expenses for licensed technologies.

We source the majority of our products from third-party manufacturers located in the United States. Due to Chinese government restrictions on the importation of finished goods applicable to the current scope of our business in China, we are required to manufacture the bulk of our own products for distribution in China. Cost of sales and gross profit may fluctuate as a result of changes in the ratio between self-manufactured products and products sourced from third-party suppliers. In addition, because we purchase a significant majority of our goods in U.S. dollars and recognize revenue in local currencies, we are subject to exchange rate risks in our gross margins. Because our gross margins vary from product to product and are higher in some markets such as Japan, changes in product mix and geographic revenue mix can impact our gross margins.

Selling expenses are our most significant expense and are classified as operating expenses. Selling expenses include distributor commissions, costs for incentive trips and other rewards, as well as wages, benefits, bonuses and other labor and unemployment expenses we pay to sales employees in China. Our global compensation plan, which we employ in all of our markets except China, is an important factor in our ability to attract and retain distributors. We pay monthly commissions to several levels of distributors on each product sale based upon a distributor's personal and group product volumes, as well as the group product volumes of up to six levels of executive distributors in such distributor's downline sales organization. We do not pay commissions on sales materials, which are sold to distributors at or near cost. Small fluctuations occur in the amount of commissions paid as the network of distributors actively purchasing products changes from month to month. However, due to the size of our distributor force of approximately 800,000 active distributors, the fluctuation in the overall payout is relatively small. The overall payout has typically averaged between 41% and 44% of global product sales. From time to time, we make modifications and enhancements to our global compensation plan in an effort to help motivate distributors and develop leadership characteristics, which can have an impact on selling expenses.

Distributors also have the opportunity to make retail profits by purchasing products from us at wholesale and selling them to customers with a retail mark-up. We do not account for nor pay additional commissions on these retail mark-ups received by distributors. In many markets, we also allow individuals who are not distributors, whom we refer to as "preferred customers," to buy products directly from us at wholesale or discounted prices. We pay commissions on preferred customer purchases to the referring distributors.

General and administrative expenses include:

- wages and benefits;
- rents and utilities;
- depreciation and amortization;
- promotion and advertising;
- professional fees;
- travel;
- research and development; and
- other operating expenses.

Labor expenses are the most significant portion of our general and administrative expenses. Promotion and advertising expenses include costs of distributor conventions held in various markets worldwide, which we expense in the period in which they are incurred. Because our various distributor conventions are not always held during each fiscal year, or in the same period each year, their impact on our general and administrative expenses may vary from year to year and from quarter to quarter. For example, we held our global distributor convention in October 2009 and will have another global convention in the fall of 2011 as we currently plan to hold a global convention every other year. In addition, we hold regional conventions and conventions in our major markets at different times during the year. These conventions have significant expenses associated with them. Because we have not incurred expenses for these conventions during every fiscal year or in comparable interim periods, year-over-year comparisons have been impacted accordingly.

Provision for income taxes depends on the statutory tax rates in each of the jurisdictions in which we operate. For example, statutory tax rates in 2010 were approximately 16.5% in Hong Kong, 20% in Taiwan, 22% in South Korea, 45% in Japan and 25% in China. We are subject to taxation in the United States at the statutory corporate federal tax rate of 35% and we pay taxes in multiple states within the United States at various tax rates. Our overall effective tax rate was 34.5% for the year ended December 31, 2010.

Critical Accounting Policies

The following critical accounting policies and estimates should be read in conjunction with our audited Consolidated Financial Statements and related Notes thereto. Management considers our critical accounting policies to be the recognition of revenue, accounting for income taxes, accounting for intangible assets and accounting for stock-based compensation. In each of these areas, management makes estimates based on historical results, current trends and future projections.

Revenue. We recognize revenue when products are shipped, which is when title and risk of loss pass to our distributors. With some exceptions in various countries, we offer a return policy whereby distributors can return unopened and unused product for up to 12 months subject to a 10% restocking fee. Reported revenue is net of returns, which have historically been less than 5% of annual revenue. A reserve for product returns is accrued based on historical experience. We classify selling discounts as a reduction of revenue. Our selling expenses are computed pursuant to our global compensation plan for our distributors, which is focused on remunerating distributors based primarily upon the selling efforts of the distributors and the volume of products purchased by their downlines, and not their personal purchases.

Income Taxes. We account for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. We take an asset and liability approach for financial accounting and reporting of income taxes. We pay income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions among our affiliates around the world. Deferred tax assets and liabilities are created in this process. As of December 31, 2010, we had net deferred tax assets of $59.9 million. These net deferred tax assets assume sufficient future earnings will exist for their realization, as well as the continued application of current tax rates. In certain foreign jurisdictions valuation allowances have been recorded against the deferred tax assets specifically related to use of net operating losses. When we determine that there is sufficient taxable income to utilize the net operating losses, the valuation allowances will be released. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period such determination was made.

We file income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. We are currently under examination by the United States Internal Revenue Service (the "IRS") for the 2005, 2006, 2007 and 2008 tax years. With a few exceptions, we are no longer subject to U.S. federal, state and local income tax examination by tax authorities for years before 2005. Beginning with the tax year 2009, we entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. We have elected to participate in the CAP program for tax years 2009 through 2011 and may elect to continue participating in CAP for future tax years. We are allowed to withdraw from the program at any time. In major foreign jurisdictions, we are no longer subject to income tax examinations for years before 2004. Along with the IRS examination, we are currently under examination in certain foreign jurisdictions; however, the outcomes of these reviews are not yet determinable.

At December 31, 2010, we had $14.8 million in unrecognized tax benefits of which $2.4 million, if recognized, would affect the effective tax rate. In comparison, at December 31, 2009, we had $28.3 million in unrecognized tax benefits of which $4.4 million, if recognized, would affect the effective tax rate. During each of the years ended December 31, 2010 and 2009, we recognized approximately ($1.7) million and $0.1 million and $0.5 million in interest and penalties expenses/(benefits), respectively. We had approximately $1.6 million, $3.3 million and $3.2 million of accrued interest and penalties related to uncertain tax positions at December 31, 2010, 2009 and 2008, respectively. Interest and penalties related to uncertain tax positions are recognized as a component of income tax expense.

We are subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. We account for such contingent liabilities in accordance with relevant accounting standards and believe we have appropriately provided for income taxes for all years. Several factors drive the calculation of our tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to our reserves, which would impact our reported financial results.

Intangible Assets. Acquired intangible assets may represent indefinite-lived assets, determinable-lived intangibles, or goodwill. Of these, only the costs of determinable-lived intangibles are amortized to expense over their estimated life. The value of indefinite-lived intangible assets and residual goodwill is not amortized, but is tested at least annually for impairment. Our impairment testing for goodwill is performed separately from our impairment testing of indefinite-lived intangibles. We test goodwill for impairment, at least annually, by reviewing the book value compared to the fair value at the reportable unit level. We test individual indefinite-lived intangibles at least annually by reviewing the individual book values compared to the fair value. Considerable management judgment is necessary to measure fair value. We did not recognize any impairment charges for goodwill or intangible assets during the periods presented.

Stock-Based Compensation. All share-based payments to employees are recognized in the financial statements based on their fair values using an option-pricing model at the date of grant. We use a Black-Scholes-Merton option-pricing model to calculate the fair value of options. Stock based compensation expense is recognized net of any estimated forfeitures on a straight-line basis over the requisite service period of the award.

Results of Operations

The following table sets forth our operating results as a percentage of revenue for the periods indicated:

	Year Ended December 31,		
	2008	2009	2010
Revenue	100.0%	100.0%	100.0%
Cost of sales	18.3	18.3	17.7
Gross profit	81.7	81.7	82.3
Operating expenses:			
Selling expenses	42.4	41.4	42.1
General and administrative expenses	29.2	28.4	26.1
Restructuring charges	•	0.8	•
Total operating expenses	71.6	70.6	68.2
Operating income	10.1	11.1	14.1
Other income (expense), net	(2.0)	(0.5)	(0.6)
Income before provision for income taxes	8.1	10.6	13.5
Provision for income taxes	2.9	3.8	4.6
Net income	5.2%	6.8%	8.9%

2010 Compared to 2009

Overview

Revenue in 2010 increased 15% to $1.54 billion from $1.33 billion in 2009. Our revenue growth in 2010 was driven by the global launch of our ageLOC anti-aging products, including our *ageLOC Transformation* skin care system, which has generated sales of approximately $220 million since its introduction in the fourth quarter of 2009. We also introduced *ageLOC Vitality*, our first ageLOC nutritional product designed to address the internal sources of aging, in Japan, the United States, Canada, and certain of our markets in Europe and Latin America during the second half of 2010. Foreign currency exchange fluctuations had a 5% positive impact on revenue in 2010 compared to 2009. Our revenue growth rates were the highest in Mainland China, South Korea and the South Asia/Pacific region. We also saw improving trends in Japan, as the rate of local currency revenue decline in that market decreased compared to the prior year.

Earnings per share in 2010 increased to $2.11 compared to $1.40 in 2009 on a diluted basis. The increase in earnings is largely the result of increased revenue, as discussed above, coupled with improved margins and controlled expenses. Earnings per share comparisons were also impacted by restructuring charges in 2009 totaling $6.8 million (net of taxes of $3.9 million), or $.11 per share, primarily related to transformation efforts to streamline our operations in Japan.

Revenue

North Asia. The following table sets forth revenue for the North Asia region and its principal markets (U.S. dollars in millions):

	2009	2010	Change
Japan	$ 461.9	$ 471.4	2%
South Korea	144.2	214.7	49%
North Asia total	$ 606.1	$ 686.1	13%

Foreign currency fluctuations positively impacted revenue by 8% in this region compared to the prior-year period. Currency fluctuations positively impacted revenue in Japan by 6% and in South Korea by 13% in 2010. Our active and executive distributor counts decreased 4% and 3%, respectively, in Japan in 2010 compared to 2009. In South Korea, our active and executive distributor counts increased 17% and 19%, respectively, comparing 2010 to 2009.

Local currency revenue in Japan decreased 4% in 2010 compared to 2009. We continue to experience some weakness in Japan, as evidenced by the declines in both our active and executive distributors. The direct selling industry and most direct selling companies in Japan have been in decline for several years in this challenging market. Increased regulatory and media scrutiny of the industry continues to negatively impact the industry and our business. As a result of this increased scrutiny, we continue to focus on distributor compliance and have also been more cautious in both our corporate and our distributor's marketing activities. These challenges were partially offset by distributor and product initiatives, including the launch of the full *ageLOC Transformation* skin care system in the second quarter of 2010 and the limited offering of our *ageLOC Vitality* in the second half of 2010. Local currency revenue in Japan decreased 8% year-over-year in the fourth quarter primarily due to a difficult comparison with the strong introduction of *ageLOC Transformation* in the fourth quarter of 2009. We believe that we may continue to see modest local currency revenue declines during 2011, based on continued weakness in distributor numbers, the promotional nature of some of the revenue generated in connection with the launch of our ageLOC product platform, and our anticipation that difficult regulatory conditions will continue throughout 2011.

South Korea posted strong year-over-year local currency revenue growth of 36%. This growth was driven by the introduction of our *ageLOC Transformation* skin care system, which generated approximately $20 million in sales during a limited offering in the first quarter of 2010, and continued excitement and sponsoring activities surrounding *ageLOC Transformation* throughout the remainder of the year. This excitement contributed to the healthy growth in active and executive distributors in this market.

Greater China. The following table sets forth revenue for the Greater China region and its principal markets (U.S. dollars in millions):

	2009	2010	Change
Taiwan	$ 91.7	$ 107.1	17%
China	71.1	91.4	29%
Hong Kong	47.6	69.7	46%
Greater China total	$ 210.4	$ 268.2	27%

Foreign currency exchange rate fluctuations positively impacted revenue in the Greater China region by 3% in 2010. Revenue growth in the region was driven by the introduction of *ageLOC Transformation* during the second quarter of 2010, generating approximately $20 million in sales during a limited offering of this product in connection with our Greater China Regional Convention.

Local currency revenue in Taiwan was up 11% in 2010 compared to 2009. As discussed above, the growth was driven by the launch of *ageLOC Transformation*, which led to healthy growth in the number of active and executive distributors as well as revenue. Active distributors in Taiwan increased 5% and executive distributors increased 1% compared to the prior-year period.

On a local currency basis, revenue in Mainland China increased 27% in 2010 compared to 2009. Mainland China reported a 28% and 38% increase in our preferred customers and number of sales representatives, respectively, compared to the prior-year period. Revenue and sales force growth in Mainland China were primarily the result of successful sales initiatives and excitement surrounding our *ageLOC Transformation* skin care system, which we introduced at the regional convention in the second quarter of 2010 and fully launched in Mainland China in the fourth quarter of 2010. Strong sales of the *ageLOC Edition Galvanic Spa System II* also contributed to growth in this market. We continue to focus our efforts on managing our sales force to ensure compliance with our policies and local regulations in this market.

Hong Kong local currency revenue was up 47% in 2010 compared to 2009 primarily as a result of the introduction of our *ageLOC Transformation* skin care system at the regional convention in the second quarter. Approximately $17 million of revenue was generated from convention sales to distributors from outside of Hong Kong. Executive and active distributors in Hong Kong were down 2% and 5%, respectively, compared to 2009.

Americas. The following table sets forth revenue for the Americas region and its principal markets (U.S. dollars in millions):

	2009	2010	Change
United States	$ 218.6	$ 212.1	(3%)
Canada	23.5	23.9	2%
Latin America	18.8	14.0	(26%)
Americas total	$ 260.9	$ 250.0	(4%)

Revenue in the United States declined 3% in 2010 compared to 2009. In the fourth quarter of 2010, U.S. revenue declined 23% compared to the same prior-year period. Approximately $17 million in sales at our global distributor convention held in the U.S. during the fourth quarter of 2009, and the introduction of our *ageLOC Transformation* skin care system in connection with the global convention created a difficult comparison for the fourth quarter of 2010. Excluding the impact of $11 million of 2009 global convention sales to non-U.S. based distributors, revenue in the U.S. would have been down 5% for the fourth quarter of 2010 and up 3% for the year compared to the same prior-year periods. Our recent growth initiatives have had less of an impact on distributor productivity and active distributor growth in the U.S. than in many of our other markets. We currently expect continued softness in the U.S. for the first half of 2011, offset by growth in the second half of the year in connection with our global convention in October. Active distributors in the U.S. decreased 4% in 2010 and executive distributors increased 1% compared to the prior-year period.

On a local currency basis, revenue decreased by 7% in Canada and by 19% in Latin America in 2010 compared to 2009, respectively. Revenue declines in these markets were primarily a result of decreased distributor activity.

South Asia/Pacific. The following table sets forth revenue for the South Asia/Pacific region and its principal markets (U.S. dollars in millions):

	2009	2010	Change
Singapore/Malaysia/Brunei	$ 49.2	$ 76.8	56%
Thailand	38.8	56.7	46%
Australia/New Zealand	14.2	21.7	53%
Indonesia	10.7	15.5	45%
Philippines	7.2	12.1	68%
South Asia/Pacific total	$ 120.1	$ 182.8	52%

Foreign currency exchange rate fluctuations positively impacted revenue in South Asia/Pacific by 13% in 2010 compared to the same prior-year period. Revenue growth was driven largely by strong sales and sponsoring activity in connection with the general launch of our *ageLOC Transformation* skin care system. Continued interest in our *TR*A weight management products and *ageLOC* Edition *Galvanic Spa System II* also contributed to strong growth in this region. Executive distributors in the region increased 33% while active distributors increased 18% compared to the prior year.

Europe. The following table sets forth revenue for our Europe region (U.S. dollars in millions):

	2009	2010	Change
Europe	$ 133.6	$ 150.2	12%

Foreign currency exchange rate fluctuations negatively impacted revenue in Europe by 4% in 2010 compared to the prior year. On a local currency basis, revenue in Europe grew by 16% in 2010 compared to 2009. Growth in Europe was driven by sustained interest in our *ageLOC* anti-aging products and *LifePak* nutrition supplements. We also began initial marketing activities in Ukraine during the fourth quarter of 2010. Our active and executive distributor counts in our Europe region increased by 14% and 11%, respectively, in 2010 compared to 2009.

Gross profit

Gross profit as a percentage of revenue in 2010 increased to 82.3% compared to 81.7% in 2009. The increase is a result of strong sales of our higher margin *ageLOC* products, and foreign currency benefits in 2010. We anticipate that our gross profit as a percentage of revenue will remain at this level in 2011.

Selling expenses

Selling expenses remained relatively level as a percentage of revenue at 42.1% in 2010 compared to 42.0% in 2009.

As part of our compensation plan improvements, we increased our focus on distributor recognition. Accordingly, during 2010, the costs of certain incentive trips and other rewards earned by distributors, previously recorded as general and administrative expenses, have been reclassified as selling expenses. In order to provide a meaningful comparison, we have made this reclassification for both the current and prior-year periods.

General and administrative expenses

General and administrative expenses decreased as a percentage of revenue to 26.1% in 2010 from 27.8% in 2009, primarily as a result of increased revenue and controlled expenses.

Restructuring charges

During 2009, we recorded restructuring charges of $10.7 million primarily related to transformation efforts in Japan designed to improve operational efficiencies and align organizationally in Japan with how we are organized globally in our other markets. There were no similar charges in 2010.

Other income (expense), net

Other income (expense), net was $9.4 million of expense in 2010 compared to $6.6 million of expense in 2009. The increase in expense is due primarily to the impact of changes in foreign currency exchange rates. Because it is impossible to predict foreign currency fluctuations, we cannot estimate the degree to which our other income expense will be impacted in the future. Other income (expense), net also includes approximately $5.8 million and $6.9 million in interest expense during 2010 and 2009, respectively.

Provision for income taxes

Provision for income taxes increased to $71.6 million in 2010 from $51.3 million in 2009. The effective tax rate decreased to 34.5% in 2010 from 36.3% of pre-tax income in 2009. The lower income tax rate was due to an increased benefit relating to the expiration of the statute of limitations in 2010 compared to 2009. We anticipate our tax rate will return to approximately 36.5% in 2011.

Net income

As a result of the foregoing factors, net income increased to $136.1 million in 2010 from $89.8 million in 2009.

2009 Compared to 2008

Overview

Revenue in 2009 increased 6% to $1.33 billion from $1.25 billion in 2008. The introduction of our *ageLOC Transformation* skin care system at our global distributor convention held in Los Angeles during the fourth quarter of 2009 contributed to revenue growth during this period. Foreign currency exchange fluctuations did not materially impact revenue in 2009 compared to 2008. Revenue in 2009 was positively impacted by growth in all of our regions, driven largely by strong sales of our personal care products, including the *Galvanic Spa System II* with *ageLOC Galvanic Spa Gels* and our new *ageLOCTransformation* skin care system, as well as successful promotions of other key products. Despite improving trends in Japan, we continued to see declines in our local currency revenue in that market.

Earnings per share in 2009 increased to $1.40 compared to $1.02 in 2008 on a diluted basis. The increase in earnings was largely the result of increased revenue, as discussed above, and transformation initiatives we executed over the previous several years to transform and align our business and operate more efficiently. Earnings per share in 2009 and 2008 were also impacted by:

- foreign currency transaction losses in 2008 of approximately $11.9 million (net of taxes of $6.5 million), or $.19 per share, as foreign currencies shifted dramatically during the year; and
- restructuring charges in 2009 totaling $6.8 million (net of taxes of $3.9 million), or $.11 per share, relating to further transformation initiatives to reduce overhead, primarily in Japan.

Revenue

North Asia. The following table sets forth revenue for the North Asia region and its principal markets (U.S. dollars in millions):

	2008	2009	Change
Japan	$ 443.7	$ 461.9	4%
South Korea	150.8	144.2	(4%)
North Asia total	$ 594.5	$ 606.1	2%

Foreign currency fluctuations positively impacted revenue by 3% in this region compared to the prior-year period. Currency fluctuations positively impacted revenue in Japan by 10% and negatively impacted revenue in South Korea by 16% in 2009. Our active and executive distributor counts decreased 10% and 5%, respectively, in Japan in 2009 compared to 2008. In South Korea, our active and executive distributor counts increased 18% and 20%, respectively, comparing 2009 to 2008.

Local currency revenue in Japan declined 6% in 2009 compared to 2008. The revenue decline was largely due to the difficult industry and regulatory conditions in this market as previously discussed, which contributed to our decline in active and executive distributors. We believe that most direct selling companies also saw their businesses contract in this market in 2009. As a result of industry and regulatory challenges in this market, we focused on distributor compliance and were also more cautious in both our corporate and our distributor's marketing activities. Local currency revenue in Japan decreased 1% year-over-year in the fourth quarter of 2009.

In response to this regulatory environment and, as a result of increases in the number of complaints to consumer centers regarding the activities of some of our distributors, we increased our focus on distributor compliance and training. Some of the actions we took to address activities of distributor groups that were having higher levels of complaints contributed to the declines in our revenue. We also engaged in less aggressive product promotions in 2008 than we had in 2007.

South Korea posted strong year-over-year local currency revenue growth of 12%. This growth was fueled by strong distributor alignment behind our product and distributor initiatives, maintaining a vibrant sponsoring environment for our distributors and spurring significant growth in our active and executive distributors. This revenue growth was more than offset by a weakening of the South Korean won during 2009.

Greater China. The following table sets forth revenue for the Greater China region and its principal markets (U.S. dollars in millions):

	2008	2009	Change
Taiwan	$ 92.3	$ 91.7	1%
China	65.3	71.1	9%
Hong Kong	52.4	47.6	(9%)
Greater China total	$ 210.0	$ 210.4	▪

Foreign currency exchange rate fluctuations positively impacted revenue in the Greater China region by 1% in 2009. Local currency revenue in Taiwan was up 4% in 2009 compared to 2008. The executive distributor count in Taiwan was up 9% compared to the prior-year period, while the number of active distributors was up 12% when compared to the prior-year period. In Taiwan, due to regulatory restrictions, we were unable to market the *Galvanic Spa System II*, which had been a primary growth initiative in our other markets.

On a local currency basis, revenue in Mainland China increased 7% in 2009 compared to 2008. Mainland China reported a 27% decline in our preferred customers compared to the prior-year period and a 9% increase in the number of sales representatives. The year-over-year increase in revenue in Mainland China was the result of strong sales of the *Galvanic Spa System II*, which we fully launched in the first quarter of 2009, successful sales initiatives and the adoption of our revised business model.

Hong Kong local currency revenue was down 9% in 2009 compared to 2008 primarily as a result of a reduction in sales of products to sales employees in Mainland China who had been purchasing products in 2008 from Hong Kong that were not available in Mainland China such as our *Galvanic Spa System II*. Executive distributors in Hong Kong were up 15% and the active distributors in Hong Kong were down 4% compared to 2008.

Americas. The following table sets forth revenue for the Americas region and its principal markets (U.S. dollars in millions):

	2008	2009	Change
United States	$ 192.1	$ 218.6	14%
Canada	16.2	23.5	45%
Latin America	15.6	18.8	21%
Americas total	$ 223.9	$ 260.9	17%

In 2009, we continued to experience strong growth in the United States, driven particularly by our highly demonstrable personal care products, including our *Galvanic Spa System II* with *ageLOC Galvanic Spa Gels* and our new *ageLOC Transformation* skin care system and *ageLOC Edition Galvanic Spa System II*. Revenue in 2009 was positively impacted by approximately $11.0 million as a result of product sales and convention fee revenue from foreign distributors attending our biannual global convention in Los Angeles. Active distributors in the United States decreased 3% and executive distributors increased 12% compared to the prior-year period.

Revenue increased by 45% in Canada and by 21% in Latin America in 2009 compared to 2008, respectively. Revenue continued to be driven primarily by the success of our *Galvanic Spa System II* and *ageLOC Galvanic Spa Gels* in these markets. Our growth in Latin America is also attributed to our expansion into Colombia during the second quarter of 2009.

South Asia/Pacific. The following table sets forth revenue for the South Asia/Pacific region and its principal markets (U.S. dollars in millions):

	2008	2009	Change
Singapore/Malaysia/Brunei	$ 43.8	$ 49.2	12%
Thailand	34.6	38.8	12%
Australia/New Zealand	13.3	14.2	7%
Indonesia	8.9	10.7	20%
Philippines	7.0	7.2	3%
South Asia/Pacific total	$ 107.6	$ 120.1	12%

Foreign currency exchange rate fluctuations negatively impacted revenue in South Asia/Pacific by 5% in 2009 compared to the same prior-year period. All of the markets in this region experienced growth. The growth was driven largely by continued strong sales of our *TRA* family of weight loss products and our *Galvanic Spa System II*, as well as successful distributor leadership initiatives. We also successfully launched enhancements to our sales compensation plan in these markets, which we believe helped contribute to increased distributor productivity. Executive distributors in the region increased 16% while active distributors increased 9% compared to the prior year.

Europe. The following table sets forth revenue for our Europe region (U.S. dollars in millions):

	2008	2009	Change
Europe	$ 111.6	$ 133.6	20%

Foreign currency exchange rate fluctuations negatively impacted revenue in Europe by 6% in 2009 compared to the prior year. On a local currency basis, revenue in Europe grew by 26% in 2009 compared to 2008. The strong growth in Europe was driven by strong sales force leadership and sustained interest in our *Galvanic Spa System II* and our products supported by the *Pharmanex BioPhotonic Scanner*, particularly in Eastern Europe where we had recently expanded our business, as well as growth in Russia and South Africa. We also began initial marketing activities in Turkey during the second quarter of 2009. Our active and executive distributor counts in our Europe region increased by 12% and 16%, respectively, in 2009 compared to 2008.

Gross profit

Gross profit as a percentage of revenue in 2009 remained level with 2008 at 81.7%.

Selling expenses

Selling expenses decreased as a percentage of revenue to 42.0% in 2009 from 42.7% in 2008. The decrease as a percentage of revenue was due primarily to modifications to our compensation plan to improve the alignment of our compensation plan incentives around more productive distributor activity. For both 2008 and 2009, the costs of certain incentive trips and other rewards earned by distributors, previously recorded as general and administrative expenses, have been reclassified as selling expenses.

General and administrative expenses

General and administrative expenses decreased as a percentage of revenue to 27.8% in 2009 from 28.9% in 2008, primarily as a result of increased revenue and our transformation to better leverage our overhead costs as we grow our revenue. General and administrative expenses were also positively impacted by our transformation efforts to reduce our overhead and general and administration expenses in Japan.

Restructuring charges

During 2009, we recorded restructuring charges of $10.7 million primarily related to transformation efforts in Japan designed to improve operational efficiencies and align organizationally in Japan with how we are organized globally in our other markets.

Other income (expense), net

Other income (expense), net was $6.6 million of expense in 2009 compared to $24.8 million of expense in 2008. Of this 2008 amount, approximately $18.4 million relates to foreign currency transaction losses related to our yen-denominated debt as the Japanese yen strengthened from 111.45 at December 31, 2007 to 90.73 at December 31, 2008. Other income (expense), net also includes approximately $6.9 million and $7.8 million in interest expense during 2009 and 2008, respectively.

Provision for income taxes

Provision for income taxes increased to $51.3 million in 2009 from $35.3 million in 2008. The effective tax rate increased to 36.3% in 2009 from 35.1% of pre-tax income in 2008. The higher income tax rate was due to a reduced benefit relating to the expiration of the statute of limitations in 2009 compared to 2008.

Net income

As a result of the foregoing factors, net income increased to $89.8 million in 2009 from $65.3 million in 2008.

Liquidity and Capital Resources

Historically, our principal uses of cash have included operating expenses, particularly selling expenses, and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, dividends, debt repayment, and the development of operations in new markets. We have generally relied on cash flow from operations to fund operating activities, and we have at times incurred long-term debt in order to fund strategic transactions and stock repurchases.

We typically generate positive cash flow from operations due to favorable margins. We generated $187.9 million in cash from operations in 2010 compared to $133.9 million in 2009. This increase in cash generated from operations is primarily due to the increase in revenue in 2010 as well as increased profitability from our restructuring efforts.

As of December 31, 2010, working capital was $206.1 million compared to $152.7 million as of December 31, 2009. Our working capital increased primarily due to an increase in cash and cash equivalents. Cash and cash equivalents at December 31, 2010 were $230.3 million compared to $158.0 million at December 31, 2009. The increase in cash was primarily the result of the increase in our cash generated from operations in 2010.

Capital expenditures in 2010 totaled $53.8 million, and we anticipate capital expenditures of approximately $65 million for 2011. These capital expenditures in 2011 are primarily related to:

- purchases of computer systems and software, including equipment and development costs;
- the build-out and upgrade of leasehold improvements in our various markets, including retail stores in China;
- the building of a new warehouse in South Korea;
- real estate acquisitions and initial development work related to the building of a new innovation center on our Provo, Utah campus; and
- acquisition of our previously leased corporate headquarters buildings and distribution center in Provo, Utah.

We currently have debt pursuant to various credit facilities and other borrowings. The following table summarizes these debt arrangements as of December 31, 2010:

Facility or Arrangement(1)	Original Principal Amount	Balance as of December 31, 2010(2)	Interest Rate	Repayment terms
2003 $205.0 million multi-currency uncommitted shelf facility:				
U.S. dollar denominated:	$40.0 million	$34.3 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	$20.0 million	$20.0 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	1.8 billion yen ($22.0 million as of December 31, 2010)	1.7%	Notes due April 2014, with annual principal payments that began in April 2008.
	2.3 billion yen	2.3 billion yen ($27.9 million as of December 31, 2010)	2.6%	Notes due September 2017, with annual principal payments beginning September 2011.
	2.2 billion yen	2.2 billion yen ($26.7 million as of December 31, 2010)	3.3%	Notes due January 2017, with annual principal payments that began in January 2011.
2010 committed loan: U.S. dollar denominated:	$30.0 million	$30.0 million	Variable 30 day: 1.26%	Amortizes at $1.5 million per quarter
2004 $25.0 million revolving credit facility	N/A	None	N/A	
2009 $100.0 million uncommitted multi-currency shelf facility	N/A	None	N/A	

(1) Each of the credit facilities and arrangements listed in the table are secured by guarantees issued by our material domestic subsidiaries and by pledges of 65% of the outstanding stock of our material foreign subsidiaries. The 2010 committed loan is also secured by deeds of trust with respect to our corporate headquarters and distribution center in Provo, Utah.

(2) The current portion of our long-term debt (i.e. becoming due in the next 12 months) includes $13.3 million of the balance of our Japanese yen-denominated debt under the 2003 multi-currency uncommitted shelf facility, $8.6 million of the balance on our U.S. dollar denominated debt under the 2003 multi-currency uncommitted shelf facility and $6.0 million of our 2010 committed loan.

Our board of directors has approved a stock repurchase program authorizing us to repurchase our outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from our equity incentive plans and for strategic initiatives. During the year ended December 31, 2010, we repurchased approximately 2.2 million shares of Class A common stock under this program for approximately $58.5 million. In June 2010, our board of directors authorized an increase of $150.0 million in the amount available under our ongoing stock repurchase program. At December 31, 2010, $153.6 million was available for repurchases under the stock repurchase program.

During each quarter of 2010, our board of directors declared cash dividends on our Class A common stock of $0.125 per share. These quarterly cash dividends totaled approximately $31.2 million and were paid during 2010 to stockholders of record in 2010. The board of directors has approved an increased quarterly cash dividend of $0.135 per share of Class A common stock to be paid on March 16, 2011, to stockholders of record on February 25, 2011. Annually, this would increase the dividend to $0.54 from $0.50 in the prior year. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our board of directors.

We believe we have sufficient liquidity to be able to meet our obligations on both a short- and long-term basis. We currently believe that existing cash balances, future cash flows from operations and existing lines of credit will be adequate to fund our cash needs on both a short- and long-term basis. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances, future cash flow from operations and current lines of credit are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets or restructuring our current debt obligations. Additionally, we would consider realigning our strategic plans, including a reduction in capital spending, stock repurchases or dividend payments.

Contractual Obligations and Contingencies

The following table sets forth payments due by period for fixed contractual obligations as of December 31, 2010 (U.S. dollars in thousands):

	Total	2011	2012-2013	2014-2015	Thereafter
Long-term debt obligations	$ 160,878	$ 27,865	$ 67,730	$ 38,242	$ 27,041
Operating lease obligations	61,931	15,073	26,069	20,631	158
Purchase obligations	111,942	68,351	22,319	20,161	1,111
Related party payable	16,995	16,995	•	•	•
Other long-term liabilities reflected on the balance sheet(1)	•	•	•	•	•
Total	$ 351,746	$ 128,284	$ 116,118	$ 79,034	$ 28,310

(1) Other long-term liabilities reflected on the balance sheet of $71.5 million primarily consisting of long-term tax related balances, in which the timing of the commitments is uncertain.

Due to the international nature of our business, we are subject from time to time to reviews and audits by the foreign taxing authorities of the various jurisdictions in which we conduct business throughout the world. We are currently involved in two separate disputes with the customs authorities in Japan with respect to duty assessments on several of our Pharmanex nutritional products totaling approximately 5.3 billion Japanese yen as of December 31, 2010 (approximately $65.3 million), net of any recovery of consumption taxes. We also recently were notified that we are likely to receive an additional assessment of 0.6 billion Japanese yen (approximately $7.7 million) related to the second dispute.

The first dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2002 through July 2005. The aggregate amount of these additional assessments is 2.7 billion Japanese yen (approximately $33.2 million as of December 31, 2010), net of any recovery of consumption taxes. The dispute relates to whether we used the proper valuation method for these products in determining the applicable customs duties. The primary legal issue in the case is whether the relevant import transaction is a sale between our third party manufacturers and our Japan subsidiary, or a sale between our US subsidiary and our Japan subsidiary. In 1999, we worked with the Yokohama Customs authorities to restructure the form of the relevant transactions in order to have the import transaction be a sale between our third party manufacturers and our Japan subsidiary, and thus have the duties assessed on the price paid to our third party manufacturers. With the input and guidance of the Yokohama Customs authorities, we restructured the form of the transaction and the agreements between the relevant parties based on these discussions so that our US subsidiary would be acting on behalf of our Japan subsidiary with respect to the purchase of these products rather than as a buyer/seller. Our Japan subsidiary entered into a Memorandum of Understanding with each of our third party manufacturers of the relevant products, which provided that our Japan subsidiary was the purchaser of the products and that our US subsidiary was acting for and on behalf of our Japan subsidiary with respect to these products. Our Japan subsidiary also entered into a Memorandum of Understanding with our US subsidiary documenting the same agency relationship. We believe that these legal documents establish that our US subsidiary was acting as an agent and not buyer and seller of the relevant products. The additional assessment of duties by Yokohama Customs was based on its re-characterization of the transaction as a sale between our US subsidiary and our Japan subsidiary for custom law purposes despite the legal form of the transaction. We do not believe the legal documentation supports the re-characterization of these transactions. Yokohama Customs has raised several issues to support its re-characterization, including the fact that we have treated the relevant transaction as a sale between our US subsidiary and Japan subsidiary for income tax purposes. However, we believe that the relevant income tax and transfer pricing rules and regulations apply different standards and are not relevant to the customs issue. Because we believe that the legal documentation for these transactions support our position, we filed a complaint in the Tokyo District Court Civil Action Section in December 2006 to have the Ministry of Finance's affirmation of the additional assessments reversed. The final hearing on this matter was held on February 1, 2011 and the court indicated it would issue a decision on this case on March 25, 2011. Either party has the right to appeal this decision. If we receive an adverse decision in this case, we may be required to record an expense for the full amount of the disputed assessments, or $33.2 million.

The second dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through November 2008 in connection with an audit in 2009, as well as the disputed portion of our current import duty rate we have been required to pay or hold in bond, and have paid under protest, since October of 2009. The aggregate amount of these additional assessments and disputed duties is 2.6 billion Japanese yen as of December 31, 2010 (approximately $32.1 million), net of any recovery of consumption taxes. We were also recently notified that we are likely to be assessed an additional 0.6 billion Japanese yen (approximately $7.7 million), net of any recovery of consumption taxes based on an audit of the period of November 2008 through September 2009. With this assessment, we have been required to pay or hold in bond amounts for all periods from October 2006 to present and we believe that additional assessments related to any prior period would be barred by applicable statutes of limitations. In July 2005, we changed our operating structure in Japan and believed that these changes would eliminate further valuation disputes with Yokohama Customs as the new structure eliminated the issues that were the basis of the litigation in the first dispute (i.e., whether our US subsidiary was acting as an agent for our Japan subsidiary or was acting as the seller). However, in October 2009 we received notice from Yokohama Customs authorities that they were assessing additional duties, penalties and interest for the period of October 2006 through November 2008 based on their view that we were not utilizing the proper valuation method. The basis for such additional assessment is different from the issues that are being litigated in the first dispute. The issue in this second case is whether a US entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that the additional assessments are improper and are not supported by applicable customs laws. We filed letters of protest with Yokohama Customs, which were rejected. We have appealed the matter to the Ministry of Finance in Japan. In addition, we are currently being required to post a bond or make a deposit equal to the difference between our declared duties and the amount the customs authorities have determined we should be paying on all current imports. Because we believe that the higher rate determined by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets in our consolidated financial statements. To the extent that we ares unsuccessful in recovering the amounts assessed and paid or held in bond, we will likely be required to record an expense for the full amount of the disputed assessments, or $32.1 million as of December 31, 2010.

Seasonality and Cyclicality

In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. For example, most Asian markets celebrate their respective local New Year in the first quarter, which generally has a negative impact on that quarter. We believe that direct selling in Japan, the United States and Europe is also generally negatively impacted during the third quarter, when many individuals, including our distributors, traditionally take vacations.

We have experienced rapid revenue growth in certain new markets following commencement of operations. This initial rapid growth has often been followed by a short period of stable or declining revenue, then followed by renewed growth fueled by product introductions, an increase in the number of active distributors and increased distributor productivity. The contraction following initial rapid growth has been more pronounced in certain new markets, due to other factors such as business or economic conditions or distributor distractions outside the market.

Distributor Information

The following table provides information concerning the number of active and executive distributors as of the dates indicated. Active distributors are those distributors and preferred customers who were resident in the countries in which we operated and purchased products for resale or personal consumption directly from us during the three months ended as of the date indicated. Executive distributors are active distributors who have achieved required monthly personal and group sales volumes as well as sales representatives in China who have completed a qualification process.

	As of December 31, 2008		As of December 31, 2009		As of December 31, 2010	
	Active	Executive	Active	Executive	Active	Executive
North Asia	326,000	13,937	319,000	14,144	329,000	14,687
Greater China	115,000	6,323	106,000	6,938	118,000	8,015
Americas	171,000	4,876	171,000	5,522	161,000	5,305
South Asia/Pacific	66,000	2,541	71,000	2,950	84,000	3,930
Europe	83,000	2,911	94,000	3,385	107,000	3,739
Total	761,000	30,588	761,000	32,939	799,000	35,676

Quarterly Results

The following table sets forth selected unaudited quarterly data for the periods shown (U.S. dollars in millions, except per share amounts):

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	$ 296.2	$ 322.6	$ 334.2	$ 378.1	$ 364.1	$ 388.4	$ 383.6	$ 401.2
Gross profit	242.4	261.9	272.1	311.0	299.3	320.4	314.8	330.3
Operating income	20.2	34.4	40.9	52.2	46.1	59.2	52.9	58.9
Net income	11.8	22.1	25.6	30.3	31.0	32.4	35.3	37.3
Net income per share:								
Basic	0.19	0.35	0.41	0.48	0.50	0.51	0.57	0.60
Diluted	0.19	0.35	0.40	0.47	0.48	0.50	0.55	0.58

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for our reporting period beginning January 3, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective our reporting period beginning January 1, 2011. Adoption of this new guidance will not have a material impact on our unaudited condensed consolidated financial statements.

During the first quarter of 2010, we adopted new accounting guidance issued by the Financial Accounting Standards Board ("FASB") related to transfers of financial assets. This guidance modifies the requirements for derecognizing financial assets from a transferor's balance sheet and requires additional disclosures about transfers of financial assets and any continuing involvement by the transferor. The new guidance did not have a significant impact on our operating results, financial condition or disclosures.

In October 2009, the FASB issued amendments to the criteria for separating consideration in multiple-deliverable arrangements. These amendments will establish a selling price hierarchy for determining the selling price of a deliverable. The amendments will require that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis. These amendments will eliminate the residual method of allocation and require that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. These amendments will expand disclosures related to vendor's multiple-deliverable revenue arrangements. These amendments will be effective for our fiscal 2011 year end. We are currently evaluating the impact these amendments will have on our consolidated financial statements and disclosures.

In June 2009, the FASB amended the consolidation accounting guidance. Effective January 1, 2010, we are required to qualitatively assess the determination of our being the primary beneficiary ("consolidator") of a variable interest entity ("VIE") on whether we (1) have the power to direct matters that most significantly impact the activities of the VIE, and (2) have the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. It also requires an ongoing reconsideration of the primary beneficiary and amends events that trigger a reassessment of whether an entity is a VIE. The new model is applicable to all new and existing VIEs. The adoption of this new guidance on January 1, 2010, had no impact on our consolidated financial position or results of operation.

In June 2009, the FASB amended the accounting guidance for determining whether a transfer of a financial asset qualifies for sale accounting. The amended guidance also provided four broad disclosure objectives designed to provide users of the financial statements with an understanding of:

- the transferor's continuing involvement with the transferred assets;
- the nature of any restrictions on the transferor's assets that relate to a transferred financial asset, including the carrying amount of those assets;
    - how servicing assets and servicing liabilities are reported by the transferor; and
    - how a transfer of financial assets affects the company's balance sheet, earnings and cash flows.

The prospective adoption of this guidance to new transfers of financial assets beginning January 1, 2010, had no impact on our consolidated financial position or results of operation.

Currency Risk and Exchange Rate Information

A majority of our revenue and many of our expenses are recognized outside of the United States, except for inventory purchases, which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our Subsidiaries' primary markets is considered the functional currency. All revenue and expenses are translated at weighted-average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Given the large portion of our business derived from Japan, any weakening of the yen negatively impacts reported revenue and profits, whereas a strengthening of the yen positively impacts our reported revenue and profits. Given the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operation or financial condition. However, based on current exchange rate levels, we currently anticipate that foreign currency fluctuations will have a positive impact on reported revenue in 2011.

We may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts, through intercompany loans of foreign currency and through our Japanese yen-denominated debt. We do not use derivative financial instruments for trading or speculative purposes. We regularly monitor our foreign currency risks and periodically take measures to reduce the impact of foreign exchange fluctuations on our operating results. At December 31, 2010, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately $22.2 million to cash flow hedges for forecasted foreign-currency-denominated intercompany transactions. At December 31, 2009, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately $3.0 million to hedge forecasted foreign-currency-denominated intercompany transactions. Because of our foreign exchange contracts at December 31, 2010, the impact of a 10% appreciation or 10% depreciation of the U.S. dollar against the Japanese yen would not represent a material potential loss in fair value, earnings or cash flows against these contracts. This potential loss does not consider the underlying foreign currency transaction or translation exposures to which we are subject.

Following are the weighted-average currency exchange rates of U.S. $1 into local currency for each of our international or foreign markets in which revenue exceeded U.S. $5.0 million for at least one of the quarters listed:

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Japan(1)	93.6	97.3	93.5	89.9	90.6	92.0	85.7	82.6
Taiwan	34.0	33.1	32.8	32.3	31.9	31.8	31.9	30.3
Hong Kong	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Korea	1,418.4	1,282.8	1,237.3	1,167.4	1,142.0	1,163.2	1,182.3	1,133.5
Malaysia	3.6	3.5	3.5	3.4	3.4	3.2	3.2	3.1
Thailand	35.3	34.7	34.0	33.3	32.9	32.4	31.6	30.0
China	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7
Singapore	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.3
Canada	1.2	1.2	1.1	1.1	1.0	1.0	1.0	1.0

(1) As of February 1, 2011, the exchange rate of U.S. $1 into the Japanese yen was approximately 81.35.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by Item 7A of Form 10-K is incorporated herein by reference from the information contained in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operation - Currency Risk and Exchange Rate Information” and Note 15 to the Consolidated Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

1. Financial Statements. Set forth below is the index to the Financial Statements included in this Item 8:

2. Financial Statement Schedules: Financial statement schedules have been omitted because they are not required or are not applicable, or because the required information is shown in the financial statements or notes thereto.

NU SKIN ENTERPRISES, INC.
Consolidated Balance Sheets
(U.S. dollars in thousands)

	December 31, 2009	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 158,045	$ 230,337
Accounts receivable	22,513	25,701
Inventories, net	105,661	114,475
Prepaid expenses and other	51,724	52,013
	337,943	422,526
Property and equipment, net	79,356	133,722
Goodwill	112,446	112,446
Other intangible assets, net	81,968	78,270
Other assets	136,736	145,260
Total assets	$ 748,449	$ 892,224
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 25,292	$ 25,480
Accrued expenses	124,520	146,108
Current portion of long-term debt	35,400	27,865
Related party payable	-	16,995
	185,212	216,448
Long-term debt	121,119	133,013
Other liabilities	66,431	71,514
Total liabilities	372,762	420,975
Commitments and contingencies (Notes 9, 13 and 19)		
Stockholders' equity		
Class A common stock – 500 million shares authorized, $.001 par value, 90.6 million shares issued	91	91
Additional paid-in capital	232,219	256,505
Treasury stock, at cost – 27.8 and 28.5 million shares	(433,567)	(476,748)
Accumulated other comprehensive loss	(68,134)	(58,539)
Retained earnings	645,078	749,940
	375,687	471,249
Total liabilities and stockholders' equity	$ 748,449	$ 892,224

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Income
(U.S. dollars in thousands, except per share amounts)

	Year Ended December 31,		
	2008	**2009**	**2010**
Revenue	$ 1,247,646	$ 1,331,058	$ 1,537,259
Cost of sales	228,597	243,648	272,431
Gross profit	1,019,049	1,087,410	1,264,828
Operating expenses:			
Selling expenses	533,151	559,605	646,348
General and administrative expenses	360,470	369,368	401,418
Restructuring charges	•	10,724	•
Total operating expenses	893,621	939,697	1,047,766
Operating income	125,428	147,713	217,062
Other income (expense), net (Note 22)	(24,775)	(6,589)	(9,449)
Income before provision for income taxes	100,653	141,124	207,613
Provision for income taxes	35,306	51,279	71,562
Net income	$ 65,347	$ 89,845	$ 136,051
Net income per share:			
Basic	$ 1.03	$ 1.42	$ 2.18
Diluted	$ 1.02	$ 1.40	$ 2.11
Weighted-average common shares outstanding (000s):			
Basic	63,510	63,333	62,370
Diluted	64,132	64,296	64,547

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Stockholders' Equity and Comprehensive Income
(U.S. dollars in thousands)

	Class A Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2008	$ 91	$ 209,821	$ (413,976)	$ (67,759)	$ 546,832	$275,009
Comprehensive income:						
Net income	•	•	•	•	65,347	65,347
Foreign currency translation adjustment	•	•	•	(2,302)	•	(2,302)
Total comprehensive income	•	•	•	•	•	63,045
Repurchase of Class A common stock (Note 10)	•	•	(6,093)	•	•	(6,093)
Exercise of employee stock options (401,000 shares)	•	772	3,052	•	•	3,824
Excess tax benefit from equity awards	•	1,062	•	•	•	1,062
Stock-based compensation	•	7,273	•	•	•	7,273
Cash dividends	•	•	•	•	(27,940)	(27,940)
Balance at December 31, 2008	91	218,928	(417,017)	(70,061)	584,239	316,180
Comprehensive income:						
Net income	•	•	•	•	89,845	89,845
Foreign currency translation adjustment	•	•	•	1,830	•	1,830
Net unrealized gains on foreign currency cash flow hedges	•	•	•	97	•	97
Total comprehensive income	•	•	•	•	•	91,772
Repurchase of Class A common stock (Note 10)	•	•	(21,144)	•	•	(21,144)
Exercise of employee stock options (614,000 shares)/vesting of stock awards	•	1,633	4,594	•	•	6,227
Excess tax benefit from equity awards	•	1,669	•	•	•	1,669
Stock-based compensation	•	9,989	•	•	•	9,989
Cash dividends	•	•	•	•	(29,006)	(29,006)
Balance at December 31, 2009	91	232,219	(433,567)	(68,134)	645,078	375,687
Comprehensive income:						
Net income	•	•	•	•	136,051	136,051
Foreign currency translation adjustment	•	•	•	9,661	•	9,661
Net unrealized gains on foreign currency cash flow hedges	•	•	•	60	•	60
Less: reclassification adjustment for realized gains in current earnings	•	•	•	(126)	•	(126)
Total comprehensive income	•	•	•	•	•	145,646
Repurchase of Class A common stock (Note 10)	•	•	(58,516)	•	•	(58,516)
Reclassification of treasury shares held by subsidiary	•	3,122	(3,122)	•	•	•
Exercise of employee stock options (1.5 million shares)/vesting of stock awards	•	2,724	18,457	•	•	21,181
Excess tax benefit from equity awards	•	7,605	•	•	•	7,605
Stock-based compensation	•	10,835	•	•	•	10,835
Cash dividends	•	•	•	•	(31,189)	(31,189)
Balance at December 31, 2010	$ 91	$ 256,505	$ (476,748)	$ (58,539)	$ 749,940	$471,249

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Cash Flows
(U.S. dollars in thousands)

	Year Ended December 31,		
	2008	**2009**	**2010**
Cash flows from operating activities:			
Net income	$ 65,347	$ 89,845	$136,051
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	30,393	28,557	29,616
Foreign currency (gains)/losses	18,409	(1,966)	3,681
Stock-based compensation	7,273	9,989	10,835
Deferred taxes	(4,078)	12,350	(13,735)
Changes in operating assets and liabilities:			
Accounts receivable	7,069	(7,043)	(6,649)
Inventories, net	(14,910)	9,740	(4,293)
Prepaid expenses and other	4,260	(3,850)	3,854
Other assets	1,699	(18,690)	(1,631)
Accounts payable	(6,139)	3,602	(568)
Accrued expenses	(3,250)	8,598	13,777
Other liabilities	(2,766)	2,812	16,945
Net cash provided by operating activities	103,307	133,944	187,883
Cash flows from investing activities:			
Purchase of property and equipment	(16,007)	(20,215)	(53,783)
Proceeds on investment sales	19,135	•	•
Purchases of investments	(13,910)	•	•
Net cash used in investing activities	(10,782)	(20,215)	(53,783)
Cash flows from financing activities:			
Payment of cash dividends	(27,940)	(29,006)	(31,189)
Repurchase of shares of common stock	(6,094)	(21,144)	(58,516)
Exercise of distributor and employee stock options	3,824	6,227	21,181
Income tax benefit of options exercised	227	1,101	6,908
Payments on long-term debt	(32,711)	(30,188)	(37,401)
Proceeds from long-term debt	•	•	30,000
Net cash used in financing activities	(62,694)	(73,010)	(69,017)
Effect of exchange rate changes on cash	(2,572)	2,740	7,209
Net increase in cash and cash equivalents	27,259	43,459	72,292
Cash and cash equivalents, beginning of period	87,327	114,586	158,045
Cash and cash equivalents, end of period	$114,586	$158,045	$230,337

The accompanying notes are an integral part of these consolidated financial statements.

1. The Company

Nu Skin Enterprises, Inc. (the "Company") is a leading, global direct selling company that develops and distributes premium-quality, innovative personal care products and nutritional supplements that are sold worldwide under the Nu Skin and Pharmanex brands and a small number of other products and services. The Company reports revenue from five geographic regions: North Asia, which consists of Japan and South Korea; Greater China, which consists of Mainland China, Hong Kong, Macau and Taiwan; Americas, which consists of the United States, Canada and Latin America; South Asia/Pacific, which consists of Australia, Brunei, Indonesia, Malaysia, New Zealand, the Philippines, Singapore and Thailand; and Europe, which consists of several markets in Europe as well as Israel, Russia and South Africa (the Company's subsidiaries operating in these countries are collectively referred to as the "Subsidiaries").

2. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company and the Subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of estimates

The preparation of these financial statements, in conformity with accounting principles generally accepted in the United States of America, required management to make estimates and assumptions that affected 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 revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash and cash equivalents

Cash equivalents are short-term, highly liquid instruments with original maturities of 90 days or less.

Inventories

Inventories consist primarily of merchandise purchased for resale and are stated at the lower of cost or market, using the first-in, first-out method. The Company had reserves for obsolete inventory totaling $6.4 million and $10.5 million as of December 31, 2009 and 2010, respectively.

Inventories consist of the following (U.S. dollars in thousands):

	December 31,	
	2009	2010
Raw materials	$ 31,557	$ 31,497
Finished goods	74,104	82,978
	$ 105,661	$ 114,475

Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings	39 years
Furniture and fixtures	5 - 7 years
Computers and equipment	3 - 5 years
Leasehold improvements	Shorter of estimated useful life or lease term
Scanners	3 years
Vehicles	3 - 5 years

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statement of income. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Goodwill and other intangible assets

Acquired intangible assets may represent indefinite-lived assets, determinable-lived intangibles, or goodwill. Of these, only the costs of determinable-lived intangibles are amortized to expense over their estimated life. The value of indefinite-lived intangible assets and residual goodwill is not amortized, but is tested at least annually for impairment. Our impairment testing for goodwill is performed separately from our impairment testing of indefinite-lived intangibles. We test goodwill for impairment, at least annually, by reviewing the book value compared to the fair value at the reportable unit level. We test individual indefinite-lived intangibles at least annually by reviewing the individual book values compared to the fair value. Considerable management judgment is necessary to measure fair value. We did not recognize any impairment charges for goodwill or intangible assets during the periods presented.

Revenue recognition

Revenue is recognized when products are shipped, which is when title and risk of loss pass to independent distributors and preferred customers who are the Company's customers. A reserve for product returns is accrued based on historical experience totaling $2.9 million and $3.3 million as of December 31, 2009 and 2010, respectively. The Company generally requires cash or credit card payment at the point of sale. The Company has determined that no allowance for doubtful accounts is necessary. Amounts received prior to shipment and title passage to distributors are recorded as deferred revenue. The global compensation plan for the Company's distributors generally does not provide rebates or selling discounts to distributors who purchase its products and services. The Company classifies selling discounts and rebates, if any, as a reduction of revenue.

Advertising expenses

Advertising costs are expensed as incurred. Advertising expense incurred for the years ended December 31, 2008, 2009 and 2010 totaled approximately $1.7 million, $2.0 million and $2.1 million, respectively.

Selling expenses

Selling expenses are the Company's most significant expense and are classified as operating expenses. Selling expenses include distributor commissions as well as wages, benefits, bonuses and other labor and unemployment expenses the Company pays to sales employees in China. The Company pays monthly commissions to several levels of distributors on each product sale based upon a distributor's personal and group product volumes, as well as the group product volumes of up to six levels of executive distributors in such distributor's downline sales organization. The Company does not pay commissions on sales materials.

The Company's distributors may make retail profits by purchasing the products from the Company at wholesale and selling them to customers with a retail mark-up. The Company does not account for nor pay additional commissions on these retail mark-ups received by distributors. In many markets, the Company also allows individuals who are not distributors, referred to as "preferred customers," to buy products directly from the Company at wholesale or discounted prices. The Company pays commissions on preferred customer purchases to the referring distributors.

As part of the Company's compensation plan improvements, the Company increased its focus on distributor recognition. Accordingly, during 2010, the costs of certain incentive trips and other rewards earned by distributors, previously recorded as general and administrative expenses, have been reclassified as selling expenses. In order to provide a meaningful comparison, the Company has made this reclassification for both the current and prior-year periods

Research and development

The Company's research and development activities are conducted primarily through its Pharmanex division. Research and development costs are included in general and administrative expenses in the accompanying consolidated statements of income and are expensed as incurred and totaled $9.6 million, $10.4 million and $12.4 million in 2008, 2009 and 2010, respectively.

Deferred tax assets and liabilities

The Company accounts for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. The Company takes an asset and liability approach for financial accounting and reporting of income taxes. The Company pays income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between the Company and its foreign affiliates. Deferred tax assets and liabilities are created in this process. As of December 31, 2010, the Company has net deferred tax assets of $59.9 million. The Company has netted these deferred tax assets and deferred tax liabilities by jurisdiction. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized.

Uncertain Tax Positions

The Company files income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. The Company is currently under examination by the United States Internal Revenue Service (the "IRS") for the 2005, 2006, 2007 and 2008 tax years. With a few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examination by tax authorities for years before 2005. For the tax year 2009, the Company entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. The Company has elected to participate in the CAP program for 2010 and 2011 and may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time. In major foreign jurisdictions, the Company in no longer subject to income tax examinations for years before 2003. Along with the IRS examination, the Company is currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (U.S. dollars in thousands):

Gross Balance at January 1, 2008	$	31,875
Increases related to current year tax positions		1,494
Settlements		(14)
Decreases due to lapse of statutes of limitations		(5,977)
Currency adjustments		3,537
Gross Balance at December 31, 2008	$	30,915
Gross Balance at January 1, 2009	$	30,915
Increases related to prior year tax positions		2
Increases related to current year tax positions		3,618
Settlements		(946)
Decreases due to lapse of statutes of limitations		(4,858)
Currency adjustments		(456)
Gross Balance at December 31, 2009	$	28,275
Gross Balance at January 1, 2010	$	28,275
Decreases related to prior year tax positions		(1,206)
Increases related to current year tax positions		2,236
Settlements		-
Decreases due to lapse of statutes of limitations		(15,395)
Currency adjustments		911
Gross Balance at December 31, 2010	$	14,821

At December 31, 2010, the Company had $14.8 million in unrecognized tax benefits of which $2.4 million, if recognized, would affect the effective tax rate. In comparison, at December 31, 2009, the Company had $28.3 million in unrecognized tax benefits of which $4.4 million, if recognized, would affect the effective tax rate. The Company's unrecognized tax benefits relate to multiple foreign and domestic jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which the Company operates, as well as the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits, net of foreign currency adjustments, may change within the next 12 months by a range of approximately $8 to $11 million.

During each of the years ended December 31, 2008, 2009 and 2010, the Company recognized approximately $0.5 million, $0.1 million and ($1.7) million, respectively in interest and penalties expenses/(benefits). The Company had approximately $3.2 million, $3.3 million and $1.6 million of accrued interest and penalties related to uncertain tax positions at December 31, 2008, 2009 and 2010, respectively. Interest and penalties related to uncertain tax positions are recognized as a component of income tax expense.

Net income per share

Net income per share is computed based on the weighted-average number of common shares outstanding during the periods presented. Additionally, diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented (Note 10).

Foreign currency translation

Most of the Company's business operations occur outside the United States. The local currency of each of the Company's subsidiaries is considered its functional currency. All assets and liabilities are translated into U.S. dollars at exchange rates existing at the balance sheet dates, revenue and expenses are translated at weighted-average exchange rates and stockholders' equity is recorded at historical exchange rates. The resulting foreign currency translation adjustments are recorded as a separate component of stockholders' equity in the consolidated balance sheets and transaction gains and losses are included in other income and expense in the consolidated financial statements.

Fair value of financial instruments

The carrying value of financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair values due to the short-term nature of these instruments. The carrying amount of long-term debt approximates fair value because the applicable interest rates approximate current market rates. Fair value estimates are made at a specific point in time, based on relevant market information.

The FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. On a quarterly basis, the Company measures at fair value certain financial assets, including cash equivalents and available-for-sale securities. Accounting standards specify a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;
- Level 3 – unobservable inputs based on the Company's own assumptions.

Accounting standards permit companies, at their option, to choose to measure many financial instruments and certain other items at fair value. The Company has elected to not fair value existing eligible items.

Stock-based compensation

All share-based payments, including grants of stock options and restricted stock units, are required to be recognized in our financial statements based upon their respective grant date fair values. The Black-Scholes option pricing model is used to estimate the fair value of stock options. The determination of the fair value of stock options is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We use historical volatility as the expected volatility assumption required in the Black-Scholes model. The expected life of the stock options is based on historical data trended into the future. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of our stock options. The fair value of our restricted stock units is based on the closing market price of our stock on the date of grant less our expected dividend yield. We recognize stock-based compensation net of any estimated forfeitures on a straight-line basis over the requisite service period of the award.

The total compensation expense related to equity compensation plans was approximately $7.3 million, $10.0 million and $10.8 million for the years ended December 31, 2008, 2009 and 2010. For the years ended December 31, 2008, 2009 and 2010, all stock-based compensation expense was recorded within general and administrative expenses.

Reporting comprehensive income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, and it includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

Accounting for derivative instruments and hedging activities

The Company recognizes all derivatives as either assets or liabilities, with the instruments measured at fair value.

The Company's Subsidiaries enter into significant transactions with each other and third parties that may not be denominated in the respective Subsidiaries' functional currencies. The Company regularly monitors its foreign currency risks and seeks to reduce its exposure to fluctuations in foreign exchange rates using foreign currency exchange contracts and through certain intercompany loans of foreign currency.

The Company hedges its exposure to future cash flows from forecasted transactions over a maximum period of 12 months. Hedge effectiveness is assessed at inception and throughout the life of the hedge to ensure the hedge qualifies for hedge accounting treatment. Changes in fair value associated with hedge ineffectiveness, if any, are recorded in the results of operations currently. In the event that an anticipated transaction is no longer likely to occur, the Company recognizes the change in fair value of the derivative in its results of operations currently.

Changes in the fair value of derivatives are recorded in current earnings or accumulated other comprehensive loss, depending on the intended use of the derivative and its resulting designation. The gains and losses in accumulated other comprehensive loss stemming from these derivatives will be reclassified into earnings in the period during which the hedged forecasted transaction affects earnings. The fair value of the receivable and payable amounts related to these unrealized gains and losses is classified as other current assets and liabilities. The Company does not use such derivative financial instruments for trading or speculative purposes. Gains and losses on certain intercompany loans of foreign currency are recorded as other income and expense in the consolidated statements of income.

Recent accounting pronouncements

In January 2010, the Financial Accounting Standards Board issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance became effective for the Company with the reporting period beginning January 3, 2010, except for the disclosure on the roll forward activities for Level 3 fair value measurements, which will become effective for the Company with the reporting period beginning January 1, 2011. Adoption of this new guidance will not have a material impact on the Company’s unaudited condensed consolidated financial statements.

During the first quarter of 2010, the Company adopted new accounting guidance issued by the Financial Accounting Standards Board ("FASB") related to transfers of financial assets. This guidance modifies the requirements for derecognizing financial assets from a transferor's balance sheet and requires additional disclosures about transfers of financial assets and any continuing involvement by the transferor. The new guidance did not have a significant impact on the Company’s operating results, financial condition or disclosures.

In October 2009, the FASB issued amendments to the criteria for separating consideration in multiple-deliverable arrangements. These amendments will establish a selling price hierarchy for determining the selling price of a deliverable. The amendments will require that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis. These amendments will eliminate the residual method of allocation and require that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. These amendments will expand disclosures related to vendor’s multiple-deliverable revenue arrangements. These amendments will be effective for the Company’s fiscal 2011 year end. The Company is currently evaluating the impact these amendments will have on its consolidated financial statements and disclosures.

In June 2009, the FASB amended the consolidation accounting guidance. Effective January 1, 2010, the Company is are required to qualitatively assess the determination of its being the primary beneficiary (“consolidator”) of a variable interest entity (“VIE”) on whether it (1) has the power to direct matters that most significantly impact the activities of the VIE, and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. It also requires an ongoing reconsideration of the primary beneficiary and amends events that trigger a reassessment of whether an entity is a VIE. The new model is applicable to all new and existing VIEs. The adoption of this new guidance on January 1, 2010, had no impact on the Company’s consolidated financial position or results of operation.

In June 2009, the FASB amended the accounting guidance for determining whether a transfer of a financial asset qualifies for sale accounting. The amended guidance also provided four broad disclosure objectives designed to provide users of the financial statements with an understanding of:

- the transferor's continuing involvement with the transferred assets;
- the nature of any restrictions on the transferor's assets that relate to a transferred financial asset, including the carrying amount of those assets;
- how servicing assets and servicing liabilities are reported by the transferor; and
- how a transfer of financial assets affects the company's balance sheet, earnings and cash flows.

The prospective adoption of this guidance to new transfers of financial assets beginning January 1, 2010, had no impact on the Company's consolidated financial position or results of operation.

3. Related Party Transactions

The Company leased corporate office and warehouse space from two entities that are owned by certain officers and directors of the Company. Total lease payments to these two affiliated entities were $3.8 million, $3.9 million and $3.6 million for the years ended December 31, 2008, 2009 and 2010. On December 30, 2010, the Company purchased the corporate office and warehouse space from these two affiliated entities for approximately $33.0 million. Approximately $16.0 million was paid in cash and the remaining $17.0 million (see related party payable on the consolidated balance sheet) was paid in January 2011.

4. Property and Equipment

Property and equipment are comprised of the following (U.S. dollars in thousands):

	December 31,	
	2009	**2010**
Land	$ -	$ 16,480
Buildings	-	41,496
Furniture and fixtures	54,261	46,799
Computers and equipment	91,481	87,653
Leasehold improvements	68,780	56,393
Scanners	18,784	9,469
Vehicles	1,943	2,222
	235,249	260,512
Less: accumulated depreciation	(155,893)	(126,790)
	$ 79,356	$ 133,722

Depreciation of property and equipment totaled $24.4 million, $21.8 million and $22.7 million for the years ended December 31, 2008, 2009 and 2010.

5. Goodwill and Other Intangible Assets

Goodwill and other intangible assets consist of the following (U.S. dollars in thousands):

Goodwill and indefinite life intangible assets:	Carrying Amount at December 31, 2009	Carrying Amount at December 31, 2010
Goodwill	$ 112,446	$ 112,446
Trademarks and trade names	24,599	24,599
	$ 137,045	$ 137,045

Finite life intangible assets:	December 31, 2009 Gross Carrying Amount	December 31, 2009 Accumulated Amortization	December 31, 2010 Gross Carrying Amount	December 31, 2010 Accumulated Amortization	Weighted-average Amortization Period
Scanner technology	$ 46,482	$ 15,390	$ 46,482	$ 18,423	18 years
Developed technology	22,500	12,612	22,500	13,436	20 years
Distributor network	11,598	8,085	11,598	8,587	15 years
Trademarks	13,316	8,837	13,323	9,524	15 years
Other	29,755	21,358	32,989	23,251	5 years
	$ 123,651	$ 66,282	$ 126,892	$ 73,221	15 years

Amortization of finite-life intangible assets totaled $6.0 million, $6.8 million and $6.9 million for the years ended December 31, 2008, 2009 and 2010, respectively. Annual estimated amortization expense is expected to approximate $6.0 million for each of the five succeeding fiscal years.

All of the Company's goodwill is based in the U.S. Goodwill and indefinite life intangible assets are not amortized, rather they are subject to annual impairment tests. Annual impairment tests were completed resulting in no impairment charges for any of the periods shown. Finite life intangibles are amortized over their useful lives unless circumstances occur that cause the Company to revise such lives or review such assets for impairment.

6. Other Assets

Other assets consist of the following (U.S. dollars in thousands):

	December 31, 2009	December 31, 2010
Deferred taxes	$ 49,030	$ 45,027
Deposits for noncancelable operating leases	20,713	14,261
Deposit for customs assessment (Note 19)	46,476	65,255
Other	20,517	20,717
	$ 136,736	$ 145,260

7. Accrued Expenses

Accrued expenses consist of the following (U.S. dollars in thousands):

	December 31, 2009	December 31, 2010
Accrued commissions and other payments to distributors	$ 50,332	$ 66,335
Other taxes payable	5,596	15,948
Accrued payroll and payroll taxes	12,790	13,063
Accrued payable to vendors	12,438	9,744
Accrued severance	2,537	112
Other accrued employee expenses	15,800	19,704
Other	25,027	21,202
	$ 124,520	$ 146,108

8. Long-Term Debt

The following tables summarize the Company's long-term debt arrangements as of December 31, 2010:

Facility or Arrangement(1)	Original Principal Amount	Balance as of December 31, 2010(2)	Interest Rate	Repayment terms
2003 $205.0 million multi-currency uncommitted shelf facility:				
U.S. dollar denominated:	$40.0 million	$34.3 million	6.2%	Notes due July 2016, with annual principal payments that began in July 2010.
	$20.0 million	$20.0 million	6.2%	Notes due January 2017, with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	1.8 billion yen ($22.0 million as of December 31, 2010)	1.7%	Notes due April 2014, with annual principal payments that began in April 2008.
	2.3 billion yen	2.3 billion yen ($27.9 million as of December 31, 2010)	2.6%	Notes due September 2017, with annual principal payments beginning September 2011.
	2.2 billion yen	2.2 billion yen ($26.7 million as of December 31, 2010)	3.3%	Notes due January 2017, with annual principal payments that began in January 2011.
2010 committed loan: U.S. dollar denominated:	$30.0 million	$30.0 million	Variable 30 day: 1.26%	Amortizes $1.5 million per quarter
2004 $25.0 million revolving credit facility	N/A	None	N/A	
2009 $100.0 million uncommitted multi-currency shelf facility	N/A	None	N/A	

(1) Each of the credit facilities and arrangements listed in the table are secured by guarantees issued by the Company's domestic subsidiaries and by pledges of 65% of the outstanding stock of its material foreign subsidiaries. The 2010 committed loan is also secured by deeds of trust with respect to the Company's corporate headquarters and distribution center in Provo, Utah.

(2) The current portion of the Company's long-term debt (i.e. becoming due in the next 12 months) includes $13.3 million of the balance of its Japanese yen-denominated debt under the 2003 multi-currency uncommitted shelf facility, $8.6 million of the balance on its U.S. dollar denominated debt under the 2003 multi-currency uncommitted shelf facility and $6.0 million of its 2010 committed loan.

Interest expense relating to debt totaled $7.8 million, $6.9 million and $5.8 million for the years ended December 31, 2008, 2009 and 2010, respectively.

The notes and shelf facility contain other terms and conditions and affirmative and negative financial covenants customary for credit facilities of this type, including a requirement to maintain a minimum cash balance of $65.0 million. As of December 31, 2010, the Company is in compliance with all financial covenants under the notes and shelf facility.

Maturities of all long-term debt at December 31, 2010, based on the year-end exchange rate, are as follows (U.S. dollars in thousands):

Year Ending December 31,		
2011	$	27,865
2012		27,865
2013		39,865
2014		21,865
2015		16,377
Thereafter		27,041
Total	$	160,878

9. Lease Obligations

The Company leases office space and computer hardware under noncancelable long-term operating leases. Most leases include renewal options of at least three years. Minimum future operating lease obligations at December 31, 2010 are as follows (U.S. dollars in thousands):

Year Ending December 31,		
2011	$	15,073
2012		13,598
2013		12,471
2014		10,497
2015		10,134
Thereafter		158
Total	$	61,931

Rental expense for operating leases totaled $33.5 million, $33.8 million and $28.8 million for the years ended December 31, 2008, 2009 and 2010, respectively.

10. Capital Stock

The Company's authorized capital stock consists of 25 million shares of preferred stock, par value $.001 per share, 500 million shares of Class A common stock, par value $.001 per share, and 100 million shares of Class B common stock, par value $.001 per share. The shares of Class A common stock and Class B common stock are identical in all respects, except for voting rights and certain conversion rights and transfer restrictions, as follows: (1) each share of Class A common stock entitles the holder to one vote on matters submitted to a vote of the Company's stockholders and each share of Class B common stock entitles the holder to ten votes on each such matter; (2) stock dividends of Class A common stock may be paid only to holders of Class A common stock and stock dividends of Class B common stock may be paid only to holders of Class B common stock; (3) if a holder of Class B common stock transfers such shares to a person other than a permitted transferee, as defined in the Company's Certificate of Incorporation, such shares will be converted automatically into shares of Class A common stock; and (4) Class A common stock has no conversion rights; however, each share of Class B common stock is convertible into one share of Class A common stock, in whole or in part, at any time at the option of the holder. All outstanding Class B shares have been converted to Class A shares. As of December 31, 2010 and 2009, there were no preferred or Class B common shares outstanding.

Weighted-average common shares outstanding

The following is a reconciliation of the weighted-average common shares outstanding for purposes of computing basic and diluted net income per share (in thousands):

	Year Ended December 31,		
	2008	2009	2010
Basic weighted-average common shares outstanding	63,510	63,333	62,370
Effect of dilutive securities:			
Stock awards and options	622	963	2,177
Diluted weighted-average common shares outstanding	64,132	64,296	64,547

For the years ended December 31, 2008, 2009 and 2010, other stock options totaling 5.0 million, 4.8 million and 0.4 million, respectively, were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Repurchases of common stock

The board of directors has approved a stock repurchase program authorizing the Company to repurchase the Company's outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from the Company's equity incentive plans and for strategic initiatives. During the years ended December 31, 2008, 2009 and 2010, the Company repurchased approximately 0.4 million, 1.2 million and 2.2 million shares of Class A common stock for an aggregate price of approximately $6.1 million, $21.1 million and $58.5 million, respectively. Between August 1998 and December 31, 2010, the Company repurchased a total of approximately 21.8 million shares of Class A common stock under this program for an aggregate price of approximately $332.3 million. In June 2010, the Company's board of directors authorized an increase of $150.0 million in the amount available under the Company's ongoing stock repurchase program. At December 31, 2010, $153.6 million was available for repurchases under the stock repurchase program.

11. Stock–Based Compensation

At December 31, 2010, the Company had the following stock-based employee compensation plans:

Equity Incentive Plans

During the year ended December 31, 1996, the Company's board of directors adopted the Nu Skin Enterprises, Inc., 1996 Stock Incentive Plan (the "1996 Stock Incentive Plan"). In April 2006, the Company's Board of Directors approved the Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan (the "2006 Stock Incentive Plan"). The 2006 Stock Incentive Plan was approved by the Company's stockholders at the Company's 2006 Annual Meeting of Stockholders held in May of 2006. The 1996 Stock Incentive Plan and the 2006 Stock Incentive Plan provide for granting of stock awards and options to purchase common stock to executives, other employees, independent consultants and directors of the Company and its Subsidiaries. Stock options granted under these plans are generally non-qualified stock options, but the plans permit some stock options granted to qualify as "incentive stock options" under the U.S. Internal Revenue Code. The exercise price of a stock option generally is equal to the fair market value of the Company's common stock on the stock option grant date. The contractual term of stock options granted since 1996 is generally ten years. However, for stock options granted beginning in the second quarter of 2006, the contractual term has been shortened to seven years. Currently, all shares issued upon the exercise of stock options are from the Company's treasury shares. With the adoption of the 2010 Omnibus Incentive Plan discussed below, no further grants will be made under the 1996 Stock Incentive Plan or the 2006 Stock Incentive Plan.

In April 2010, the Company's Board of Directors approved the Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "2010 Omnibus Incentive Plan"). This plan was approved by the Company's stockholders at the Company's 2010 Annual Meeting of Stockholders held in May of 2010. The 2010 Omnibus Incentive Plan provides for granting of a variety of equity based awards including stock options, stock appreciation rights, restricted stock, restricted stock units, other share based awards, performance cash, performance shares and performance units to executives, other employees, independent consultants and directors of the Company and its subsidiaries. Options granted under the 2010 Omnibus Incentive Plan are generally non-qualified stock options, but the 2010 Omnibus Incentive Plan permits some stock options granted to qualify as "incentive stock options" under the U.S. Internal Revenue Code. The exercise price of a stock option generally is equal to the fair market value of the Company's common stock on the stock option grant date. The contractual term of a stock option granted under the 2010 Omnibus Incentive Plan is seven years. Currently, all shares issued upon the exercise of stock options are from the Company's treasury shares. Seven million shares, subject to certain adjustments, were uthorized for issuance under the 2010 Omnibus Incentive Plan.

The Company has traditionally granted time-vested options. However, the Company has made several performance based grants over the last four years. The following is a summary of the terms of the two most significant grants of performance awards. The compensation committee of the board of directors approved the grant of performance stock options to certain senior level executives in the fourth quarter of 2007 under the 2006 Stock Incentive Plan. Vesting for the options is performance based, with the options vesting in two installments if the Company's earnings per share equal or exceed the two established performance levels, measured in terms of diluted earnings per share. Fifty percent of the options vest upon earnings per share meeting or exceeding the first performance level and fifty percent of the options vest upon earnings per share meeting or exceeding the second performance level. As of December 31, 2010, both of the performance levels were met for these performance stock options, which resulted in cumulative compensation expense of $8.3 million.

In November 2010, the compensation committee of the board of directors approved the grant of performance stock options to certain key employees under the 2010 Omnibus Incentive Plan. Vesting for the options is performance based, with the options vesting in three installments if the Company's earnings per share equal or exceed the three established performance levels, measured in terms of diluted earnings per share. One third of the options will vest upon earnings per share meeting or exceeding the first performance level, one third of the options will vest upon earnings per share meeting or exceeding the second performance level and one third of the options will vest upon earnings per share meeting or exceeding the third performance level. All unvested options will terminate upon the Company's failure to meet certain performance thresholds for each of years 2013 through 2015. In addition, all unvested options will terminate on March 30, 2016. The Company records an expense each period for the estimated amount of expense associated with the Company's projected achievement of the performance based targets.

The Company has also issued other performance based awards to a limited number of participants that similarly vest, or become eligible for vesting, upon achievement of various performance targets.

The fair value of stock option awards was estimated using the Black-Scholes option-pricing model with the following assumptions and weighted-average fair values as follows:

	December 31,		
Stock Options:	**2008**	**2009**	**2010**
Weighted average grant date fair value of grants	$ 4.69	$ 2.84	$ 8.61
Risk-free interest rate(1)	3.0%	2.3%	1.8%
Dividend yield(2)	2.6%	3.2%	2.6%
Expected volatility(3)	36.1%	40.7%	37.8%
Expected life in months(4)	58 months	69 months	69 months

(1) The risk-free interest rate is based upon the rate on a zero coupon U.S. Treasury bill, for periods within the contractual life of the option, in effect at the time of the grant.

(2) The dividend yield is based on the average of historical stock prices and actual dividends paid.

(3) Expected volatility is based on the historical volatility of our stock price, over a period similar to the expected life of the option.

(4) The expected term of the option is based on the historical employee exercise behavior, the vesting terms of the respective option, and a contractual life of either seven or ten years.

Options under the plans as of December 31, 2010 and changes during the year ended December 31, 2010 were as follows:

	Shares (in thousands)	Weighted-average Exercise Price	Weighted- average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options activity – service based				
Outstanding at December 31, 2009	5,792.0	$ 14.82		
Granted	209.5	26.14		
Exercised	(1,298.8)	13.24		
Forfeited/cancelled/ expired	(218.8)	14.53		
Outstanding at December 31, 2010	4,483.9	15.82	4.31	$ 64,734
Exercisable at December 31, 2010	2,747.6	17.63	3.76	34,707
Options activity – performance based				
Outstanding at December 31, 2009	1,742.5	$ 17.03		
Granted	2,121.5	30.31		
Exercised	(242.5)	16.65		
Forfeited/cancelled/ expired	(35.0)	18.03		
Outstanding at December 31, 2010	3,586.5	24.90	5.71	$ 19,563
Exercisable at December 31, 2010	665.0	17.07	4.07	8,773
Options activity – all options				
Outstanding at December 31, 2009	7,534.5	$ 15.33		
Granted	2,331.0	29.93		
Exercised	(1,541.3)	13.77		
Forfeited/cancelled/ expired	(253.8)	15.02		
Outstanding at December 31, 2010	8,070.4	19.86	4.93	$ 84,298
Exercisable at December 31, 2010	3,412.6	17.52	3.83	43,480

The aggregate intrinsic value in the table above represents the total pretax intrinsic value (the difference between the Company's closing stock price on the last trading day of the respective years and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2010. This amount varies based on the fair market value of the Company's stock. The total fair value of options vested and expensed was $4.8 million, net of tax, for the year ended December 31, 2010.

Cash proceeds, tax benefits, and intrinsic value related to total stock options exercised during 2008, 2009 and 2010, were as follows (in millions):

	December 31,		
	2008	2009	2010
Cash proceeds from stock options exercised	$ 3.8	$ 6.2	$ 21.2
Tax benefit realized for stock options exercised	1.2	2.9	10.3
Intrinsic value of stock options exercised	0.2	8.2	25.4

Nonvested restricted stock awards as of December 31, 2010 and changes during the year ended December 31, 2010 were as follows:

	Number of Shares (in thousands)	Weighted-average Grant Date Fair Value
Nonvested at December 31, 2009	340.3	$ 17.12
Granted	338.9	25.98
Vested	(140.0)	16.65
Forfeited	(8.9)	18.82
Nonvested at December 31, 2010	530.3	22.88

As of December 31, 2010, there was $8.9 million of unrecognized stock-based compensation expense related to nonvested restricted stock awards. That cost is expected to be recognized over a weighted-average period of 2.5 years. As of December 31, 2010, there was $22.4 million of unrecognized stock-based compensation expense related to nonvested stock option awards. That cost is expected to be recognized over a weighted-average period of 3.9 years.

12. Income Taxes

Consolidated income before provision for income taxes consists of the following for the years ended December 31, 2008, 2009 and 2010 (U.S. dollars in thousands):

	2008	2009	2010
U.S.	$ 52,756	$ 71,338	$ 141,069
Foreign	47,897	69,786	66,544
Total	$ 100,653	$ 141,124	$ 207,613

The provision for current and deferred taxes for the years ended December 31, 2008, 2009 and 2010 consists of the following (U.S. dollars in thousands):

	2008	2009	2010
Current			
Federal	$ 10,524	$ 9,409	$ 45,761
State	2,620	1,690	3,825
Foreign	22,408	27,784	27,450
	35,552	38,883	77,036
Deferred			
Federal	713	14,266	(2,558)
State	(345)	937	212
Foreign	(614)	(2,807)	(3,128)
	(246)	12,396	(5,474)
Provision for income taxes	$ 35,306	$ 51,279	$ 71,562

The Company's foreign taxes paid are high relative to foreign operating income and the Company's U.S. taxes paid are low relative to U.S. operating income due largely to the flow of funds among the Company's Subsidiaries around the world. As payments for services, management fees, license arrangements and royalties are made from the Company's foreign affiliates to its U.S. corporate headquarters, these payments often incur withholding and other forms of tax that are generally creditable for U.S. tax purposes. Therefore, these payments lead to increased foreign effective tax rates and lower U.S. effective tax rates. Variations (or shifts) occur in the Company's foreign and U.S. effective tax rates from year to year depending on several factors. These factors include the impact of global transfer prices, the timing and level of remittances from foreign affiliates, profits and losses in various markets, in the valuation of deferred tax assets or liabilities, or changes in tax laws, regulations, accounting principles, or interpretations thereof.

The principal components of deferred taxes are as follows (U.S. dollars in thousands):

	Year Ended December 31,	
	2009	**2010**
Deferred tax assets:		
Inventory differences	$ 3,777	$ 5,572
Foreign tax credit and other foreign benefits	34,717	25,408
Stock-based compensation	8,251	9,632
Accrued expenses not deductible until paid	25,211	28,325
Foreign currency exchange	8,934	17,727
Net operating losses	14,430	12,481
Capitalized research and development	19,175	18,295
Asian marketing rights	1,095	483
Other	5,839	7,023
Gross deferred tax assets	121,429	124,946
Deferred tax liabilities:		
Exchange gains and losses	3,299	4,763
Pharmanex intangibles step-up	13,514	12,923
Amortization of intangibles	8,768	10,193
Foreign outside basis in controlled foreign corporation	10,137	10,683
Prepaid expenses	11,239	11,239
Other	2,025	3,921
Gross deferred tax liabilities	48,982	53,722
Valuation allowance	(11,150)	(11,351)
Deferred taxes, net	$ 61,297	$ 59,873

At December 31, 2010, the Company had foreign operating loss carryforwards of approximately $54.7 million for tax purposes, which will be available to offset future taxable income. If not used, $20.7 million of carryforwards will expire between 2011 and 2020, while $34.0 million do not expire.

The valuation allowance primarily represents amounts for foreign operating loss carryforwards for which it is more likely than not some portion or all of the deferred tax asset will not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary difference, projected future taxable income, tax planning strategies and recent financial operations. When the Company determines that there is sufficient taxable income to utilize the net operating losses, the valuation will be released which would reduce the provision for income taxes.

The components of deferred taxes, net on a jurisdiction basis are as follows (U.S. dollars in thousands):

	Year Ended December 31,	
	2009	**2010**
Net current deferred tax assets	$ 23,541	$ 26,094
Net noncurrent deferred tax assets	49,030	45,027
Total net deferred tax assets	72,571	71,121
Net current deferred tax liabilities	•	8
Net noncurrent deferred tax liabilities	11,274	11,240
Total net deferred tax liabilities	11,274	11,248
Deferred taxes, net	$ 61,297	$ 59,873

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in proposed assessments that may result in additional tax liabilities.

The actual tax rate for the years ended December 31, 2008, 2009 and 2010 compared to the statutory U.S. Federal tax rate is as follows:

	Year Ended December 31,		
	2008	**2009**	**2010**
Income taxes at statutory rate	35.00%	35.00%	35.00%
Non-deductible expenses	.23	.24	.10
Other	(.15)	1.10	(.63)
	35.08%	36.34%	34.47%

The increase in the effective tax rate in 2009 compared to 2008 was due to a reduced benefit relating to the expiration of the statute of limitations. The decrease in the effective tax rate in 2010 compared to 2009 was due primarily to the increased benefit relating to the expiration of the statute of limitations in certain tax jurisdictions.

13. Employee Benefit Plan

The Company has a 401(k) defined contribution plan which permits participating employees to defer up to a maximum of 100% of their compensation, subject to limitations established by the Internal Revenue Service. Employees age 18 and older are eligible to contribute to the plan starting the first day of employment. After completing at least one day of service, employees are eligible to receive the Company's matching funds. In 2008, 2009, and 2010 the Company matched employees' base pay up to 3%, 3.5% and 4%, respectively. In 2008, the Company's contributions vested evenly over four years. In 2009 and 2010 the Company's contributions cliff vest at two years. The Company recorded compensation expense of $1.3 million, $1.7 million and $2.1 million for the years ended December 31, 2008, 2009 and 2010, respectively, related to its contributions to the plan.

The Company has a defined benefit pension plan for its employees in Japan. All employees of Nu Skin Japan, after certain years of service, are entitled to pension plan benefits when they terminate employment with Nu Skin Japan. The accrued pension liability was $6.9 million, $5.9 million and $7.4 million as of December 31, 2008, 2009 and 2010, respectively. Although Nu Skin Japan has not specifically funded this obligation, as it is not required to do so, Nu Skin Japan believes it maintains adequate cash balances for this defined benefit pension plan. The Company recorded pension expense of $0.9 million, $0.6 million and $1.1 million for the years ended December 31, 2008, 2009 and 2010, respectively.

14. Executive Deferred Compensation Plan

The Company has an executive deferred compensation plan for select management personnel. Under this plan, the Company may make a contribution of up to 10% of a participant's salary. In addition, each participant has the option to defer a portion of their compensation up to a maximum of 80% of their compensation. Participant contributions are immediately vested. Company contributions vest on the earlier of: (a) attaining 60 years of age; (b) 50% after ten years of service and 5% each year of service thereafter; and (c) death or disability. The Company recorded compensation expense of $0.8 million, $1.1 million and $3.4 million for the years ended December 31, 2008, 2009 and 2010, respectively, related to its contributions to the plan. The Company had accrued $10.0 million and $15 million as of December 31, 2009 and 2010, respectively, related to the Executive Deferred Compensation Plan.

15. Derivative Financial Instruments

At December 31, 2009, the Company held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately $3.0 million to hedge forecasted foreign-currency-denominated intercompany transactions and $0.1 million net unrealized gain, net of related taxes, was recorded in accumulated other comprehensive loss. At December 31, 2010, the Company held $22.2 million in forward contracts designated as foreign currency cash flow hedges to hedge forecasted foreign-currency-denominated intercompany transactions.

The contracts held at December 31, 2010, have maturities through June 2011, and accordingly, all unrealized gains and losses on foreign currency cash flow hedges included in accumulated other comprehensive loss will be recognized in current earnings over the next 5 months. There were no pre-tax net (losses)/gains on foreign currency cash flow hedges recorded in current earnings for the years ended December 31, 2008 and 2009. There were $0.1 million of pre-tax net gains on foreign currency cash flow hedges recorded in current earnings for year ended December 31, 2010.

16. Supplemental Cash Flow Information

Cash paid for interest totaled $7.9 million, $7.0 million and $6.2 million for the years ended December 31, 2008, 2009 and 2010, respectively. Cash paid for income taxes totaled $27.2 million, $36.8 million and $61.2 million for the years ended December 31, 2008, 2009 and 2010, respectively. There was a non-cash item for the year ended December 31, 2010, as described in Note 3 to the consolidated financial statements pertaining to the related party purchase of corporate office and warehouse space.

17. Segment Information

The Company operates in a single operating segment by selling products to a global network of independent distributors that operates in a seamless manner from market to market, except for its operations in Mainland China. In Mainland China, the Company utilizes an employed sales force, contractual sales promoters and direct sellers to sell its products through fixed retail locations. Selling expenses are the Company's largest expense comprised of the commissions paid to its worldwide independent distributors as well as remuneration to its Mainland China sales employees, promoters and direct sellers paid on product sales. The Company manages its business primarily by managing its global sales force. The Company does not use profitability reports on a regional or divisional basis for making business decisions. However, the Company does recognize revenue in five geographic regions: North Asia, Greater China, Americas, Europe and South Asia/Pacific.

Revenue generated in each of these regions is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2008**	**2009**	**2010**
North Asia	$ 594,548	$ 606,113	$ 686,073
Greater China	209,968	210,379	268,171
Americas	223,902	260,865	250,008
South Asia/Pacific	107,656	120,123	182,796
Europe	111,572	133,578	150,211
Total	$ 1,247,646	$ 1,331,058	$ 1,537,259

Revenue generated by each of the Company's product lines is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2008**	**2009**	**2010**
Nu Skin	$ 633,411	$ 752,681	$ 913,819
Pharmanex	597,714	565,592	612,209
Other	16,521	12,785	11,231
Total	$ 1,247,646	$ 1,331,058	$ 1,537,259

Additional information as to the Company's operations in the most significant geographical areas is set forth below (U.S. dollars in thousands):

	Year Ended December 31,		
Revenue:	**2008**	**2009**	**2010**
Japan	$ 443,714	$ 461,914	$ 471,425
South Korea	150,834	144,199	214,648
United States	192,140	218,557	212,070
Europe	96,573	111,862	124,497
Taiwan	92,297	91,727	107,133
Mainland China	65,329	71,086	91,352

	December 31,	
Long-lived assets:	**2009**	**2010**
Japan	$ 8,079	$ 12,473
South Korea	3,654	9,396
United States	42,378	84,829
Europe	3,005	2,697
Taiwan	1,758	2,200
Mainland China	11,841	11,646

18. Restructuring Charges

During 2009, the Company recorded restructuring charges of $10.7 million, related to restructuring of its Japan operations, including an approximate 30% headcount reduction as well as facility relocations and closures. $7.4 million related to severance payments to terminated employees and $3.3 million of these charges related to facility relocation or closing costs. The majority of these severance charges are related to a voluntary employment reduction program. The restructuring charges for facility relocation or closing costs related to costs incurred during 2009 for leases terminated in that period.

19. Commitments and Contingencies

The Company is subject to governmental regulations pertaining to product formulation, labeling and packaging, product claims and advertising and to the Company's direct selling system. The Company is also subject to the jurisdiction of numerous foreign tax and customs authorities. Any assertions or determination that either the Company or the Company's distributors is not in compliance with existing statutes, laws, rules or regulations could potentially have a material adverse effect on the Company's operations. In addition, in any country or jurisdiction, the adoption of new statutes, laws, rules or regulations or changes in the interpretation of existing statutes, laws, rules or regulations could have a material adverse effect on the Company and its operations. Although management believes that the Company is in compliance, in all material respects, with the statutes, laws, rules and regulations of every jurisdiction in which it operates, no assurance can be given that the Company's compliance with applicable statutes, laws, rules and regulations will not be challenged by foreign authorities or that such challenges will not have a material adverse effect on the Company's financial position or results of operations or cash flows. The Company and its Subsidiaries are defendants in litigation and proceedings involving various matters. Except as noted below, in the opinion of the Company's management, based upon advice of its counsel handling such litigation and proceedings, adverse outcomes, if any, will not likely result in a material effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. The Company believes it has appropriately provided for income taxes for all years. Several factors drive the calculation of its tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to the Company's reserves, which would impact its reported financial results.

Due to the international nature of the Company's business, the Company is subject from time to time to reviews and audits by the foreign taxing authorities of the various jurisdictions in which the Company conducts business throughout the world. The Company is currently involved in two separate disputes with the customs authorities in Japan with respect to duty assessments on several of the Company's Pharmanex nutritional products totaling approximately 5.3 billion Japanese yen as of December 31, 2010 (approximately $65.3 million), net of any recovery of consumption taxes. The Company was also recently notified that it is likely to receive an additional assessment of 0.6 billion Japanese yen (approximately $7.7 million) related to the second dispute.

The first dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2002 through July 2005. The aggregate amount of these additional assessments is 2.7 billion Japanese yen (approximately $33.2 million as of December 31, 2010), net of any recovery of consumption taxes. The dispute relates to whether the Company used the proper valuation method for these products in determining the applicable customs duties. The primary legal issue in the case is whether the relevant import transaction is a sale between the Company's third party manufacturers and the Company's Japan subsidiary, or a sale between the Company's US subsidiary and the Company's Japan subsidiary. In 1999, the Company worked with the Yokohama Customs authorities to restructure the form of the relevant transactions in order to have the import transaction be a sale between the Company's third party manufacturers and the Company's Japan subsidiary, and thus have the duties assessed on the price paid to the Company's third party manufacturers. With the input and guidance of the Yokohama Customs authorities, the Company restructured the form of the transaction and the agreements between the relevant parties based on these discussions so that the Company's US subsidiary would be acting on behalf of the Company's Japan subsidiary with respect to the purchase of these products rather than as a buyer/seller. The Company's Japan subsidiary entered into a Memorandum of Understanding with each of the Company's third party manufacturers of the relevant products, which provided that the Company's Japan subsidiary was the purchaser of the products and that the Company's US subsidiary was acting for and on behalf of the Company's Japan subsidiary with respect to these products. The Company's Japan subsidiary also entered into a Memorandum of Understanding with the Company's US subsidiary documenting the same agency relationship. The Company believes that these legal documents establish that the Company's US subsidiary was acting as an agent and not buyer and seller of the relevant products. The additional assessment of duties by Yokohama Customs was based on its re-characterization of the transaction as a sale between the Company's US subsidiary and the Company's Japan subsidiary for custom law purposes despite the legal form of the transaction. The Company does not believe the legal documentation supports the re-characterization of these transactions. Yokohama Customs has raised several issues to support its re-characterization, including the fact that the Company has treated the relevant transaction as a sale between the Company's US subsidiary and Japan subsidiary for income tax purposes. However, the Company believes that the relevant income tax and transfer pricing rules and regulations apply different standards and are not relevant to the customs issue. Because the Company believes that the legal documentation for these transactions support the Company's position, the Company filed a complaint in the Tokyo District Court Civil Action Section in December 2006 to have the Ministry of Finance's affirmation of the additional assessments reversed. The final hearing on this matter was held on February 1, 2011 and the court indicated it would issue a decision on this case on March 25, 2011. Either party has the right to appeal this decision. If the Company receives an adverse decision in this case, the Company may be required to record an expense for the full amount of the disputed assessments, or $33.2 million.

The second dispute relates to additional customs assessments made by Yokohama Customs for the period of October 2006 through November 2008 in connection with an audit in 2009, as well as the disputed portion of the Company's current import duty rate the Company has been required to pay or hold in bond, and has paid under protest, since October of 2009. The aggregate amount of these additional assessments and disputed duties is 2.6 billion Japanese yen as of December 31, 2010 (approximately $32.1 million), net of any recovery of consumption taxes. The Company was also recently notified that it will likely be assessed an additional 0.6 billion Japanese yen (approximately $7.7 million), net of any recovery of consumption taxes based on an audit of the period of November 2008 through September 2009. With this assessment, we have been required to pay or hold in bond amounts for all periods from October 2006 to present and we believe that additional assessments related to any prior period would be barred by applicable statutes of limitations. In July 2005, the Company changed the its operating structure in Japan and believed that these changes would eliminate further valuation disputes with Yokohama Customs as the new structure eliminated the issues that were the basis of the litigation in the first dispute (i.e., whether the Company's US subsidiary was acting as an agent for the Company's Japan subsidiary or was acting as the seller). However, in October 2009 the Company received notice from Yokohama Customs authorities that they were assessing additional duties, penalties and interest for the period of October 2006 through November 2008 based on their view that the Company was not utilizing the proper valuation method. The basis for such additional assessment is different from the issues that are being litigated in the first dispute. The issue in this second case is whether a US entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following the Company's review of the assessments and after consulting with the Company's legal and customs advisors, the Company believes that the additional assessments are improper and are not supported by applicable customs laws. The Company filed letters of protest with Yokohama Customs, which were rejected. The Company has appealed the matter to the Ministry of Finance in Japan. In addition, the Company is currently being required to post a bond or make a deposit equal to the difference between the Company's declared duties and the amount the customs authorities have determined the Company should be paying on all current imports. Because the Company believes that the higher rate determined by the customs authorities is an improper application of the regulations, the Company is currently expensing the portion of the duties the Company believes is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on its consolidated financial statements. To the extent that the Company is unsuccessful in recovering the amounts assessed and paid or held in bond, the Company will likely be required to record an expense for the full amount of the disputed assessments, or $32.1 million as of December 31, 2010.

In November 2008, the U.S. Internal Revenue Service began an audit of the Company's 2006 and 2007 tax years. The Company anticipates this audit will be completed during 2011.

20. Dividends per Share

Quarterly cash dividends for the years ended December 31, 2009 and 2010 totaled $29.0 million and $31.2 million or $0.115 and $0.125 per share, respectively. The board of directors has declared a quarterly cash dividend of $0.135 per share for all classes of common stock to be paid on March 16, 2011 to stockholders of record on February 25, 2011.

21. Quarterly Results

The following table sets forth selected unaudited quarterly data for the periods shown (U.S. dollars in millions, except per share amounts):

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	$ 296.2	$ 322.6	$ 334.2	$ 378.1	$ 364.1	$ 388.4	$ 383.6	$ 401.2
Gross profit	242.4	261.9	272.1	311.0	299.3	320.4	314.8	330.3
Operating income	20.2	34.4	40.9	52.2	46.1	59.2	52.9	58.9
Net income	11.8	22.1	25.6	30.3	31.0	32.4	35.3	37.3
Net income per share:								
Basic	0.19	0.35	0.41	0.48	0.50	0.51	0.57	0.60
Diluted	0.19	0.35	0.40	0.47	0.48	0.50	0.55	0.58

22. Other income (expense), net

Other income (expense), net was $9.4 million of expense in 2010 compared to $6.6 million of expense in 2009. The Company recorded foreign currency transaction losses with respect to its intercompany receivables and payables with certain of its international affiliates, including markets that are newly opened or have remained in a loss position since inception. Generally, foreign currency transaction losses with these affiliates would be offset by gains related to the foreign currency transactions of the Company's yen-based bank debt. Other income (expense), net also includes approximately $7.8 million, $6.9 million and $5.8 million in interest expense during 2008, 2009 and 2010, respectively. It is impossible to predict foreign currency fluctuations. The Company cannot estimate the degree to which its operations will be impacted in the future, but it remains subject to these currency risks. However, the majority of these transaction losses are non-cash, non-operating losses.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Nu Skin Enterprises, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholder's equity and comprehensive income, and cash flows present fairly, in all material respects, the financial position of Nu Skin Enterprises, Inc and its subsidiaries at December 31, 2010 and December 31, 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting, appearing in Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
February 23, 2011

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Disclosure controls and procedures are the controls and other procedures that we designed to ensure that we record, process, summarize and report in a timely manner the information we must disclose in reports that we file with or submit to the Securities and Exchange Commission under the Exchange Act. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting. During the fourth quarter of 2010, there was no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorization of management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we assessed, as of December 31, 2010, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, our management concluded that our internal control over financial reporting was effective at a reasonable assurance level as of December 31, 2010.

The effectiveness of our internal control over financial reporting as of December 31, 2010 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

ITEM 9B. OTHER INFORMATION

None.

PART III

The information required by Items 10, 11, 12, 13 and 14 of Part III is hereby incorporated by reference to our Definitive Proxy Statement filed or to be filed with the Securities and Exchange Commission for our 2011 Annual Meeting of Stockholders except for certain information required by Item 10 with respect to our executive officers which is set forth under Item 1 – Business, of this Annual Report on Form 10-K, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Documents filed as part of this Form 10-K:

1. Financial Statements. See Index to Consolidated Financial Statements under Item 8 of Part II.

2. Financial Statement Schedules. N/A

3. Exhibits. References to the "Company" shall mean Nu Skin Enterprises, Inc. Exhibits preceded by an asterisk (*) are management contracts or compensatory plans or arrangements. Unless otherwise noted, the SEC file number for exhibits incorporated by reference is 001-12421.

3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-12073) (the "Form S-1")).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009).
3.3	Certificate of Designation, Preferences and Relative Participating, Optional and Other Special Rights of Preferred Stock and Qualifications, Limitations and Restrictions Thereof (incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004).
3.4	Amended and Restated Bylaws of the Company (as amended) (incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
3.5	Amendment to the Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 7, 2008).
4.1	Specimen Form of Stock Certificate for Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-90716)).
4.2	Specimen Form of Stock Certificate for Class B Common Stock (incorporated by reference to Exhibit 4.2 to the Company's Form S-1).
10.1	Credit Agreement, dated as of May 10, 2001, among the Company, various financial institutions, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006).
10.2	First Amendment to Credit Agreement, dated as of December 14, 2001, among the Company, various financial institutions, and Bank of America, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006).
10.3	Second Amendment to Credit Agreement, dated as of October 22, 2003 between the Company, various financial institutions, and Bank of America, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
10.4	Third Amendment to Credit Agreement, dated as of May 10, 2004, among the Company, various financial institutions, and Bank One, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).

10.5	Fourth Amendment to Credit Agreement, dated as of July 28, 2006, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on August 23, 2006).
10.6	Fifth Amendment to Credit Agreement, dated as of October 5, 2006, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on October 10, 2006).
10.7	Sixth Amendment to Credit Agreement, dated as of August 8, 2007, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed August 15, 2007).
10.8	Seventh Amendment to Credit Agreement, dated as of November 7, 2007, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on November 13, 2007).
10.9	Eighth Amendment to Credit Agreement, dated as of February 29, 2008, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 10.87 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
10.10	Ninth Amendment to Credit Agreement dated as of August 25, 2009, among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. (as successor to Bank One N.A.) as successor administrative agent (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on August 31, 2009).
10.11	Letter Agreement among the Company, various financial institutions, and JPMorgan Chase Bank, N.A. as Administrative Agent (as successor to Bank One, N.A.) (incorporated by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K filed November 13, 2007).
10.12	Credit Agreement, dated as of December 29, 2010, among the Company and JPMorgan Chase Bank, N.A.
10.13	Private Shelf Agreement, dated as of August 26, 2003, between the Company and Prudential Investment Management, Inc. (the "Private Shelf Agreement") (incorporated by reference to Exhibit 10.20 to the Company's Annual report on Form 10-K for the year ended December 31, 2008).
10.14	First Amendment to the Private Shelf Agreement, dated as of October 31, 2003 between the Company and Prudential Investment Management, Inc. (incorporated by reference to Exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).

10.15	Second Amendment to the Private Shelf Agreement, dated as of May 18, 2004, between the Company, Prudential Investment Management, Inc., and the holders of the Series A Senior Notes and Series B Senior Notes issued under the Private Shelf Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10.16	Third Amendment to the Private Shelf Agreement dated June 13, 2005 between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005).
10.17	Fourth Amendment to the Private Shelf Agreement dated July 28, 2006 between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on August 23, 2006).
10.18	Fifth Amendment to the Private Shelf Agreement dated October 5, 2006 between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on October 10, 2006).
10.19	Sixth Amendment to the Private Shelf Agreement, dated as of November 7, 2007, between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed on November 13, 2007).
10.20	Seventh Amendment to the Private Shelf Agreement, dated as of February 25, 2008, between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 10.83 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
10.21	Multi-Currency Private Shelf Agreement dated as of October 1, 2009, between the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
10.22	Letter Agreement among the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K filed November 13, 2007).
10.23	Letter Agreement dated October 1, 2009, among the Company, Prudential Investment Management, Inc. and certain other lenders (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009).
10.24	Series C Senior Notes Nos. C-1 and C-2 issued February 7, 2005 by the Company to Prudential Investment Management, Inc. and/or its affiliates pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed February 8, 2005).

10.25	Series D Senior Notes Nos. D-1, D-2, D-3 and D-4 issued October 3, 2006 by the Company to Prudential Investment Management, Inc. and/or its affiliates pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed October 10, 2006).
10.26	Series E Senior Notes Nos. E-1, E-2, E-3, E-4 and E-5 issued January 19, 2007 by the Company to Prudential Investment Management, Inc. and/or its affiliates pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed January 25, 2007).
10.27	Series E Senior Note E-6, issued July 20, 2007, by the Company to Prudential Insurance Company of America pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 99.1 to the Company's Current Report on 8-K filed January 14, 2008).
10.28	Series EE Senior Note EE-1, issued January 8, 2008, by the Company to Prudential Insurance Company of America pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 99.2 to the Company's Current Report on 8-K filed January 14, 2008).
10.29	Series F Senior Notes Nos. F-1 and F-2 issued September 28, 2007 by the Company to Prudential Investment Management, Inc. and/or its affiliates pursuant to the Private Shelf Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).
10.30	Pledge Agreement dated October 12, 2000, by and between the Company and State Street Bank and Trust Company of California, N.A., acting in its capacity as collateral agent (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005).
10.31	Pledge Amendments executed by the Company dated December 31, 2003 (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003).
10.32	Pledge Agreement dated as of January 31, 2005 by and among Nu Skin Asia Investment, Inc., a wholly-owned subsidiary of the Company, and U.S. Bank National Association, as agent for and on behalf of the Benefited Parties under the Amended and Restated Collateral Agency and Intercreditor Agreement (referred to below) (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K/A filed on March 10, 2005).
10.33	Amended and Restated Collateral Agency and Intercreditor Agreement, dated as of August 26, 2003, by and among the Company and various of its subsidiaries, U.S. Bank National Association, as Collateral Agent, and various lending institutions (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.34	Real Estate Purchase and Sale Agreement, and other ancillary agreements, dated as of December 30, 2010 between Aspen Country, LLC and Nu Skin International, Inc.
10.35	Real Estate Purchase and Sale Agreement, and other ancillary agreements, dated as of December 30, 2010 between Scrub Oak, LLC and Nu Skin International, Inc.

10.36	Form of Promissory Notes dated as of December 30, 2010 by Nu Skin International, Inc., with a schedule of material differences.
10.37	Form of Termination of Lock-up Agreements dated as of September 1, 2010 between the Company and each of Blake and Nancy Roney, Steven and Kalleen Lund, and Sandra Tillotson
*10.38	Form of Indemnification Agreement to be entered into between the Company and certain of its officers and directors (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
*10.39	Amended and Restated Deferred Compensation Plan, effective as of January 1, 2008 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007).
*10.40	Amendment to the Deferred Compensation Plan, effective as of January 1, 2009 (incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
*10.41	Nu Skin Enterprises, Inc. Nonqualified Deferred Compensation Trust dated December 14, 2005 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed December 19, 2005).
*10.42	Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005).
*10.43	Form of Master Stock Option Agreement (1996 Plan) (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
*10.44	Form of Stock Option Agreement for Directors (1996 Plan) (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006).
*10.45	Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 1, 2006).
*10.46	Form of Master Stock Option Agreement (2006 Plan) (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006).
*10.47	Form of Master Stock Option Agreement (2006 Plan Performance Option (U.S.)) (incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
*10.48	Form of Master Stock Option Agreement for Directors (2006 Plan) (incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).

*10.49	Form of Director Restricted Stock Unit Agreement (2006 Plan) (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007).
*10.50	Form of Master Restricted Stock Unit Agreement (2006 Plan) (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006).
*10.51	Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 2, 2010).
*10.52	Form of 2010 Plan U.S. Stock Option Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2010).
*10.53	Form of 2010 Plan U.S. Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 2, 2010).
*10.54	Form of 2010 Plan U.S. Performance Stock Option Master Agreement and Grant Notice.
*10.55	Form of 2010 Plan U.S. Performance Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 2, 2010).
*10.56	Form of 2010 Plan Director Stock Option Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
*10.57	Form of 2010 Plan Director Restricted Stock Unit Master Agreement and Grant Notice (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010).
*10.58	Nu Skin Enterprises, Inc. 2009 Key Employee Death Benefit Plan.
*10.59	Employment Letter between the Company and Truman Hunt dated January 17, 2003 (incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
*10.60	Summary of Modifications to Truman Hunt's Employment Letter (incorporated by reference to Exhibit 10.69 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
*10.61	Joseph Y. Chang Employment Agreement dated November 9, 2009, between Mr. Chang and the Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009).

*10.62	Daniel Chard Employment Agreement effective February 13, 2006 between Mr. Chard and the Company (incorporated by reference to Exhibit 10.61 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006).
*10.63	Summary of Modifications to Dan Chard's Employment Letter (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009).
*10.64	Event Appearance Bonus Guidelines (Approved for Sandra Tillotson in October 2006) (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006).
*10.65	Ashok Pahwa Settlement and Release Agreement dated April 1, 2010, between Mr. Pahwa and the Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010).
*10.66	Gary Sumihiro Settlement and Release Agreement dated March 1, 2009, between Mr. Sumihiro and the Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009).
*10.67	Gary Sumihiro Consulting Agreement dated March 1, 2009, between Mr. Sumihiro and the Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009).
*10.68	Form of Key Employee Covenants (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007).
21.1	Subsidiaries of the Company.
23.1	Consent of PricewaterhouseCoopers LLP.
31.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 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, thereunto duly authorized on February 23, 2011.

NU SKIN ENTERPRISES, INC.

By: /s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

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 indicated on February 23, 2011.

Signatures	Capacity in Which Signed
/s/ Blake M. Roney Blake M. Roney	Chairman of the Board
/s/ M. Truman Hunt M. Truman Hunt	President and Chief Executive Officer and Director (Principal Executive Officer)
/s/ Ritch N. Wood Ritch N. Wood	Chief Financial Officer (Principal Financial Officer and Accounting Officer)
/s/ Sandra N. Tillotson Sandra N. Tillotson	Senior Vice President, Director
/s/ Steven J. Lund Steven J. Lund	Director
/s/ Daniel W. Campbell Daniel W. Campbell	Director
/s/ E.J. “Jake” Garn E. J. “Jake” Garn	Director
/s/ Andrew D. Lipman Andrew D. Lipman	Director
/s/ Patricia A. Negrón Patricia A. Negrón	Director
/s/ David D. Ussery David D. Ussery	Director
/s/ Thomas R. Pisano Thomas R. Pisano	Director
/s/ Nevin N. Andersen Nevin N. Andersen	Director

December 29, 2010

Nu Skin Enterprises, Inc.
75 West Center Street
Provo, UT 84601
Attention: Brian Lords

Re: Credit Agreement

Ladies and Gentlemen:

JPMorgan Chase Bank, N.A., London Branch (the "Bank"), is pleased to advise Nu Skin Enterprises, Inc. (the "Borrower") that the Bank has approved a committed loan facility on the terms and conditions set forth below.

1. DEFINITIONS AND INTERPRETATION.

1.1 Definitions. In addition to the terms defined in the introductory paragraph, (a) subject to Section 1.2, capitalized terms used but not defined herein have the respective meanings set forth in the Syndicated Agreement (as defined below) and (b) the following terms have the following meanings:

"Agreement" means this Credit Agreement.

"Business Day" means any day (other than a Saturday, a Sunday or a legal holiday) on which commercial banks are open for business in London, England and New York, New York; provided that, with respect to any interest rate determination hereunder, "Business Day" shall mean any day other than a Saturday, a Sunday or day on which commercial banks in London, England are required or authorized to be closed.

"Commitment Amount" means $30,000,000, as such amount may be reduced from time to time pursuant to Section 2.8.

"Deed of Trust" means a deed of trust covering a Mortgaged Property.

"Default" means any event described in Section 7.1.

"Dollar" and the sign "$" mean lawful currency of the United States of America.

"Dollar Loan" - see Section 2.1.

"Interest Payment Date" means, for any Loan, (a) the last day of each Interest Period, (b) any date on which such Loan is prepaid or repaid and (c) after the maturity of such Loan, any date on which demand is made by the Bank.

"FRB" means the Board of Governors of the Federal Reserve System.

"Interest Period" means each period commencing on the last Business Day of a calendar month, starting with December 29, 2010, and ending on the last Business Day of the immediately succeeding calendar month; provided that no Interest Period shall extend beyond the Termination Date.

"LIBOR Reserve Percentage" means, for any Interest Period, a percentage (expressed as a decimal) equal to the daily average during such Interest Period of the percentage in effect on each day of such Interest Period, as prescribed by the FRB (or any successor), for determining the aggregate maximum reserve requirements applicable to "Eurocurrency Liabilities" pursuant to Regulation D of the FRB or any other then applicable regulation of the FRB which prescribes reserve requirements applicable to "Eurocurrency Liabilities" as presently defined in Regulation D.

"LIBOR Rate" means, for any Dollar Loan for any Interest Period, (i) the rate per annum equal to the rate determined by the Bank to be the offered rate which appears on Reuters Screen LIBOR01 (formerly known as page 3750 of the Moneyline Telerate Service) for Dollar deposits (for delivery two Business Days prior to the beginning of such Interest Period) with a term equivalent to the applicable Interest Period, determined as of approximately 11:00 a.m. on such date of determination, or (ii) if the rate referenced in the preceding clause (i) does not appear on such screen or service or if such screen or service shall cease to be available, the rate per annum equal to the rate determined by the Bank to be the offered rate on such other screen or other service which displays an average British Bankers Association Interest Settlement Rate for Dollar deposits (for delivery two Business Days prior to the beginning of such Interest Period) with a term equivalent to such Interest Period determined as of approximately 11:00 a.m. on such date of determination, or (iii) if the rates referenced in the preceding clauses (i) and (ii) are not available, the rate per annum equal to the offered quotation rate to first class banks in the London interbank market by the Bank for Dollar deposits (for delivery two Business Days prior to the beginning of such Interest Period) of amounts in same day funds comparable to the principal amount of such Dollar Loan with a maturity comparable to such Interest Period as of approximately 11:00 a.m. on such date of determination.

"LIBOR Rate (Reserve Adjusted)" means, for any Interest Period, a rate per annum determined pursuant to the following formula:

$$\text{LIBOR Rate (Reserve Adjusted)} = \frac{\text{LIBOR Rate}}{\text{1-LIBOR Reserve Percentage}}$$

"Loan" means a Dollar Loan or a Yen Loan, and "Loans" means all of them.

"Loan Documents" means, collectively, this Agreement, each Deed of Trust and the Subsidiary Guaranty.

"Mortgaged Properties" means, collectively, (a) the properties listed on Schedule 1 and (b) each other property that is or is intended to be purchased with the proceeds of any Loan, and "Mortgaged Property" means any such property.

"Subsidiary Guarantors" means all current and future Material Domestic Subsidiaries of the Borrower.

"Subsidiary Guaranty" means a subsidiary guaranty dated as of the date hereof that is substantially in the form of the Subsidiary Guaranty delivered in connection with the Syndicated Agreement.

"Syndicated Agreement" means the Credit Agreement dated as of May 10, 2001 among the Borrower, various financial institutions and the Bank, as administrative agent, as such agreement is in effect on the date hereof, without giving effect to (a) any subsequent amendment thereof or waiver or consent thereunder unless the Bank is a signatory, or otherwise consents, thereto, (b) any termination thereof or (c) the termination the Bank's participation therein. Wherever a portion of the Syndicated Agreement is incorporated herein by reference, each reference in the incorporated provision to the "Administrative Agent," a "Lender," the "Required Lenders" or a similar term shall be deemed to be a reference to the Bank.

"Termination Date" means the earliest to occur of (a) December 31, 2013, (b) the date on which the Commitment Amount is reduced to zero pursuant to Section 2.8 and (c) the date on which all obligations of the Borrower hereunder become due and payable pursuant to Section 7.2.

"Unmatured Default" means an event that but for the lapse of time or the giving of notice, or both, would, unless cured or waived, constitute a Default.

"Yen" and the sign "¥" mean lawful currency of Japan.

"Yen LIBOR" means, for any Yen Loan for any Interest Period, the per annum rate (reserve adjusted as provided below) of interest at which Yen deposits in immediately available funds are offered in the interbank eurodollar market as presented on Reuters Screen LIBOR01 (formerly known as page 3750 of the Moneyline Telerate Service) as of 11:00 a.m. two Business Days prior to the beginning of such Interest Period, for delivery on the first day of such Interest Period for a period approximately equal to such Interest Period and in an amount equal or comparable to such Yen Loan. The foregoing rate of interest shall be reserve adjusted by dividing Yen LIBOR by one minus the Yen LIBOR Reserve Percentage. All references in this Agreement or other Loan Documents to Yen LIBOR shall mean and include the aforesaid reserve adjustment. "Reuters Screen LIBOR01" means the display designated on page LIBOR01 on Reuters Page or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association interest settlement rates for Yen deposits or, in the absence of such availability, by reference to the average of the rates at which three major banks designated by the Bank are offered Yen deposits at or about 11:00 a.m. two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market.

"Yen LIBOR Reserve Percentage" means, relative to any Interest Period, the maximum reserve percentage in effect on the date Yen LIBOR for such Interest Period is determined under regulations issued from time to time by the FRB, the Japanese Ministry of Finance or the Bank of Japan (or any successor regulatory body) for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities") having a term comparable to such Interest Period.

"Yen Loan" - see Section 2.1.

1.2 Interpretation. Section 1.2 of the Syndicated Agreement is incorporated herein by reference as if such Section were set forth in full herein, mutatis mutandis. Unless otherwise specified, references herein to a Section, an Exhibit or a Schedule shall mean a Section, an Exhibit or a Schedule, respectively, hereof. For purposes hereof, any reference to a particular time means such time in London, England.

2. THE CREDIT.

2.1 Availability.

(a) The Bank agrees to make loans from time to time at the request of the Borrower prior to the Termination Date. Such loans may be denominated in Dollars (each such loan, a "Dollar Loan") or in Yen (each such loan, a "Yen Loan"); provided that the Dollar Equivalent of the aggregate outstanding principal amount of all Loans shall not at any time exceed the Commitment Amount.

(b) Each Loan shall be made on prior written notice from the Borrower received by the Bank not later than 10:00 a.m. three Business Days prior to the proposed date of such Loan. Each such notice shall specify (i) the borrowing date, which shall be an Interest Payment Date, and (ii) the amount and currency of the requested Loan. Each Dollar Loan shall be in the amount of $1,000,000 or a higher integral multiple thereof, and each Yen Loan shall be in the amount of ¥100,000,000 or a higher integral multiple thereof.

2.2 Repayment of Loans. The Borrower shall pay the then outstanding principal amount of all Loans in full on the Termination Date.

2.3 Prepayments.

(a) The Borrower may from time to time prepay the outstanding Loans in whole or in part on any Business Day; provided that (a) the Borrower shall notify the Bank of such prepayment not later than 11:00 a.m. three Business Days prior to the date of such prepayment; (b) any partial prepayment of a Dollar Loan shall be in the amount of $1,000,000 or a higher integral multiple thereof and (c) any partial prepayment of a Yen Loan shall be in the amount of ¥100,000,000 or a higher integral multiple thereof.

(b) On any date on which the Commitment Amount is reduced pursuant to Section 2.9, the Borrower shall make a prepayment of Loans in the amount, if any, by which the outstanding principal amount of all Loans exceeds the Commitment Amount as so reduced.

(c) All voluntary prepayments of the Loans shall be applied as instructed by the Borrower or, in the absence of such instructions, pro rata to the outstanding Dollar Loans and Yen Loans. All mandatory prepayments of the Loans shall be applied pro rata to the outstanding Dollar Loans and Yen Loans.

(d) Any prepayment of a Loan shall be subject to the provisions of Section 3.4.

2.4 Interest. The unpaid principal amount of each Loan shall bear interest for each applicable Interest Period at a rate per annum equal to (a) in the case of a Dollar Loan, the LIBOR Rate (Reserve Adjusted) for such Interest Period plus 1.00% and (b) in the case of a Yen Loan, Yen LIBOR for such Interest Period plus 1.00%; provided that during the existence of a Default, the Bank may, upon notice to the Borrower, require the Borrower to pay interest at a rate that is 2.00% per annum above the otherwise applicable rate. Interest shall be payable on each Interest Payment Date.

2.5 Computation of Interest. All computations of interest on the Loans shall be made on the basis of a year of 360 days for the actual number of days elapsed. Each determination of the applicable LIBOR Rate (Reserve Adjusted) or Yen LIBOR by the Bank shall be conclusive and binding upon the parties hereto, in the absence of demonstrable error. The Bank shall, upon written request of the Borrower, deliver to the Borrower a statement showing the computations used by the Bank in determining the applicable LIBOR Rate (Reserve Adjusted) or Yen LIBOR hereunder.

2.6 Payments; Evidence of Debt. (a) Except as otherwise provided herein or as the parties hereto may otherwise agree, the Borrower shall make all payments of Dollar Loans hereunder in Dollars and all payments of Yen Loans hereunder in Yen, not later than 11:00 a.m. on the date when due, by wire transfer of same day funds to the applicable account specified on Schedule 2.6.

(b) If any payment of principal or interest with respect to the Loans falls due on a day that is not a Business Day, then such due date shall be extended to the first following day that is a Business Day (unless such first following day falls in the next calendar month, in which case such due date shall be the first preceding day that is a Business Day) and, in the case of principal, additional interest shall accrue and be payable for the period of any such extension.

(c) The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from each Loan, including (i) the amount of such Loan, (ii) the date on which such Loan is made, (iii) the currency of such Loan, (iv) the amount of any principal or interest due and payable or to become due and payable hereunder and (v) the amount of any sum received by the Bank hereunder. The entries made in the accounts maintained pursuant to this clause (c) shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Bank to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

2.7 Taxes. The Borrower agrees to pay, or to reimburse the Bank for, all Taxes on the same basis as, and subject to the limitations and requirements of, the terms of Section 7.6 of the Syndicated Agreement as if such Section were set forth in full herein mutatis mutandis.

2.8 Reduction or Termination of Commitment Amount.

(a) The Commitment Amount shall be permanently reduced by $500,000 on the first Business Day of each calendar month, commencing March 1, 2011.

(b) The Borrower may from time to time, upon at least three Business Days' notice to the Bank, reduce the Commitment Amount on any Business Day in whole or in part. Any such partial reduction shall be in an amount of $1,000,000 or an integral multiple thereof.

2.9 Uses. The Borrower will use the proceeds of the Loans solely (a) to acquire, or to cause Nu Skin International, Inc. or another Subsidiary Guarantor to acquire, Mortgaged Properties or (b) to refinance another Loan.

3. INCREASED COSTS; ADDITIONAL PROVISIONS

3.1 Increased Costs. The Borrower agrees to reimburse the Bank for any increased costs of the type described in Section 8.1 of the Syndicated Agreement, in each case in accordance with the terms of Section 8.1 of the Syndicated Agreement as if such Section were set forth in full herein mutatis mutandis.

3.2 Basis for Determining Interest Rate Inadequate or Unfair. If the Bank makes any determination of the type described in Section 8.2 of the Syndicated Agreement with respect to any Loan, then the provisions of such Section 8.2 shall apply as if such Section were set forth in full herein mutatis mutandis.

3.3 Changes in Law Rendering Loans Unlawful. If the Bank makes any determination of the type described in Section 8.3 of the Syndicated Agreement with respect to any Loan, then the provisions of such Section 8.3 shall apply as if such Section were set forth in full herein mutatis mutandis.

3.4 Funding Losses. The Borrower will indemnify the Bank upon demand against any loss, cost or expense that the Bank may sustain or incur as a consequence of (a) any failure of the Borrower to borrow a Loan on a date specified therefor in a notice thereof or (b) any payment (including any payment upon the Bank's acceleration of the Loans pursuant to Section 7.2) of a Loan on a day other than the last day of an Interest Period, in each case in accordance with the terms of Section 8.4 of the Syndicated Agreement as if such Section were set forth in full herein mutatis mutandis.

3.5 Discretion as to Manner of Funding. Notwithstanding any provision of this Agreement to the contrary, the Bank shall be entitled to fund and maintain its funding of all or any part of the Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if the Bank had actually funded and maintained each Loan during each Interest Period for such Loan through the purchase of deposits having a maturity corresponding to such Interest Period and bearing an interest rate equal to the LIBOR Rate or Yen LIBOR (prior to adjustment for reserves) for such Interest Period, as the case may be.

4. CONDITIONS PRECEDENT.

4.1 Conditions Precedent to Effectiveness. This Agreement shall become effective when the Bank shall have received (a) an upfront commitment fee of $75,000 and (b) all of the following, each duly executed and in form and substance (and dated a date) satisfactory to the Bank:

(i) A certificate of the Secretary or an Assistant Secretary of the Borrower attaching (x) a copy of resolutions of its board of directors authorizing the transactions contemplated by this Agreement; and (y) an incumbency certificate that identifies by name and title and bears the signatures of the officers of the Borrower authorized to sign this Agreement and the other documents related hereto, upon which certificate the Bank shall be entitled to rely until informed of any change in writing by the Borrower.

(ii) A favorable opinion of the General Counsel of the Borrower.

(iii) The Subsidiary Guaranty executed by the Subsidiary Guarantors.

(iv) Such other certificates and documents as the Bank may reasonably request.

4.2 Conditions Precedent to each Loan. The obligation of the Bank to make any Loan hereunder shall be subject to the satisfaction of the conditions precedent set forth in Section 4.1 and receipt by the Bank of the following:

(a) A certificate from the Chief Financial Officer of the Borrower stating that (i) all of the representations and warranties set forth in Section 5 (other than any such representation and warranty that by its terms refers to a specific prior date) are correct on and as of the date of such Loan, before and after giving effect to the making of such Loan and to the application of the proceeds therefrom, as though made on and as of the date hereof; and (ii) no Default or Unmatured Default (including under Section 10.12 of the Syndicated Agreement as incorporated herein by reference) has occurred and is continuing or would result from the making of such Loan, the use of proceeds thereof or the execution, delivery and filing of any Deed of Trust in connection therewith.

(b) If the proceeds of such Loan will be used to acquire a Mortgaged Property, a Deed of Trust with respect to such Mortgaged Property, together with (i) a copy of the owner's title policy (or a marked commitment therefor issued by the applicable insurer) with respect to such Mortgaged Property; (ii) except for releases described in Section 6.2, executed releases of all existing deeds of trust covering all or a portion of such Mortgaged Property; and (iii) a flood insurance policy, if required by the Flood Disaster Protection Act of 1973, or a flood hazard certification establishing that no flood insurance is required by the Flood Disaster Protection Act of 1973.

(c) Such other certificates and documents (including a funding indemnity letter executed by a Responsible Officer if the Borrower submits a borrowing request for such Loan prior to the effectiveness of this Agreement) as the Bank may reasonably request.

5. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Bank that:

5.1 Organization; Etc. Each of the Borrower and each Subsidiary Guarantor is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Borrower and each Subsidiary Guarantor has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Loan Documents to which it is a party and to perform the provisions hereof and thereof.

5.2 Authorization; Enforceability; No Conflict. Each Loan Document to which the Borrower or a Subsidiary Guarantor is a party has been duly authorized by all necessary corporate action on the part of the Borrower or such Subsidiary Guarantor and constitutes a legal, valid and binding obligation of the Borrower or such Subsidiary Guarantor enforceable against the Borrower or such Subsidiary Guarantor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The execution, delivery and performance by the Borrower and each Subsidiary Guarantor of each Loan Document to which it is a party will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Borrower or any Subsidiary under, any indenture, mortgage, deed of trust, loan, note purchase or credit agreement, corporate charter or bylaws, or any other Material agreement, lease or instrument to which the Borrower or any Subsidiary is bound or by which the Borrower or any Subsidiary or any of their respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Borrower or any Subsidiary, or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Borrower or any Subsidiary.

5.3 Governmental Approvals. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Borrower or any of its Restricted Subsidiaries of this Agreement or the other Loan Documents.

5.4 No Material Adverse Effect. Since December 31, 2009, except as disclosed in publicly available SEC filings prior to the date hereof, there has been no Material adverse change in the financial condition, operations, assets, business, properties or prospects of the Borrower and its Subsidiaries taken as a whole.

5.5 Regulation U. The Borrower will use the proceeds of each Loan solely (a) to acquire, or to cause Nu Skin International, Inc. or another Subsidiary Guarantor to acquire, Mortgaged Properties or (b) to refinance another Loan. No part of the proceeds from the making of the Loans will be used, directly or indirectly, so as to involve the Borrower or the Bank in a violation of Regulation U of the FRB (12 CFR 221) or Regulation X of the FRB (12 CFR 224), or to involve any broker or dealer in a violation of Regulation T of the FRB (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Borrower and its Subsidiaries and the Borrower does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the term "margin stock" shall have the meaning assigned to it in such Regulation U.

5.6 Other Statutes. Neither the Borrower nor any Restricted Subsidiary is subject to regulation under the Investment Company Act of 1940, the Interstate Commerce Act or the Federal Power Act.

5.7 Representations and Warranties in Syndicated Agreement. Each representation and warranty of the Borrower set forth in Sections 9.6, 9.8, 9.9, 9.11, 9.13, 9.14(b) and (c), 9.15 and 9.16 of the Syndicated Agreement is true and correct as if such representation and warranty (and all related definitions to the extent not defined herein) were set forth in full herein, mutatis mutandis.

6. COVENANTS.

6.1 Covenants in Syndicated Agreement. The Borrower agrees that, so long as any obligation of the Borrower hereunder remains unpaid, the Borrower will observe and perform each covenant set forth in Section 10 of the Syndicated Agreement as if such covenant (and all related definitions to the extent not defined herein) were set forth herein, mutatis mutandis (it being understood that any requirement that the Borrower provide notice or information to the Bank pursuant to the covenants incorporated herein shall be deemed satisfied if the Borrower provides such notice or information to the Bank pursuant to, and in accordance with the terms of, the Syndicated Agreement).

6.2 Release of Liens on Mortgaged Properties. Not later than February 28, 2011, the Borrower shall deliver to the Bank copies of executed releases of all existing deeds of trust covering all or a portion of the Mortgaged Properties that are listed on Schedule 1.

7. EVENTS OF DEFAULT; REMEDIES.

7.1 Events of Default. The occurrence and continuance of any one or more of the following events shall constitute a Default:

(a) The Borrower shall fail to pay (i) any principal of any Loan when the same becomes due and payable; or (ii) any interest on any Loan or other amount payable by the Borrower under this Agreement within five Business Days after the same becomes due and payable.

(b) Any representation or warranty made by the Borrower or any Subsidiary Guarantor in any Loan Document shall prove to have been incorrect in any material respect when made.

(c) The Borrower shall fail to perform or observe (i) any covenant set forth in Section 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.16 or 10.17 of the Syndicated Agreement as incorporated herein by reference; or (ii) any other covenant contained in Section 10 of the Syndicated Agreement as incorporated herein by reference or in any other Loan Document and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default, and (ii) the Borrower or a Subsidiary receiving written notice of such default from the Bank (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 7.1(c)).

(d) The Subsidiary Guaranty shall cease to be in full force and effect with respect to any Material Domestic Subsidiary, or any Material Domestic Subsidiary shall contest the validity thereof.

(e) Any "Event of Default" under and as defined in the Syndicated Agreement shall occur and be continuing; provided for purposes of this Section, Indebtedness as used in Section 12.1.4 of the Syndicated Agreement shall include debt under the Syndicated Agreement.

7.2 Remedies. Upon an actual or deemed entry of an order for relief with respect to the Borrower under the United States Bankruptcy Code, all obligations hereunder shall immediately become due and payable in full and the commitment of the Bank to make Loans shall be terminated, in each case without further presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives; and upon the occurrence of any other Default, the Bank may, by notice to the Borrower, terminate the commitment of the Bank to make Loans and/or declare the principal of and accrued interest on each Loan, and all other amounts payable hereunder, to be forthwith due and payable in full, whereupon the outstanding principal amount of each Loan, all interest thereon and all other amounts payable hereunder shall be forthwith due and payable, in each case without further presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

8. GENERAL.

8.1 Amendments and Waivers. Except as otherwise expressly provided in the definition of "Syndicated Agreement," no amendment or waiver of any provision of this Agreement, and no consent with respect to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Borrower and the Bank.

8.2 Severability; No Waiver; Remedies. The illegality or unenforceability of any provision of this Agreement shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

8.3 Costs and Expenses. The Borrower shall pay, promptly after receipt of a reasonably detailed invoice therefor, all reasonable costs and expenses of the Bank (including reasonable attorneys' fees and charges) arising out of, or in connection with, the protection or enforcement of any of the Bank's rights hereunder.

8.4 Indemnification. In consideration of the execution and delivery of this Agreement by the Bank and the extension of credit hereunder, the Borrower hereby indemnifies the Bank and its affiliates and each of their respective officers, directors, employees and agents (collectively the "Indemnified Parties") for, and agrees to hold each Indemnified Party harmless against, all actions, causes of action, suits, losses, costs, liabilities and damages, and expenses incurred in connection therewith, incurred by any Indemnified Party in connection with this Agreement and the Loans hereunder, all to the same extent, on the same basis and subject to the same limitations set forth for indemnified parties in Section 14.13 of the Syndicated Agreement.

8.5 Notices. Except as otherwise provided herein, all notices and other communications hereunder shall be in writing, shall be directed to the applicable party at its address below its signature hereto (or such other address as it shall have specified by notice to the other party) and shall be deemed received in accordance with the provisions of Section 14.3 of the Syndicated Agreement.

8.6 Survival. The obligations of the Borrower under Sections 2.7, 3.1, 3.4, 8.3 and 8.4 shall, subject to the limitations set forth therein and in the relevant provisions of the Syndicated Agreement that are incorporated therein by reference, survive repayment of the Loans and the termination of this Agreement.

8.7 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which when so executed and delivered shall be an original, and all such counterparts shall together constitute one and the same instrument. Delivery of a counterpart hereof, or a signature page hereto, by facsimile or other electronic transmission (such as in a .pdf file) shall be effective as delivery of a manually-signed counterpart hereof.

8.8 Successors and Assigns. Neither the Borrower nor the Bank may assign any of its rights or obligations hereunder without the prior written consent of the other party; provided that (a) no consent of the Borrower shall be required for any assignment by the Bank during the existence of a Default and (b) the Bank may sell participations in the Borrower's obligations hereunder on the same terms and conditions as permitted under the terms of Section 14.9.2 of the Syndicated Agreement.

8.9 Right of Set-off. During the existence of any Default, the Bank is authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, whether or not the Bank shall have made any demand under this Agreement and although such obligations may be unmatured. The Bank agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Bank under this Section 8.9 are in addition to other rights and remedies (including other rights of set-off) that the Bank may have.

8.10 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF UTAH.

8.11 Jurisdiction. (a) Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Utah State court or any federal court of the United States of America sitting in Salt Lake City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in any such Utah State court or, to the extent permitted by law, in any such federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement in the courts of any jurisdiction.

(b) Each party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any Utah State or federal court and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8.12 USA PATRIOT ACT NOTIFICATION. The Bank hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the Act.

8.13 Waiver of Jury Trial. Each party hereto irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement.

8.14 Judgment.

(a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Yen into Dollars, the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase Yen with Dollars at the Bank's principal office in London at 11:00 a.m. on the Business Day preceding that on which final judgment is given.

(b) The obligation of the Borrower in respect of any sum due from it in Yen to the Bank hereunder shall, notwithstanding any judgment in any other currency, be discharged only to the extent that on the Business Day following receipt by the Bank of any sum adjudged to be so due in such other currency, the Bank may in accordance with normal banking procedures purchase Yen with such other currency; if the amount of Yen so purchased is less than such sum due to the Bank in Yen, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss, and if the amount of Yen so purchased exceeds such sum due to the Bank in Yen, the Bank agrees to remit to the Borrower such excess.

[Remainder of page intentionally left blank.]

Please acknowledge your agreement to the foregoing by signing and returning a copy of this Agreement.

JPMORGAN CHASE BANK, N.A., LONDON BRANCH
By: /s/ Stephen A. Cazier
Name: Stephen A. Cazier
Title: Authorized Officer

For notices relating to borrowing or payment:

Operations Administration
European Loan Operations
C/O, J.P.Morgan Chase London
4th Floor Prestige Knowledge Park,
Near Marathalli Junction, Outer Ring Road,
Kadabeesanahalli, Vathur Hobli, Bangalore, 560087
Group Email: european.loan.operations@jpmchase.com
Facsimile: 44 (0)20 7492 3297 or 44 (0)20 7492 3298

For all other notices:

JPMorgan Chase Bank, N.A.
10 Aldermanbury, Ground Floor
London EC2V 7RF
United Kingdom
Attention: Alastair Stevenson
Facsimile: 44 (0) 20 7742 7035

Agreed to as of the date first above written:

NU SKIN ENTERPRISES, INC.

By: /s/Ritch N. Wood
Name: Ritch N. Wood
Title: Chief Financial Officer

75 West Center Street
Provo, UT 84601
Attention: Brian Lords
Facsimile: (801) 345-3899

SCHEDULE 1

Legal Descriptions of Initial Mortgaged Properties

Highrise:

75 West Center Street
Provo, UT 84601-4430 (Parcel 2)

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 66, PLAT "A", PROVO CITY SURVEY; THENCE NORTH 398.74 FEET; THENCE EAST 170 FEET; THENCE SOUTH 233 FEET; THENCE WEST 44.14 FEET; THENCE SOUTH 00°18'34" WEST 165.74 FEET; THENCE WEST 125 FEET TO THE POINT OF BEGINNING.

Parking Lot:

Southwest corner of 100 South and 200 West in Provo Utah

COMMENCING AT THE NORTHEAST CORNER OF BLOCK 47, PLAT "A", PROVO CITY, SURVEY OF BUILDING LOTS; THENCE SOUTH 249.29 FEET; THENCE WEST 115.50 FEET; THENCE SOUTH 18 FEET; THENCE WEST 82.74 FEET; TO THE WEST LINE OF LOT #8 OF SAID BLOCK; THENCE NORTH 67.645 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF LOT 7, BLOCK 47; THENCE WEST 49.50 FEET; THENCE NORTH 199.645 FEET; THENCE EAST 247.74 FEET TO THE POINT OF BEGINNING.

Distribution Center #1:

275 East 1325 South
Provo, UT 84606

PARCEL 22, PLAT "Q" REVISED EAST BAY PLANNED UNIT DEVELOPMENT, IN THE CITY OF PROVO, COUNTY OF UTAH, STATE OF UTAH ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE RECORDER OF SAID COUNTY. TOGETHER WITH AND SUBJECT TO THE RIGHT OF USE, IN COMMON WITH OTHERS, OF THE COMMON AREAS IN EAST BAY BUSINESS CENTER, P.U.D., FOR INGRESS, EGRESS RECREATION AND OTHER RELATED ACTIVITIES. THE DESIGNATED AREAS ARE NOT DEDICATED FOR THE USE BY THE GENERAL PUBLIC, BUT ARE RESERVED FOR THE COMMON USE AND ENJOYMENT OF THE OWNERS IN EAST BAY BUSINESS CENTER, P.U.D.

Annex A:

1085 South 250 East
Provo, UT 84601

COMMENCING AT A POINT LOCATED NORTH 0°48’37" WEST 489.81 FEET AND EAST 575.29 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03’27" WEST 285.20 FEET; THENCE ALONG THE ARC OF A 316.41 FOOT RADIUS CURVE TO THE LEFT 53.53 FEET (CHORD BEARS NORTH 26°36’36" EAST 53.47 FEET); THENCE SOUTH 89°56’25" EAST 192.29 FEET; THENCE SOUTH 0°03’35" WEST 324.57 FEET; THENCE SOUTH 89°55’40" WEST 43.88 FEET; THENCE SOUTH 0°03’35" WEST 8.27.

SCHEDULE 2.6

Payment Instructions

For payments in Dollars:

J P Morgan Chase New York
SWIFT Address:
Account No:
Account Name:
SWIFT:
Ref:

For payments in Yen:

J P Morgan Chase Bank, Tokyo
Swift Address:
Account No:
Account Name:
SWIFT:
Ref:

REAL ESTATE PURCHASE AND SALE AGREEMENT

Seller: **ASPEN COUNTRY, LLC**

Buyer: **NU SKIN INTERNATIONAL, INC.**

Property: Parking Lot 249 W 100 S
Distribution Center 1325 S 275 E
Annex A 1085 S 250 E

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT (the "**Contract**"), dated as of December 30, 2010, is made and entered into between **ASPEN COUNTRY, LLCa Utah limited liability company**, as seller ("**Seller**") and **NU SKIN INTERNATIONAL, INC., a Utah corporation**, as purchaser ("**Buyer**").

RECITALS

A. Seller owns certain real property in Utah County, Utah, consisting of the following parcels (together with all buildings and improvements situated thereon, collectively the "**Parcels**" and each individually and generically a "**Parcel**"):

Parking Lot	249 W 100 S
Distribution Center	1325 S 275 E
Annex A	1085 S 250 E

Each of the foregoing together with all rights, easements and interests appurtenant thereto and the property and interests associated therewith are more particularly described in **Section 1.1(m)** below (the "**Property**"). The legal description of such real property is set forth on **Exhibit 1** to this Contract.

B. Buyer occupies the Property pursuant to a Master Lease Agreement (the "**Aspen Master Lease**") between Buyer and Seller dated January 16, 2003 and made effective as of July 1, 2001, as previously amended and extended, that will be terminated by agreement between Seller and Buyer on the Closing Date pursuant to **Section 5.6** below.

C. Seller wishes to sell the Property to Buyer, and Buyer wishes to buy the Property from Seller, on the terms and conditions set forth in this Contract.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of the mutual covenants and agreements set forth, the parties agree as follows:

ARTICLE I

Defined Terms

1.1 Definitions. As used herein, the following terms shall have the meanings given:

(a) "**Business Day**" means any Monday through Friday on which business is transacted by federal banks in the state of Utah.

(b) "**Buyer's Affiliates**" means Nu Skin Enterprises, Inc., a Delaware corporation; NSE Products, Inc., a Delaware corporation; Nu Skin Enterprises United States, Inc., a Delaware corporation; Nu Skin International Management Group, Inc. and Pharmanex, LLC, a Delaware limited liability company.

(c) "**Closing**" means the consummation of the purchase of the Property by Buyer from Seller in accordance with the terms and provisions of this Contract.

(d) "**Closing Date**" means the date on which the Closing occurs.

(e) "**Due Diligence Inspections**" shall have the meaning set forth in **Section 5.3**.

(f) "**Due Diligence Period**" shall have the meaning set forth in **Section 5.2**.

(g) "**Earnest Money Deposit**" means the deposit by Buyer in the amount specified in **Section 3.2**.

(h) "**Effective Date**" means the date on which a counterpart of this Contract has been fully executed and delivered by both Buyer and Seller.

(i) "**Escrow Holder**" means **First American Title Insurance Company**, as escrow agent for this transaction, whose address is: **578 S. State Street, Orem Utah, 84058, Attention: Terri Murphy**.

(j) "**Income**" shall have the meaning set forth in **Section 9.3(a)**.

(k) "**Objections**" shall have the meaning given in **Section 4.3**.

(l) "**Permitted Exceptions**" shall have the meaning given in **Section 4.3**.

(m) "**Property**" means the following: (i) the land described in **Exhibit 1** attached hereto (the "**Land**") and all easements, rights, and interests appurtenant thereto; (ii) all buildings and all other improvements and fixtures currently situated on the Land (collectively, the "**Improvements**"); (iii) all of Seller's right, title, and interest in tenant improvements and other tangible property now or hereafter located in or on or used in connection with the Land or in the Improvements; (iv) all of Seller's rights, title and interest in all leases, licenses and other agreements to use or occupy all or any part of the Land or Improvements (the "**Leases**") together with (and subject to the manner in which the same are to be prorated under this Contract) all rents, charges, deposits and any other sums due, accrued or to become due thereunder (but subject to Seller's right to receive a credit at Closing for Income attributable to the time period prior to Closing, pursuant to **Section 9.3(a)** below), and all guaranties by third parties of any tenant's obligations under such leases, licenses and other agreements the Property; and (v) all of Seller's rights, title and interest in all of the following property now or hereafter existing with respect to the Land and/or Improvements (the "**Transferred Assets**"): (1) all warranties, guaranties, sureties and claims or similar rights in connection with the construction of or equipment, furnishings, furniture and/or fixtures on the Improvements; (2) all plans, specifications, drawings and permits with respect to the Improvements, including such documents related to any remodel of the Improvements, and all construction, engineering, soils, architectural or similar plans, documents and reports related to the Property (the "**Plans and Reports**"); (3) all existing service and maintenance contracts entered into by Seller relating to the Property (the "**Service Contracts**") and equipment leases related to the Property entered into by Seller (the "**Equipment Leases**"); (4) all licenses, permits, approvals, certificates of occupancy, entitlements or other rights or authorizations related to or used in connection with the Property, together with all deposits to governmental authorities relating to the Property; (5) studies, documents, tests, surveys, assessments, audits, appraisals, contracts, contract rights, claims and warranties related to the Property (the "**Property Documents**"); and (6) all of Seller's rights, if any, to use any names related to the Property. For clarity, Property does not include artwork located at or on the Improvements owned by any of the members of Seller.

(n) "**Property Information**" shall have the meaning given in **Section 5.1**.

(o) "**Purchase Price**" means the total consideration to be paid by Buyer to Seller for the purchase of the Property, as specified in **Section 3.1**.

(p) "**Scrub Oak Contract**" means a Real Estate Purchase and Sale Agreement satisfactory to Buyer and Scrub Oak, LLC, a Utah limited liability company and affiliate of Seller ("**Scrub Oak**") wherein Scrub Oak agrees to sell to Buyer and Buyer agrees to purchase the following real properties, together with all improvements thereon, and all rights, easements and interests appurtenant thereto: High Rise located at 75 West Center, Provo, Utah; and the Kress Building located at 40 South 100 West, Provo, Utah (collectively the "**Scrub Oak Properties**").

(q) "**Survey**" shall have the meaning specified in **Section 4.2**.

(r) "**Title Commitment**" shall mean that certain Commitment for title Insurance, Amendment No. 3, issued by First American Title Insurance Company, dated October 5, 2010, Order No. 320-5339366, with an Effective Date of December 16, 2010.

(s) "**Title Company**" means Escrow Holder.

(t) "**Title Exception**" means any lien, mortgage, security, interest, encumbrance, pledge, assignment, claim, charge, lease, restriction, restrictive covenant, exception, easement (temporary or permanent), right-of-way, encroachment, overlap, or other exception to title that affects the Property.

(u) "**Title Policy**" shall have the meaning given in **Section 4.5**.

(v) "**Title Review Period**" shall have the meaning given in **Section 4.3**.

1.2 Other Defined Terms. Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II

Agreement of Purchase and Sale

Seller hereby agrees to sell and convey the Property and assign the Leases and Transferred Assets to Buyer, and Buyer agrees to purchase and acquire the Property from Seller and assume obligations which accrue under the Leases and the Transferred Assets from and after the Closing Date, upon the terms and conditions stated in this Contract.

ARTICLE III

Purchase Price; Earnest Money Deposit

3.1 Purchase Price, Payment and Allocation. The Purchase Price to be paid by Buyer to Seller for the Property shall be the sum of **TEN MILLION NINE HUNDRED SIX THOUSAND THREE HUNDRED THREE AND 24/100THS DOLLARS ($10,906,303.24)** (the "**Purchase Price**"). The Purchase Price shall be paid by Buyer to Seller at Closing except to the extent that in Seller's discretion some portion of the Purchase Price shall be deferred, in which case the portion so deferred shall be paid at Closing in the form of one or more promissory notes of Buyer, as Seller may require, in form attached hereto as **Exhibit 8** and incorporated herein by this reference. The Purchase Price shall be allocated among the Parcels as set forth on the attached **Schedule #1**. Each party shall follow the allocation in any report or filing with any governmental authority (including, without limitation, the state and federal revenue authorities) relating to the allocation of the Purchase Price among the assets purchased from Seller by Buyer pursuant to this Contract.

3.2 Earnest Money Deposit. Buyer has delivered to Seller a deposit in the amount of **NINETY-NINE THOUSAND ONE HUNDRED FORTY-EIGHT AND 21/100 DOLLARS ($99,148.21)** (the "**Deposit**"). THIRTY-THREE THOUSAND FORTY-NINE AND 40/100 DOLLARS ($33,049.40) of the Deposit shall be non-refundable except in the event of a Seller default and shall not be applied against the Purchase Price at Closing. The SIXTY-SIX THOUSAND NINETY-EIGHT AND 81/100 DOLLARS ($66,098.81) balance of the Deposit shall be held by Seller as an earnest money deposit (the "**Earnest Money Deposit**"), applied against the Purchase Price at Closing, and disbursed as provided in this Contract.

3.3 Contingent Consideration. In addition to the allocation of the Purchase Price to the Parcels, Schedule #1 also contains amounts reflecting the Seller's opinion of the fair market value of each of the Parcels and the amount of the discount between the share of the Purchase Price allocated to each Parcel and the Seller's view of fair market value (with respect to each such Parcel) (the "**Discounted Amount**"). In the event Buyer, on or before the third anniversary date of the Closing Date, enters into a contract to sell any of the Parcels, or more than one of them, in any transaction (excluding asset sales of substantially all of the assets of the Buyer or sales to Buyer Affiliates) and Buyer receives upon closing a net amount of sales proceeds, after deducting all sale and closing expenses, that exceeds the portion of the Purchase Price allocable to such asset on Schedule #1, then Buyer agrees to pay to Seller as contingent consideration an amount equal to the excess of such net sales proceeds received by Buyer for each such sold Parcel up to a maximum amount equal to the Discounted Amount for such sold Parcel. In the event of any sale of a Parcel to a Buyer Affiliate, the Parcel shall remain subject to this provision until the third anniversary of the Closing Date as if still owned by Buyer, such that a further sale of the Parcel by the Buyer Affiliate shall be treated as a sale by the Buyer. The obligation to pay the contingent consideration amounts shall be unsecured.

ARTICLE IV

Title and Survey

4.1 Title Commitment; Exception Documents.

(a) Buyer acknowledges that Seller has caused to be furnished to Buyer the Title Commitment issued by the Title Company with respect to the Property. The Title Commitment sets forth the state of title to the Property, including a list of Title Exceptions affecting the Property. The Title Commitment contains the express commitment of the Title Company to issue a Title Policy (as hereinafter defined) to Buyer in the amount of the Purchase Price, insuring title to the Property as is specified in the Title Commitment. In the event any commitment for title insurance is issued by Title Company with respect to the Property which supplements or updates the Title Commitment (a "**Supplemental Commitment**"), Seller shall provide Buyer with the Supplemental Commitment and Buyer shall have the rights to review and approve as set forth in **Section 4.3**.

(b) Buyer acknowledges that Seller has caused to be furnished to Buyer, true, correct and legible copies of all instruments that create or evidence Title Exceptions as reflected in the Title Commitment or any Supplemental Commitment (generically "**Title Exception Documents**").

4.2 Survey. Buyer acknowledges that Buyer has obtained ALTA/ACSM surveys of the Property. Within the Due Diligence Period specified below, Buyer may arrange, at Buyer's option and expense, to have performed whatever additional ALTA/ACSM surveys and/or updates on any existing survey, as Buyer may deem desirable (all such surveys are, collectively, the "**Survey**").

4.3 Review of Title Commitment and Exception Documents. Buyer has reviewed the Title Commitment and the Survey and objects to the Title Exceptions that are set forth in **Exhibit 3** (the "**Objections**"). All other matters shown on the Commitment are approved by Buyer (the "**Permitted Exceptions**"). Seller shall, within ten (10) days after the date hereof (such 10-day period referred to herein as the "**Cure Period**"), provide Buyer with written notice of whether Seller will attempt to satisfy any of the Objections, or whether Seller is unwilling to attempt to cure the Objections. If Seller is unwilling or unable to effect a cure of the Objections, then Buyer may either (i) terminate this Contract by written notice to Seller, or (ii) waive any Objections not cured or removed by Seller and proceed to close with title to the Property as it then is, in which event, the Permitted Exceptions, except as expressly provided herein to the contrary, shall be deemed to include all of the Objections not cured or removed by Seller. Buyer shall have a period of ten (10) days (a "**Supplemental Review Period**"), beginning on the day following the day on which Buyer receives of any Supplemental Title Commitment and copies of Title Exception Documents relating to Title Exceptions included in the Supplemental Title Commitment which were not included in the Title Commitment or any prior Supplemental Title Commitment, in which to give written notice to Seller specifying Buyer's objections to one or more of the items shown as Title Exceptions in such Supplemental Title Commitment ("**Supplemental Objections**"), if any. Any matters shown on the Title Commitment to which no Objection is made within such 10-day period will be conclusively deemed approved and shall be Permitted Exceptions for all purposes of this Agreement.

4.4 Seller's Cure of Title Exceptions. If Buyer timely notifies Seller in writing of any Supplemental Objections, then Seller shall, within five (5) days after Seller's receipt of Buyer's notice (such 5-day period referred to herein as the "**Supplemental Cure Period**")**,** provide notice to Buyer as to whether Seller will attempt to satisfy, any such Supplemental Objections, or whether Seller is unwilling to attempt to cure the Supplemental Objections. If Seller is unwilling or unable to effect a cure of such Supplemental Objections and if Buyer is then unwilling to waive such Supplemental Objections, then Buyer may (i) elect to terminate this Contract by written notice to Seller, or (ii) waive any Supplemental Objections not cured or removed by Seller and proceed to close with title to the Property as it then is, in which event, the Permitted Exceptions shall be deemed to include all of the Supplemental Objections not cured or removed by Seller.

4.5 Title Policy. At the Closing, Seller, at Seller's sole cost and expense, shall cause a title insurance policy to be furnished to Buyer for the Property (the "**Title Policy**"). The Title Policy shall be a standard coverage ALTA owner's policy of title insurance (subject to Buyer's right to require that Title Company issue to Buyer an ALTA extended coverage owner's policy of title insurance and other endorsements and coverages as requested by Buyer, provided that Buyer pays the incremental premium difference between standard coverage and extended coverage), with respect to the real property that is the Property. The Title Policy shall be issued by the Title Company, in the amount of the Purchase Price of the Property, subject only to Permitted Exceptions. Seller shall deliver to the Title Company at Closing an ALTA affidavit in the form required by the Title Company and acceptable to Seller to issue "extended coverage" title insurance ("**ALTA Affidavit**").

ARTICLE V

Due Diligence Period; Conditions

5.1 Seller Documents. Seller shall deliver to Buyer (or make available to Buyer at Seller's offices at the Property during normal working hours and days, together with the right to copy any and all such items as Buyer deems desirable, at Buyer's expense), any of the following relating to the Property that Seller has in its possession or control (the "**Property Information**"): (a) the Plans and Reports, (b) the Service Contracts, (c) the Equipment Leases, (c) the Documents; and (d) a written list of any and all warranties or guaranties of which Seller has knowledge relating to the Property or the Improvements and enforceable by the Seller.

5.2 Copying of Seller Documents. The Property Information is to be organized or segregated by Seller, and provisions will be made for Buyer and/or its agents or designees to access and copy such materials during normal business days and hours throughout its Due Diligence Period. The parties shall coordinate and reasonably cooperate in connection with Buyer's review and copying of the Property Information.

5.3 Due Diligence/Termination Right. Upon mutual execution of this Contract, Buyer shall have the right (i) to survey, inspect and investigate all aspects of the Property, including, without limitation, environmental and physical inspection(s) of the Property, zoning and development review, valuation, approval of the condition of the Property (the "**Due Diligence Inspections**"), (ii) to obtain the approval of all aspects of this transaction by Buyer and a special independent committee of the board of directors of Nu Skin Enterprises, Inc. (the "**Board Special Committee**"), which approval of Buyer and the Board Special Committee may be withheld in the exercise of their discretion, and (iii) to verify the availability of all consents, funds, financing, permits, approvals and/or other matters requiring the Board's or third-party consent or approval necessary or deemed desirable by Buyer in connection with its planned acquisition, development and/or use of the Property. Buyer shall be allowed twenty (20) days from the date of this Contract (the "**Due Diligence Period**") to review the Property Information, review Seller's title to the Property as provided in **Article IV**, perform the Due Diligence Inspections and satisfy its due diligence concerns. If Buyer determines, in its sole but commercially reasonable opinion, that such due diligence matters are not acceptable to Buyer, Buyer may terminate this Contract by giving written notice of termination to Seller before the end of the Due Diligence Period, and identify to Seller the due diligence inspection information upon which Buyer's determination is based. Buyer may also terminate this Contract by giving written notice of termination to Seller at any time within twenty (20) days of the date hereof in the event the Board Special Committee fails to approve the transaction, which approval may be withheld in the exercise of its discretion. Buyer and its agents and consultants shall be permitted reasonable access to the Property to perform the Due Diligence Inspections and shall hold Seller harmless from any physical condition of the Property and from any claim, loss or liability caused by Buyer or such agent or consultant to the extent arising from said inspections; provided, such indemnification shall not include any pre-existing condition of the Property except to the extent exacerbated by such entry. Buyer shall promptly repair any damage caused to the Property by Buyer's Due Diligence Inspections. In the event Buyer terminates this Contract as provided in this **Section 5.3**, Buyer shall deliver to Seller copies of all surveys, reports, reviews, appraisals, and valuations obtained by Buyer during the Due Diligence Period.

5.4 Due Diligence Inspections. Seller hereby grants to Buyer, its agents and contractors, subject to Buyer's possessory interest in the Property under the Aspen Master Lease, reasonable access to the Property during normal business hours to perform the Due Diligence Inspections, provided that Buyer (a) gives reasonable prior notice to Seller and coordinates with Seller as to the timing and nature of the survey, inspection, study or test to be performed, and (b) if requested by Seller, provides to Seller a certificate of insurance showing that Seller is named as an additional insured on Buyer's commercial general liability insurance policy with a contractual liability endorsement covering Buyer's indemnification obligations under this Contract with respect to such entry. Buyer's Due Diligence Inspections may include non-invasive land surveys and environmental inspections and tests for the presence of hazardous materials (but Buyer will obtain Seller's approval, which approval shall not be unreasonably withheld**,** if the inspection or test could interfere with operation of the Property or involve any boring or physical damage thereto) reasonably required by Buyer in connection with Buyer's due diligence (the "**Due Diligence Inspections**"). Buyer shall keep the Property free and clear of any liens arising out of any Due Diligence Inspection, test or other entry onto the Property pursuant to this Contract.

After the end of the Due Diligence Period, Buyer and its agents and contractors shall be granted a continuing right of reasonable access to the Property and the right to examine the Property. In the course of its activities, Buyer may make inquiries about the Property to third parties, including without limitation, municipal, local and other governmental officials and representatives, and Seller consents to such inquiries.

None of the provisions of this **Section 5.4** will limit the rights of use that Buyer has as an existing lessee of the Property under the Aspen Master Lease.

5.5 Continuing Operation by Seller. From the Effective Date through the Closing, Seller will do the following: (i) maintain the Property substantially in its current condition; (ii) operate the Property reasonably and consistent with Seller's prior practice and applicable law; (iii) maintain the present policies of property insurance and commercial general liability insurance on the Property; (iv) comply with the requirements of any loans secured by mortgages encumbering the Property and make payments as required under any such loans, and (v) avoid entering into any new lease or Service Contract, or amend or terminate any Service Contract, affecting all or any part of the Property (except for default and except as otherwise provided below for termination of Service Contracts at the Closing that Buyer does not elect to assume), without the prior consent of Buyer (which will not be unreasonably withheld, conditioned or delayed). Seller will provide to Buyer a true copy of the Service Contracts as part of the Property Information to the extent the Service Contracts are not already in the possession of Buyer. Buyer will advise Seller in writing during the Due Diligence Period as to the Service Contracts that Buyer wishes to assume at Closing, and Seller will terminate, as of Closing, all other Service Contracts to which Seller is a party that Buyer does not elect to assume.

5.6 Aspen Master Lease. The parties will terminate the Aspen Master Lease at Closing as to the Property in accordance with a Lease Termination Agreement in the form and content of **Exhibit 2** to this Contract.

5.7 Seller and Buyer Cooperation Regarding Land Use. To the extent required or permitted by applicable law, upon Buyer's request Seller shall reasonably cooperate with Buyer's efforts to obtain zone changes, agreements, approvals and permits related to Buyer's proposed use of the Property; provided that neither the Property nor Seller shall be bound by any such change, agreement, approval or permit before the Closing.

5.8 Cooperation Generally. Buyer and Seller shall reasonably cooperate with each other to satisfy the conditions of this **Article V**; provided that neither Buyer nor Seller shall be required to incur any cost or expense in providing such cooperation to the other party.

5.9 Conditions to Closing. Closing will be conditioned on (a) Seller's removal of the Objections and any Supplemental Objections or, if Seller is unwilling or unable to remove the Objections and Supplemental Objections, Buyer's waiver of the Objections and Supplemental Objections (**Section 4.3**), (b) Buyer's review of Seller's Property Information (**Section 5.3**), (c) Buyer's inspection of the physical condition of the Property (**Sections 5.3 and 5.4**), (d) Buyer's obtaining any approval required by the Board Special Committee (**Section 5.3**), which shall be required and may be withheld in the discretion of the Board Special Committee; (e) the parties shall have terminated the Master Lease (**Section 5.6**); (f) Buyer and Scrub Oak having entered into the Scrub Oak Contract on terms satisfactory to Buyer and Scrub Oak respectively regarding the Scrub Oak Properties and closed the purchase and sale of said properties contemporaneously with the Closing; (pursuant to **Sections 8.1(h) and 8.2(h)**); and (g) such other conditions as are set forth in Sections 8.1 and 8.2 hereof (collectively, the "**Conditions**"). The Conditions under **Sections 5.1, 5.2, 5.3, 5.4, and 5.5** are for the sole benefit of Buyer and may be waived or deemed satisfied in Buyer's sole discretion. The Conditions under **Sections 5.6 and 5.7** are for the benefit of both Seller and Buyer and may be waived or deemed satisfied only if they both agree. Buyer and Seller will use reasonable efforts to keep each other informed on the status of satisfaction of the Conditions.

ARTICLE VI

Representations, Warranties, Covenants and Agreements of Seller

6.1 Representations and Warranties of Seller. In reliance on Buyer's representations set forth in **Article VII**, Seller represents and warrants to Buyer as of the Effective Date, and continuing thereafter until the Closing Date, that (as used in this Contract, the terms "**knowledge**" and "**known**" will have the meanings provided in **Section 14.16**):

(a) Ownership of Property. Seller owns fee simple title to the Property subject to the Title Exceptions;

(b) Organization Existing and Standing of Seller. Seller is a limited liability company, duly formed, in good standing and validly existing under the laws of the State of Utah, and qualified to do business and own real property within the State of Utah;

(c) Seller's Authority. Seller has the full right, power, and authority to sell and convey the Property and to carry out Seller's obligations under this Contract and under any other documents and instruments executed by Seller pursuant hereto, and all requisite actions necessary to authorize Seller to enter into this Contract and to carry out Seller's obligations hereunder and under any other documents and instruments executed by Seller pursuant hereto have been, or on the Closing Date, will have been, taken;

(d) Litigation and Claims. To Seller's knowledge, there is no litigation (pending or threatened) that pertains to the Property. Except as otherwise disclosed to the Buyer as part of the Property Information, the Seller has not received written notice of any claims, actions, suits, or other proceedings pending by any governmental department or agency, or any other entity or person, pertaining to the Property;

(e) Conflict or Breach. To Seller's knowledge, the execution and delivery of this Contract, the consummation of the transaction herein contemplated, and the compliance with the terms of this Contract will not conflict with or, with or without notice or the passage of time, or both, result in a breach of, any applicable contract or governmental requirements pertaining to the Property or in a judgment, order, or decree of any court having jurisdiction over Seller or the Property.

(f) Absence of Liabilities. To Seller's knowledge, other than general property taxes for the year 2010 and other matters shown as Title Exceptions in the Title Commitment, there are no liabilities or obligations related to the Property which the Seller is obligated to satisfy on or before the Closing or any such liabilities and obligations which the Buyer may be obligated to satisfy after the Closing and which arise by, through or under the Seller;

(g) Hazardous Materials; Environmental Matters. With respect to the Property, to Seller's knowledge and except for matters disclosed in the environmental reports and studies that Seller provided as part of the Property Information or that Buyer obtains during the Due Diligence Period, (i) the Property is in material compliance with all applicable federal, state and local laws and regulation relating to environmental contamination, including, without limitation, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal, discharge or disposal of hazardous materials (as defined below) and all laws and regulations with regard to record keeping, notification and reporting requirements respecting hazardous materials (as defined below); (ii) Seller has not caused or authorized, and does not have knowledge of, the presence or release or threat of release of any hazardous material in, on, under, or migrating to or from the Property, or received any notice or other information, whether written or oral from any governmental agency or authority or any other entity or individual, whether governmental or private, concerning or alleging any liability of the Seller or other persons or entities with respect to the environmental condition of the Property or any adjacent property; and (iii) there are no present facts or existing circumstances that could form the basis for the assertion of any claim against Seller or the Property relating to environmental matters, including, without limitation, any claim arising from past or present environmental practices asserted under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation and Recovery Act ("**RCRA**") or any other federal, state or local environmental statute. For purposes of this paragraph, the term "**hazardous materials**" means materials defined as "hazardous substances", "hazardous wastes" or "solid wastes" in CERCLA, RCRA or in any similar federal, state or local environmental statute (provided, that the term "hazardous materials" will not be deemed to include any cleaning products and/or other materials which may be hazardous materials under applicable environmental laws but are customarily used in the operation and maintenance of office and industrial property and are in ordinary quantities and used in accordance with all applicable environmental laws);

(h) Unrecorded Contracts and Agreements. To Seller's knowledge, other than the Service Contracts, and the Equipment Leases, there are no unrecorded contracts entered into by Seller and affecting the Property that will be binding on Buyer as fee owner from and after the Closing. To Seller's knowledge, there are no leases, licenses or occupancy agreements entered into by Seller and affecting any of the Property other than the Aspen Master Lease;

(i) Defects. Except as otherwise referenced herein, Seller has no knowledge of any existing and material physical or mechanical defects, adverse physical or environmental conditions or other adverse matters not specifically disclosed to Buyer in writing at or before the time of Seller's delivery of Property Information in the Due Diligence Period;

(j) Special Proceedings, Notices of Violation. There is not now pending nor, to Seller's knowledge, are there any proposed or threatened proceedings for the rezoning of the Property, or any portion thereof, that are known to Seller. Seller has no knowledge of any existing and material violation of any zoning, subdivision, environmental, hazardous waste, building code, health, fire, safety or other law, order, ordinance or regulation relating to the maintenance, operation or use of the Property and has not received any written notice of any such purported violation;

(k) Compliance with CCR's, Other Matters. To Seller's knowledge, Seller is in compliance with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements affecting the Property;

(l) Agreements with Third Parties. To Seller's knowledge, Seller has not entered into any written agreement currently in effect with a third party, including, without limitation, any governmental authority, relating to the Property, and Seller has received no notice and otherwise has no knowledge of any restrictions on the ability of the Seller to develop or expand any portion of the Property in the future, other than (1) as may be set forth in zoning and other applicable laws, ordinances, rules and regulations, and (2) as may exist by operation of any provision of any Title Exception or by virtue of the Aspen Master Lease;

(m) Service Contracts. To Seller's knowledge, and except as may otherwise be disclosed to Buyer at the time of Seller's delivery of Property Information at the start of the Due Diligence Period, Seller has not entered into any maintenance, fire alarm, inspection, repair, pest control or other service or supply contracts (including, without limitation, janitorial, landscaping, or other service contracts agreements), or equipment rental agreements relating to the Property that could create any obligation or liability on the part of Buyer (as fee owner), after the Closing, other than the Service Contracts (copies of which have been provided or will be provided to Buyer with the Property Information);

(n) Subsequent Liens. At the Closing, there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid, and Seller shall cause to be discharged all mechanics', contractors' and materialmen's liens arising from any labor or materials furnished prior to Closing under contracts made by Seller, which pertain to the Property. At Closing, there will be no outstanding obligations of Seller which, if unpaid, could result in a lien on the Property;

(o) Legal Parcels. To Seller's knowledge, Seller has received no notice and has no information to suggest that any of the parcels constituting any portion of the Property have been created or modified in violation of any applicable subdivision laws, or do not constitute legal parcels for all purposes under current laws and regulations; and

(p) Nonforeign Status. Seller is not a "foreign person" or "foreign entity" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and there is no federal or state requirement to withhold any portion of the Purchase Price for delivery to any taxing authority;

6.2 Covenants and Agreements of Seller. From the Effective Date until the Closing Date or earlier termination of this Contract, Seller covenants and agrees with Buyer that Seller shall (i) comply with all applicable legal requirements pertaining to the Property to be complied with by Seller, (ii) advise Buyer promptly of any and all material litigation (commenced or threatened), or any arbitration or administrative hearing, that would be binding on the Property or that involves Seller's ability to sell and convey the same to Buyer, (iii) advise Buyer promptly in writing of any written notice or other communication from any third person alleging that the consent of such third person is or may be required in connection with transactions contemplated by this Agreement; and (iv) not, directly or indirectly, alienate, encumber, transfer, option, assign, sell, transfer or convey its interest or any portion of such interest in the Property or any portion thereof except pursuant to this Contract, so long as this Contract is in force.

6.3 Continuing Accuracy and Validity. The continuing accuracy and validity in all respects of each of the representations, warranties, and covenants of Seller in this Contract shall be a Condition precedent to Buyer's obligation to close and such representations, warranties, and covenants shall be deemed remade as of Closing. Such representations, warranties and covenants shall survive Closing for a period of one (1) year and shall not be merged into any documents delivered at Closing.

6.4 No Implied Representations. Except as otherwise specifically set forth above or elsewhere in this Agreement, and except for any representations or warranties in the Deed and other conveyance documents to be executed by Seller at Closing, the conveyance of the Property to Buyer is made solely on an AS IS and WHERE IS basis, without any representations or warranties by Seller or any agent or representative of Seller, expressed or implied.

ARTICLE VII

Representations and Warranties of Buyer

7.1 Representations and Warranties of Buyer. Buyer represents to Seller, as of the Effective Date, and continuing thereafter until the Closing Date, that:

(a) Buyer's Authority. Buyer has the full right, power, and authority to purchase the Property as provided in this Contract, and to carry out Buyer's obligations hereunder and under any other documents and instruments executed by Buyer pursuant hereto, and all requisite actions necessary to authorize Buyer to enter into this Contract and to carry out Buyer's obligations hereunder and under any other documents and instruments executed by Buyer pursuant hereto have been, or on the Closing Date, will have been, taken, unless the transaction contemplated by this Contract is terminated prior to Closing;

(b) Buyer's Corporate Status. Buyer is a Utah corporation, authorized to transact business in the State of Utah, and is in good standing/current status in such state;

(c) Litigation and Claims. To Buyer's knowledge, there is no litigation (pending or threatened) that pertains to the Property. Buyer has not received written notice of any claims, actions, suits, or other proceedings pending by any governmental department or agency, or any other entity or person, pertaining to the Property;

(d) Conflict or Breach. To Buyer's knowledge, the execution and delivery of this Contract, the consummation of the transaction herein contemplated, and the compliance with the terms of this Contract will not conflict with or, with or without notice or the passage of time, or both, result in a breach of, any applicable contract or governmental requirements pertaining to the Property or in a judgment, order, or decree of any court having jurisdiction over Buyer or the Property;

(e) Hazardous Materials; Environmental Matters. With respect to the Property, to Buyer's knowledge and except for matters disclosed in the environmental reports and studies that Seller provided as part of the Property Information or that Buyer obtains during the Due Diligence Period, (i) the Property is in material compliance with all applicable federal, state and local laws and regulation relating to environmental contamination, including, without limitation, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal, discharge or disposal of hazardous materials (as defined below) and all laws and regulations with regard to record keeping, notification and reporting requirements respecting hazardous materials (as defined below); (ii) Buyer has not caused or authorized, and does not have knowledge of, the presence or release or threat of release of any hazardous material in, on, under, or migrating to or from the Property, or received any notice or other information, whether written or oral from any governmental agency or authority or any other entity or individual, whether governmental or private, concerning or alleging any liability of the Buyer or other persons or entities with respect to the environmental condition of the Property; and (iii) there are no present facts or existing circumstances that could form the basis for the assertion of any claim against Buyer or the Property relating to environmental matters, including, without limitation, any claim arising from past or present environmental practices asserted under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation and Recovery Act ("**RCRA**") or any other federal, state or local environmental statute. For purposes of this paragraph, the term "**hazardous materials**" means materials defined as "hazardous substances", "hazardous wastes" or "solid wastes" in CERCLA, RCRA or in any similar federal, state or local environmental statute (provided, that the term "hazardous materials" will not be deemed to include any cleaning products and/or other materials which may be hazardous materials under applicable environmental laws but are customarily used in the operation and maintenance of office and industrial property and are in ordinary quantities and used in accordance with all applicable environmental laws);

(f) Defects. Buyer has no knowledge of any existing and material physical or mechanical defects, adverse physical or environmental conditions or other adverse matters affecting the Property;

(g) Special Proceedings, Notices of Violation. There is not now pending nor, to Buyer's knowledge, are there any proposed or threatened proceedings for the rezoning of the Property, or any portion thereof, that are known to Buyer. Buyer has no knowledge of any existing and material violation of any zoning, subdivision, environmental, hazardous waste, building code, health, fire, safety or other law, order, ordinance or regulation relating to the maintenance, operation or use of the Property, and has received no written notice of any such purported violation;

(h) Compliance with CCR's, Other Matters. To Buyer's knowledge, Buyer is in compliance with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements affecting the Property.

7.2 Continuing Accuracy and Validity. The representations and warranties in **Section 7.1(c)** through (h) are provided to Seller solely to assure that the Seller will not have liability under **Section 6.1** for matters that are within the knowledge of Buyer under **Section 7.1** at or prior to Closing; such representations and warranties shall not be the basis for any claim against Buyer whether arising before or after closing, but may be used in defense of any claim asserted by Buyer against Seller under **Section 6.1**. The continuing accuracy and validity in all respects of each of the representations, warranties, and covenants of Buyer in this Contract shall be a Condition precedent to Seller's obligation to close and such representations, warranties, and covenants shall be deemed remade as of Closing provided, however, that any matters disclosed by Buyer or that become known to Seller under **Section 7.1(c) through (h)** after the Effective Date of the Contract shall not be a condition to Seller's obligation to close if (i) Buyer still desires to close, and (ii) agrees in writing to waive any claim against Seller based upon such disclosures of new matters after the Effective Date of this Contract. Such representations, warranties and covenants shall survive Closing for a period of one (1) year and shall not be merged into any documents delivered at Closing.

7.3 No Implied Representations. Except as otherwise specifically set forth above or elsewhere in this Agreement, neither Buyer nor any agent or representative of Buyer makes any representations or warranties to Seller relating to the Property, expressed or implied.

ARTICLE VIII

Conditions Precedent to Buyer's and Seller's Performance

8.1 Conditions to Buyer's Obligations. Buyer's obligations to close the purchase of the Property under this Contract are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to the Closing Date for the Property):

(a) The Conditions in this Contract for the benefit of Buyer have been satisfied or waived in writing by Buyer; and

(b) All representations, warranties, and covenants of Seller in this Contract are true and accurate and free of violation; and

(c) No event which could reasonably be expected to have a material adverse effect on the Property or its value shall occur after expiration of the Due Diligence Period, and Buyer has not first discovered any fact after expiration of the Due Diligence Period that could not with reasonable diligence have been discovered during the Due Diligence Period and which fact could reasonably be expected to have a material adverse effect on the Property or its value; and

(d) At the Closing, there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid, and all mechanics', contractors' and materialmen's liens arising from any labor or materials furnished prior to Closing relating to contracts made by Seller for any improvements to the Property Seller will have been discharged by Seller; and

(e) The Title Company shall be ready, willing and able to issue the owner's Title Policy in the form required herein on the Closing Date; and

(f) Seller shall have delivered or caused to be delivered to the Title Company the documents and instruments required herein to be delivered by Seller at Closing; and

(g) Seller shall have caused the Title Company to commit to issue the Title Policy to Buyer without exception for over that certain Deed of Trust, dated September 7, 1993, recorded September 8, 1993, in the office of the County Recorder for Utah County, state of Utah and with affirmative coverage in the form of the Title Policy endorsement attached to **Exhibit 11** with respect to such Trust Deed; and

(h) Contemporaneously with the Closing, Buyer and Scrub Oak shall have closed the sale by Scrub Oak to Buyer of the Scrub Oak Properties pursuant to the terms of the Scrub Oak Contract.

8.2 Conditions to Seller's Obligations. Seller's obligations to proceed with the sale of the Property under this Contract are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part in writing by Seller at or prior to the Closing Date for the Property):

(a) The Conditions in this Contract for the benefit of Seller have been satisfied or waived in writing by Seller; and

(b) All representations, warranties, and covenants of Buyer in this Contract are true and accurate and free of violation to the extent such matters remain conditions to Closing as provided in **Section 7.2** above; and

(c) Buyer will have deposited the Purchase Price in escrow with Escrow Holder, less a credit for the balance owed on any Loan as of the Closing; and

(d) Buyer shall have delivered or caused to be delivered to the Title Company the documents and instruments required herein to be delivered by Buyer at Closing; and

(e) Buyer and Seller shall have terminated the Aspen Master Lease with respect to the Aspen Property pursuant to the Lease Termination Agreement; and

(f) [intentionally deleted]; and

(g) Contemporaneously with the Closing, Buyer and Scrub Oak shall have closed the sale by Scrub Oak to Buyer of the Scrub Oak Properties pursuant to the terms of the Scrub Oak Contract.

8.3 Failure of Conditions Precedent to Buyer's Obligations. In the event that any of the conditions precedent to the obligations of Buyer are not (i) satisfied on or prior to the Closing Date for the Property (or such earlier time as may be specified in this Contract) or (ii) deemed satisfied or waived by Buyer, then Buyer will have the right to terminate this Contract and/or pursue any other right or remedy provided herein.

8.4 Failure of Conditions Precedent to Seller's Obligations. In the event that any of the conditions precedent to the obligations of Seller are not (i) satisfied on or prior to the Closing Date for the Property (or such earlier time as may be specified in this Contract) or (ii) waived in writing by Seller, then Seller will have the right to terminate this Contract and Seller shall have no other right or remedy against Buyer arising out of this Contract or by reason of the termination of the proposed sale transaction.

ARTICLE IX

Closing

9.1 Date and Place of Closing. Closing shall take place in the main commercial office of Escrow Holder and will be handled by Terri Murphy as escrow officer (or as is mutually acceptable to Buyer and Seller), as soon as practicable after written satisfaction or waiver of the Conditions in this Contract, but no later than December 30, 2010. The parties need not be physically present at the Closing.

9.2 Items to be Delivered at the Closing.

(a) **Seller's Deliveries.** At the Closing, Seller shall deliver or cause to be delivered to Buyer, or to the Title Company as Escrow Holder, the following items:

(i) a Utah statutory special warranty deed (the **"Deed"**), in the form attached as **Exhibit 4**, in recordable form, duly executed and acknowledged by Seller, conveying fee simple title in and to the Property to Buyer or Buyer's designee, subject only to Permitted Exceptions, including any Title Exceptions not cured or removed by Seller but waived by Buyer as provided in **Section 4.3**;

(ii) an ALTA Affidavit, in such form as is acceptable to Seller and required by the Title Company to issue "extended coverage" title insurance, and such other items reasonably requested by the Title Company as administrative requirements for consummating the Closing;

(iii) a Non-foreign Affidavit, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder ("**FIRPTA**"), substantially in the form attached as **Exhibit 5** to this Contract;

(iv) a Bill of Sale, Assignment of Agreements and Transfer of Assets, in the form attached as **Exhibit 7** to this Contract ("**Bill of Sale/Assignment**"), conveying the Service Contracts that Buyer may agree to assume and the Transferred Assets;

(v) duplicate originals of the Lease Termination Agreement, in the form attached as **Exhibit 2**, duly executed and acknowledged by Seller;

(vi) any other documents, instruments or agreements called for hereunder which have not been previously delivered or which are reasonably required by the Title Company (such as evidence of authorization of the transaction) to close the transaction as contemplated by this Contract. A copy of the documentation evidencing the authorization of the transaction will be provided to Buyer.

(b) Buyer's Deliveries. At the Closing, Buyer shall deliver to Seller, or to the Title Company as Escrow Holder, the following items:

(i) the Purchase Price (subject to credits for the Earnest Money Deposit);

(ii) one or more promissory notes as required by Seller to evidence any deferred portion of the Purchase Price under **Section 3.1**;

(iii) the acceptance of the Assignment of Leases and of the Bill of Sale/Assignment;

(iv) a Bill of Sale, Assignment of Agreements and Transfer of Assets, in the form attached as **Exhibit 7** to this Contract ("**Bill of Sale/Assignment**"), conveying the Service Contracts that Buyer may agree to assume and the Transferred Assets;

(v) duplicate originals of the Lease Termination Agreement, in the form attached as **Exhibit 2**, duly executed and acknowledged by Buyer;

(vi) Buyer shall execute and deliver to Seller the Annex A Lease; and

(vii) any other documents, instruments or agreements called for hereunder which have not been previously delivered or which are reasonably required by the Title Company (such as evidence of authorization of the transaction) to close the transaction as contemplated by this Contract. A copy of the documentation evidencing the authorization of the transaction will be provided to Seller.

(c) Waiver of Time Periods at Closing. In the event the Closing shall take place prior the expiration of the Due Diligence Period and the time for the parties to address the Title Exceptions and the Objections pursuant to **Article IV**, Seller and Buyer shall executed and deliver to each other a mutually satisfactory agreement closing all such time periods and defining the Permitted Exceptions for the purposes of this Contract.

9.3 Prorations, Adjustments.

(a) Except as otherwise provided below, all income from the Property ("**Income**") and all ad valorem real property taxes, current installments of any assessments, personal property taxes, utility expenses, and other operating expenses of the Property ("**Expenses**") will be prorated and adjusted between the parties as of the Closing Date, so that (a) all prepaid but not yet accrued Expenses and all accrued but not yet paid Income will be credited to Seller; and (b) all accrued but not yet paid Expenses other than any Expenses Buyer is required to pay under the Aspen Master Lease and all prepaid but not yet accrued Income will be credited to Buyer. Without limiting the generality of the foregoing, any advance payment of rent, refundable deposits, and advance payment of reimbursable utility or other expenses and other charges under the Aspen Master Lease, and any nonrefundable cleaning fees and other similar fees relating to the occupancy of premises in the Property shall be assigned and delivered to Buyer (or shall be prorated and charged and credited between the parties) as of the Closing Date.

(b) The parties will attempt to have utility meters read as of the Closing Date, and Seller will be responsible for all utility Expenses up to the Closing Date other than any Expenses Buyer is required to pay under the Aspen Master Lease, and Buyer will be responsible for all utility Expenses from and after the Closing Date. To the extent that this is not possible and to the extent that any other obligation for continuing services is incurred, and statements are rendered for such services covering periods both before and after the Closing Date, the amount shall be adjusted between the parties as of the Closing Date on a time elapsed basis. Seller shall forward all such statements which are proper statements to Buyer and Buyer shall pay the same. Seller shall remit to Buyer its proportionate share immediately upon demand.

(c) Seller shall be responsible for and shall pay or reimburse Buyer upon demand for any real or personal property taxes payable following the Closing applicable to any period of time prior to the Closing Date as a result of any change in the tax assessment by reason of reassessment, errors by the tax assessor or changes occurring before the Closing Date in use or ownership of the Property. To extent the payment of taxes and assessments is an obligation of tenant under the Aspen Master Lease and the tenant has not made any deposit or payment to Seller with respect to such matter, such taxes and assessments will not be prorated between Buyer and Seller.

(d) If any post-Closing reconciliation or adjustment is required between the parties pursuant to this Agreement (because of an adjustment or prorate that is done on an estimated basis, or otherwise), the parties will reasonably co-operate with each other to provide the information needed for such reconciliation and adjustment, and will promptly do the reconciliation and adjustment when the information is available to do so.

(e) Buyer shall pay the recording or filing fees for the Deed and the Assignment of Leases.

(f) Seller shall pay the cost of a standard coverage Title Policy in favor of Buyer and the cost of extended coverage, if obtainable and desired by Buyer, on the Title Policy.

(g) Seller and Buyer shall pay one-half of the escrow and closing fees charged by the Escrow Holder. If any other closing costs not specifically provided for herein are due at Closing, such other costs shall be paid by Buyer.

9.4 Possession at Closing. Seller will deliver possession of the Property to Buyer at the Closing, together with all keys, alarm and entry codes, guaranties, warranties and indicia of ownership held by Seller; provided, however, Seller shall have the right pursuant to the provisions of this Section 9.4 to continue in occupancy of that portion of the Annex A Parcel (the "**Temporary Annex A Space**") (approximately 30,000 sq. ft.) which is not subject to the Aspen Master Lease and which has been occupied by Seller during the term of the Aspen Master Lease. Seller's occupancy of the Temporary Annex A Space shall be for a period of one-hundred twenty (120) days commencing on the Closing Date, subject to early termination by Seller upon written notice to Buyer and surrender of the Temporary Annex A Space to Buyer. Seller's occupancy of the Temporary Annex A Space shall be on all of the terms set forth in the Aspen Master Lease, which is incorporated into this Section 9.4 by this reference; provided that Seller shall be the "Tenant," Buyer shall be the "Landlord," the Premises shall be the Temporary Annex A Space, the term shall be a period of one-hundred twenty (120) days commencing on the Closing Date and Seller have no obligation to pay "Monthly Rent" or "Taxes" to Buyer during such 120 day term. Seller shall be responsible for all other obligations of "Tenant" set forth in the Master Lease, with respect to the Temporary Annex A Space, for such 120-day term including, without limitation, obligations of indemnification of Buyer as "Landlord," insurance, payment of utilities, maintenance and repairs, etc.

ARTICLE X

Casualty or Condemnation

Seller agrees to give Buyer prompt notice of any fire or other casualty affecting any of the Property or any actual or threatened taking or condemnation of all or any portion of any of the Property. If prior to the Closing, there shall occur:

(a) damage to any Property caused by fire or other casualty which is of any substantial nature; or

(b) the taking or condemnation of all or any portion of any Property which would materially interfere with the intended use of the Property;

then, in such event, Buyer as its sole remedy may elect to terminate this Contract by written notice to Seller obtain a refund of the refundable portion of the Earnest Money Deposit, notwithstanding that the Due Diligence Period may have expired.

If before the Closing there occurs:

(a) damage to any portion of the Property caused by fire or other casualty which is of an insubstantial nature; or

(b) the taking or condemnation of all or any portion of any Property which would not materially interfere with the intended use of the Property;

then the following will apply: (i) Seller shall not be required to restore the Property; (ii) Seller shall promptly notify Buyer after Seller becomes aware of the damage or taking; (iii) if the restoration would take more than 120 days to complete or if there are not assignable proceeds under an existing insurance policy that Seller can assign to Buyer at Closing that would be sufficient to pay the cost of restoration, Buyer may elect to terminate this Agreement pursuant to the first paragraph of this Article or Buyer may elect to proceed with the Closing and accept the Property AS IS and without restoration having been completed, in which case the parties will close this transaction and Seller will assign to Buyer Seller's interest in the casualty or condemnation proceeds.

On any fire or other casualty that is not substantial or with respect to which, if substantial, Buyer does not elect to terminate this Contract, Seller will provide to Buyer a copy of the insurance policy covering the damage or other casualty. In any event, the parties will reasonably co-operate with each other on the steps needed to settle the claim with the insurer (but Seller will not be required to incur any out-of-pocket expenses in doing so after the Closing).

If this Contract is not terminated in the event of a taking or casualty, the Purchase Price shall be reduced by the portion of the taking award or casualty insurance proceeds attributable to the portion of the Property taken or destroyed, as the case may be, except to the extent that such sums have been previously expended by Seller to repair or restore the Property (but Seller will not be obligated to do any such work, and Seller is not hereby agreeing to do any such repair or restoration).

ARTICLE XI

Defaults and Remedies

11.1 Buyer Default. If all of the conditions to Buyer's obligation to purchase the Property have been satisfied or waived by Buyer and if Buyer should fail to consummate the subject transaction for any reason other than Seller's default, failure of a condition to Buyer's obligation to close, or the exercise by Buyer of an express right of termination granted herein, Seller shall be entitled to (a) terminate the Contract and retain the Earnest Money Deposit as liquidated damages.

11.2 Seller's Default. If all of the conditions to Seller's obligation to sell the Property have been satisfied or waived by Seller and if Seller should fail to consummate the subject transaction for any reason other than Buyer's default, failure of a condition to Seller's obligation to close, or the exercise by Seller of an express right of termination granted herein, Buyer shall be entitled to pursue any other remedy available to it at law or in equity, including (without limitation) the remedy of specific performance.

11.3 In General. Except as specifically set forth in **Sections 11.1 and 11.2**, if either party does not perform any of its obligations hereunder, and if such breach is not cured within ten (10) days after written notice to the defaulting party specifying such breach, the non-defaulting party shall have all rights and remedies to which it may be entitled by law and under this Contract (including the right of the nondefaulting party to obtain specific performance against the defaulting party).

ARTICLE XII

Brokerage Commissions and Similar Fees

Each party represents and warrants to the other party that they have not contracted or entered into any agreement with any real estate broker, agent, finder, or any other party in connection with this transaction, and that neither party has taken any action which would result in any real estate broker's, finder's or other fees or commissions being due or payable to any other party with respect to this transaction. Each party hereby indemnifies and agrees to hold the other party harmless from any loss, liability, damage, cost, or expense (including, but not limited to, reasonable attorney's fees) resulting to the other party from a breach of the representation and warranty made by such party in this **Article XII**. Notwithstanding anything to the contrary contained herein, the indemnities set forth in this **Article XII** shall survive the Closing.

ARTICLE XIII

General Indemnity Obligations; Survival

13.1 Seller's Indemnity Obligations. Seller hereby agrees to indemnify and hold Buyer harmless from and against: (i) any loss, cost, liability or damage ("Losses") suffered or incurred because any representation or warranty by Seller shall be false or inaccurate in any material respect (subject to the provisions of **Section 14.16** below as to representations made to Seller's knowledge); (ii) any Losses suffered or incurred because of any breach on the part of Seller of its obligations under this Contract (subject to the notice and cure provisions in **Section 11.3**); and (iii) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Buyer in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

13.2 Buyer's Indemnity Obligations. Buyer hereby agrees to indemnify and hold Seller harmless from and against: (i) any Losses to person or the improvements at the Property suffered or incurred by Seller as a result of Buyer's or its agents' entry onto the Property prior to Closing for purposes relating to the conduct of due diligence for the transaction contemplated by this Contract and not the Aspen Master Lease (provided, however, in no event shall Buyer be responsible for any damage, loss or liability to the extent resulting from a condition existing at the Property prior to Buyer's entry thereon), (ii) any Losses suffered or incurred because any representation or warranty by Buyer in **Sections 7.1(a)** and **7.1(b)** shall be false or inaccurate in any material respect; (iii) any Losses suffered or incurred because of any breach on the part of Buyer of its obligations under this Contract (subject to the notice and cure provisions in **Section 11.3** and subject to the provisions and limitations in **Section 11.1**, which will control as to the matters stated therein); and (iv) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Seller in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

13.3 Survival. The warranties, representations and indemnity obligations under this Contract shall survive the Closing for a period of one (1) year.

13.4 No Sandbagging. No party shall be liable under this Article for any Losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the party seeking indemnification for such Losses had actual or constructive knowledge of such inaccuracy or breach at or before Closing.

ARTICLE XIV

Miscellaneous

14.1 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following addresses:

If to Seller*:*

Aspen Country, LLC
86 North University Ave, Suite 420
Provo, UT 84601
Attn: Brooke Roney
Fax No.: 801-376-0097

With a copy to:

Callister Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, Utah 84106
Attn: Damon E. Coombs
Fax No: 801-746-8607

If to Buyer*:*

Nu Skin International, Inc.
75 West Center Street
Provo, UT 84601
Attn: Matt Dorny
Fax No.: 801-345-5026

With a copy to:

Stoel Rives LLP
201 So. Main St., Suite 1100
Salt Lake City, UT 84111
Attn: Thomas A. Ellison
Fax No.: 801-578-6999

Any such notice shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid, in the U.S. Mail within the State of Utah, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) Business Day after deposit with such courier, (c) sent by facsimile, in which case notice shall be deemed delivered upon transmission of such notice to the appropriate facsimile number shown above *so long as* the transmitting facsimile machine registers a confirmation receipt and such receipt shows that the transmission was received during regular business hours at the recipient's address (or if the transmission receipt shows delivery after such business hours, then the notice sent by facsimile will be deemed to be effective on the next Business Day of the recipient), or (d) sent by personal delivery. The above addresses and facsimile numbers may be changed by written notice to the other party. Copies of notices are for informational purposes only and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

14.2 Governing Law. This Contract is being executed, delivered, and is intended to be performed in the State of Utah and the laws of Utah shall govern the validity, construction, enforcement, and interpretation of this Contract, unless otherwise specified herein.

14.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property (including, without limitation, the letter of intent signed by the parties and all other prior written and oral communications), and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

14.4 Disclaimers. No provision of this Contract or previous (or subsequent) conduct or activities of the parties will be construed: (i) as making either party an agent, principal, partner or joint venturer with the other party or as empowering either party to bind the other party to any contract or agreement, or (ii) as making either party responsible for payment or reimbursement of any costs incurred by the other party (except as may be expressly set forth herein or in its attached exhibits).

14.5 Time of Essence. TIME IS OF THE ESSENCE of each and every provision of this Contract.

14.6 Counterpart Execution; Telecopy or PDF. This Contract may be executed simultaneously or in separate counterparts, and any of the parties to this Contract may execute the Contract by signing counterpart signature pages. Signatures transmitted by telecopy or as emailed PDF copies shall be binding as originals. This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same contract.

14.7 Exhibits. The exhibits and Schedule which are referenced in, and attached to, this Contract are incorporated in, and made a part of, this Contract for all purposes.

14.8 Binding Effect. This Contract shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors, and assigns, but Buyer will not, prior to the Closing Date, assign, subcontract or otherwise transfer any interest (voluntarily, involuntarily, by operation of law or otherwise) without the prior written consent of Seller; provided, that Buyer will have the right to assign its rights and obligations under this Agreement to Buyer's Designee or to any other corporation, limited liability company, or other entity which is controlled by, or is under common control with, Buyer (the "**Permitted Transferee**"). Assignment of this Agreement by a party will not release the party's liability to the other party under this Agreement.

14.9 Attorney's Fees. If either party hereto employs an attorney to enforce or defend its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees and including reasonable attorneys' fees on any appeal, on any petition for review, or in bankruptcy, or in connection with any action for rescission, in addition to all other sums provided by law.

14.10 No Third Party Beneficiary. This Contract is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

14.11 Use of Pronouns. The use of the neuter singular pronoun to refer to Seller and Buyer shall be deemed a proper reference, even though Seller or Buyer may be an individual, partnership or a group of two or more individuals. The necessary grammatical changes required to make the provisions of this Contract apply in the plural sense where there is more than one seller or purchaser and to either partnerships or individuals (male or female) shall in all instances be assumed as though in each case fully expressed.

14.12 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any exhibits or amendments hereto.

14.13 Partial Invalidity. If any term or provision of this Contract or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law.

14.14 Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act.

14.15 Legal Effect. THIS IS A LEGALLY BINDING CONTRACT. ALL PARTIES SHOULD SEEK ADVICE OF COUNSEL BEFORE EXECUTING THIS CONTRACT.

14.16 Disclosure Duties. The following provisions will govern the disclosure duties of the parties.

(a) Seller's Duty to Disclose. As used in this Contract, the terms "**known**" or "**knowledge**" as applied to Seller mean actual (not constructive) knowledge or lack of knowledge of Brooke B. Roney, Blake M. Roney, Steven J. Lund and Sandra N. Tillotson (only), and shall absolutely not require any independent investigation or any inquiry of other employees or agents of Seller.

If Seller obtains actual knowledge prior to the Closing of a fact which would make any of the representations and warranties of Seller in this Contract false or inaccurate in any material respect, Seller will notify Buyer of such fact (except that this sentence will not apply to matters as to which Seller's knowledge originates from any communication of information by Buyer to Seller or any environmental assessments or other due diligence investigations performed by Buyer).

(b) Buyer's Duty to Disclose. As used in this Contract, the terms "**known**" or "**knowledge**" as applied to Buyer mean actual (not constructive) knowledge or lack of knowledge of the present directors and officers of Buyer and Buyer's Affiliates (other than Blake M. Roney, Steven J. Lund and Sandra N. Tillotson), or any other present employee of Buyer or Buyer's Affiliates who would reasonably be expected to have particular knowledge about the subject matter of the relevant representation or warranty and would reasonably be expected to report such matter to an officer or director of his or her employer with responsibility over the subject matter of the representation or matter required to be disclosed, and shall absolutely not require any independent investigation or any inquiry of other employees or agents of Buyer or Buyer's Affiliates.

If Buyer obtains actual knowledge prior to the Closing of a fact which would make any of the representations and warranties of Buyer in this Contract false or inaccurate in any material respect, Buyer will notify Seller of such fact, (except that this sentence will not apply to matters as to which Buyer's knowledge originates from any communication of information by Seller to Buyer).

14.17 Work Product. If this transaction does not close for any reason, Buyer will deliver to Seller the Property Information that Seller delivered to Buyer and any written reports, assessments, surveys, studies or other written work product obtained by Buyer from third parties about the Property; provided, that any confidential and proprietary information of Buyer or being provided to Buyer in such work product may be redacted from such work product. Such turnover of work product is without representation by Buyer as to the accuracy or reliability of such materials or any conclusions or recommendations made therein or Seller's right to rely thereon.

14.18 Response to Requests and Communications. Each party will use commercially reasonable efforts to respond promptly to requests and communications from the other party on matters requiring a decision, action or response under the terms of this Contract.

14.19 Saturday, Sunday and Legal Holidays. If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter. As used in this Agreement, the expression (i) "**business day**" means every day other than a nonbusiness day, and (ii) "**nonbusiness day**" means a Saturday, Sunday or legal holiday in the State of **Utah**. In any case where a payment is due, an act is to be performed, a notice is to be delivered or a period expires under this Agreement on a nonbusiness day, such occurrence shall be deferred until the next succeeding business day.

14.20 Public Announcements. No press releases or other public announcements concerning the transactions contemplated by this Agreement shall be made by Seller without the prior written consent of Buyer, except as may be required by law or court order (in which case Seller shall notify Buyer before to making such public announcement and will provide a copy to Buyer of the intended public announcement).

14.21 Exchange. Notwithstanding any other provision of this Agreement, each party will have the right to arrange and effect a closing of the conveyance of the Property to Buyer in connection with a simultaneous or non-simultaneous exchange for other property of like kind pursuant to Section 1031 of the Internal Revenue Code of 1986 as amended (the "**Code**"), and the other party will cooperate in such exchange, provided that (1) neither party shall be obligated to accelerate or delay Closing in order to facilitate an exchange; and (2) neither party shall be required to take title to any exchange property or to incur any expense, risk or liability in effecting such exchange. The party arranging an exchange will prepare the documents required to effect the exchange and pay any additional closing, title and escrow costs incurred in connection with the exchange (to the extent not paid by the third party which sells or buys the exchange property). The conveyance of the Property to Buyer is **not** conditioned upon either party's ability to effect an exchange.

References in this Agreement to "**Seller**" and "**Buyer**" are solely for purposes of naming the parties. Such terms of reference to the parties, or to this transaction as a "sale" or "purchase" transaction, shall not be construed to affect the transaction as a property exchange transaction if Buyer effects the property exchange.

14.22 Further Assurances. Each party will, whenever reasonably requested by the other party, execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered such further instruments and documents as may be reasonably necessary and appropriate in order to convey the Property to Buyer at Closing and to carry out the intent and purpose of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each party has caused this instrument to be duly executed by the authorized representatives of the party as of the date first set forth above.

SELLER:

ASPEN COUNTRY, LLC, a Utah limited liability company

By: /s/Brooke B. Roney
Brooke B. Roney
Manager

BUYER:

NU SKIN INTERNATIONAL, INC., a Utah corporation

By: /s/D. Matthew Dorny
D. Matthew Dorny
Vice President

EXHIBITS AND ATTACHMENTS

EXHIBIT 1	Legal Description of the Real Property
EXHIBIT 2	Form of Lease Termination Agreement
EXHIBIT 3	Objections
EXHIBIT 4	Form of Deed
EXHIBIT 5	Form of Non-Foreign **(FIRPTA)** Affidavit
EXHIBIT 6	[Intentionally deleted]
EXHIBIT 7	Form of Bill of Sale/Assignment
EXHIBIT 8	Form of Buyer's Promissory Note
EXHIBIT 9	[Intentionally deleted]
EXHIBIT 10	[Intentionally deleted]
EXHIBIT 11	Form of Affirmative Coverage Endorsement to Title Policy

SCHEDULE #1 - Allocation of Purchase Price

EXHIBIT 1

LEGAL DESCRIPTION OF THE LAND

ANNEX A:
A.P.N.: 22-022-0036

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 489.81 FEET AND EAST 575.29 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'27" WEST 285.20 FEET; THENCE ALONG THE ARC OF A 316.41 FOOT RADIUS CURVE TO THE LEFT 53.53 FEET (CHORD BEARS NORTH 26°36'36" EAST 53.47 FEET); THENCE SOUTH 89°56'25" EAST 192.29 FEET; THENCE SOUTH 0°03'35" WEST 324.57 FEET; THENCE SOUTH 89°55'40" WEST 43.88 FEET; THENCE SOUTH 0°03'35" WEST 8.27 FEET; THENCE NORTH 89°58'12" WEST 171.73 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH SEWER AND WATER EASEMENTS DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 585.67 FEET AND EAST 792.36 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'35" EAST 20.00 FEET; THENCE SOUTH 89°57'46" EAST 167.30 FEET; THENCE SOUTH 0°03'35" WEST 20.00 FEET; THENCE NORTH 89°57'46" WEST 167.30 FEET TO THE POINT OF BEGINNING.

AND

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 610.18 FEET AND EAST 789.37 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'35" EAST 212.46 FEET; THENCE SOUTH 89°56'25" EAST 3.36 FEET; THENCE NORTH 0°03'35" EAST 6.06 FEET; THENCE SOUTH 89°56'25" EAST 6.64 FEET; THENCE SOUTH 0°03'35" WEST 203.39 FEET; THENCE NORTH 89°18'10" EAST 160.67 FEET; THENCE SOUTH 0°03'35" WEST 15.00 FEET; THENCE SOUTH 89°18'10" WEST 170.67 FEET TO THE POINT OF BEGINNING.

DISTRIBUTION CENTER:
A.P.N.: 38-114-0022

PARCEL 22, PLAT "Q" REVISED EAST BAY PLANNED UNIT DEVELOPMENT, IN THE CITY OF PROVO, COUNTY OF UTAH, STATE OF UTAH ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

TOGETHER WITH AND SUBJECT TO THE RIGHT OF USE, IN COMMON WITH OTHERS, OF THE COMMON AREAS IN EAST BAY BUSINESS CENTER, P.U.D., FOR INGRESS, EGRESS RECREATION AND OTHER RELATED ACTIVITIES. THE DESIGNATED AREAS ARE NOT DEDICATED FOR THE USE BY THE GENERAL PUBLIC, BUT ARE RESERVED FOR THE COMMON USE AND ENJOYMENT OF THE OWNERS IN EAST BAY BUSINESS CENTER, P.U.D.

PARKING LOT:
A.P.N.: 04-044-0015

COMMENCING AT THE NORTHEAST CORNER OF BLOCK 47, PLAT "A", PROVO CITY, SURVEY OF BUILDING LOTS; THENCE SOUTH 249.29 FEET; THENCE WEST 115.50 FEET; THENCE SOUTH 18 FEET; THENCE WEST 82.74 FEET; TO THE WEST LINE OF LOT #8 OF SAID BLOCK; THENCE NORTH 67.645 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF LOT 7, BLOCK 47; THENCE WEST 49.50 FEET; THENCE NORTH 199.645 FEET; THENCE EAST 247.74 FEET TO THE POINT OF BEGINNING.

EXHIBIT 2

LEASE TERMINATION AGREEMENT
(Aspen Master Lease Agreement)

THIS LEASE TERMINATION AGREEMENT ("**Agreement**") is made and entered into as of the 30th day of December, 2010 ("**Effective Date**") by and between ASPEN COUNTRY, LLC, a Utah limited liability company, having a mailing address at 86 North University Ave., Suite 420, Provo, Utah 84601 ("**Landlord"**) and NU SKIN INTERNATIONAL, INC.., a Utah corporation, having a mailing address 75 West Center Street, Provo, Utah 84601 (**Tenant**").

RECITALS:

A. Landlord is the owner of those certain parcels of real property identified on the attached Exhibit A and all improvements constructed thereon, located in the City of Provo, Utah County, State of Utah (the "**Premises**").

B. On or about January 16, 2003, Landlord and Tenant entered into that certain Mater Lease Agreement, January 16, 2003 (the "**Lease**"), pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the Premises.

C. Concurrently with the execution of this Agreement, Tenant is purchasing from Landlord substantially all of the Premises pursuant to the provisions of a Real Estate Agreement of Purchase and Sale (the "**Purchase Agreement**") dated the Effective Date.

D. Tenant and Landlord desire to terminate the Lease, on the terms and provisions herein set forth.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant hereby agree as follows:

1. Recitals/Exhibits. Recitals A through D above and Exhibit A attached hereto are by this reference incorporated herein and made a part of this Agreement.

2. Termination of the Lease. The Lease is hereby unconditionally terminated as of the Effective Date and, except as expressly set forth in this Agreement, Landlord and Tenant are released and discharged from every obligation set forth in the Lease; provided, that the indemnification obligations of Tenant to Landlord accrued prior to the Effective Date, if any, pursuant to Sections 4.3 and 16.1 of the Lease, and the indemnification obligations of Landlord to Tenant accrued prior to the Effective Date, if any, pursuant to Section 16.2 of the Lease shall survive the termination of the Lease with respect to indemnification against claims asserted against Landlord, Tenant or the other indemnified persons named in such Sections of the Lease by persons or entities other than Landlord or Tenant.

3. Sundance Cabin. The Sundance Cabin, which is a portion of the Premises leased to Tenant under the Lease, is not being acquired by Tenant under the Purchase Agreement. Tenant shall surrender the Sundance Cabin to Landlord on or before December 31, 2010, in the condition required pursuant to the provisions of Section 20.1 of the Lease. Within thirty (30) days after the Effective Date, Landlord shall inspect the condition of the Sundance Cabin and notify Tenant in writing of any failure of the Sundance Cabin to be in the condition required under Section 20.1 of the Lease upon its surrender by Tenant to Landlord. Upon receipt of such notice from Landlord, Tenant shall accomplish, at Tenant's cost and expense, repairs of and restoration of the Sundance Cabin as required by Section 20.1 of the Lease. All such repair work shall be performed by Tenant or by licensed contractors in a good and workmanlike manner. Failure of Landlord to give written notice to Tenant of the failure of the Sundance Cabin to be in the condition required by Section 20.1 of the Lease at the time of its surrender to Landlord by Tenant, shall be deemed an acceptance by Landlord of the Sundance Cabin in the condition surrendered by Tenant, with no further obligation for repair or improvement by Tenant.

4. Prorations/Security Deposit. Rent, real property taxes and other amounts paid or payable by Tenant with respect to the Premises pursuant to the provisions of the Lease shall be prorated and adjusted between Landlord and Tenant as of the Effective Date in accordance with the provisions of the Lease, except as provided in the Purchase Agreement to the contrary. Any security deposit paid by Tenant pursuant to the provisions of the Lease shall be refunded to Tenant by Landlord on the Effective Date.

5. Interpretation. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah. The section headings contained in this Agreement are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Time is of the essence. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against, including without limitation the drafting party, any of the parties.

6. Counterparts**.** This Agreement may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

7. Attorneys Fees**.** If any action between the parties is brought because of any breach of or to enforce or interpret any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys fees and court costs incurred in connection with such action, the amount of which shall be fixed by the court and made a part of any judgment rendered.

[Signature page follows]

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

LANDLORD:

ASPEN COUNTRY, LLC,

a Utah limited liability company,

By _____

Its _____

Tenant:

NU SKIN INTERNATIONAL, INC.,

a Utah corporation,

By _____

Its _____

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, the _____ of **ASPEN COUNTRY, LLC**, a Utah limited liability company.

_____
NOTARY PUBLIC

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, the _____ of **NU SKIN INTERNATIONAL, INC.**, a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT 3

OBJECTIONS

Buyer objects to the following standard exceptions listed as items 1-7 below and requests the removal of the same in association with Buyer's receipt of an extended ALTA owner's policy:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

2. Any facts, rights, interest or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easements or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments and any other facts which a correct survey would disclose, and which are not shown by public records.

5. Patented and unpatented mineral and/or mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

7. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.

Buyer objects to the following as written and requests that such items note "….taxes assessed and paid in full in the amount….":

8. 2010 general property taxes were paid in the amount of $9,596.15 . Tax Parcel No. 22-022-0036 (Annex A)

9. 2010 general property taxes were paid in the amount of $112,254.20 . Tax Parcel No. 38-114-0022 (Distribution Center)

10. 2010 general property taxes were paid in the amount of $9,036.91 . Tax Parcel No. 04-044-0015 (Parking Lot)

Buyer objects to the following and requests that it be deleted or revised to state that there are no charges or assessments outstanding or due and payable as of the date of Closing:

11. Any charge upon the land by reason of its inclusion in Provo City. (Parking Lot)

Buyer objects to the following Deed of Trust; however it shall be a permitted exception to the Special Warranty Deed, but not a permitted exception for the purposes of the title policy.

12. A Deed of Trust With Assignment of Rents dated September 07, 1993 by and between Aspen Investment, LTD as Trustor in favor of Security Title and Abstract Company, a Utah corporation as Trustee and Arthur W. Adamson and Bernice R. Adamson, husband and wife, as Joint Tenants as Beneficiary, to secure an original indebtedness of $515,000.00 and any other amounts or obligations secured thereby, recorded September 08, 1993 as Entry No. 62078 in Book 3240 at Page 137 of the official records of the Country Recorder for Utah County, State of Utah. (Annex A)

EXHIBIT 4

DEED

WHEN RECORDED, MAIL TO:

Callister, Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, UT 84106
Attn: Damon E. Coombs

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SPECIAL WARRANTY DEED

ASPEN COUNTRY, LLC, **a Utah limited liability company, as successor of Aspen Investments, Ltd, a Utah limited partnership by conversion**, having a mailing address at 86 North University Ave., Suite 420, Provo, Utah 84601, Grantor, hereby CONVEYS AND WARRANTS against those claiming by, through, or under said Grantor to **NU SKIN INTERNATIONAL, INC., a Utah corporation**, having a mailing address at 75 West Center Street, Provo, Utah 84601, Grantee, for the sum of Ten and No/100 Dollars ($10.00), and other good and valuable consideration, the following described real property in Utah County, State of Utah:

ANNEX A:
A.P.N.: 22-022-0036

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 489.81 FEET AND EAST 575.29 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'27" WEST 285.20 FEET; THENCE ALONG THE ARC OF A 316.41 FOOT RADIUS CURVE TO THE LEFT 53.53 FEET (CHORD BEARS NORTH 26°36'36" EAST 53.47 FEET); THENCE SOUTH 89°56'25" EAST 192.29 FEET; THENCE SOUTH 0°03'35" WEST 324.57 FEET; THENCE SOUTH 89°55'40" WEST 43.88 FEET; THENCE SOUTH 0°03'35" WEST 8.27 FEET; THENCE NORTH 89°58'12" WEST 171.73 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH SEWER AND WATER EASEMENTS DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 585.67 FEET AND EAST 792.36 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'35" EAST 20.00 FEET; THENCE SOUTH 89°57'46" EAST 167.30 FEET; THENCE SOUTH 0°03'35" WEST 20.00 FEET; THENCE NORTH 89°57'46" WEST 167.30 FEET TO THE POINT OF BEGINNING.

AND

COMMENCING AT A POINT LOCATED NORTH 0°48'37" WEST 610.18 FEET AND EAST 789.37 FEET FROM THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 0°03'35" EAST 212.46 FEET; THENCE SOUTH 89°56'25" EAST 3.36 FEET; THENCE NORTH 0°03'35" EAST 6.06 FEET; THENCE SOUTH 89°56'25" EAST 6.64 FEET; THENCE SOUTH 0°03'35" WEST 203.39 FEET; THENCE NORTH 89°18'10" EAST 160.67 FEET; THENCE SOUTH 0°03'35" WEST 15.00 FEET; THENCE SOUTH 89°18'10" WEST 170.67 FEET TO THE POINT OF BEGINNING.

DISTRIBUTION CENTER:
A.P.N.: 38-114-0022

PARCEL 22, PLAT "Q" REVISED EAST BAY PLANNED UNIT DEVELOPMENT, IN THE CITY OF PROVO, COUNTY OF UTAH, STATE OF UTAH ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

TOGETHER WITH AND SUBJECT TO THE RIGHT OF USE, IN COMMON WITH OTHERS, OF THE COMMON AREAS IN EAST BAY BUSINESS CENTER, P.U.D., FOR INGRESS, EGRESS RECREATION AND OTHER RELATED ACTIVITIES. THE DESIGNATED AREAS ARE NOT DEDICATED FOR THE USE BY THE GENERAL PUBLIC, BUT ARE RESERVED FOR THE COMMON USE AND ENJOYMENT OF THE OWNERS IN EAST BAY BUSINESS CENTER, P.U.D.

PARKING LOT:
A.P.N.: 04-044-0015

COMMENCING AT THE NORTHEAST CORNER OF BLOCK 47, PLAT "A", PROVO CITY, SURVEY OF BUILDING LOTS; THENCE SOUTH 249.29 FEET; THENCE WEST 115.50 FEET; THENCE SOUTH 18 FEET; THENCE WEST 82.74 FEET; TO THE WEST LINE OF LOT #8 OF SAID BLOCK; THENCE NORTH 67.645 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER OF LOT 7, BLOCK 47; THENCE WEST 49.50 FEET; THENCE NORTH 199.645 FEET; THENCE EAST 247.74 FEET TO THE POINT OF BEGINNING.

THIS CONVEYANCE IS MADE SUBJECT ONLY TO THE FOLLOWING:

1. Easement recorded March 16, 1905 as Entry No. 1298, in Book 72, at Page 221 of the official records of the Utah County Recorder, State of Utah.

2. Easement recorded September 17, 1915 as Entry No. 5243, in Book 98, at Page 184 of the official records of the Utah County Recorder, State of Utah.

3. Declarations recorded March 10, 1986 as Entry No. 6984, in Book 2286, at Page 681 of the official records of the Utah County Recorder, State of Utah.

4. Supplemental Declaration of Establishment of Easements, Covenants, Conditions and Restrictions recorded May 14, 1990 as Entry No. 15083, in Book 2689, at Page 222 of the official records of the Utah County Recorder, State of Utah.

5. Amendment to declarations recorded April 26, 1991 as Entry No. 15222, in Book 2784, at Page 437 of the official records of the Utah County Recorder, State of Utah.

6. Amendment to declarations recorded November 01, 1991 as Entry No. 43396, in Book 2850, at Page 634 of the official records of the Utah County Recorder, State of Utah.

7. Declarations recorded December 19, 1988 as Entry No. 38633, in Book 2565, at Page 785 of the official records of the Utah County Recorder, State of Utah.

8. Easement recorded November 3, 1989 as Entry No. 33428, in Book 2640, at Page 664 of the official records of the Utah County Recorder, State of Utah.

9. East Bay Plat “Q” Subdivision plat recorded May 14, 1990 as Entry No. 15082.

10. East Bay Plat “Q” Revised Subdivision plat recorded June 14, 1990 as Entry No. 18887.

11. A Deed of Trust with Assignment of Rents recorded September 08, 1993 as Entry No. 62078 in Book 3240 at Page 137 of the official records of the County Recorder for Utah County, State of Utah.

12. Easement recorded January 03, 1997 as Entry No. 643, in Book 4162, at Page 347 of the official records of the Utah County Recorder, State of Utah.

13. Pole Line Easement recorded October 17, 1939 as Entry No. 9363, in Book 172, at Page 166 of the official records of the Utah County Recorder, State of Utah.

14. Subject to matters affecting title disclosed on that certain Survey of the subject property prepared by LEI, having been certified under the date of December 29, 2010, as Job Nos. 2010-574 and 2010-0407, by Chad A. Poulsen, a Registered Land Surveyor holding License No. 501182.

15. Mechanics liens (if any) pertaining to work on the subject property commissioned by Grantee as tenant of the subject properties; and, subleases (if any), entered into by Grantee as sublessor.

WITNESS the hand of said Grantor as of the 30th day of December, 2010.

ASPEN COUNTRY, LLC,
a Utah limited liability company

By
Brooke B. Roney, Manager

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

On December ____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Aspen Country, LLC, the limited liability company therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

EXHIBIT 5

NON-FOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform NU SKIN INTERNATIONAL, INC., a Utah corporation ("**Transferee**"), that withholding of tax is not required upon the disposition of a U.S. real property interest by ASPEN COUNTRY, LLC, a Utah limited liability company ("**Transferor**"), Transferor hereby certifies as follows:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number and address are:

Aspen Country, LLC.
86 North University Ave., Suite 420 Fed. ID Number
Provo, UT 84601

3. Transferor agrees to inform Transferee if it becomes a foreign person at any time during the three year period immediately following the date of this notice.

4. Transferor understands that this affidavit may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

5. Under penalties of perjury the undersigned declares that he/she has examined this affidavit and to the best of his/her knowledge and belief it is true, correct, and complete, and the undersigned further declares that he/she has authority to sign this affidavit on behalf of Transferor.

DATED as of the 30th day of December, 2010.

TRANSFEROR:

ASPEN COUNTRY, LLC., a Utah
limited liability company

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF UTAH)

On December ____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as _____, on behalf of Aspen Country, LLC., the limited liability company therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

EXHIBIT 6

[Intentionally deleted.]

EXHIBIT 7

BILL OF SALE
ASSIGNMENT OF AGREEMENTS
AND TRANSFER OF ASSETS

DATED: December 30, 2010

BETWEEN: **ASPEN COUNTRY, LLC**,
a Utah limited liability company ("**Seller**")

AND: **NU SKIN INTERNATIONAL, INC.**,
a Utah corporation ("**Buyer**")

This Bill of Sale, Assignment of Agreements and Transfer of Assets ("**Bill of Sale/Assignment**") is given by Seller to Buyer in connection with the closing of the conveyance of certain real property (collectively, the "**Property**"), which Seller is selling to Buyer pursuant to the provisions of a Real Estate Purchase and Sale Agreement, dated as of December 30, 2010 ("**Sale Agreement**"), between Seller and Buyer, which is incorporated herein by this reference.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of the mutual promises of the parties in this Bill of Sale/Assignment, the parties agree as follows:

1. **Assignment and Conveyance**. Effective as of the date of recordation of deed conveying the Property to Buyer, which is the closing date for the conveyance of the Property to Buyer ("**Closing Date**"), Seller hereby sells, assigns and transfers to Buyer all of Seller's right, title and interest in and to the following property ("**Transferred Assets**"): (1) all of Seller's right, title and interest in and to the fixtures, equipment and other personal property owned by Seller that is used in connection with the ownership, maintenance and operation of the Property ("**Personal Property**"), excluding any artwork located upon the Property and owned by Seller or Seller's members and any furniture and furnishings located in the offices of Blake M. Roney, Steven J. Lund and Sandra N. Tillotson upon the Property and owned by Blake M. Roney, Steven J. Lund or Sandra N. Tillotson; (2) all warranties, guaranties, sureties and claims or similar rights in connection with the construction of or equipment, furnishings, furniture and/or fixtures on the Improvements; (3) all plans, specifications, drawings and permits with respect to the Improvements, including such documents related to any remodel of the Improvements, and all construction, engineering, soils, architectural or similar plans, documents and reports related to the Property (the "**Plans and Reports**"); (4) all existing service and maintenance contracts entered into by Seller relating to the Property (the "**Service Contracts**") and equipment leases related to the Property entered into by Seller (the "**Equipment Leases**"); (5) all licenses, permits, approvals, certificates of occupancy, entitlements or other rights or authorizations related to or used in connection with the Property, together with all deposits to governmental authorities relating to the Property; (6) studies, documents, tests, surveys, assessments, audits, appraisals, contracts, contract rights, claims and warranties related to the Property (the "**Property Documents**"); and (7) all of Seller's rights, if any, to use any names related to the Property. For clarity, Property does not include artwork located at or on the Improvements owned by any of the members of Seller.

2. **Indemnity by Seller**. Seller hereby agrees to indemnify Buyer against and hold Buyer harmless from and reimburse Buyer for any and all liabilities, losses, claims, fines, penalties, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "**Claims**"), accruing prior to the Closing and arising out of Seller's obligations under the Service Contracts or related to Seller's obligations to with respect to the Transferred Assets.

3. **Assumption by Buyer**. Buyer hereby assumes all of Seller's obligations under the Service Contracts accruing after the Closing and arising out of Seller's obligations accruing after the Closing under the Service Contracts or related to Seller's obligations accruing after the Closing with respect to the Transferred Assets.

3. **Miscellaneous Provisions**. This Bill of Sale/Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Bill of Sale/Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Bill of Sale/Assignment shall be governed by the laws of the State of Utah. This Bill of Sale/Assignment may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. If either party hereto employs an attorney to enforce or defend its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees and including reasonable attorneys' fees on any appeal, on any petition for review, or in bankruptcy, or in connection with any action for rescission, in addition to all other sums provided by law. This instrument may be executed simultaneously or in separate counterparts, and any of the parties may execute this instrument by signing counterpart signature pages. Signatures by telecopy shall be binding as originals.

This Bill of Sale/Assignment is executed and delivered between Assignor and Buyer pursuant to the provisions of the Sale Agreement between the parties, which shall survive the execution and delivery of this Bill of Sale/Assignment. Any capitalized term that is not otherwise defined herein shall have the meaning stated in the Sale Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed as of the date set forth above.

SELLER: **ASPEN COUNTRY, LLC**

By: _____
Its: _____

BUYER: **NU SKIN INTERNATIONAL, INC.**

By: _____
Its: _____

EXHIBIT 8

PROMISSORY NOTE

(Aspen Country Form)

$_____ Date: December __, 2010

FOR VALUE RECEIVED, the undersigned, Nu Skin International, Inc, a Utah corporation. (the "Debtor"), hereby promises to pay to the order of Aspen Country, LLC, a Utah limited liability company (the "Payee"), the principal amount of _____ and 00/100 Dollars ($_____.00) (the "Original Principal"). Principal shall be payable according to the schedule detailed below. The due date for payment is subject to acceleration, upon the occurrence of certain events as described below. This Note does not bear interest except in the case of an Event of Default, as defined below.

1. Nature of Obligation and Assignability.

1.1 Nature of Obligation. Debtor has made and delivered this Note to Payee in connection with the transactions contemplated by that certain Real Estate Purchase and Sale Agreement (the "Purchase Agreement") dated as of December __, 2010, by and among Debtor and Payee, pursuant to which Payee agreed to sell and Debtor agreed to purchase certain real property as described in the Purchase Agreement in return for, among other consideration, the delivery of and performance by Debtor under this Note.

1.2 Assignability. It is contemplated that this Note shall be endorsed by Payee to one of the members of Payee, and distributed to such member in partial redemption of such member's interest in Payee, by such endorsement. Following such endorsement and delivery to such member, Debtor shall pay such member in lieu of Payee, and such member shall have all of the rights of Payee hereunder, including without limitation the right to direct the method of payment and provide wire transfer instructions under Section **2.4** hereof, and employ all remedies available to Payee in the enforcement hereof, and receive and give notices and provide an address for receipt of notice under Section 4.1.

2. Payment and Prepayments

2.1 Scheduled Payments. The principal of this Note and any accrued but unpaid interest due on such date shall be payable in two (2) installments (each an "Installment Payment Date") as follows:

First installment, due January 3, 2011, in the amount of Ninety-nine Percent (99%) of the Original Principal.

Second installment due January 31, 2011, in the amount of the remaining outstanding principal together with any accrued but unpaid interest.

2.2 Prepayment. The Debtor shall not prepay the principal amount of this Note in whole or in part. Any prepayment shall bear a penalty of ten percent (10%) of the Original Principal.

2.3 Accrual of Interest. Interest shall accrue only after an Event of Default and be calculated on the basis of a 360-day year of twelve 30-day months.

2.4 Method of Payment. All payments (including prepayments) by the Debtor on account of this Note shall be paid to the Payee by wire transfer in accordance with instructions provided by the Payee in writing or such other reasonable means as Payee may direct.

2.5 Payment Dates. If any Installment Payment Date is a Saturday, Sunday or holiday, the payment to be made on such date shall be paid on the business day immediately prior thereto.

2.6 Acceleration. The entire principal balance of this Note shall become due and payable immediately upon the occurrence of an Event of Default, as defined herein, unless the Event of Default has been cured within any grace period expressly set forth herein.

3. Default

3.1 Events of Default. An "Event of Default" occurs if

(i) the Debtor defaults in the payment of any installment of the principal amount of this Note;

(ii) the Debtor pursuant to or within the meaning of any Bankruptcy Law (as defined below)

(a) commences a voluntary case or proceeding;

(b) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property; or

(d) makes a general assignment for the benefit of its creditors; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that

(a) is for relief against the Debtor in an involuntary case or proceeding;

(b) appoints a Custodian of the Debtor or for all or substantially all of its property; or

(c) orders the liquidation of the Debtor;

and in each case described in subsection (iv) the order or decree remains unstayed and in effect for 60 days.

The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

3.2 Acceleration; Waiver. At any time following any occurrence of an Event of Default, Payee may, at Payee's option, declare the entire principal of the Note then remaining unpaid to be due and payable immediately upon notice to Debtor and/or provide notice to the Debtor that the Default Rate of Interest shall apply. At any time following any occurrence of an Event of Default, and after a declaration as provided as to applicability of the Default Rate of Interest in the last sentence, all amounts due under this Note shall bear interest at the Default Rate of Interest. The "Default Rate of Interest" means the lesser of 10% per annum or the highest rate allowed by law under Utah law. Any forbearance, failure or delay by Payee in exercising any right or remedy under this Note or otherwise available to Payee shall not be deemed to be a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy. The Debtor hereby waives presentment by Payee for payment, demand, notice of dishonor and nonpayment of this Note, and consents to any and all extensions of time, renewals, waivers or modifications that may be granted by Payee with respect to the payment or other provisions of this Note.

3.3 Payment of Costs. If an Event of Default occurs, the Debtor will pay to the Payee such further amount as shall be sufficient to cover the costs and expenses of collection, including without limitation, reasonable attorneys' fees and expenses.

4. Miscellaneous

4.1 Notices. Any notice to be given to any party shall be served personally, by facsimile, or by certified mail (return receipt requested, postage prepaid), and shall be deemed complete on the date the notice is personally served, or the date on which a facsimile was received, or the date on which it was deposited in the mail, depending on the method of service. Notice shall be given as follows, unless written notice of change of address is given to all parties:

If to Payee: Aspen Country, LLC
86 N. University Ave., Suite 420
Provo, Utah 84601
Attn: Brooke B. Roney, Manager
Fax No.: 801-376-0097

With a Copy to: Callister Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, Utah 84106
Attn: Damon E. Coombs
Fax No: 801-746-8607

If to Debtor: Nu Skin International, Inc.
75 West Center St.
Provo, Utah 84601
Fax No.: 801-345-5026

With a Copy to: Stoel Rives LLP
201 So. Main St., Suite 1100
Salt Lake City, UT 84111
Attn: Thomas A. Ellison
Fax No.: 801-578-6999

4.2 Waiver; Amendment. No waiver or modification of any of the terms of this Note shall be valid or binding unless set forth in a writing specifically referring to this Note and signed by Holders and Makers' Representative, and then only to the extent specifically set forth therein. None of the provisions hereof and none of Holders' rights or remedies under this Note on account of any past or future defaults shall be deemed to have been waived by Holders' acceptance of any past due installments or by any indulgence granted by Holders to Makers.

4.3 Jurisdiction; Venue. Debtor and Payee agree that any dispute arising out of this Note shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Utah. For that purpose, Debtor hereby submits to the jurisdiction of the state and federal courts of Utah. Debtor hereby irrevocably agrees and consents to the exclusive jurisdiction of and venue in such courts, and agrees not to assert in any such action that any such court lacks personal jurisdiction or assert any defense to venue in such court based on inconvenience. Debtor further agrees to accept service of process out of any of the aforesaid courts in any such dispute by notice provided in accordance with Section 4.1 or service by any other means legally available. Nothing herein contained, however, shall prevent Payee from bringing any action or exercising any rights against (i) Debtor, or (ii) the assets of Debtor within any other state or jurisdiction.

4.4 WAIVER OF JURY TRIAL. DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OFANY PARTY HERETO.

4.5 Law Governing. This Note and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, without regard to its conflicts of law rules.

4.6 Attorneys' Fees. Notwithstanding any other provision herein, if any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

4.7 Binding Effect. This Note inures to the benefit of Payee and binds the Debtor and its heirs, successors and assigns.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed on the date first above written.

NU SKIN INTERNATIONAL, INC.

By: _____

(Print Name)

_____

(Title)

ENDORSEMENT

Pay to the order of [NAME OF MEMBER] ("Assignee"), that certain Promissory Note payable to Aspen Country, LLC, a Utah limited liability company, dated December 30, 2010, in the original principal amount of $_____. Assignee is a member of Payee.

ASPEN COUNTRY, LLC, a Utah limited liability company

By: _____
Brooke B. Roney, Manager

Date: December 30, 2010

EXHIBIT 9

[Intentionally deleted.]

EXHIBIT 10

[Intentionally deleted.]

EXHIBIT 11

AFFIRMATIVE COVERAGE ENDORSEMENT TO TITLE POLICY

Notwithstanding the provisions of Exclusions From Coverage in Paragraph 3(a) and 3(b), Company hereby insures insured against loss or damage reason of the enforcement or attempted enforcement of the Trust Deeds and other instruments and agreements described below:

[***Describe here the Trust Deed shown in exception number 41 of the Title Commitment.***]

SCHEDULE #1

ALLOCATION OF PURCHASE PRICE

Allocation of Purchase Price	Discounted Amount	
Parking Lot:	$1,208,688.25	$81,311.75
Distribution Center:	$8,339,011.92	$560,988.07
Annex A:	$1,358,603.07	$91,396.93

AGREEMENT TO RECONVEY TRUST DEEDS

THIS AGREEMENT TO RECONVEY TRUST DEEDS ("**Agreement**") is made and entered into as of the 30th day of December, 2010 by and between **NU SKIN INTERNATIONAL, INC.**, a Utah corporation ("**Nu Skin**"), **SCRUB OAK, LLC**, a Utah limited liability company ("**Scrub Oak**"), and **ASPEN COUNTRY, LLC**, a Utah limited liability company ("**Aspen Country**"), and **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation ("**First American**"). Scrub Oak and Aspen Country are sometimes herein referred to as "**Sellers**."

RECITALS:

A. Concurrently with the execution of this Agreement, Nu Skin is closing (the "**Closing**") on its purchase of certain real properties (collectively, the "**Scrub Oak Property**") from Scrub Oak referenced in First American's Commitment for Title Insurance No. 320-5339366, dated October 5, 2010, with an Effective Date of December 2, 2010 (the "**Commitment**"). Nu Skin's purchase of certain real properties (collectively, the "**Aspen Property**") from Aspen Country, referenced in First American's Commitment, will also be closed at the Closing. The Scrub Oak Property and the Aspen Property are sometimes herein collectively referred to as the "**Property**."

B. In connection with Nu Skin's purchase of the Property, Nu Skin desires to receive an ALTA Owner's Policy of Title Insurance (the "**Policy**") in the form and content of the Pro Forma Policy of Title Insurance (the "**Pro Forma**") attached hereto as **Exhibit A**.

C. The Commitment lists as Exceptions on Schedule B – Section 2 those certain four Trust Deeds identified and defined as the "**Trust Deeds**" in Section 3 below.

D. Sellers desire that First American reconvey the Trust Deed and commit to issue the Policy to Buyer with the Trust Deeds deleted from the exceptions on Schedule B – Part Two of the Policy and Nu Skin desires that First American provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds.

E. First American is willing to reconvey the Trust Deeds and will commit, subject to satisfaction of the other requirements (the "**Requirements**") set forth in Schedule B – Section 1 of the Commitment, to issue the Policy to Nu Skin with the Trust Deeds deleted from the Exceptions on Schedule B – Part Two of the Policy and to provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Nu Skin, Sellers, and First American hereby agree as follows:

1. **Recitals.** Recitals A through E set forth above are by this reference incorporated herein and made a part of this Agreement.

2. **Assignment and Reconveyance.** Through the escrow established with First American to close the purchase and sale transaction described in Recital A above, Nu Skin, Sellers, and First American shall accomplish the following:

(a) Nu Skin shall execute, acknowledge, and deliver to Aspen Country an Assignment of Nu Skin's beneficial interests, if any, in and to the Trust Deeds, in the form and content of the Assignment of Trust Deeds attached hereto as **Exhibit B**.

(b) Aspen Country shall execute and deliver to First American a Request for Full Reconveyance with respect to each of the Trust Deeds.

(c) First American shall execute, acknowledge, and record in the office of the Utah County Recorder Deeds of Full Reconveyance for each of the Trust Deeds.

(d) Sellers will assign to Nu Skin, without warranty, all right, title and interest of Sellers (or their members or affiliates, if later requested by Nu Skin), in and to the following (the "**Exception 21 Instruments**):

(i) Notice and Memorandum of Assignment of Joint Development Agreement recorded October 11, 1990 as Entry No. 33800 of the official records of the Country Recorder for Utah County, State of Utah; and

(ii) Assignment recorded October 20, 1993 as entry No. 73903.

3. **First American Issuance of Policy.** In consideration of the certifications and covenants of Nu Skin and Sellers set forth in this Agreement and the premiums paid to First American for the Policy, upon satisfaction of the Requirements to issuance of the Policy, First American shall:

(a) Execute, acknowledge, and record in the office of the Utah County Recorder deeds of full reconveyance for each of the Trust Deeds as provided in Section 2(c) hereof.

(b) Issue and deliver the Policy to Nu Skin in the form and content of the Pro Forma providing, among other things, affirmative coverage against the Trust Deeds, the Exception 21 Instruments and all other instruments and agreements listed in Schedule B – Section 2 of the Commitment as Exception Nos. 14, 19, 21, 25, and 26. The following Trust Deeds are, for convenience, collectively referred to herein as the "**Trust Deeds**."

(i) Exception No. 14. Trust Deed, dated October 9, 1990, securing original indebtedness of $5,800,000.00, recorded on October 11, 1990 as Entry No. 33762, Book 2730, at Page 835, in the records of the County Recorder for Utah County, State of Utah.

(ii) Exception No. 19. Trust Deed, dated October 9, 1990, securing an original indebtedness in the amount of $5,000,000.00, recorded on October 11, 1990 as Entry No. 33767, Book 2730, at Page 864, in the records of the County Recorder for Utah County, State of Utah.

(iii) Exception No. 25. Trust Deed, dated January 27, 1995, securing an original indebtedness in the amount of $7,364,529.00, recorded on February 3, 1995 as Entry No. 7302, Book 3615, at Page 562, in the records of the County Recorder for Utah County, State of Utah.

(iv) Exception No. 26. Trust Deed, dated January 27, 1995, securing an original indebtedness in the amount of $5,287,238.51, recorded on February 3, 1995 as Entry No. 7303, Book 3615, at Page 567, in the records of the County Recorder for Utah County, State of Utah.

Further, in addition to removal of Exception Nos. 14, 19, 21, 25, and 26 from Schedule B – Section 2 of the Policy issued to Nu Skin, First American shall issue the Policy to Nu Skin with an Endorsement in the form and content of **Exhibit C** attached to this Agreement.

4. **Nu Skin Certification.** In consideration of the covenants and agreements of First American and Sellers set forth in this Agreement, Nu Skin hereby certifies to Sellers and First American that:

(a) Except for the Assignments of Trust Deeds made by Nu Skin to Aspen Country pursuant to Section 2 hereof, Nu Skin has not assigned or transferred any interest that it may have had, if any, in and to the Trust Deeds or the indebtedness secured by the Trust Deeds to a person or entity other than Sellers or any other entity the control or majority ownership of which is presently, or at the time of such assignment was, held by any member or group of members of Aspen Country or Scrub Oak; and

(b) In the event Nu Skin presently owns any of the beneficial interests in or to the Trust Deeds or owns the Promissory Notes secured by the Trust Deeds (collectively, the "**Notes**"), no amounts under the Notes or the Trust Deeds are presently owed to Nu Skin Enterprises, Inc. or any of its subsidiaries, including Nu Skin.

EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 4(A) AND 4(B) ABOVE, NO REPRESENTATION, WARRANTY, OR ASSURANCE IS MADE BY NU SKIN TO FIRST AMERICAN OR SELLERS. NU SKIN HEREBY DISCLAIMS ANY REPRESENTATION, WARRANTY, OR ASSURANCE, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUST DEEDS, THE NOTES (OR ANY OF THEM) OR THE ACTIONS TO BE TAKEN BY ANY OF THE PARTIES TO THIS AGREEMENT, EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 3(A) AND 3(B) ABOVE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NU SKIN DOES NOT CERTIFY TO SELLERS OR FIRST AMERICAN THAT IT HAS ANY INTEREST IN THE NOTES, THE TRUST DEEDS OR ANY OF THEM, NOR DOES NU SKIN CLAIM SUCH AN INTEREST.

5. **Nu Skin Indemnity.** Nu Skin hereby agrees to indemnify and hold harmless Aspen Country and First American from and against such liability, injury, and expense as may be incurred by Scrub Oak or First American which arise solely as a result of the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above being materially false and incorrect on the date hereof.

6. **Responsibility for Reconveyance.** Nu Skin shall have no responsibility or liability to Aspen Country or First American in connection with the reconveyance of the Trust Deeds except as expressly provided in Section 5 of this Agreement.

7. **Policy of Title Insurance.** First American's issuance of the Policy to Nu Skin is intended to cause First American to assume all risk of loss or injury arising from the Trust Deeds and their reconveyance pursuant to this Agreement, up to the Policy amount and subject to the provisions of the Policy (but not subject to Exclusions in Section 3 of the Policy) and subject to First American's rights against Nu Skin and Sellers, if any, pursuant to the provisions of this Agreement. In the event that the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above are materially false and incorrect on the date hereof, the liability of Nu Skin to First American, if any, pursuant to Section 5 of this Agreement shall not constitute or be asserted by First American as a defense against claims by Nu Skin for defense or payment under the Policy, nor will such liability of Nu Skin under this Agreement diminish the rights of Nu Skin to defense and recovery under the Policy, provided that First American shall have the right after a final determination (beyond any appeal rights) by a court of competent jurisdiction of the liability of Nu Skin under Section 5 hereof, to set off the amounts determined by such court to be owed by Nu Skin to First American under this Agreement, if any, against the amounts owed to Nu Skin under the Policy, if any, on a dollar for dollar basis.

8. **Limited Rights Under Agreement.** First American and Sellers shall not be entitled to rely upon this Agreement, the certifications, or indemnifications set forth herein for any purpose except with respect to their actions to: (a) reconvey the Trust Deeds in connection with the Closing on the sale of the Property to Nu Skin; and (b) First American's issuance to Nu Skin of the Policy, including endorsements to the Policy. Without limiting the generality of the foregoing limitations on First American, First American shall not have the right to rely upon this Agreement for any of the certifications or indemnifications set forth herein in connection with the issuance of any policy or report other than the Policy. This Agreement, nor any rights hereunder, may not be assigned or transferred by any party hereto.

9. **No Third Party Beneficiary.** This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

10. **Interpretation.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah. The section headings contained in this Agreement are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Time is of the essence. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against, including without limitation the drafting party, any of the parties.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

12. **No Recording.** Neither this Agreement nor any notice of this Agreement shall be recorded in any public office without the prior written consent of all parties hereto.

[Signatures on following page]

IN WINESS WHEREOF, Nu Skin, Sellers, and First American have executed this Affidavit and Limited Scope Indemnity as of the 30th day of December, 2010.

NU SKIN:

NU SKIN INTERNATIONAL, INC.,
a Utah corporation,

By _____
D. Matthew Dorny
Vice President

SCRUB OAK:

SCRUB OAK, LLC, a Utah limited liability company,

By _____
Brooke B. Roney
Manager

FIRST AMERICAN:

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation,

By _____
Its _____
Manager

ASPEN COUNTRY:

ASPEN COUNTRY, LLC, a Utah limited liability company,

By _____
Brooke B. Roney

EXHIBIT A

PRO FORMA POLICY

EXHIBIT B

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

WHEN RECORDED, MAIL TO:

Steven L. Ingleby, Esq.
Callister Nebeker & McCullough
10 E. South Temple, Suite 900
Salt Lake City, UT 84133

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

NU SKIN INTERNATIONAL, INC., a Utah corporation ("**Nu Skin**"), hereby assigns, without representation or warranty of any interest therein, to ASPEN COUNTRY, LLC, a Utah limited liability company ("**Assignee**"), whatever interest Nu Skin may have, if any, in and to the beneficial interest under that certain Trust Deed (the "**Trust Deed**"), recorded on _____ as Entry No. _____, Book _____, at Page _____, in the records of the County Recorder for Utah County, State of Utah, and the Promissory Note (the "**Note**") in the original principal amount of $_____ secured thereby.

This Assignment of Trust Deed is made pursuant to and in accordance with the terms of that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Assignee, as Seller, dated as of December 30, 2010. NU SKIN EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE NOTE OR THE BENEFICIAL INTEREST UNDER THE TRUST DEED, OR OF ANY OTHER OBLIGATIONS (IF ANY) SECURED BY THE TRUST DEED, AND NU SKIN SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO ASSIGNEE OR ANY OTHER PERSON UNDER THIS ASSIGNMENT OF TRUST DEED IF NU SKIN HAS NO INTEREST IN OR TO THE NOTE OR THE TRUST DEED, OR OTHER OBLIGATIONS (IF ANY) SECURED THEREBY. This Assignment of Trust Deed and the Trust Deed relate to that certain tract of real property situated in Utah County, Utah, described in **Exhibit B-1** attached hereto.

DATED this 30th day of December, 2010.

NU SKIN INTERNATIONAL, INC., a Utah corporation

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010 by _____, the _____ of Nu Skin International, Inc., a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT B-1

DESCRIPTION OF THE PROPERTY

PARCEL A:

COMMENCING at the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 396.00 feet, more or less, to the Northwest corner of said Block 66; thence East 110.00 feet; thence South 396.00 feet, more or less to a point due East of the point of beginning; thence West 110.00 feet to the point of BEGINNING.

PARCEL B:

COMMENCING at a point 110.00 feet East of the Northwest corner of Block 66, Plat "A", Provo city Survey of Building Lots, and running thence East 60.00 feet; thence South 233.00 feet; thence West 60.00 feet; thence North 233.00 feet to the point of BEGINNING.

CHURCH PARCEL:

COMMENCING at a point South 89°38'45" East 110.00 feet from the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 00°18'34" East 165.675 feet; thence South 89°39'01" East 15.00 feet; thence South 00°18'34" West 165.74 feet; thence North 89°38'52" West 15.00 feet to the point of beginning.

EXHIBIT C

ENDORSEMENT TO POLICY

Notwithstanding the provisions of Exclusions From Coverage in Paragraph 3(a) and 3(b), Company hereby insures insured against loss or damage by reason of the reconveyance by Company, the enforcement or attempted enforcement by any person of the Trust Deeds, the Exception 21 Instruments and other instruments and agreements described below:

[Reprint here all instruments shown in exception numbers 14, 19, 21, 25 and 26 of the Title Commitment]

ASSIGNMENT OF
JOINT DEVELOPMENT AGREEMENT

THIS ASSIGNMENT OF JOINT DEVELOPMENT AGREEMENT ("**Assignment**") is made and entered into as of the 30th day of December, 2010 ("**Effective Date**") by and between **NU SKIN INTERNATIONAL, INC.**, a Utah corporation ("**Nu Skin**"), **ASPEN COUNTRY, LLC**, a Utah limited liability company ("**Aspen**"), and **SCRUB OAK, LLC**, a Utah limited liability company ("**Scrub Oak**"). (Aspen and Scrub Oak are sometimes collectively referred to as "**Assignors**.")

RECITALS:

A. Provo City Redevelopment Agency, the City of Provo, Utah, and Boyer Center Street Ltd. ("**Boyer**") entered into that certain Joint Development Agreement dated on or about June 16, 1990 (the "**Joint Development Agreement**") relating to the development of that certain tract of real property located at 105 West Center Street, Provo, Utah County, Utah (the "**Property**") and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

B. Boyer assigned its interest (the "**Beneficial Interest**") in the Joint Development Agreement to Valley Bank and Trust Company ("**Valley**") as security for a loan made by Valley to Boyer, which assignment (the "**Valley Assignment**") is referred to in that certain Notice and Memorandum of Assignment of Joint Development Agreement dated October 9, 1990 by and between Boyer and Valley recorded October 11, 1990 as Entry No. 33800.

C. Bank One, Utah, National Association, as successor to Valley, assigned its interest in the Valley Assignment and the Joint Development Agreement to Nu Skin pursuant to that certain Assignment recorded in the official records of Utah County, Utah on October 20, 1993 as Entry No. 73903 (the "**Bank One Assignment**").

D. On the Effective Date, Scrub Oak sold the Property to Nu Skin pursuant to that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Scrub Oak, as Seller, dated as of the Effective Date and Aspen sold adjacent and related properties to Nu Skin pursuant to that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Aspen, as Seller, dated as of the Effective Date, both of which transactions closed concurrently and each such closing was conditioned on the concurrent closing of the transaction.

NOW, THEREFORE, in consideration of the covenants and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Nu Skin and Assignors hereby agree as follows:

1. **Assignment of Joint Development Agreement.** As of the Effective Date, Assignors hereby assign to Nu Skin, whatever interest Assignors may have, if any, in and to the Beneficial Interest, the Valley Assignment, the Bank One Assignment, and the Joint Development Agreement, and amounts payable thereunder, if any. EXCEPT AS SET FORTH IN SECTION 2 HEREOF, ASSIGNORS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE JOINT DEVELOPMENT AGREEMENT, THE BENEFICIAL INTEREST, THE VALLEY ASSIGNMENT, OR THE BANK ONE ASSIGNMENT, OR ANY OBLIGATION (IF ANY) SECURED BY THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT. EXCEPT FOR OBLIGATIONS, IF ANY ARISING FROM A BREACH OF ASSIGNORS' WARRANTY IN SECTION 2 HEREOF, ASSSIGNORS SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO NU SKIN OR ANY OTHER PERSON UNDER THIS ASSIGNMENT IF ASSIGNORS HAVE NO INTEREST IN OR TO THE JOINT DEVELOPMENT AGREEMENT, THE BENEFICIAL INTEREST, THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT, OR ANY OBLIGATION (IF ANY) SECURED BY THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT.

2. **Assignors' Warranty.** Assignors represent and warrant to Nu Skin that none of the Assignors have assigned any interest in the Beneficial Interest, the Valley Assignment, the Bank One Assignment, the Joint Development Agreement or any amounts payable thereunder to any person or entity other than to Nu Skin or to the other Assignors.

3. **Title to Property.** Nu Skin hereby agrees to accept title to the Property subject to the Valley Assignment, the Bank One Assignment, and the Joint Development Agreement if and to the extent they have any effect upon the Property.

4. **Counterparts.** This Assignment may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

5. **Recording.** Neither this Assignment nor any notice of this Assignment shall be recorded in the office of the Utah County Recorder without the prior written consent of Nu Skin to such recording.

[Signatures on following page]

DATED the day and year first above written.

NU SKIN: SCRUB OAK:

NU SKIN INTERNATIONAL, INC., a Utah corporation,

By _____
D. Matthew Dorny
Vice President

SCRUB OAK, LLC, a Utah limited liability company,

By _____
Brooke B. Roney
Manager

ASPEN:
ASPEN COUNTRY, LLC, a Utah limited liability company

By _____
Brooke B. Roney
Manager

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Scrub Oak, LLC, the limited liability company therein named, and acknowledged to me that such limited liability company executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Aspen Country, LLC, the limited liability company therein named, and acknowledged to me that such limited liability company executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared D. Matthew Dorny, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President, on behalf of Nu Skin International, Inc., the Utah corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its shareholders.

WITNESS my hand and official seal.

Signature _____

EXHIBIT “A”

LEGAL DESCRIPTION

BEGINNING AT THE NORTHEAST CORNER OF BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE WEST 71 FEET; THENCE SOUTH 106 FEET; THENCE EAST 71 FEET; THENCE NORTH 106 FEET TO THE PLACE OF BEGINNING.

ALSO BEGINNING 106 FEET SOUTH FROM THE NORTHEAST CORNER OF BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE SOUTH 93.54 FEET TO THE SOUTH LINE OF LOT 7 OF SAID BLOCK 65; THENCE WEST 144 FEET; THENCE NORTH 93.54 FEET; THENCE EAST 144 FEET TO THE PLACE OF BEGINNING.

ESCROW GENERAL PROVISIONS

This agreement governs the duties and obligations between First American Title Insurance Company (hereinafter "Escrow Agent") and the undersigned signatories, who are parties to the following transaction.

Order No.: 320-5339366

Buyer: Nu Skin International, Inc. (“Buyer”)
Seller: Scrub Oak, LLC and Aspen Country, LLC (“Sellers”)

The parties understand and acknowledge:

1. Escrow Agent's Role
Subject to the terms of this Agreement, Escrow Agent has acted as escrow agent in closing the transaction described above for Sellers and Buyer (collectively, the “parties” and individually a “party”), which transaction closed December 30, 2010. Prior to consummation of the closing, Escrow Agent was not the agent of any single party. Rather, Escrow Agent agreed to prepare documents, secure the execution of documents, record documents, disburse funds, and otherwise close the transaction in accordance with the joint directions of the parties. After the closing, Escrow Agent has agreed to hold the Promissory Notes signed and delivered by Seller at Closing as agent for the named “Payee” and the endorsees of the Payee. Escrow Agent will promptly notify Buyer if any Payee or person to whom Payee has transferred one or more of the Promissory Notes requests delivery of any of the Promissory Notes from Escrow Agent. In particular, Escrow Agent does not give and has no duty to give legal advice to the parties.

2. Parties' Role
The parties authorize Escrow Agent to close the transaction, record documents, disburse funds, and otherwise act in accordance with the written Settlement Statement and the oral directives given to Escrow Agent by all of the parties or their representatives at the closing. The parties agree that Escrow Agent is entitled to act on the direction of the attorneys, officers or managers of Buyer and Sellers. If any party wishes to limit the authority of the attorneys, officers or managers who have dealt on their behalf with Escrow Agent, any such limitation must be contained in a writing that is delivered to Escrow Agent. The parties agree that they are not looking to Escrow Agent for legal advice, and that they have had an opportunity to obtain such advice from persons other than those affiliated with Escrow Agent.

3. Closing Documents
The parties have been given an opportunity to review all documents at closing and to seek independent advice or counsel concerning those documents, if desired. The parties agree that the only representations of Escrow Agent upon which they are entitled to rely or act are those that are in writing and executed by Escrow Agent and that the parties are not entitled to act or rely on conflicting written terms or directions given to Escrow Agent prior to closing. The parties' execution and delivery of documents at closing together with the oral directives of Seller and Buyer, through their officers, managers and attorneys, shall, as between Escrow Agent and the parties, constitute the parties' directions to Escrow Agent whether or not Escrow Agent is a party to the documents. The terms of this paragraph shall not affect the parties' rights between themselves.

4. Compliance
[Intentionally omitted.]

5. Deposit of Funds & Disbursements
Escrow Agent shall place all funds received in escrow into a federally insured depository account specifically designated as a trust account. Any funds deposited in an amount that exceeds $250,000.00 may not qualify for FDIC insurance. Escrow Agent may maintain a general trust account and individual accounts for specific escrows, subject to any specific terms and conditions of any written agreement between Buyer, Seller, and Escrow Agent. Absent specific written direction from both Seller and Buyer, Escrow Agent shall, as agent for Buyer and Seller, determine the identity of the depository institution. Escrow Agent shall not be responsible for any loss of funds occurring as a result of failure of the institution in which funds have been deposited, so long as Escrow Agent complies with the foregoing provisions relating to the type of depository institutions and accounts to be used. Except for excess funds deposited by Buyer in connection with the closing, earnings on funds held in Escrow Agent's escrow trust account shall be owned by and periodically disbursed to Escrow Agent as additional consideration for services actually performed by Escrow Agent. Funds may be paid from trust accounts only in accordance with the terms and conditions of Buyer’s and Seller’s instructions to Escrow Agent, which include the terms and conditions of this agreement.

The parties agree to pay compensation to Escrow Agent for the administration, monitoring, accounting, reminders and other notifications and processing of the dormant funds in accordance with this agreement and as set forth on the Settlement Statements signed by the parties. In the event that Escrow Agent initiates or is joined as a party to any litigation relating to this escrow, provided that such action and the responsive pleadings of the parties makes no allegation of error, breach of obligations or other wrongdoing by Escrow Agent, the non-prevailing party of Buyer and Seller in such action shall reimburse Escrow Agent for its reasonable costs and expenses, including reasonable attorney's fees, incurred by Escrow Agent in such litigation. If there is an allegation of error, breach of obligations or other wrongdoing by Escrow Agent, the prevailing party or parties (including Escrow Agent) shall have the right to recover from the non-prevailing parties (including Escrow Agent) the reasonable costs and expenses, including reasonable attorney's fees, incurred by the prevailing parties in such litigation.

Seller(s) Initials: ____ ____ Buyer(s) Initials: ____ ____

6. Disclosure of Possible Benefits to Escrow Agent
As a result of Escrow Agent maintaining its general escrow accounts with the depositories, Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Agent and Escrow Agent shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

7. Miscellaneous Fees
The Settlement Statement may prescribe that certain release or reconveyance fees are payable to Escrow Agent. These fees are payable to Escrow Agent to compensate it for facilitating and arranging for the reconveyance or release of the encumbrance in question and are payable in the amounts indicated irrespective of whether additional reconveyance fees or charges may have been paid or are payable to any other party and irrespective of any limitation on reconveyance or release fees that may be prescribed. Escrow Agent may incur certain additional costs on behalf of the parties for services performed by third party providers, including recording. The fees charged by Escrow Agent on the Settlement Statement for such services may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Agent for such services.

8. Prorations & Adjustments
The term "close of escrow" means the date on which documents are submitted to the County Recorder for recording, regardless of the date when such documents are actually processed and recorded by the Country Recorder. All prorations and/or adjustments shall be made as of the close of escrow based on a 365-day year, unless otherwise instructed in writing.

9. Contingency Periods
Escrow Agent shall not be responsible for monitoring contingency time periods between the parties.

10. Reports
As an accommodation, Escrow Agent may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Agent shall deliver copies of any such reports as directed. Escrow Agent is not responsible for reviewing such reports or advising the parties of the content of same.

11. Information from Affiliated Companies
[Intentionally omitted.]

12. Commitment for Title Insurance; Recordation of Documents
The undersigned Buyer and Seller hereby acknowledge receipt of a copy of, and an opportunity to review, Commitment for Title Insurance No. 320-5339366, Amendment No. 4, dated October 5, 2010, with an Effective Date of December 16, 2010 (the "Commitment") and a Pro Forma Policy of Title Insurance provided to Buyer on January __, 2011 (the “Pro Forma”) obtained through Escrow Agent in contemplation of the above transaction, and authorizes the title insurer to issue the policy of title insurance (with endorsements, as submitted an approved post-closing) as depicted in the Pro Forma, which policy shall contain the following exceptions from coverage as shown on the Pro Forma. The undersigned Buyer and Seller affirm that the legal description appearing in the Pro Forma is satisfactory. Upon closing, Escrow Agent will issue a Policy of Title Insurance to Buyer in the form and content of the Pro Forma.

13 Personal Property Taxes
No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

14 Real Property Taxes
The undersigned Buyer and Seller do hereby understand and agree that the proration for general property taxes as provided in the closing statements, was calculated as indicated below. Accordingly, the Buyer(s) and Seller(s) do hereby hold Escrow Agent free and harmless from any liability or damages caused by an inaccurate proration for general property taxes assessed for the current year if information is unavailable.

_____Taxes have been prorated based upon the tax amount for the year, in the amount of $ and are to be readjusted by and between the parties hereto when the present year’s tax notice is available.

_____Taxes have been prorates based upon an estimate for the current year and are to be readjusted by and between the parties hereto when the present year’s tax notice is available.

_____Taxes have not been prorated through Escrow and are to be adjusted by and between the parties outside of closing.

X Taxes for 2010 and prior years have been paid, which is considered a FINAL settlement between Buyer and Seller.

It is further understood by and between the parties hereto that, based upon the proration listed above, nothing has been paid to the County Treasurer or retained in any way in the Escrow Account, and when the General Property Taxes become due and payable, it is the responsibility of the parties to insure payment of same.

15 Utilities and Water Rights
Escrow Agent shall not be responsible for the transfer of utilities. Escrow Agent shall not be responsible for the transfer of water rights or shares unless specifically instructed by the parties.

16 Cancellation of Escrow
[Intentionally omitted.]

17 Conflicting Instructions & Disputes
If Escrow Agent becomes aware of any conflicting demands or claims concerning this escrow, Escrow Agent shall have the right to discontinue all further acts on Escrow Agent's part until the conflict is resolved to Escrow Agent's reasonable satisfaction. Escrow Agent has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the costs and attorneys fees incurred by Escrow Agent in such action shall be governed by the provisions of paragraph 5 of this agreement. Taxes have been paid by Buyer through 2010, which is considered a FINAL settlement between Buyer and Seller.

18 Usury
Escrow Agent is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefrom.

19. Insurance Policies
In all matters relating to casualty and liability insurance, Escrow Agent may assume that each policy is in force and that the necessary premium has been paid. Escrow Agent is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Agent has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

20. Copies of Documents; Authorization to Release
Escrow Agent shall require that the originals of documents to be placed in escrow be delivered to Escrow Agent. Escrow Agent may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded MUST contain original signatures. Escrow Agent may furnish copies of any and all documents to the parties and their attorney(s) involved in this transaction upon their request.

21. Tax Reporting, Withholding & Disclosure
The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Agent does not provide tax or legal advice.

EXCEPT AS MAY BE PROVIDED BY ALLICABLE LAW TO THE CONTRARY, WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW AGENT IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW AGENT AGREES IN WRITING OR IS REQUIRED BY LAW TO DO SO.

A. Taxpayer Identification Number Reporting
Federal law requires Escrow Agent to report Seller's' social security number and/or tax identification numbers, forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). Escrow can not be closed nor any documents recorded until the information is provided and Seller certifies its accuracy to Escrow Holder.

B. Federal Withholding & Reporting
Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation or partnership, a domestic corporation or partnership controlled by non-residents or non-resident corporations or partnerships.

C. Taxpayer Identification Disclosure
Parties to a residential real estate transaction involving seller-provided financing are required to furnish, disclose, and include taxpayer identification numbers in their tax returns. Escrow Agent is not required to transmit the taxpayer I.D. numbers of the parties to the IRS. Escrow Agent is authorized to release any party's taxpayer I.D. numbers to any other party upon receipt of a written request.

22. Privacy Policy
The undersigned Buyer and Seller hereby acknowledge receipt of a copy of the Privacy Policy of First American Corporation and Escrow Agent.

Dated: January _____, 2011

SELLER(S):

Scrub Oak, LLC

_____

By: Brooke B. Roney, Manager

Aspen Country, LLC

_____

By: Brooke B. Roney, Manager

BUYER(S):

Nu Skin International, Inc., a Utah corporation

_____

By: D. Matthew Dorny, Vice President

ESCROW AGENT:

First American Title Insurance Company

By:
Terri Murphy

REAL ESTATE PURCHASE AND SALE AGREEMENT

Seller: **SCRUB OAK, LLC**

Buyer: **NU SKIN INTERNATIONAL, INC.**

Property: Kress Building 105 West Center Street, Provo, Utah
High Rise 75 West Center Street, Provo, Utah

REAL ESTATE PURCHASE AND SALE AGREEMENT

This REAL ESTATE PURCHASE AND SALE AGREEMENT (the "**Contract**"), dated as of December 30, 2010, is made and entered into between **SCRUB OAK, LLC,a Utah limited liability company**, as seller ("**Seller**") and **NU SKIN INTERNATIONAL, INC., a Utah corporation**, as purchaser ("**Buyer**").

RECITALS

A. Seller owns certain real property in Utah County, Utah, consisting of the following parcels (together with all buildings and improvements situated thereon, collectively the "**Parcels**" and each individually and generically a "**Parcel**"):

Kress Building 105 West Center Street, Provo, Utah
High Rise 75 West Center Street, Provo, Utah

Each of the foregoing together with all rights, easements and interests appurtenant thereto and the property and interests associated therewith are more particularly described in **Section 1.1(m)** below (the "**Property**"). The legal description of such real property is set forth on **Exhibit 1** to this Contract.

B. Buyer occupies the Property pursuant to a Master Lease Agreement (the "**Scrub Oak Master Lease**") between Buyer and Seller dated January 16, 2003 and made effective as of July 1, 2001, as previously amended and extended, that will be terminated by agreement between Seller and Buyer on the Closing Date pursuant to **Section 5.6** below.

C. Seller wishes to sell the Property to Buyer, and Buyer wishes to buy the Property from Seller, on the terms and conditions set forth in this Contract.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of the mutual covenants and agreements set forth, the parties agree as follows:

ARTICLE I

Defined Terms

1.1 Definitions. As used herein, the following terms shall have the meanings given:

(a) "**Business Day**" means any Monday through Friday on which business is transacted by federal banks in the state of Utah.

(b) "**Buyer's Affiliates**" means Nu Skin Enterprises, Inc., a Delaware corporation; NSE Products, Inc., a Delaware corporation; Nu Skin Enterprises United States, Inc., a Delaware corporation; and Pharminex, LLC, a Delaware limited liability company.

(c) "**Closing**" means the consummation of the purchase of the Property by Buyer from Seller in accordance with the terms and provisions of this Contract.

(d) "**Closing Date**" means the date on which the Closing occurs.

(e) "**Due Diligence Inspections**" shall have the meaning set forth in **Section 5.3**.

(f) "**Due Diligence Period**" shall have the meaning set forth in **Section 5.2**.

(g) "**Earnest Money Deposit**" means the deposit by Buyer in the amount specified in **Section 3.2**.

(h) "**Effective Date**" means the date on which a counterpart of this Contract has been fully executed and delivered by both Buyer and Seller.

(i) "**Escrow Holder**" means **First American Title Insurance Company**, as escrow agent for this transaction, whose address is: **578 S. State Street, Orem Utah, 84058, Attention: Terri Murphy**.

(j) "**Income**" shall have the meaning set forth in **Section 9.3(a)**.

(k) "**Objections**" shall have the meaning given in **Section 4.3**.

(l) "**Permitted Exceptions**" shall have the meaning given in **Section 4.3**.

(m) "**Property**" means the following: (i) the land described in **Exhibit 1** attached hereto (the "**Land**") and all easements, rights, and interests appurtenant thereto; (ii) all buildings and all other improvements and fixtures currently situated on the Land (collectively, the "**Improvements**"); (iii) all of Seller's right, title, and interest in tenant improvements and other tangible property now or hereafter located in or on or used in connection with the Land or in the Improvements; (iv) all of Seller's rights, title and interest in all leases, licenses and other agreements to use or occupy all or any part of the Land or Improvements (the "**Leases**") together with (and subject to the manner in which the same are to be prorated under this Contract) all rents, charges, deposits and any other sums due, accrued or to become due thereunder (but subject to Seller's right to receive a credit at Closing for Income attributable to the time period prior to Closing, pursuant to **Section 9.3(a)** below), and all guaranties by third parties of any tenant's obligations under such leases, licenses and other agreements the Property; and (v) all of Seller's rights, title and interest in all of the following property now or hereafter existing with respect to the Land and/or Improvements (the "**Transferred Assets**"): (1) all warranties, guaranties, sureties and claims or similar rights in connection with the construction of or equipment, furnishings, furniture and/or fixtures on the Improvements; (2) all plans, specifications, drawings and permits with respect to the Improvements, including such documents related to any remodel of the Improvements, and all construction, engineering, soils, architectural or similar plans, documents and reports related to the Property (the "**Plans and Reports**"); (3) all existing service and maintenance contracts entered into by Seller relating to the Property (the "**Service Contracts**") and equipment leases related to the Property entered into by Seller (the "**Equipment Leases**"); (4) all licenses, permits, approvals, certificates of occupancy, entitlements or other rights or authorizations related to or used in connection with the Property, together with all deposits to governmental authorities relating to the Property; (5) studies, documents, tests, surveys, assessments, audits, appraisals, contracts, contract rights, claims and warranties related to the Property (the "**Property Documents**"); and (6) all of Seller's rights, if any, to use any names related to the Property. For clarity, Property does not include artwork located at or on the Improvements owned by any of the members of Seller.

(n) "**Property Information**" shall have the meaning given in **Section 5.1**.

(o) "**Purchase Price**" means the total consideration to be paid by Buyer to Seller for the purchase of the Property, as specified in **Section 3.1**.

(p) "**Aspen Contract**" means a Real Estate Purchase and Sale Agreement satisfactory to Buyer and Aspen Country, LLC, a Utah limited liability company and affiliate of Seller ("**Aspen Country**") wherein Aspen Country agrees to sell to Buyer and Buyer agrees to purchase the following real properties, together with all improvements thereon, and all rights, easements and interests appurtenant thereto: Parking Lot located at 249 West 100 South, Provo, Utah; Distribution Center located at 1325 South 275 East, Provo, Utah; and Annex A located at 1085 South 250 East, Provo, Utah (collectively the "**Aspen Properties**").

(q) "**Survey**" shall have the meaning specified in **Section 4.2**.

(r) "**Title Commitment**" shall mean that certain Commitment for title Insurance, Amendment No. 3, issued by First American Title Insurance Company, dated October 5, 2010, Order No. 320-5339366, with an Effective Date of December 16, 2010.

(s) "**Title Company**" means Escrow Holder.

(t) "**Title Exception**" means any lien, mortgage, security, interest, encumbrance, pledge, assignment, claim, charge, lease, restriction, restrictive covenant, exception, easement (temporary or permanent), right-of-way, encroachment, overlap, or other exception to title that affects the Property.

(u) "**Title Policy**" shall have the meaning given in **Section 4.5**.

(v) "**Title Review Period**" shall have the meaning given in **Section 4.3**.

1.2 Other Defined Terms. Certain other defined terms shall have the respective meanings assigned to them elsewhere in this Contract.

ARTICLE II

Agreement of Purchase and Sale

Seller hereby agrees to sell and convey the Property and assign the Leases and Transferred Assets to Buyer, and Buyer agrees to purchase and acquire the Property from Seller and assume obligations which accrue under the Leases and the Transferred Assets from and after the Closing Date, upon the terms and conditions stated in this Contract.

ARTICLE III

Purchase Price; Earnest Money Deposit

3.1 Purchase Price, Payment and Allocation. The Purchase Price to be paid by Buyer to Seller for the Property shall be the sum of **TWENTY-TWO MILLION NINETY-THREE THOUSAND SIX HUNDRED NINETY-SIX AND 76/100 DOLLARS ($22,093,696.76)** (the "**Purchase Price**"). The Purchase Price shall be paid by Buyer to Seller at Closing except to the extent that in Seller's discretion some portion of the Purchase Price shall be deferred, in which case the portion so deferred shall be paid at Closing in the form of one or more promissory notes of Buyer, as Seller may require, in form attached hereto as **Exhibit 8** and incorporated herein by this reference. The Purchase Price shall be allocated among the various assets constituting the Property as set forth on the attached **Schedule #1**. Each party shall follow the allocation in any report or filing with any governmental authority (including, without limitation, the state and federal revenue authorities) relating to the allocation of the Purchase Price among the assets purchased from Seller by Buyer pursuant to this Contract.

3.2 Earnest Money Deposit. Buyer has delivered to Seller a deposit in the amount of **TWO HUNDRED THOUSAND EIGHT HUNDRED FIFTY-ONE AND 79/100 DOLLARS ($200,851.79)** (the "**Deposit**"). SIXTY-SIX THOUSAND NINE HUNDRED FIFTY AND 60/100 DOLLARS ($66,950.60) of the Deposit shall be non-refundable except in the event of a Seller default and shall not be applied against the Purchase Price at Closing. The ONE HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED ONE AND 19/100 DOLLARS ($133,901.19) balance of the Deposit shall be held by Seller as an earnest money deposit (the "**Earnest Money Deposit**"), applied against the Purchase Price at Closing, and disbursed as provided in this Contract.

3.3Contingent Consideration. In addition to the allocation of the Purchase Price to the Parcels, Schedule #1 also contains amounts reflecting the Seller's opinion of the fair market value of each of the Parcels and the amount of the discount between the share of the Purchase Price allocated to each Parcel and the Seller's view of fair market value (with respect to each such Parcel) (the "**Discounted Amount**"). In the event Buyer, on or before the third anniversary date of the Closing Date, enters into a contract to sell either or both of the Parcels in any transaction (excluding asset sales of substantially all of the assets of the Buyer or sales to Buyer Affiliates) and Buyer receives upon closing a net amount of sales proceeds, after deducting all sale and closing expenses, that exceeds the portion of the Purchase Price allocable to the respective Parcel on Schedule #1, then Buyer agrees to pay to Seller as contingent consideration an amount equal to the excess of such net sales proceeds received by Buyer for each such sold Parcel up to a maximum amount equal to the Discounted Amount for such sold Parcel. In the event of any sale of a Parcel to a Buyer Affiliate, the Parcel shall remain subject to this provision until the third anniversary of the Closing Date as if still owned by Buyer, such that a further sale of the Parcel by the Buyer Affiliate shall be treated as a sale by the Buyer. The obligation to pay the contingent consideration amounts shall be unsecured.

ARTICLE IV

Title and Survey

4.1 Title Commitment; Exception Documents.

(a) Buyer acknowledges that Seller has caused to be furnished to Buyer the Title Commitment issued by the Title Company with respect to the Property. The Title Commitment sets forth the state of title to the Property, including a list of Title Exceptions affecting the Property. The Title Commitment contains the express commitment of the Title Company to issue a Title Policy (as hereinafter defined) to Buyer in the amount of the Purchase Price, insuring title to the Property as is specified in the Title Commitment. In the event any commitment for title insurance is issued by Title Company with respect to the Property which supplements or updates the Title Commitment (a "**Supplemental Commitment**"), Seller shall provide Buyer with the Supplemental Commitment and Buyer shall have the rights to review and approve as set forth in **Section 4.3**.

(b) Buyer acknowledges that Seller has caused to be furnished to Buyer, true, correct and legible copies of all instruments that create or evidence Title Exceptions as reflected in the Title Commitment or any Supplemental Commitment (generically "**Title Exception Documents**").

4.2 Survey. Buyer acknowledges that Buyer has obtained ALTA/ACSM surveys of the Property. Within the Due Diligence Period specified below, Buyer may arrange, at Buyer's option and expense, to have performed whatever additional ALTA/ACSM surveys and/or updates on any existing survey, as Buyer may deem desirable (all such surveys are, collectively, the "**Survey**").

4.3 Review of Title Commitment and Exception Documents. Buyer has reviewed the Title Commitment and the Survey and objects to the Title Exceptions that are set forth in **Exhibit 3** (the "**Objections**"). All other matters shown on the Commitment are approved by Buyer (the "**Permitted Exceptions**"). Seller shall, within ten (10) days after the date hereof (such 10-day period referred to herein as the "**Cure Period**"), provide Buyer with written notice of whether Seller will attempt to satisfy any of the Objections, or whether Seller is unwilling to attempt to cure the Objections. If Seller is unwilling or unable to effect a cure of the Objections, then Buyer may either (i) terminate this Contract by written notice to Seller, or (ii) waive any Objections not cured or removed by Seller and proceed to close with title to the Property as it then is, in which event, the Permitted Exceptions, except as expressly provided herein to the contrary, shall be deemed to include all of the Objections not cured or removed by Seller. Buyer shall have a period of ten (10) days (a "**Supplemental Review Period**"), beginning on the day following the day on which Buyer receives of any Supplemental Title Commitment and copies of Title Exception Documents relating to Title Exceptions included in the Supplemental Title Commitment which were not included in the Title Commitment or any prior Supplemental Title Commitment, in which to give written notice to Seller specifying Buyer's objections to one or more of the items shown as Title Exceptions in such Supplemental Title Commitment ("**Supplemental Objections**"), if any. Any matters shown on the Title Commitment to which no Objection is made within such 10-day period will be conclusively deemed approved and shall be Permitted Exceptions for all purposes of this Agreement.

4.4 Seller's Cure of Title Exceptions. If Buyer timely notifies Seller in writing of any Supplemental Objections, then Seller shall, within five (5) days after Seller's receipt of Buyer's notice (such 5-day period referred to herein as the "**Supplemental Cure Period**")**,** provide notice to Buyer as to whether Seller will attempt to satisfy, any such Supplemental Objections, or whether Seller is unwilling to attempt to cure the Supplemental Objections. If Seller is unwilling or unable to effect a cure of such Supplemental Objections and if Buyer is then unwilling to waive such Supplemental Objections, then Buyer may (i) elect to terminate this Contract by written notice to Seller, or (ii) waive any Supplemental Objections not cured or removed by Seller and proceed to close with title to the Property as it then is, in which event, the Permitted Exceptions shall be deemed to include all of the Supplemental Objections not cured or removed by Seller.

4.5 Title Policy. At the Closing, Seller, at Seller's sole cost and expense, shall cause a title insurance policy to be furnished to Buyer for the Property (the "**Title Policy**"); provided that Buyer may elect to have the Title Policy insure only the High Rise Parcel for total consideration given by Buyer for the High Rise Parcel. The Title Policy shall be a standard coverage ALTA owner's policy of title insurance (subject to Buyer's right to require that Title Company issue to Buyer an ALTA extended coverage owner's policy of title insurance and other endorsements and coverages as requested by Buyer, provided that Buyer pays the incremental premium difference between standard coverage and extended coverage), with respect to the real property that is the Property. The Title Policy shall be issued by the Title Company, in the amount of the Purchase Price of the Property, subject only to Permitted Exceptions. Seller shall deliver to the Title Company at Closing an ALTA affidavit in the form required by the Title Company and acceptable to Seller to issue "extended coverage" title insurance ("**ALTA Affidavit**").

ARTICLE V

Due Diligence Period; Conditions

5.1 Seller Documents. Seller shall deliver to Buyer (or make available to Buyer at Seller's offices at the Property during normal working hours and days, together with the right to copy any and all such items as Buyer deems desirable, at Buyer's expense), any of the following relating to the Property that Seller has in its possession or control (the "**Property Information**"): (a) the Plans and Reports, (b) the Service Contracts, (c) the Equipment Leases, (c) the Documents; and (d) a written list of any and all warranties or guaranties of which Seller has knowledge relating to the Property or the Improvements and enforceable by the Seller.

5.2 Copying of Seller Documents. The Property Information is to be organized or segregated by Seller, and provisions will be made for Buyer and/or its agents or designees to access and copy such materials during normal business days and hours throughout its Due Diligence Period. The parties shall coordinate and reasonably cooperate in connection with Buyer's review and copying of the Property Information.

5.3 Due Diligence/Termination Right. Upon mutual execution of this Contract, Buyer shall have the right (i) to survey, inspect and investigate all aspects of the Property, including, without limitation, environmental and physical inspection(s) of the Property, zoning and development review, valuation, approval of the condition of the Property (the "**Due Diligence Inspections**"), (ii) to obtain the approval of all aspects of this transaction by Buyer and a special independent committee of Buyer's board of directors (the "**Board Special Committee**"), which approval of Buyer and the Board Special Committee may be withheld in the exercise of their discretion, and (iii) to verify the availability of all consents, funds, financing, permits, approvals and/or other matters requiring the Board's or third-party consent or approval necessary or deemed desirable by Buyer in connection with its planned acquisition, development and/or use of the Property. Buyer shall be allowed twenty (20) days from the date of this Contract (the "**Due Diligence Period**") to review the Property Information, review Seller's title to the Property as provided in **Article IV**, perform the Due Diligence Inspections and satisfy its due diligence concerns. If Buyer determines, in its sole but commercially reasonable opinion, that such due diligence matters are not acceptable to Buyer, Buyer may terminate this Contract by giving written notice of termination to Seller before the end of the Due Diligence Period, and identify to Seller the due diligence inspection information upon which Buyer's determination is based. Buyer may also terminate this Contract by giving written notice of termination to Seller at any time within twenty (20) days of the date hereof in the event the Board Special Committee fails to approve the transaction, which approval may be withheld in the exercise of its discretion. Buyer and its agents and consultants shall be permitted reasonable access to the Property to perform the Due Diligence Inspections and shall hold Seller harmless from any physical condition of the Property and from any claim, loss or liability caused by Buyer or such agent or consultant to the extent arising from said inspections; provided, such indemnification shall not include any pre-existing condition of the Property except to the extent exacerbated by such entry. Buyer shall promptly repair any damage caused to the Property by Buyer's Due Diligence Inspections. In the event Buyer terminates this Contract as provided in this **Section 5.3**, Buyer shall deliver to Seller copies of all surveys, reports, reviews, appraisals, and valuations obtained by Buyer during the Due Diligence Period.

5.4 Due Diligence Inspections. Seller hereby grants to Buyer, its agents and contractors, subject to Buyer's possessory interest in the Property under the Scrub Oak Master Lease, reasonable access to the Property during normal business hours to perform the Due Diligence Inspections, provided that Buyer (a) gives reasonable prior notice to Seller and coordinates with Seller as to the timing and nature of the survey, inspection, study or test to be performed, and (b) if requested by Seller, provides to Seller a certificate of insurance showing that Seller is named as an additional insured on Buyer's commercial general liability insurance policy with a contractual liability endorsement covering Buyer's indemnification obligations under this Contract with respect to such entry. Buyer's Due Diligence Inspections may include non-invasive land surveys and environmental inspections and tests for the presence of hazardous materials (but Buyer will obtain Seller's approval, which approval shall not be unreasonably withheld**,** if the inspection or test could interfere with operation of the Property or involve any boring or physical damage thereto) reasonably required by Buyer in connection with Buyer's due diligence (the "**Due Diligence Inspections**"). Buyer shall keep the Property free and clear of any liens arising out of any Due Diligence Inspection, test or other entry onto the Property pursuant to this Contract.

After the end of the Due Diligence Period, Buyer and its agents and contractors shall be granted a continuing right of reasonable access to the Property and the right to examine the Property. In the course of its activities, Buyer may make inquiries about the Property to third parties, including without limitation, municipal, local and other governmental officials and representatives, and Seller consents to such inquiries.

None of the provisions of this **Section 5.4** will limit the rights of use that Buyer has as an existing lessee of the Property under the Scrub Oak Master Lease.

5.5 Continuing Operation by Seller. From the Effective Date through the Closing, Seller will do the following: (i) maintain the Property substantially in its current condition; (ii) operate the Property reasonably and consistent with Seller's prior practice and applicable law; (iii) maintain the present policies of property insurance and commercial general liability insurance on the Property; (iv) comply with the requirements of any loans secured by mortgages encumbering the Property and make payments as required under any such loans, and (v) avoid entering into any new lease or Service Contract, or amend or terminate any Service Contract, affecting all or any part of the Property (except for default and except as otherwise provided below for termination of Service Contracts at the Closing that Buyer does not elect to assume), without the prior consent of Buyer (which will not be unreasonably withheld, conditioned or delayed). Seller will provide to Buyer a true copy of the Service Contracts as part of the Property Information to the extent the Service Contracts are not already in the possession of Buyer. Buyer will advise Seller in writing during the Due Diligence Period as to the Service Contracts that Buyer wishes to assume at Closing, and Seller will terminate, as of Closing, all other Service Contracts to which Seller is a party that Buyer does not elect to assume.

5.6 Scrub Oak Master Lease. The parties will terminate the Scrub Oak Master Lease at Closing as to the Property in accordance with a Lease Termination Agreement in the form and content of **Exhibit 2** to this Contract.

5.7 Seller and Buyer Cooperation Regarding Land Use. To the extent required or permitted by applicable law, upon Buyer's request Seller shall reasonably cooperate with Buyer's efforts to obtain zone changes, agreements, approvals and permits related to Buyer's proposed use of the Property; provided that neither the Property nor Seller shall be bound by any such change, agreement, approval or permit before the Closing.

5.8 Cooperation Generally. Buyer and Seller shall reasonably cooperate with each other to satisfy the conditions of this **Article V**; provided that neither Buyer nor Seller shall be required to incur any cost or expense in providing such cooperation to the other party.

5.9 Conditions to Closing. Closing will be conditioned on (a) Seller's removal of the Objections and any Supplemental Objections or, if Seller is unwilling or unable to remove the Objections and Supplemental Objections, Buyer's waiver of the Objections and Supplemental Objections (**Section 4.3**), (b) Buyer's review of Seller's Property Information (**Section 5.3**), (c) Buyer's inspection of the physical condition of the Property (**Sections 5.3 and 5.4**), (d) Buyer's obtaining any approval required by the Board Special Committee (**Section 5.3**), which shall be required and may be withheld in the discretion of the Board Special Committee; (e) the parties shall have terminated the Master Lease (**Section 5.6**); (f) Buyer and Aspen having entered into the Aspen Contract on terms satisfactory to Buyer and Aspen respectively regarding the Aspen Properties and closed the purchase and sale of said properties contemporaneously with the Closing; (pursuant to **Sections 8.1(h) and 8.2(h)**); and (g) such other conditions as are set forth in Sections 8.1 and 8.2 hereof (collectively, the "**Conditions**"). The Conditions under **Sections 5.1, 5.2, 5.3, 5.4, and 5.5** are for the sole benefit of Buyer and may be waived or deemed satisfied in Buyer's sole discretion. The Conditions under **Sections 5.6 and 5.7** are for the benefit of both Seller and Buyer and may be waived or deemed satisfied only if they both agree. Buyer and Seller will use reasonable efforts to keep each other informed on the status of satisfaction of the Conditions.

ARTICLE VI

Representations, Warranties, Covenants and Agreements of Seller

6.1 Representations and Warranties of Seller. In reliance on Buyer's representations set forth in **Article VII**, Seller represents and warrants to Buyer as of the Effective Date, and continuing thereafter until the Closing Date, that (as used in this Contract, the terms "**knowledge**" and "**known**" will have the meanings provided in **Section 14.16**):

(a) Ownership of Property. Seller owns fee simple title to the Property subject to the Title Exceptions;

(b) Organization Existing and Standing of Seller. Seller is a limited liability company, duly formed, in good standing and validly existing under the laws of the State of Utah, and qualified to do business and own real property within the State of Utah;

(c) Seller's Authority. Seller has the full right, power, and authority to sell and convey the Property and to carry out Seller's obligations under this Contract and under any other documents and instruments executed by Seller pursuant hereto, and all requisite actions necessary to authorize Seller to enter into this Contract and to carry out Seller's obligations hereunder and under any other documents and instruments executed by Seller pursuant hereto have been, or on the Closing Date, will have been, taken;

(d) Litigation and Claims. To Seller's knowledge, there is no litigation (pending or threatened) that pertains to the Property. Except as otherwise disclosed to the Buyer as part of the Property Information, the Seller has not received written notice of any claims, actions, suits, or other proceedings pending by any governmental department or agency, or any other entity or person, pertaining to the Property;

(e) Conflict or Breach. To Seller's knowledge, the execution and delivery of this Contract, the consummation of the transaction herein contemplated, and the compliance with the terms of this Contract will not conflict with or, with or without notice or the passage of time, or both, result in a breach of, any applicable contract or governmental requirements pertaining to the Property or in a judgment, order, or decree of any court having jurisdiction over Seller or the Property.

(f) Absence of Liabilities. To Seller's knowledge, other than general property taxes for the year 2010 and other matters shown as Title Exceptions in the Title Commitment, there are no liabilities or obligations related to the Property which the Seller is obligated to satisfy on or before the Closing or any such liabilities and obligations which the Buyer may be obligated to satisfy after the Closing and which arise by, through or under the Seller;

(g) Hazardous Materials; Environmental Matters. With respect to the Property, to Seller's knowledge and except for matters disclosed in the environmental reports and studies that Seller provided as part of the Property Information or that Buyer obtains during the Due Diligence Period, (i) the Property is in material compliance with all applicable federal, state and local laws and regulation relating to environmental contamination, including, without limitation, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal, discharge or disposal of hazardous materials (as defined below) and all laws and regulations with regard to record keeping, notification and reporting requirements respecting hazardous materials (as defined below); (ii) Seller has not caused or authorized, and does not have knowledge of, the presence or release or threat of release of any hazardous material in, on, under, or migrating to or from the Property, or received any notice or other information, whether written or oral from any governmental agency or authority or any other entity or individual, whether governmental or private, concerning or alleging any liability of the Seller or other persons or entities with respect to the environmental condition of the Property or any adjacent property; and (iii) there are no present facts or existing circumstances that could form the basis for the assertion of any claim against Seller or the Property relating to environmental matters, including, without limitation, any claim arising from past or present environmental practices asserted under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation and Recovery Act ("**RCRA**") or any other federal, state or local environmental statute. For purposes of this paragraph, the term "**hazardous materials**" means materials defined as "hazardous substances", "hazardous wastes" or "solid wastes" in CERCLA, RCRA or in any similar federal, state or local environmental statute (provided, that the term "hazardous materials" will not be deemed to include any cleaning products and/or other materials which may be hazardous materials under applicable environmental laws but are customarily used in the operation and maintenance of office and industrial property and are in ordinary quantities and used in accordance with all applicable environmental laws);

(h) Unrecorded Contracts and Agreements. To Seller's knowledge, other than the Service Contracts, and the Equipment Leases, there are no unrecorded contracts entered into by Seller and affecting the Property that will be binding on Buyer as fee owner from and after the Closing. To Seller's knowledge, there are no leases, licenses or occupancy agreements entered into by Seller and affecting any of the Property other than the Scrub Oak Master Lease;

(i) Defects. Except as otherwise referenced herein, Seller has no knowledge of any existing and material physical or mechanical defects, adverse physical or environmental conditions or other adverse matters pertaining to the High Rise property, and the improvements thereon, not specifically disclosed to Buyer in writing at or before the time of Seller's delivery of Property Information in the Due Diligence Period. Except as otherwise referenced herein, Seller has no knowledge of any adverse environmental conditions pertaining to the Kress property, and the improvements thereon, not specifically disclosed to Buyer in writing at or before the time of Seller's delivery of Property Information in the Due Diligence Period;

(j) Special Proceedings, Notices of Violation. There is not now pending nor, to Seller's knowledge, are there any proposed or threatened proceedings for the rezoning of the Property, or any portion thereof, that are known to Seller. Seller has no knowledge of any existing and material violation of any zoning, subdivision, environmental, hazardous waste, building code, health, fire, safety or other law, order, ordinance or regulation relating to the maintenance, operation or use of the Property and has not received any written notice of any such purported violation;

(k) Compliance with CCR's, Other Matters. To Seller's knowledge, Seller is in compliance with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements affecting the Property;

(l) Agreements with Third Parties. To Seller's knowledge, Seller has not entered into any written agreement currently in effect with a third party, including, without limitation, any governmental authority, relating to the Property, and Seller has received no notice and otherwise has no knowledge of any restrictions on the ability of the Seller to develop or expand any portion of the Property in the future, other than (1) as may be set forth in zoning and other applicable laws, ordinances, rules and regulations, and (2) as may exist by operation of any provision of any Title Exception or by virtue of the Scrub Oak Master Lease;

(m) Service Contracts. To Seller's knowledge, and except as may otherwise be disclosed to Buyer at the time of Seller's delivery of Property Information at the start of the Due Diligence Period, Seller has not entered into any maintenance, fire alarm, inspection, repair, pest control or other service or supply contracts (including, without limitation, janitorial, landscaping, or other service contracts agreements), or equipment rental agreements relating to the Property that could create any obligation or liability on the part of Buyer (as fee owner), after the Closing, other than the Service Contracts (copies of which have been provided or will be provided to Buyer with the Property Information);

(n) Subsequent Liens. At the Closing, there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid, and Seller shall cause to be discharged all mechanics', contractors' and materialmen's liens arising from any labor or materials furnished prior to Closing under contracts made by Seller, which pertain to the Property. At Closing, there will be no outstanding obligations of Seller which, if unpaid, could result in a lien on the Property;

(o) Legal Parcels. To Seller's knowledge, Seller has received no notice and has no information to suggest that any of the parcels constituting any portion of the Property have been created or modified in violation of any applicable subdivision laws, or do not constitute legal parcels for all purposes under current laws and regulations; and

(p) Nonforeign Status. Seller is not a "foreign person" or "foreign entity" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and there is no federal or state requirement to withhold any portion of the Purchase Price for delivery to any taxing authority;

6.2 Covenants and Agreements of Seller. From the Effective Date until the Closing Date or earlier termination of this Contract, Seller covenants and agrees with Buyer that Seller shall (i) comply with all applicable legal requirements pertaining to the Property to be complied with by Seller, (ii) advise Buyer promptly of any and all material litigation (commenced or threatened), or any arbitration or administrative hearing, that would be binding on the Property or that involves Seller's ability to sell and convey the same to Buyer, (iii) advise Buyer promptly in writing of any written notice or other communication from any third person alleging that the consent of such third person is or may be required in connection with transactions contemplated by this Agreement; and (iv) not, directly or indirectly, alienate, encumber, transfer, option, assign, sell, transfer or convey its interest or any portion of such interest in the Property or any portion thereof except pursuant to this Contract, so long as this Contract is in force.

6.3 Continuing Accuracy and Validity. The continuing accuracy and validity in all respects of each of the representations, warranties, and covenants of Seller in this Contract shall be a Condition precedent to Buyer's obligation to close and such representations, warranties, and covenants shall be deemed remade as of Closing. Such representations, warranties and covenants shall survive Closing for a period of one (1) year and shall not be merged into any documents delivered at Closing.

6.4 No Implied Representations. Except as otherwise specifically set forth above or elsewhere in this Agreement, and except for any representations or warranties in the Deed and other conveyance documents to be executed by Seller at Closing, the conveyance of the Property to Buyer is made solely on an AS IS and WHERE IS basis, without any representations or warranties by Seller or any agent or representative of Seller, expressed or implied.

ARTICLE VII

Representations and Warranties of Buyer

7.1 Representations and Warranties of Buyer. Buyer represents to Seller, as of the Effective Date, and continuing thereafter until the Closing Date, that:

(a) Buyer's Authority. Buyer has the full right, power, and authority to purchase the Property as provided in this Contract, and to carry out Buyer's obligations hereunder and under any other documents and instruments executed by Buyer pursuant hereto, and all requisite actions necessary to authorize Buyer to enter into this Contract and to carry out Buyer's obligations hereunder and under any other documents and instruments executed by Buyer pursuant hereto have been, or on the Closing Date, will have been, taken, unless the transaction contemplated by this Contract is terminated prior to Closing;

(b) Buyer's Corporate Status. Buyer is a Utah corporation, authorized to transact business in the State of Utah, and is in good standing/current status in such state;

(c) Litigation and Claims. To Buyer's knowledge, there is no litigation (pending or threatened) that pertains to the Property. Buyer has not received written notice of any claims, actions, suits, or other proceedings pending by any governmental department or agency, or any other entity or person, pertaining to the Property;

(d) Conflict or Breach. To Buyer's knowledge, the execution and delivery of this Contract, the consummation of the transaction herein contemplated, and the compliance with the terms of this Contract will not conflict with or, with or without notice or the passage of time, or both, result in a breach of, any applicable contract or governmental requirements pertaining to the Property or in a judgment, order, or decree of any court having jurisdiction over Buyer or the Property.

(e) Hazardous Materials; Environmental Matters. With respect to the Property, to Buyer's knowledge and except for matters disclosed in the environmental reports and studies that Seller provided as part of the Property Information or that Buyer obtains during the Due Diligence Period, (i) the Property is in material compliance with all applicable federal, state and local laws and regulation relating to environmental contamination, including, without limitation, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal, discharge or disposal of hazardous materials (as defined below) and all laws and regulations with regard to record keeping, notification and reporting requirements respecting hazardous materials (as defined below); (ii) Buyer has not caused or authorized, and does not have knowledge of, the presence or release or threat of release of any hazardous material in, on, under, or migrating to or from the Property, or received any notice or other information, whether written or oral from any governmental agency or authority or any other entity or individual, whether governmental or private, concerning or alleging any liability of the Buyer or other persons or entities with respect to the environmental condition of the Property; and (iii) there are no present facts or existing circumstances that could form the basis for the assertion of any claim against Buyer or the Property relating to environmental matters, including, without limitation, any claim arising from past or present environmental practices asserted under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), the Resource Conservation and Recovery Act ("**RCRA**") or any other federal, state or local environmental statute. For purposes of this paragraph, the term "**hazardous materials**" means materials defined as "hazardous substances", "hazardous wastes" or "solid wastes" in CERCLA, RCRA or in any similar federal, state or local environmental statute (provided, that the term "hazardous materials" will not be deemed to include any cleaning products and/or other materials which may be hazardous materials under applicable environmental laws but are customarily used in the operation and maintenance of office and industrial property and are in ordinary quantities and used in accordance with all applicable environmental laws);

(f) Defects. Buyer has no knowledge of any existing and material physical or mechanical defects, adverse physical or environmental conditions or other adverse matters affecting the Property;

(g) Special Proceedings, Notices of Violation. There is not now pending nor, to Buyer's knowledge, are there any proposed or threatened proceedings for the rezoning of the Property, or any portion thereof, that are known to Buyer. Buyer has no knowledge of any existing and material violation of any zoning, subdivision, environmental, hazardous waste, building code, health, fire, safety or other law, order, ordinance or regulation relating to the maintenance, operation or use of the Property, and has received no written notice of any such purported violation;

(h) Compliance with CCR's, Other Matters. To Buyer's knowledge, Buyer is in compliance with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements affecting the Property.

7.2 Continuing Accuracy and Validity. The representations and warranties in Section 7.1(c) through (h) are provided to Seller solely to assure that the Seller will not have liability under Section 6.1 for matters that are within the knowledge of Buyer under **Section 7.1** at or prior to Closing; such representations and warranties shall not be the basis for any claim against Buyer whether arising before or after closing, but may be used in defense of any claim asserted by Buyer against Seller under **Section 6.1**. The continuing accuracy and validity in all respects of each of the representations, warranties, and covenants of Buyer in this Contract shall be a Condition precedent to Seller's obligation to close and such representations, warranties, and covenants shall be deemed remade as of Closing provided, however, that any matters disclosed by Buyer or that become known to Seller under **Section 7.1(c) through (h)** after the Effective Date of the Contract shall not be a condition to Seller's obligation to close if (i) Buyer still desires to close, and (ii) agrees in writing to waive any claim against Seller based upon such disclosures of new matters after the Effective Date of this Contract. Such representations, warranties and covenants shall survive Closing for a period of one (1) year and shall not be merged into any documents delivered at Closing.

7.3 No Implied Representations. Except as otherwise specifically set forth above or elsewhere in this Agreement, neither Buyer nor any agent or representative of Buyer makes any representations or warranties to Seller relating to the Property, expressed or implied.

ARTICLE VIII

Conditions Precedent to Buyer's and Seller's Performance

8.1 Conditions to Buyer's Obligations. Buyer's obligations to close the purchase of the Property under this Contract are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to the Closing Date for the Property):

(a) The Conditions in this Contract for the benefit of Buyer have been satisfied or waived in writing by Buyer; and

(b) All representations, warranties, and covenants of Seller in this Contract are true and accurate and free of violation; and

(c) No event which could reasonably be expected to have a material adverse effect on the Property or its value shall occur after expiration of the Due Diligence Period, and Buyer has not first discovered any fact after expiration of the Due Diligence Period that could not with reasonable diligence have been discovered during the Due Diligence Period and which fact could reasonably be expected to have a material adverse effect on the Property or its value; and

(d) At the Closing, there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid, and all mechanics', contractors' and materialmen's liens arising from any labor or materials furnished prior to Closing relating to contracts made by Seller for any improvements to the Property Seller will have been discharged by Seller; and

(e) The Title Company shall be ready, willing and able to issue the owner's Title Policy in the form required herein on the Closing Date; and

(f) Seller shall have delivered or caused to be delivered to the Title Company the documents and instruments required herein to be delivered by Seller at Closing; and

(g) Seller shall have caused the Title Company to issue the Title Policy to Buyer without exception for those Trust Deeds, instruments and agreements with affirmative coverage shown in exception numbers 14, 19, 25 and 26 of the Title Commitment, with affirmative coverage in the form of the Title Policy endorsement attached to **Exhibit 11** with respect to such Trust Deeds, instruments and agreements; and

(h) Contemporaneously with the Closing, Buyer and Aspen Country shall have closed the sale by Aspen Country to Buyer of the Aspen Properties pursuant to the terms of the Aspen Contract.

8.2 Conditions to Seller's Obligations. Seller's obligations to proceed with the sale of the Property under this Contract are subject to the satisfaction of each of the following conditions (any of which may be waived in whole or in part in writing by Seller at or prior to the Closing Date for the Property):

(a) The Conditions in this Contract for the benefit of Seller have been satisfied or waived in writing by Seller; and

(b) All representations, warranties, and covenants of Buyer in this Contract are true and accurate and free of violation to the extent such matters remain conditions to Closing as provided in **Section 7.2** above; and

(c) Buyer will have deposited the Purchase Price in escrow with Escrow Holder, less a credit for the balance owed on any Loan as of the Closing; and

(d) Buyer shall have delivered or caused to be delivered to the Title Company the documents and instruments required herein to be delivered by Buyer at Closing; and

(e) Buyer and Seller shall have terminated the Scrub Oak Master Lease with respect to the Scrub Oak Property pursuant to the Lease Termination Agreement; and

(f) Buyer shall execute and deliver to Seller and Title Company an Agreement to Reconvey Trust Deeds in the form of **Exhibit 9** to this Contract, and shall execute, and acknowledge and deliver to Seller an Assignment of Trust Deed (Without Warranty), pursuant to such Agreement to Reconvey Trust Deeds, in the form of **Exhibit 10** attached hereto for each of those certain Trust Deeds identified on Schedule B – Section 2 of the Title Commitment as Exception Nos. 14, 19, and 26;

(g) Buyer shall execute, acknowledge, and deliver to Buyer an Agreement to Reconvey Trust Deeds in the form of **Exhibit 9** attached hereto and

(h) Contemporaneously with the Closing, Buyer and Aspen shall have closed the sale by Aspen Country to Buyer of the Aspen Properties pursuant to the terms of the Aspen Contract.

8.3 Failure of Conditions Precedent to Buyer's Obligations. In the event that any of the conditions precedent to the obligations of Buyer are not (i) satisfied on or prior to the Closing Date for the Property (or such earlier time as may be specified in this Contract) or (ii) deemed satisfied or waived by Buyer, then Buyer will have the right to terminate this Contract and/or pursue any other right or remedy provided herein.

8.4 Failure of Conditions Precedent to Seller's Obligations. In the event that any of the conditions precedent to the obligations of Seller are not (i) satisfied on or prior to the Closing Date for the Property (or such earlier time as may be specified in this Contract) or (ii) waived in writing by Seller, then Seller will have the right to terminate this Contract and Seller shall have no other right or remedy against Buyer arising out of this Contract or by reason of the termination of the proposed sale transaction.

ARTICLE IX

Closing

9.1 Date and Place of Closing. Closing shall take place in the main commercial office of Escrow Holder and will be handled by Terri Murphy as escrow officer (or as is mutually acceptable to Buyer and Seller), as soon as practicable after written satisfaction or waiver of the Conditions in this Contract, but no later than December 30, 2010. The parties need not be physically present at the Closing.

9.2 Items to be Delivered at the Closing.

(a) **Seller's Deliveries.** At the Closing, Seller shall deliver or cause to be delivered to Buyer, or to the Title Company as Escrow Holder, the following items:

(i) a Utah statutory special warranty deed (the **"Deed"**) to the Property, in the form attached as **Exhibit 4**, in recordable form, duly executed and acknowledged by Seller;

(ii) a Utah statutory quit claim deed, in recordable form, duly executed and acknowledged by Seller, quit claiming to Buyer, the "Overall Legal Description" of the Property as set forth on the ALTA/ACSM Land Title Survey prepared by Horrocks Engineers, Project No. PG-013-1003, dated May 4, 2010;

(iii) an ALTA Affidavit, in such form as is acceptable to Seller and required by the Title Company to issue "extended coverage" title insurance, and such other items reasonably requested by the Title Company as administrative requirements for consummating the Closing;

(iv) a Non-foreign Affidavit, in compliance with Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder ("**FIRPTA**"), substantially in the form attached as **Exhibit 5** to this Contract;

(v) an Assignment of Agreements and Transfer of Assets, in the form attached as **Exhibit 7** to this Contract ("**Bill of Sale/ Assignment**"), conveying the Service Contracts that Buyer may agree to assume and the Transferred Assets;

(vi) duplicate originals of the Lease Termination Agreement, in the form attached as **Exhibit 2**, duly executed and acknowledged by Seller;

(vii) any other documents, instruments or agreements called for hereunder which have not been previously delivered or which are reasonably required by the Title Company (such as evidence of authorization of the transaction) to close the transaction as contemplated by this Contract. A copy of the documentation evidencing the authorization of the transaction will be provided to Buyer.

(b) Buyer's Deliveries. At the Closing, Buyer shall deliver to Seller, or to the Title Company as Escrow Holder, the following items:

(i) the Purchase Price (subject to credits for the Earnest Money Deposit);

(ii) one or more promissory notes as required by Seller to evidence any deferred portion of the Purchase Price under **Section 3.1**;

(iii) the acceptance of the Assignment of Leases and of the Assignment/Assumption;

(iv) duplicate originals of the Lease Termination Agreement, in the form attached as **Exhibit 2**, duly executed and acknowledged by Buyer; and

(v) any other documents, instruments or agreements called for hereunder which have not been previously delivered or which are reasonably required by the Title Company (such as evidence of authorization of the transaction) to close the transaction as contemplated by this Contract. A copy of the documentation evidencing the authorization of the transaction will be provided to Seller.

(c) Waiver of Time Periods at Closing. In the event the Closing shall take place prior the expiration of the Due Diligence Period and the time for the parties to address the Title Exceptions and the Objections pursuant to **Article IV**, Seller and Buyer shall executed and deliver to each other a mutually satisfactory agreement closing all such time periods and defining the Permitted Exceptions for the purposes of this Contract.

9.3 Prorations, Adjustments.

(a) Except as otherwise provided below, all income from the Property ("**Income**") and all ad valorem real property taxes, current installments of any assessments, personal property taxes, utility expenses, and other operating expenses of the Property ("**Expenses**") will be prorated and adjusted between the parties as of the Closing Date, so that (a) all expenses prepaid by Seller and not yet accrued and all accrued but not yet paid Income will be credited to Seller; and (b) all accrued but not yet paid Expenses other than any Expenses Buyer is required to pay under the Scrub Oak Master Lease and all prepaid but not yet accrued Income will be credited to Buyer. Without limiting the generality of the foregoing, any advance payment of rent, refundable deposits, and advance payment of reimbursable utility or other expenses and other charges under the Scrub Oak Master Lease, and any nonrefundable cleaning fees and other similar fees relating to the occupancy of premises in the Property shall be assigned and delivered to Buyer (or shall be prorated and charged and credited between the parties) as of the Closing Date.

(b) The parties will attempt to have utility meters read as of the Closing Date, and Seller will be responsible for all utility Expenses up to the Closing Date other than any Expenses Buyer is required to pay under the Scrub Oak Master Lease, and Buyer will be responsible for all utility Expenses from and after the Closing Date. To the extent that this is not possible and to the extent that any other obligation for continuing services is incurred, and statements are rendered for such services covering periods both before and after the Closing Date, the amount shall be adjusted between the parties as of the Closing Date on a time elapsed basis. Seller shall forward all such statements which are proper statements to Buyer and Buyer shall pay the same. Seller shall remit to Buyer its proportionate share immediately upon demand.

(c) Seller shall be responsible for and shall pay or reimburse Buyer upon demand for any real or personal property taxes payable following the Closing applicable to any period of time prior to the Closing Date as a result of any change in the tax assessment by reason of reassessment, errors by the tax assessor or changes occurring before the Closing Date in use or ownership of the Property. To extent the payment of taxes and assessments is an obligation of tenant under the Scrub Oak Master Lease and the tenant has not made any deposit or payment to Seller with respect to such matter, such taxes and assessments will not be prorated between Buyer and Seller.

(d) If any post-Closing reconciliation or adjustment is required between the parties pursuant to this Agreement (because of an adjustment or prorate that is done on an estimated basis, or otherwise), the parties will reasonably co-operate with each other to provide the information needed for such reconciliation and adjustment, and will promptly do the reconciliation and adjustment when the information is available to do so.

(e) Buyer shall pay the recording or filing fees for the Deed and the Assignment of Leases.

(f) Seller shall pay the cost of a standard coverage Title Policy in the amount of the Purchase Price in favor of Buyer and the cost of extended coverage, if obtainable and desired by Buyer, on the Title Policy. In the event Buyer elects not to obtain title insurance for the Kress Building Parcel under the Policy, any premiums that would have been paid by Seller under the preceding sentence shall be made available to Buyer for payment of other expenses of the Title Policy and Closing.

(g) Seller and Buyer shall pay one-half of the escrow and closing fees charged by the Escrow Holder. If any other closing costs not specifically provided for herein are due at Closing, such other costs shall be paid by Buyer.

9.4 Possession at Closing. Seller will deliver possession of the Property to Buyer at the Closing, together with all keys, alarm and entry codes, guaranties, warranties and indicia of ownership held by Seller.

ARTICLE X

Casualty or Condemnation

Seller agrees to give Buyer prompt notice of any fire or other casualty affecting any of the Property or any actual or threatened taking or condemnation of all or any portion of any of the Property. If prior to the Closing, there shall occur:

(a) damage to any Property caused by fire or other casualty which is of any substantial nature; or

(b) the taking or condemnation of all or any portion of any Property which would materially interfere with the intended use of the Property;

then, in such event, Buyer as its sole remedy may elect to terminate this Contract by written notice to Seller obtain a refund of the refundable portion of the Earnest Money Deposit, notwithstanding that the Due Diligence Period may have expired.

If before the Closing there occurs:

(a) damage to any portion of the Property caused by fire or other casualty which is of an insubstantial nature; or

(b) the taking or condemnation of all or any portion of any Property which would not materially interfere with the intended use of the Property;

then the following will apply: (i) Seller shall not be required to restore the Property; (ii) Seller shall promptly notify Buyer after Seller becomes aware of the damage or taking; (iii) if the restoration would take more than 120 days to complete or if there are not assignable proceeds under an existing insurance policy that Seller can assign to Buyer at Closing that would be sufficient to pay the cost of restoration, Buyer may elect to terminate this Agreement pursuant to the first paragraph of this Article or Buyer may elect to proceed with the Closing and accept the Property AS IS and without restoration having been completed, in which case the parties will close this transaction and Seller will assign to Buyer Seller's interest in the casualty or condemnation proceeds.

On any fire or other casualty that is not substantial or with respect to which, if substantial, Buyer does not elect to terminate this Contract, Seller will provide to Buyer a copy of the insurance policy covering the damage or other casualty. In any event, the parties will reasonably co-operate with each other on the steps needed to settle the claim with the insurer (but Seller will not be required to incur any out-of-pocket expenses in doing so after the Closing).

If this Contract is not terminated in the event of a taking or casualty, the Purchase Price shall be reduced by the portion of the taking award or casualty insurance proceeds attributable to the portion of the Property taken or destroyed, as the case may be, except to the extent that such sums have been previously expended by Seller to repair or restore the Property (but Seller will not be obligated to do any such work, and Seller is not hereby agreeing to do any such repair or restoration).

ARTICLE XI

Defaults and Remedies

11.1 Buyer Default. If all of the conditions to Buyer's obligation to purchase the Property have been satisfied or waived by Buyer and if Buyer should fail to consummate the subject transaction for any reason other than Seller's default, failure of a condition to Buyer's obligation to close, or the exercise by Buyer of an express right of termination granted herein, Seller shall be entitled to (a) terminate the Contract and retain the Earnest Money Deposit as liquidated damages.

11.2 Seller's Default. If all of the conditions to Seller's obligation to sell the Property have been satisfied or waived by Seller and if Seller should fail to consummate the subject transaction for any reason other than Buyer's default, failure of a condition to Seller's obligation to close, or the exercise by Seller of an express right of termination granted herein, Buyer shall be entitled to pursue any other remedy available to it at law or in equity, including (without limitation) the remedy of specific performance.

11.3 In General. Except as specifically set forth in **Sections 11.1 and 11.2**, if either party does not perform any of its obligations hereunder, and if such breach is not cured within ten (10) days after written notice to the defaulting party specifying such breach, the non-defaulting party shall have all rights and remedies to which it may be entitled by law and under this Contract (including the right of the nondefaulting party to obtain specific performance against the defaulting party).

ARTICLE XII

Brokerage Commissions and Similar Fees

Each party represents and warrants to the other party that they have not contracted or entered into any agreement with any real estate broker, agent, finder, or any other party in connection with this transaction, and that neither party has taken any action which would result in any real estate broker's, finder's or other fees or commissions being due or payable to any other party with respect to this transaction. Each party hereby indemnifies and agrees to hold the other party harmless from any loss, liability, damage, cost, or expense (including, but not limited to, reasonable attorney's fees) resulting to the other party from a breach of the representation and warranty made by such party in this **Article XII**. Notwithstanding anything to the contrary contained herein, the indemnities set forth in this **Article XII** shall survive the Closing.

ARTICLE XIII

General Indemnity Obligations; Survival

13.1 Seller's Indemnity Obligations. Seller hereby agrees to indemnify and hold Buyer harmless from and against: (i) any loss, cost, liability or damage ("Losses") suffered or incurred because any representation or warranty by Seller shall be false or inaccurate in any material respect (subject to the provisions of **Section 14.16** below as to representations made to Seller's knowledge); (ii) any Losses suffered or incurred because of any breach on the part of Seller of its obligations under this Contract (subject to the notice and cure provisions in **Section 11.3**); and (iii) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Buyer in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

13.2 Buyer's Indemnity Obligations. Buyer hereby agrees to indemnify and hold Seller harmless from and against: (i) any Losses to person or the improvements at the Property suffered or incurred by Seller as a result of Buyer's or its agents' entry onto the Property prior to Closing for purposes relating to the conduct of due diligence for the transaction contemplated by this Contract and not the Scrub Oak Master Lease (provided, however, in no event shall Buyer be responsible for any damage, loss or liability to the extent resulting from a condition existing at the Property prior to Buyer's entry thereon), (ii) any Losses suffered or incurred because any representation or warranty by Buyer in **Sections 7.1(a) and 7.1(b)** shall be false or inaccurate in any material respect; (iii) any Losses suffered or incurred because of any breach on the part of Buyer of its obligations under this Contract (subject to the notice and cure provisions in **Section 11.3** and subject to the provisions and limitations in **Section 11.1**, which will control as to the matters stated therein); and (iv) all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Seller in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section.

13.3 Survival. The warranties, representations and indemnity obligations under this Contract shall survive the Closing for a period of one (1) year.

13.4 No Sandbagging. No party shall be liable under this Article for any Losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the party seeking indemnification for such Losses had actual or constructive knowledge of such inaccuracy or breach at or before Closing.

ARTICLE XIV

Miscellaneous

14.1 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following addresses:

If to Seller*:*

Scrub Oak, LLC
86 North University Ave, Suite 420
Provo, UT 84601
Attn: Brooke Roney
Fax No.: 801-376-0097

With a copy to:

Callister Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, Utah 84106
Attn: Damon E. Coombs
Fax No: 801-746-8607

If to Buyer*:*

Nu Skin International, Inc.
75 West Center Street
Provo, UT 84601
Attn: Matt Dorny
Fax No.: 801-345-5026

With a copy to:

Stoel Rives LLP
201 So. Main St., Suite 1100
Salt Lake City, UT 84111
Attn: Thomas A. Ellison
Fax No.: 801-578-6999

Any such notice shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid, in the U.S. Mail within the State of Utah, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) Business Day after deposit with such courier, (c) sent by facsimile, in which case notice shall be deemed delivered upon transmission of such notice to the appropriate facsimile number shown above *so long as* the transmitting facsimile machine registers a confirmation receipt and such receipt shows that the transmission was received during regular business hours at the recipient's address (or if the transmission receipt shows delivery after such business hours, then the notice sent by facsimile will be deemed to be effective on the next Business Day of the recipient), or (d) sent by personal delivery. The above addresses and facsimile numbers may be changed by written notice to the other party. Copies of notices are for informational purposes only and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

14.2 Governing Law. This Contract is being executed, delivered, and is intended to be performed in the State of Utah and the laws of Utah shall govern the validity, construction, enforcement, and interpretation of this Contract, unless otherwise specified herein.

14.3 Entirety and Amendments. This Contract embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property (including, without limitation, the letter of intent signed by the parties and all other prior written and oral communications), and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

14.4 Disclaimers. No provision of this Contract or previous (or subsequent) conduct or activities of the parties will be construed: (i) as making either party an agent, principal, partner or joint venturer with the other party or as empowering either party to bind the other party to any contract or agreement, or (ii) as making either party responsible for payment or reimbursement of any costs incurred by the other party (except as may be expressly set forth herein or in its attached exhibits).

14.5 Time of Essence. TIME IS OF THE ESSENCE of each and every provision of this Contract.

14.6 Counterpart Execution; Telecopy or PDF. This Contract may be executed simultaneously or in separate counterparts, and any of the parties to this Contract may execute the Contract by signing counterpart signature pages. Signatures transmitted by telecopy or as emailed PDF copies shall be binding as originals. This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same contract.

14.7 Exhibits. The exhibits and Schedule which are referenced in, and attached to, this Contract are incorporated in, and made a part of, this Contract for all purposes.

14.8 Binding Effect. This Contract shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors, and assigns, but Buyer will not, prior to the Closing Date, assign, subcontract or otherwise transfer any interest (voluntarily, involuntarily, by operation of law or otherwise) without the prior written consent of Seller; provided, that Buyer will have the right to assign its rights and obligations under this Agreement to Buyer's Designee or to any other corporation, limited liability company, or other entity which is controlled by, or is under common control with, Buyer (the "**Permitted Transferee**"). Assignment of this Agreement by a party will not release the party's liability to the other party under this Agreement.

14.9 Attorney's Fees. If either party hereto employs an attorney to enforce or defend its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees and including reasonable attorneys' fees on any appeal, on any petition for review, or in bankruptcy, or in connection with any action for rescission, in addition to all other sums provided by law.

14.10 No Third Party Beneficiary. This Contract is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

14.11 Use of Pronouns. The use of the neuter singular pronoun to refer to Seller and Buyer shall be deemed a proper reference, even though Seller or Buyer may be an individual, partnership or a group of two or more individuals. The necessary grammatical changes required to make the provisions of this Contract apply in the plural sense where there is more than one seller or purchaser and to either partnerships or individuals (male or female) shall in all instances be assumed as though in each case fully expressed.

14.12 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Contract or any exhibits or amendments hereto.

14.13 Partial Invalidity. If any term or provision of this Contract or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law.

14.14 Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act.

14.15 Legal Effect. THIS IS A LEGALLY BINDING CONTRACT. ALL PARTIES SHOULD SEEK ADVICE OF COUNSEL BEFORE EXECUTING THIS CONTRACT.

14.16 Disclosure Duties. The following provisions will govern the disclosure duties of the parties.

(a) Seller's Duty to Disclose. As used in this Contract, the terms "**known**" or "**knowledge**" as applied to Seller mean actual (not constructive) knowledge or lack of knowledge of Brooke B. Roney, Blake M. Roney, Steven J. Lund and Sandra N. Tillotson (only), and shall absolutely not require any independent investigation or any inquiry of other employees or agents of Seller.

If Seller obtains actual knowledge prior to the Closing of a fact which would make any of the representations and warranties of Seller in this Contract false or inaccurate in any material respect, Seller will notify Buyer of such fact (except that this sentence will not apply to matters as to which Seller's knowledge originates from any communication of information by Buyer to Seller or any environmental assessments or other due diligence investigations performed by Buyer).

(b) Buyer's Duty to Disclose. As used in this Contract, the terms "**known**" or "**knowledge**" as applied to Buyer mean actual (not constructive) knowledge or lack of knowledge of the present directors and officers of Buyer and Buyer's Affiliates (other than Blake M. Roney, Steven J. Lund and Sandra N. Tillotson), or any other present employee of Buyer or Buyer's Affiliates who would reasonably be expected to have particular knowledge about the subject matter of the relevant representation or warranty and would reasonably be expected to report such matter to an officer or director of his or her employer with responsibility over the subject matter of the representation or matter required to be disclosed, and shall absolutely not require any independent investigation or any inquiry of other employees or agents of Buyer or Buyer's Affiliates.

If Buyer obtains actual knowledge prior to the Closing of a fact which would make any of the representations and warranties of Buyer in this Contract false or inaccurate in any material respect, Buyer will notify Seller of such fact, (except that this sentence will not apply to matters as to which Buyer's knowledge originates from any communication of information by Seller to Buyer).

14.17 Work Product. If this transaction does not close for any reason, Buyer will deliver to Seller the Property Information that Seller delivered to Buyer and any written reports, assessments, surveys, studies or other written work product obtained by Buyer from third parties about the Property; provided, that any confidential and proprietary information of Buyer or being provided to Buyer in such work product may be redacted from such work product. Such turnover of work product is without representation by Buyer as to the accuracy or reliability of such materials or any conclusions or recommendations made therein or Seller's right to rely thereon.

14.18 Response to Requests and Communications. Each party will use commercially reasonable efforts to respond promptly to requests and communications from the other party on matters requiring a decision, action or response under the terms of this Contract.

14.19 Saturday, Sunday and Legal Holidays. If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter. As used in this Agreement, the expression (i) "**business day**" means every day other than a nonbusiness day, and (ii) "**nonbusiness day**" means a Saturday, Sunday or legal holiday in the State of **Utah**. In any case where a payment is due, an act is to be performed, a notice is to be delivered or a period expires under this Agreement on a nonbusiness day, such occurrence shall be deferred until the next succeeding business day.

14.20 Public Announcements. No press releases or other public announcements concerning the transactions contemplated by this Agreement shall be made by Seller without the prior written consent of Buyer, except as may be required by law or court order (in which case Seller shall notify Buyer before to making such public announcement and will provide a copy to Buyer of the intended public announcement).

14.21 Exchange. Notwithstanding any other provision of this Agreement, each party will have the right to arrange and effect a closing of the conveyance of the Property to Buyer in connection with a simultaneous or non-simultaneous exchange for other property of like kind pursuant to Section 1031 of the Internal Revenue Code of 1986 as amended (the "**Code**"), and the other party will cooperate in such exchange, provided that (1) neither party shall be obligated to accelerate or delay Closing in order to facilitate an exchange; and (2) neither party shall be required to take title to any exchange property or to incur any expense, risk or liability in effecting such exchange. The party arranging an exchange will prepare the documents required to effect the exchange and pay any additional closing, title and escrow costs incurred in connection with the exchange (to the extent not paid by the third party which sells or buys the exchange property). The conveyance of the Property to Buyer is **not** conditioned upon either party's ability to effect an exchange.

References in this Agreement to "**Seller**" and "**Buyer**" are solely for purposes of naming the parties. Such terms of reference to the parties, or to this transaction as a "sale" or "purchase" transaction, shall not be construed to affect the transaction as a property exchange transaction if Buyer effects the property exchange.

14.22 Further Assurances. Each party will, whenever reasonably requested by the other party, execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered such further instruments and documents as may be reasonably necessary and appropriate in order to convey the Property to Buyer at Closing and to carry out the intent and purpose of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each party has caused this instrument to be duly executed by the authorized representatives of the party as of the date first set forth above.

SELLER:

SCRUB OAK, LLC, a Utah limited liability company

By:/s/Brooke B. Roney
Brooke B. Roney
Manager

BUYER:

NU SKIN INTERNATIONAL, INC., a Utah corporation

By: /s/D. Matthew Dorny
D. Matthew Dorny
Vice President

EXHIBITS AND ATTACHMENTS

EXHIBIT 1	Legal Description of the Real Property
EXHIBIT 2	Form of Lease Termination Agreement
EXHIBIT 3	Objections
EXHIBIT 4	Form of Deed
EXHIBIT 5	Form of Non-Foreign **(FIRPTA)** Affidavit
EXHIBIT 6	[Intentionally deleted]
EXHIBIT 7	Form of Bill of Sale/Assignment
EXHIBIT 8	Form of Buyer's Promissory Note
EXHIBIT 9	Form of Agreement to Reconvey Trust Deeds
EXHIBIT 10	Form of Assignment of Trust Deed (Without Warranty)
EXHIBIT 11	Form of Affirmative Coverage Endorsement to Title Policy

SCHEDULE #1 - Allocation of Purchase Price

EXHIBIT 1

LEGAL DESCRIPTION OF THE LAND

PARCEL 1:
A.P.N.: 04-060-0007

BEGINNING AT THE NORTHEAST CORNER OF BLOCK 65, PLAT “A”, PROVO CITY SURVEY OF BUILDING LOTS; THENCE WEST 71 FEET; THENCE SOUTH 106 FEET; THENCE EAST 71 FEET; THENCE NORTH 106 FEET TO THE PLACE OF BEGINNING.

ALSO BEGINNING 106 FEET SOUTH FROM THE NORTHEAST CORNER OF BLOCK 65, PLAT “A”, PROVO CITY SURVEY OF BUILDING LOTS; THENCE SOUTH 93.54 FEET TO THE SOUTH LINE OF LOT 7 OF SAID BLOCK 65; THENCE WEST 144 FEET; THENCE NORTH 93.54 FEET; THENCE EAST 144 FEET TO THE PLACE OF BEGINNING.

TOGETHER WITH A RIGHT-OF-WAY OVER THE FOLLOWING:

BEGINNING 132 FEET WEST OF THE SOUTHEAST CORNER OF LOT 7, BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE NORTH 93.54 FEET; THENCE EAST 31 FEET; THENCE NORTH 12 FEET; THENCE WEST 55 FEET; THENCE SOUTH 105.54 FEET; THENCE EAST 24 FEET TO THE PLACE OF BEGINNING.

AS CREATED BY WARRANTY DEED ENTRY NO. 2097, IN BOOK 350, AT PAGE 434, IN THE OFFICE OF THE RECORDER, UTAH COUNTY, UTAH.

PARCEL 2:
A.P.N.: 04-061-0008

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 66, PLAT “A”, PROVO CITY SURVEY; THENCE NORTH 398.74 FEET; THENCE EAST 170 FEET; THENCE SOUTH 233 FEET; THENCE WEST 44.14 FEET; THENCE SOUTH 0°18’34” WEST 165.74 FEET; THENCE WEST 125 FEET TO THE POINT OF BEGINNING.

EXHIBIT 2

LEASE TERMINATION AGREEMENT
(Scrub Oak Master Lease Agreement)

THIS LEASE TERMINATION AGREEMENT ("**Agreement**") is made and entered into as of the 30th day of December, 2010 ("**Effective Date**") by and between SCRUB OAK, LLC, a Utah limited liability company, having a mailing address at 86 North University Ave., Suite 420, Provo, Utah 84601 ("**Landlord"**) and NU SKIN INTERNATIONAL, INC., a Utah corporation, having a mailing address 75 West Center Street, Provo, Utah 84601 (**Tenant**").

RECITALS:

A. Landlord is the owner of those certain parcels of real property identified on the attached Exhibit A and all improvements constructed thereon, located in the City of Provo, Utah County, State of Utah (the "**Premises**").

B. On or about January 16, 2003, Landlord and Tenant entered into that certain Mater Lease Agreement, January 16, 2003 (the "**Lease**"), pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the Premises.

C. Concurrently with the execution of this Agreement, Tenant is purchasing from Landlord substantially all of the Premises pursuant to the provisions of a Real Estate Agreement of Purchase and Sale (the "**Purchase Agreement**") dated the Effective Date.

D. Tenant and Landlord desire to terminate the Lease, on the terms and provisions herein set forth.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant hereby agree as follows:

1. Recitals/Exhibits. Recitals A through D above and Exhibit A attached hereto are by this reference incorporated herein and made a part of this Agreement.

2. Termination of the Lease. The Lease is hereby unconditionally terminated as of the Effective Date and, except as expressly set forth in this Agreement, Landlord and Tenant are released and discharged from every obligation set forth in the Lease; provided, that the indemnification obligations of Tenant to Landlord accrued prior to the Effective Date, if any, pursuant to Sections 4.3 and 16.1 of the Lease, and the indemnification obligations of Landlord to Tenant accrued prior to the Effective Date, if any, pursuant to Section 16.2 of the Lease shall survive the termination of the Lease with respect to indemnification against claims asserted against Landlord, Tenant or the other indemnified persons named in such Sections of the Lease by persons or entities other than Landlord or Tenant.

3. Prorations/Security Deposit. Rent, real property taxes and other amounts paid or payable by Tenant with respect to the Premises pursuant to the provisions of the Lease shall be prorated and adjusted between Landlord and Tenant as of the Effective Date in accordance with the provisions of the Lease, except as provided in the Purchase Agreement to the contrary. Any security deposit paid by Tenant pursuant to the provisions of the Lease shall be refunded to Tenant by Landlord on the Effective Date.

4. Interpretation. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah. The section headings contained in this Agreement are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Time is of the essence. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against, including without limitation the drafting party, any of the parties.

5. Counterparts**.** This Agreement may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

6. Attorneys Fees**.** If any action between the parties is brought because of any breach of or to enforce or interpret any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys fees and court costs incurred in connection with such action, the amount of which shall be fixed by the court and made a part of any judgment rendered.

[Signature page follows]

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

LANDLORD: **TENANT:**

SCRUB OAK, LLC, NU
SKIN INTERNATIONAL, INC.,
a Utah limited liability company, a Utah
corporation,

By _____ By
_____
Its _____ Its
_____

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, the _____ of **SCRUB OAK, LLC**, a Utah limited liability company.

_____
NOTARY PUBLIC

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this ____ day of December, 2010, by _____, the _____ of **NU SKIN INTERNATIONAL, INC.**, a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT 3

OBJECTIONS

Buyer objects to the following standard exceptions listed as items 1-7 below and requests the removal of the same in association with Buyer's receipt of an extended ALTA owner's policy:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

2. Any facts, rights, interest or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.

3. Easements, claims of easements or encumbrances which are not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments and any other facts which a correct survey would disclose, and which are not shown by public records.

5. Patented and unpatented mineral and/or mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.

6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

7. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.

Buyer objects to the following as written and requests that such exceptions be revised to note "….taxes assessed and paid in full in the amount….":

8. 2010 general property taxes were paid in the amount of $21,513.20 . Tax Parcel No. 04-060-0007(Parcel 1)

9. 2010 general property taxes were paid in the amount of $231,084.11 . Tax Parcel No. 04-061-0008 (Parcel 2)

Buyer objects to the following and requests that it be deleted or revised to state that there are no charges or assessments outstanding or due and payable as of the date of Closing:

10. Any charge upon the land by reason of its inclusion in Provo City. (Parcel 2)

Buyer objects to the following as the same shall be released and reconveyed pursuant to the terms of a separate agreement by and between Buyer, Seller and Title Company:

11. Deed of Trust with Assignment of Rents and Security Agreement dated October 09, 1990 by and between Boyer Center Street, Ltd., a Utah limited partnership as Trustor in favor of Valley Bank and Trust Company as Trustee and Valley Bank and Trust Company as Beneficiary, to secure an original indebtedness of $5,800,000.00 and any other amounts or obligations secured thereby, recorded October 11, 1990 as Entry No. 33762 in Book 2730 at Page 835 of the official records of the Country Recorder for Utah County, State of Utah.

12. Notice and Assignment of U D A G Grant Agreement and U D A G Loan Agreements dated October 09, 1990 by and between Boyer Center Street Ltd., a Utah limited partnership and Valley Bank and Trust Company recorded October 11, 1990 as Entry No. 33764 in Book 2730 at Page 856 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

13. Notice and Memorandum of Loan Modification and Extension Agreement dated March 10, 1993 by and between Boyer-Center Street Associates, Ltd., a Utah limited partnership and Valley Bank and Trust Company, National Association recorded March 30, 1993 as Entry No. 18462 in Book 3112 at Page 652 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

14. A Substitution of Trustee recorded October 20, 1993 as Entry No. 73902 in Book 3273 at Page 24 of the official records of the Country Recorder for Utah County, State of Utah, wherein Michael D. Smith, a member of the Utah State Bar was substituted as Trustee under said Deed of Trust. (Parcel 2)

15. According to the official records of the Country Recorder for Utah County, State of Utah, the Beneficial Interest of Bank One, Utah, National Association, formerly known as Valley Bank and Trust Company under said Deed of Trust was assigned to Nu Skin International, Inc., a Utah corporation by that certain Assignment recorded October 20, 1993 as Entry No. 73903 in Book 3273 at Page 26 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

16. Agreement for Substitution of Liability dated January 27, 1995 by and between Boyer Center Street, Ltd., a Utah limited partnership, Scrub Oak, Ltd., a Utah limited partnership and Nu Skin International, Inc., a Utah corporation recorded January 30, 1995 as Entry No. 5701 in Book 3611 at Page 751 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

17. A Subordination Agreement, wherein the lien of the Deed of Trust with Assignment of Rents and Security Agreement shown herein-above was subordinated to the Trust Deed With Assignment of Rents recorded October 11, 1990 as Entry No. 33768 in Book 2730 at Page 867 of the official records of the Country Recorder for Utah County, State of Utah. Said Subordination Agreement recorded January 30, 1995 as Entry No. 5703 in Book 3611 at Page 757 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

Buyer objects to the following as the same have expired and are no longer in effect and shall be released as a result of separate release, reconveyance and affidavit documentation:

18. An unrecorded Lease dated January 18, 1990 executed by Boyer Center Street Associates, a Utah limited partnership, as Lessor, and NuSkin International, Inc., as Lessee, as disclosed by Notice of Assignment of Lease Agreement recorded October 11, 1990 as Entry No. 33765 in Book 2730 at Page 858 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

19. An unrecorded Lease dated January 18, 1990 executed by Boyer Center Street Ltd., a Utah limited partnership, as Lessor, and NuSkin International, Inc., as Lessee, as disclosed by Notice of Assignment of Lease Agreement recorded October 11, 1990 as Entry No. 33766 in Book 2730 at Page 861 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

Buyer objects to the following as the same shall be released and reconveyed pursuant to the terms of a separate agreement by and between Buyer, Seller and Title Company:

20. A Trust Deed With Assignment of Rents dated October 09, 1990 by and between Boyer Center Street Limited, a Utah Limited Partnership as Trustor in favor of Western States Title Company as Trustee and Nuskin International as Beneficiary, to secure an original indebtedness of $5,000,000.00 and any other amounts or obligations secured thereby, recorded October 11, 1990 as Entry No. 33767 in Book 2730 at Page 864 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

21. A Subordination Agreement, wherein the lien of the Trust Deed with Assignment of Rents shown herein-above was subordinated to the Deed of Trust with Assignment of Rents and Security Agreement recorded October 11, 1990 as Entry No. 33762 in Book 2730 at Page 835 of the official records of the Country Recorder for Utah County, State of Utah. Said Subordination Agreement recorded January 09, 1992 as Entry No. 1052 in Book 2875 at Page 148 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

22. According to the official records of the Country Recorder for Utah County, State of Utah, the Beneficial Interest of Nuskin International, Inc., a corporation under said Deed of Trust was assigned to Aspen, Ltd., a Utah Limited Partnership by that certain Assignment recorded January 30, 1995 as Entry No. 5698 in Book 3611 at Page 744 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

23. Agreement for Substitution of Liability dated January 27, 1995 by and between Boyer Center Street, Ltd., a Utah limited partnership, Scrub Oak, Ltd., a Utah limited partnership and Aspen, Ltd., a Utah limited partnership recorded January 30, 1995 as Entry No. 5702 in Book 3611 at Page 754 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

24. A Subordination Agreement, wherein the lien of the Trust Deed with Assignment of Rents shown herein-above was subordinated to the Trust Deed with Assignment of Rents recorded October 11, 1990 as Entry No. 33768 in Book 2730 at Page 867 of the official records of the Country Recorder for Utah County, State of Utah. Said Subordination Agreement recorded January 30, 1995 as Entry No. 5703 in Book 3611 at Page 757 of the official records of the Country Recorder for Utah County, State of Utah.

25. Assignment dated October 07, 1993 by and between Bank One, Utah, National Association, formerly known as Valley Bank and Trust Company and Nu Skin International, Inc., a Utah corporation recorded October 20, 1993 as Entry No. 73903 in Book 3273 at Page 26 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

26. An Assignment of Leases and Rents recorded January 09, 1992 as Entry No. 1054 in Book 2875 at Page 158 of the official records of the Country Recorder for Utah County, State of Utah wherein Boyer Center Street Ltd., a Utah limited partnership assigns all rents, leases, income and profits accruing from the land to Valley Bank and Trust Company. (Parcel 2)

27. Assignment dated October 07, 1993 by and between Bank One, Utah, National Association, formerly known as Valley Bank and Trust Company and NU Skin International, Inc., a Utah corporation recorded October 20, 1993 as Entry No. 73903 in Book 3273 at Page 26 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

28. An Assignment of Leases and Rents recorded January 09, 1992 as Entry No. 1055 in Book 2875 at Page 164 of the official records of the Country Recorder for Utah County, State of Utah, wherein Boyer Center Street Associates, a Utah limited partnership assigns all rents, leases, income and profits accruing from the land to Valley Bank and Trust Company. (Parcel 2)

29. Assignment dated October 07, 1993 by and between Bank One, Utah, National Association, formerly known as Valley Bank and Trust Company and Nu Skin International, Inc., a Utah corporation recorded October 20, 1993 as Entry No. 73903 in Book 3273 at Page 26 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

30. A Trust Deed dated January 27, 1995 by and between Scrub Oak, Ltd., a Utah Limited Partnership as Trustor in favor of Michael D. Smith, a member of the Utah State bar and General Counsel for Nu Skin International, Inc., as Trustee and Aspen Ltd., a Utah Limited Partnership as Beneficiary, to secure an original indebtedness of $7,364,529.00 and any other amounts or obligations secured thereby, recorded February 03, 1995 as Entry No. 7302 in Book 3615 at Page 562 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

31. A Trust Deed dated January 27, 1995 by and between Scrub Oak, Ltd., a Utah Limited Partnership as Trustor in favor of Michael D. Smith, a member of the Utah State bar and General Counsel for Nu Skin International, Inc., as Trustee and Nu Skin International, Inc., a Utah State Corporation as Beneficiary, to secure an original indebtedness of $5,287,238.51 and any other amounts or obligations secured thereby, recorded February 03, 1995 as Entry No. 7303 in Book 3615 at Page 567 of the official records of the Country Recorder for Utah County, State of Utah. (Parcel 2)

Buyer objects to the following as such construction has been completed the evidence of which is provided in a separate affidavit document to be delivered to the Title Company:

32. Notice of commencement of construction wherein Intermountain C. N. S., L. L. C., as recording agent for Interior Construction Specialists, Inc., gives notice of the commencement of the project named "Nu-Skin (interior remodel)", recorded June 07, 2001 as Entry No. 55993:2001 of the official records of the Country Recorder for Utah County, State of Utah. (a portion of Parcel 2)

EXHIBIT 4

DEED

WHEN RECORDED, MAIL TO:

Callister, Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, UT 84106
Attn: Damon E. Coombs

SPECIAL WARRANTY DEED

SCRUB OAK, LLC, a Utah limited liability company, as successor of Scrub Oak, Ltd., a Utah limited partnership and Scrub Oak, a Utah partnership by conversion, having a mailing address at 86 North University Ave., Suite 420, Provo, Utah 84601, Grantor, hereby CONVEYS AND WARRANTS against those claiming by, through, or under said Grantor to **NU SKIN INTERNATIONAL, INC., a Utah corporation**, having a mailing address at 75 West Center Street, Provo, Utah 84601, Grantee, for the sum of Ten and No/100 Dollars ($10.00), and other good and valuable consideration, the following described real property in Utah County, State of Utah:

PARCEL 1:
A.P.N.: 04-060-0007

BEGINNING AT THE NORTHEAST CORNER OF BLOCK 65, PLAT “A”, PROVO CITY SURVEY OF BUILDING LOTS; THENCE WEST 71 FEET; THENCE SOUTH 106 FEET; THENCE EAST 71 FEET; THENCE NORTH 106 FEET TO THE PLACE OF BEGINNING.

ALSO BEGINNING 106 FEET SOUTH FROM THE NORTHEAST CORNER OF BLOCK 65, PLAT “A”, PROVO CITY SURVEY OF BUILDING LOTS; THENCE SOUTH 93.54 FEET TO THE SOUTH LINE OF LOT 7 OF SAID BLOCK 65; THENCE WEST 144 FEET; THENCE NORTH 93.54 FEET; THENCE EAST 144 FEET TO THE PLACE OF BEGINNING.

TOGETHER WITH A RIGHT-OF-WAY OVER THE FOLLOWING:

BEGINNING 132 FEET WEST OF THE SOUTHEAST CORNER OF LOT 7, BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE NORTH 93.54 FEET; THENCE EAST 31 FEET; THENCE NORTH 12 FEET; THENCE WEST 55 FEET; THENCE SOUTH 105.54 FEET; THENCE EAST 24 FEET TO THE PLACE OF BEGINNING.

AS CREATED BY WARRANTY DEED ENTRY NO. 2097, IN BOOK 350, AT PAGE 434, IN THE OFFICE OF THE RECORDER, UTAH COUNTY, UTAH.

PARCEL 2:
A.P.N.: 04-061-0008

COMMENCING AT THE SOUTHWEST CORNER OF BLOCK 66, PLAT "A", PROVO CITY SURVEY; THENCE NORTH 398.74 FEET; THENCE EAST 170 FEET; THENCE SOUTH 233 FEET; THENCE WEST 44.14 FEET; THENCE SOUTH 0°18'34" WEST 165.74 FEET; THENCE WEST 125 FEET TO THE POINT OF BEGINNING.

THIS CONVEYANCE IS MADE SUBJECT ONLY TO THE FOLLOWING:

1. Right of Way recorded March 21, 1940 as Entry Nos. 2096 and 2097, in Book 350, at Page 434 of the official records of the Country Recorder for Utah County, State of Utah.

2. Right of Way and Easement Grant recorded July 16, 1956 as Entry Nos. 9851, 9852 and 9853 in Book 718, at Pages 533, 534 and 535 of the official records of the Country Recorder for Utah County, State of Utah.

3. Notice and Memorandum of Assignment of Joint Development Agreement recorded October 11, 1990 as Entry No. 33800 in Book 2731 at Page 24 of the official records of the County Recorder for Utah County, State of Utah.

4. Agreement Imposing Building Restriction, dated December 13, 1990 and recorded January 10, 1991 as Entry No. 932, in Book 2754, at Page 178 of the official records of the County Recorder for Utah County, State of Utah.

5. Agreement and Restriction recorded February 4, 1991 as Entry No. 4023, in Book 2760, at Page 321 of the official records of the Country Recorder for Utah County, State of Utah.

6. Agreement to Convey Right of Way recorded April 6, 1998 as Entry No. 32836, in Book 4588, at Page 737 of the official records of the Country Recorder for Utah County, State of Utah.

7. Utility Easement recorded July 23, 2002 as Entry No. 83455:2002 of the official records of the Country Recorder for Utah County, State of Utah.

8. Quit Claim Deed recorded October 27, 2010 as Entry No. 93035:2010 of the official records of the Country Recorder for Utah County, State of Utah.

9. Subject to the matters affecting title disclosed on that certain Survey, dated December 29, 2010, prepared by LEI as Job No. 2010-574, by Chad A. Poulsen, a Registered Land Surveyor holding License No. 501182.

10. Mechanics liens (if any) pertaining to work on the subject property, commissioned by Grantee as tenant of the subject properties; and, subleases (if any), entered into by Grantee as sublessor in its capacity as tenant of the subject properties.

WITNESS the hand of said Grantor as of the 30th day of December, 2010.

SCRUB OAK, LLC,
a Utah limited liability company

By:
Brooke B. Roney
Manager

STATE OF UTAH)
) ss.
COUNTY OF _____)

On December 30, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Scrub Oak, LLC, the limited liability company therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

EXHIBIT 5

NON-FOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform NU SKIN INTERNATIONAL, INC., a Utah corporation ("**Transferee**"), that withholding of tax is not required upon the disposition of a U.S. real property interest by SCRUB OAK, LLC, a Utah limited liability company ("**Transferor**"), Transferor hereby certifies as follows:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Transferor's U.S. employer identification number and address are:

Scrub Oak, LLC.
86 North University Ave., Suite 420 Fed. ID Number
Provo, UT 84601

3. Transferor agrees to inform Transferee if it becomes a foreign person at any time during the three year period immediately following the date of this notice.

4. Transferor understands that this affidavit may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

5. Under penalties of perjury the undersigned declares that he/she has examined this affidavit and to the best of his/her knowledge and belief it is true, correct, and complete, and the undersigned further declares that he/she has authority to sign this affidavit on behalf of Transferor.

DATED as of the 30th day of December, 2010.

TRANSFEROR:

SCRUB OAK, LLC., a Utah limited
liability company

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF UTAH)

On December ____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as _____, on behalf of Scrub Oak, LLC., the limited liability company therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

EXHIBIT 6

[Intentionally deleted]

EXHIBIT 7

BILL OF SALE
ASSIGNMENT OF AGREEMENTS
AND TRANSFER OF ASSETS

DATED: December 30, 2010

BETWEEN: **SCRUB OAK, LLC**,
a Utah limited liability company ("**Seller**")

AND: **NU SKIN INTERNATIONAL, INC.**,
a Utah corporation ("**Buyer**")

This Bill of Sale, Assignment of Agreements and Transfer of Assets ("**Assignment**") is given by Seller to Buyer in connection with the closing of the conveyance of certain real property (collectively, the "**Property**"), which Seller is selling to Buyer pursuant to the provisions of a Real Estate Purchase and Sale Agreement, dated as of December 30, 2010 ("**Sale Agreement**"), between Seller and Buyer, which is incorporated herein by this reference.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of the mutual promises of the parties in this Assignment, the parties agree as follows:

1. **Assignment and Conveyance**. Effective as of the date of recordation of deed conveying the Property to Buyer, which is the closing date for the conveyance of the Property to Buyer ("**Closing Date**"), Seller hereby sells, assigns and transfers to Buyer all of Seller's right, title and interest in and to the following property ("**Transferred Assets**"): (1) all of Seller's right, title and interest in and to the fixtures, equipment and other personal property owned by Seller that is used in connection with the ownership, maintenance and operation of the Property ("**Personal Property**"), excluding any artwork located upon the Property and owned by Seller or Seller's members and any furniture and furnishings located in the offices of Blake M. Roney, Steven J. Lund and Sandra N. Tillotson upon the Property and owned by Blake M. Roney, Steven J. Lund or Sandra N. Tillotson; (2) all warranties, guaranties, sureties and claims or similar rights in connection with the construction of or equipment, furnishings, furniture and/or fixtures on the Improvements; (3) all plans, specifications, drawings and permits with respect to the Improvements, including such documents related to any remodel of the Improvements, and all construction, engineering, soils, architectural or similar plans, documents and reports related to the Property (the "**Plans and Reports**"); (4) all existing service and maintenance contracts entered into by Seller relating to the Property (the "**Service Contracts**") and equipment leases related to the Property entered into by Seller (the "**Equipment Leases**"); (5) all licenses, permits, approvals, certificates of occupancy, entitlements or other rights or authorizations related to or used in connection with the Property, together with all deposits to governmental authorities relating to the Property; (6) studies, documents, tests, surveys, assessments, audits, appraisals, contracts, contract rights, claims and warranties related to the Property (the "**Property Documents**"); and (7) all of Seller's rights, if any, to use any names related to the Property. For clarity, Property does not include artwork located at or on the Improvements owned by any of the members of Seller.

2. **Indemnity by Seller**. Seller hereby agrees to indemnify Buyer against and hold Buyer harmless from and reimburse Buyer for any and all liabilities, losses, claims, fines, penalties, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "**Claims**"), accruing prior to the Closing and arising out of Seller's obligations under the Service Contracts or related to Seller's obligations to with respect to the Transferred Assets.

3. **Assumption by Buyer**. Buyer hereby assumes all of Seller's obligations under the Service Contracts accruing after the Closing and arising out of Seller's obligations accruing after the Closing under the Service Contracts or related to Seller's obligations accruing after the Closing with respect to the Transferred Assets.

3. **Miscellaneous Provisions**. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Assignment shall be governed by the laws of the State of Utah. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. If either party hereto employs an attorney to enforce or defend its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees and including reasonable attorneys' fees on any appeal, on any petition for review, or in bankruptcy, or in connection with any action for rescission, in addition to all other sums provided by law. This instrument may be executed simultaneously or in separate counterparts, and any of the parties may execute this instrument by signing counterpart signature pages. Signatures by telecopy shall be binding as originals.

This Assignment is executed and delivered between Assignor and Buyer pursuant to the provisions of the Sale Agreement between the parties, which shall survive the execution and delivery of this Assignment. Any capitalized term that is not otherwise defined herein shall have the meaning stated in the Sale Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed as of the date set forth above.

SELLER: **SCRUB OAK, LLC**

By: _____
Its: _____

BUYER: **NU SKIN INTERNATIONAL, INC.**

By: _____
Its: _____

EXHIBIT 8

PROMISSORY NOTE

(Scrub Oak Form)

$_____ Date: December 30, 2010

FOR VALUE RECEIVED, the undersigned, Nu Skin International, Inc, a Utah corporation. (the "Debtor"), hereby promises to pay to the order of Scrub Oak, LLC, a Utah limited liability company (the "Payee"), the principal amount of _____ and 00/100 Dollars ($_____. 00) (the "Original Principal"). Principal shall be payable according to the schedule detailed below. The due date for payment is subject to acceleration, upon the occurrence of certain events as described below. This Note does not bear interest except in the case of an Event of Default, as defined below.

1. Nature of Obligation and Assignability.

1.1 Nature of Obligation. Debtor has made and delivered this Note to Payee in connection with the transactions contemplated by that certain Real Estate Purchase and Sale Agreement (the "Purchase Agreement") dated as of December 30, 2010, by and among Debtor and Payee, pursuant to which Payee agreed to sell and Debtor agreed to purchase certain real property as described in the Purchase Agreement in return for, among other consideration, the delivery of and performance by Debtor under this Note.

1.2 Assignability. It is contemplated that this Note shall be endorsed by Payee to one of the members of Payee, and distributed to such member in partial redemption of such member's interest in Payee, by such endorsement. Following such endorsement and delivery to such member, Debtor shall pay such member in lieu of Payee, and such member shall have all of the rights of Payee hereunder, including without limitation the right to direct the method of payment and provide wire transfer instructions under Section 2.4 hereof, and employ all remedies available to Payee in the enforcement hereof, and receive and give notices and provide an address for receipt of notice under Section 4.1.

2. Payment and Prepayments

2.1 Scheduled Payments. The principal of this Note and any accrued but unpaid interest due on such date shall be payable in two (2) installments (each an "Installment Payment Date") as follows:

First installment, due January 3, 2011, in the amount of Ninety-nine Percent (99%) of the Original Principal.

Second installment due January 31, 2011, in the amount of the remaining outstanding principal together with any accrued but unpaid interest.

2.2 Prepayment. The Debtor shall not prepay the principal amount of this Note in whole or in part. Any prepayment shall bear a penalty of ten percent (10%) of the Original Principal.

2.3 Accrual of Interest. Interest shall accrue only after an Event of Default and be calculated on the basis of a 360-day year of twelve 30-day months.

2.4 Method of Payment. All payments (including prepayments) by the Debtor on account of this Note shall be paid to the Payee by wire transfer in accordance with instructions provided by the Payee in writing or such other reasonable means as Payee may direct.

2.5 Payment Dates. If any Installment Payment Date is a Saturday, Sunday or holiday, the payment to be made on such date shall be paid on the business day immediately prior thereto.

2.6 Acceleration. The entire principal balance of this Note shall become due and payable immediately upon the occurrence of an Event of Default, as defined herein, unless the Event of Default has been cured within any grace period expressly set forth herein.

3. Default

3.1 Events of Default. An "Event of Default" occurs if

(i) the Debtor defaults in the payment of any installment of the principal amount of this Note;

(ii) the Debtor pursuant to or within the meaning of any Bankruptcy Law (as defined below)

(a) commences a voluntary case or proceeding;

(b) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property; or

(d) makes a general assignment for the benefit of its creditors; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that

(a) is for relief against the Debtor in an involuntary case or proceeding;

(b) appoints a Custodian of the Debtor or for all or substantially all of its property; or

(c) orders the liquidation of the Debtor;

and in each case described in subsection (iv) the order or decree remains unstayed and in effect for 60 days.

The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

3.2 Acceleration; Waiver. At any time following any occurrence of an Event of Default, Payee may, at Payee's option, declare the entire principal of the Note then remaining unpaid to be due and payable immediately upon notice to Debtor and/or provide notice to the Debtor that the Default Rate of Interest shall apply. At any time following any occurrence of an Event of Default, and after a declaration as provided as to applicability of the Default Rate of Interest in the last sentence, all amounts due under this Note shall bear interest at the Default Rate of Interest. The "Default Rate of Interest" means the lesser of 10% per annum or the highest rate allowed by law under Utah law. Any forbearance, failure or delay by Payee in exercising any right or remedy under this Note or otherwise available to Payee shall not be deemed to be a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy. The Debtor hereby waives presentment by Payee for payment, demand, notice of dishonor and nonpayment of this Note, and consents to any and all extensions of time, renewals, waivers or modifications that may be granted by Payee with respect to the payment or other provisions of this Note.

3.3 Payment of Costs. If an Event of Default occurs, the Debtor will pay to the Payee such further amount as shall be sufficient to cover the costs and expenses of collection, including without limitation, reasonable attorneys' fees and expenses.

4. Miscellaneous

4.1 Notices. Any notice to be given to any party shall be served personally, by facsimile, or by certified mail (return receipt requested, postage prepaid), and shall be deemed complete on the date the notice is personally served, or the date on which a facsimile was received, or the date on which it was deposited in the mail, depending on the method of service. Notice shall be given as follows, unless written notice of change of address is given to all parties:

If to Payee: Scrub Oak, LLC
86 N. University Ave., Suite 420
Provo, Utah 84601
Attn: Brooke B. Roney, Manager
Fax No.: 801-376-0097

With a Copy to:
Callister Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, Utah 84106
Attn: Damon E. Coombs
Fax No: 801-746-8607

If to Debtor:
Nu Skin International, Inc.
75 West Center St.
Provo, Utah 84601
Fax No.: 801-345-5026

With a Copy to:
Stoel Rives LLP
201 So. Main St., Suite 1100
Salt Lake City, Utah 84106
Attn: Thomas A. Ellison
Fax No.: 801-578-6999

4.2 Waiver; Amendment. No waiver or modification of any of the terms of this Note shall be valid or binding unless set forth in a writing specifically referring to this Note and signed by Holders and Makers' Representative, and then only to the extent specifically set forth therein. None of the provisions hereof and none of Holders' rights or remedies under this Note on account of any past or future defaults shall be deemed to have been waived by Holders' acceptance of any past due installments or by any indulgence granted by Holders to Makers.

4.3 Jurisdiction; Venue. Debtor and Payee agree that any dispute arising out of this Note shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Utah. For that purpose, Debtor hereby submits to the jurisdiction of the state and federal courts of Utah. Debtor hereby irrevocably agrees and consents to the exclusive jurisdiction of and venue in such courts, and agrees not to assert in any such action that any such court lacks personal jurisdiction or assert any defense to venue in such court based on inconvenience. Debtor further agrees to accept service of process out of any of the aforesaid courts in any such dispute by notice provided in accordance with Section **4.1**, or service by any other means legally available. Nothing herein contained, however, shall prevent Payee from bringing any action or exercising any rights against (i) Debtor, or (ii) the assets of Debtor within any other state or jurisdiction.

4.4 WAIVER OF JURY TRIAL. DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OFANY PARTY HERETO.

4.5 Law Governing. This Note and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, without regard to its conflicts of law rules.

4.6 Attorneys' Fees. Notwithstanding any other provision herein, if any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

4.7 Binding Effect. This Note inures to the benefit of Payee and binds the Debtor and its heirs, successors and assigns.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed on the date first above written.

NU SKIN INTERNATIONAL, INC.

By: _____

(Print Name)

_____

(Title)

ENDORSEMENT

Pay to the order of [NAME OF MEMBER] ("Assignee"), that certain Promissory Note payable to Scrub Oak, LLC, a Utah limited liability company, dated December 30, 2010, in the original principal amount of $_____. Assignee is a member of Payee.

SCRUB OAK, LLC, a Utah limited liability company

By: _____
Brooke B. Roney, Manager

Date: December 30, 2010

EXHIBIT 9

AGREEMENT TO RECONVEY TRUST DEEDS

THIS AGREEMENT TO RECONVEY TRUST DEEDS ("**Agreement**") is made and entered into as of the 30th day of December, 2010 by and between **NU SKIN INTERNATIONAL, INC.**, a Utah corporation ("**Nu Skin**"), **SCRUB OAK, LLC**, a Utah limited liability company ("**Scrub Oak**"), and **ASPEN COUNTRY, LLC**, a Utah limited liability company ("**Aspen Country**"), and **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation ("**First American**"). Scrub Oak and Aspen Country are sometimes herein referred to as "**Sellers**."

RECITALS:

A. Concurrently with the execution of this Agreement, Nu Skin is closing (the "**Closing**") on its purchase of certain real properties (collectively, the "**Scrub Oak Property**") from Scrub Oak referenced in First American's Commitment for Title Insurance No. 320-5339366, dated October 5, 2010, with an Effective Date of December 2, 2010 (the "**Commitment**"). Nu Skin's purchase of certain real properties (collectively, the "**Aspen Property**") from Aspen Country, referenced in First American's Commitment, will also be closed at the Closing. The Scrub Oak Property and the Aspen Property are sometimes herein collectively referred to as the "**Property**."

B. In connection with Nu Skin's purchase of the Property, Nu Skin desires to receive an ALTA Owner's Policy of Title Insurance (the "**Policy**") in the form and content of the Pro Forma Policy of Title Insurance (the "**Pro Forma**") attached hereto as **Exhibit 9-1**.

C. The Commitment lists as Exceptions on Schedule B – Section 2 those certain four Trust Deeds identified and defined as the "**Trust Deeds**" in Section 3 below.

D. Sellers desire that First American reconvey the Trust Deed and commit to issue the Policy to Buyer with the Trust Deeds deleted from the exceptions on Schedule B – Part Two of the Policy and Nu Skin desires that First American provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds.

E. First American is willing to reconvey the Trust Deeds and will commit, subject to satisfaction of the other requirements (the "**Requirements**") set forth in Schedule B – Section 1 of the Commitment, to issue the Policy to Nu Skin with the Trust Deeds deleted from the Exceptions on Schedule B – Part Two of the Policy and to provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Nu Skin, Sellers, and First American hereby agree as follows:

1. **Recitals.** Recitals A through E set forth above are by this reference incorporated herein and made a part of this Agreement.

2. **Assignment and Reconveyance.** Through the escrow established with First American to close the purchase and sale transaction described in Recital A above, Nu Skin, Sellers, and First American shall accomplish the following:

(a) Nu Skin shall execute, acknowledge, and deliver to Aspen Country an Assignment of Nu Skin's beneficial interests, if any, in and to the Trust Deeds, in the form and content of the Assignment of Trust Deeds attached hereto as **Exhibit 9-2**.

(b) Aspen Country shall execute and deliver to First American a Request for Full Reconveyance with respect to each of the Trust Deeds.

(c) First American shall execute, acknowledge, and record in the office of the Utah County Recorder Deeds of Full Reconveyance for each of the Trust Deeds.

(d) Sellers will assign to Nu Skin, without warranty, all right, title and interest of Sellers (or their members or affiliates, if later requested by Nu Skin), in and to the following (the "**Exception 21 Instruments**":

(i) Notice and Memorandum of Assignment of Joint Development Agreement recorded October 11, 1990 as Entry No. 33800 of the official records of the Country Recorder for Utah County, State of Utah; and

(ii) Assignment recorded October 20, 1993 as entry No. 73903.

3. **First American Issuance of Policy.** In consideration of the certifications and covenants of Nu Skin and Sellers set forth in this Agreement and the premiums paid to First American for the Policy, upon satisfaction of the Requirements to issuance of the Policy, First American shall:

(a) Execute, acknowledge, and record in the office of the Utah County Recorder deeds of full reconveyance for each of the Trust Deeds as provided in Section 2(c) hereof.

(b) Issue and deliver the Policy to Nu Skin in the form and content of the Pro Forma providing, among other things, affirmative coverage against the Trust Deeds, the Exception 21 Instruments and all other instruments and agreements listed in Schedule B – Section 2 of the Commitment as Exception Nos. 14, 19, 21, 25, and 26. The following Trust Deeds are, for convenience, collectively referred to herein as the "**Trust Deeds**."

(i). Exception No. 14. Trust Deed, recorded on October 15, 1990 as Entry No. 33767, Book 2730, at Page 864, in the records of the County Recorder for Utah County, State of Utah.

(ii). Exception No. 19. Trust Deed, dated October 9, 1990 and recorded on October 11, 1990 as Entry No. 33762, Book 2730, at Page 835, in the records of the County Recorder for Utah County, State of Utah.

(iii). Exception No. 25. Trust Deed, dated January 27, 1995 and recorded on February 3, 1995 as Entry No. 7302, Book 3615, at Page 562, in the records of the County Recorder for Utah County, State of Utah.

(iv). Exception No. 26. Trust Deed, dated January 27, 1995 and recorded on February 3, 1995 as Entry No. 7303, Book 3615, at Page 567, in the records of the County Recorder for Utah County, State of Utah.

Further, in addition to removal of Exception Nos. 14, 19, 25, and 26 from Schedule B – Section 2 of the Policy issued to Nu Skin, First American shall issue the Policy to Nu Skin with an Endorsement in the form and content of **Exhibit 9-3** attached to this Agreement.

4. **Nu Skin Certification.** In consideration of the covenants and agreements of First American and Sellers set forth in this Agreement, Nu Skin hereby certifies to Sellers and First American that:

(a) Except for the Assignments of Trust Deeds made by Nu Skin to Aspen Country pursuant to Section 2 hereof, Nu Skin has not assigned or transferred any interest that it may have had, if any, in and to the Trust Deeds or the indebtedness secured by the Trust Deeds to a person or entity other than Sellers or any other entity the control or majority ownership of which is presently, or at the time of such assignment was, held by any member or group of members of Aspen Country or Scrub Oak; and

(b) In the event Nu Skin presently owns any of the beneficial interests in or to the Trust Deeds or owns the Promissory Notes secured by the Trust Deeds (collectively, the "**Notes**"), no amounts under the Notes or the Trust Deeds are presently owed to Nu Skin Enterprises, Inc. or any of its subsidiaries, including Nu Skin.

EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 4(A) AND 4(B) ABOVE, NO REPRESENTATION, WARRANTY, OR ASSURANCE IS MADE BY NU SKIN TO FIRST AMERICAN OR SELLERS. NU SKIN HEREBY DISCLAIMS ANY REPRESENTATION, WARRANTY, OR ASSURANCE, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUST DEEDS, THE NOTES (OR ANY OF THEM) OR THE ACTIONS TO BE TAKEN BY ANY OF THE PARTIES TO THIS AGREEMENT, EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 3(A) AND 3(B) ABOVE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NU SKIN DOES NOT CERTIFY TO SELLERS OR FIRST AMERICAN THAT IT HAS ANY INTEREST IN THE NOTES, THE TRUST DEEDS OR ANY OF THEM, NOR DOES NU SKIN CLAIM SUCH AN INTEREST.

5. **Nu Skin Indemnity.** Nu Skin hereby agrees to indemnify and hold harmless Aspen Country and First American from and against such liability, injury, and expense as may be incurred by Scrub Oak or First American which arise solely as a result of the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above being materially false and incorrect on the date hereof.

6. **Responsibility for Reconveyance.** Nu Skin shall have no responsibility or liability to Aspen Country or First American in connection with the reconveyance of the Trust Deeds except as expressly provided in Section 5 of this Agreement.

7. **Policy of Title Insurance.** First American's issuance of the Policy to Nu Skin is intended to cause First American to assume all risk of loss or injury arising from the Trust Deeds and their reconveyance pursuant to this Agreement, up to the Policy amount and subject to the provisions of the Policy (but not subject to Exclusions in Section 3 of the Policy) and subject to First American's rights against Nu Skin and Sellers, if any, pursuant to the provisions of this Agreement. In the event that the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above are materially false and incorrect on the date hereof, the liability of Nu Skin to First American, if any, pursuant to Section 5 of this Agreement shall not constitute or be asserted by First American as a defense against claims by Nu Skin for defense or payment under the Policy, nor will such liability of Nu Skin under this Agreement diminish the rights of Nu Skin to defense and recovery under the Policy, provided that First American shall have the right after a final determination (beyond any appeal rights) by a court of competent jurisdiction of the liability of Nu Skin under Section 5 hereof, to set off the amounts determined by such court to be owed by Nu Skin to First American under this Agreement, if any, against the amounts owed to Nu Skin under the Policy, if any, on a dollar for dollar basis.

8. **Limited Rights Under Agreement.** First American and Sellers shall not be entitled to rely upon this Agreement, the certifications, or indemnifications set forth herein for any purpose except with respect to their actions to: (a) reconvey the Trust Deeds in connection with the Closing on the sale of the Property to Nu Skin; and (b) First American's issuance to Nu Skin of the Policy, including endorsements to the Policy. Without limiting the generality of the foregoing limitations on First American, First American shall not have the right to rely upon this Agreement for any of the certifications or indemnifications set forth herein in connection with the issuance of any policy or report other than the Policy. This Agreement, nor any rights hereunder, may not be assigned or transferred by any party hereto.

9. **No Third Party Beneficiary.** This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

10. **Interpretation.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah. The section headings contained in this Agreement are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Time is of the essence. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against, including without limitation the drafting party, any of the parties.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

12. **No Recording.** Neither this Agreement nor any notice of this Agreement shall be recorded in any public office without the prior written consent of all parties hereto.

[Signatures on following page]

IN WINESS WHEREOF, Nu Skin, Sellers, and First American have executed this Affidavit and Limited Scope Indemnity as of the 30th day of December, 2010.

NU SKIN:

NU SKIN INTERNATIONAL, INC.,
a Utah corporation,

By _____
D. Matthew Dorny
Vice President

SCRUB OAK:

SCRUB OAK, LLC, a Utah limited liability company,

By _____
Brooke B. Roney
Manager

FIRST AMERICAN:

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation,

By _____
Its _____
Manager

ASPEN COUNTRY:

ASPEN COUNTRY, LLC, a Utah limited liability company,

By _____
Brooke B. Roney

EXHIBIT 9-1

PRO FORMA POLICY

EXHIBIT 9-2

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

WHEN RECORDED, MAIL TO:

Steven L. Ingleby, Esq.
Callister Nebeker & McCullough
10 E. South Temple, Suite 900
Salt Lake City, UT 84133

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

NU SKIN INTERNATIONAL, INC., a Utah corporation ("**Nu Skin**"), hereby assigns, without representation or warranty of any interest therein, to ASPEN COUNTRY, LLC, a Utah limited liability company ("**Assignee**"), whatever interest Nu Skin may have, if any, in and to the beneficial interest under that certain Trust Deed (the "**Trust Deed**"), recorded on _____ as Entry No. _____, Book _____, at Page _____, in the records of the County Recorder for Utah County, State of Utah, and the Promissory Note (the "**Note**") in the original principal amount of $_____ secured thereby.

This Assignment of Trust Deed is made pursuant to and in accordance with the terms of that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Assignee, as Seller, dated as of December 30, 2010. NU SKIN EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE NOTE OR THE BENEFICIAL INTEREST UNDER THE TRUST DEED, OR OF ANY OTHER OBLIGATIONS (IF ANY) SECURED BY THE TRUST DEED, AND NU SKIN SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO ASSIGNEE OR ANY OTHER PERSON UNDER THIS ASSIGNMENT OF TRUST DEED IF NU SKIN HAS NO INTEREST IN OR TO THE NOTE OR THE TRUST DEED, OR OTHER OBLIGATIONS (IF ANY) SECURED THEREBY. This Assignment of Trust Deed and the Trust Deed relate to that certain tract of real property situated in Utah County, Utah, described in **Exhibit 9-2A** attached hereto.

DATED this 30th day of December, 2010.

NU SKIN INTERNATIONAL, INC., a Utah corporation

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010 by _____, the _____ of Nu Skin International, Inc., a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT 9-2A

DESCRIPTION OF THE PROPERTY

PARCEL A:

COMMENCING at the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 396.00 feet, more or less, to the Northwest corner of said Block 66; thence East 110.00 feet; thence South 396.00 feet, more or less to a point due East of the point of beginning; thence West 110.00 feet to the point of BEGINNING.

PARCEL B:

COMMENCING at a point 110.00 feet East of the Northwest corner of Block 66, Plat "A", Provo city Survey of Building Lots, and running thence East 60.00 feet; thence South 233.00 feet; thence West 60.00 feet; thence North 233.00 feet to the point of BEGINNING.

CHURCH PARCEL:

COMMENCING at a point South 89°38'45" East 110.00 feet from the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 00°18'34" East 165.675 feet; thence South 89°39'01" East 15.00 feet; thence South 00°18'34" West 165.74 feet; thence North 89°38'52" West 15.00 feet to the point of beginning.

EXHIBIT 9-3

ENDORSEMENT TO POLICY

Notwithstanding the provisions of Exclusions From Coverage in Paragraph 3(a) and 3(b), Company hereby insures insured against loss or damage by reason of the reconveyance by Company, the enforcement or attempted enforcement by any person of the Trust Deeds, the Exception 21 Instruments and other instruments and agreements described below:

[Reprint here all instruments shown in exception numbers 14, 19, 21, 25 and 26 of the Title Commitment]

EXHIBIT 10

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

WHEN RECORDED, MAIL TO:

Steven L. Ingleby, Esq.
Callister Nebeker & McCullough
10 E. South Temple, Suite 900
Salt Lake City, UT 84133

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

NU SKIN INTERNATIONAL, INC., a Utah corporation ("**Nu Skin**"), hereby assigns, without representation or warranty of any interest therein, to SCRUB OAK, LLC, a Utah limited liability company ("**Assignee**"), whatever interest Nu Skin may have, if any, in and to the beneficial interest under that certain Trust Deed (the "**Trust Deed**"), recorded on _____ as Entry No. _____, Book _____, at Page _____, in the records of the County Recorder for Utah County, State of Utah, and the Promissory Note (the "**Note**") in the original principal amount of $_____ secured thereby.

This Assignment of Trust Deed is made pursuant to and in accordance with the terms of that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Assignee, as Seller, dated as of December 30, 2010. NU SKIN EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE NOTE OR THE BENEFICIAL INTEREST UNDER THE TRUST DEED, OR OF ANY OTHER OBLIGATIONS (IF ANY) SECURED BY THE TRUST DEED, AND NU SKIN SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO ASSIGNEE OR ANY OTHER PERSON UNDER THIS ASSIGNMENT OF TRUST DEED IF NU SKIN HAS NO INTEREST IN OR TO THE NOTE OR THE TRUST DEED, OR OTHER OBLIGATIONS (IF ANY) SECURED THEREBY. This Assignment of Trust Deed and the Trust Deed relate to that certain tract of real property situated in Utah County, Utah, described in **Exhibit 10-A** attached hereto.

DATED this 30th day of December, 2010.

NU SKIN INTERNATIONAL, INC., a Utah corporation

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010 by _____, the _____ of Nu Skin International, Inc., a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT 10-A

DESCRIPTION OF THE PROPERTY

PARCEL A:

COMMENCING at the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 396.00 feet, more or less, to the Northwest corner of said Block 66; thence East 110.00 feet; thence South 396.00 feet, more or less to a point due East of the point of beginning; thence West 110.00 feet to the point of BEGINNING.

PARCEL B:

COMMENCING at a point 110.00 feet East of the Northwest corner of Block 66, Plat "A", Provo city Survey of Building Lots, and running thence East 60.00 feet; thence South 233.00 feet; thence West 60.00 feet; thence North 233.00 feet to the point of BEGINNING.

CHURCH PARCEL:

COMMENCING at a point South 89°38'45" East 110.00 feet from the Southwest corner of Block 66, Plat "A", Provo City Survey of Building Lots, and running thence North 00°18'34" East 165.675 feet; thence South 89°39'01" East 15.00 feet; thence South 00°18'34" West 165.74 feet; thence North 89°38'52" West 15.00 feet to the point of beginning.

EXHIBIT 11

AFFIRMATIVE COVERAGE ENDORSEMENT TO TITLE POLICY

Notwithstanding the provisions of Exclusions From Coverage in Paragraph 3(a) and 3(b), Company hereby insures insured against loss or damage by reason of the reconveyance by Company, the enforcement or attempted enforcement by any person of the Trust Deeds and other instruments and agreements described below:

[Reprint here all instruments shown in exception numbers 14, 19, 25 and 26 of the Title Commitment]

SCHEDULE #1

ALLOCATION OF PURCHASE PRICE

Allocation of Purchase Price	Discounted Amount	
Kress Building:	$2,773,424.19	$ -0-
High Rise:	$19,320,272.57	$1,000,000.00

AGREEMENT TO RECONVEY TRUST DEEDS

THIS AGREEMENT TO RECONVEY TRUST DEEDS ("Agreement") is made and entered into as of the 30th day of December, 2010 by and between NU SKIN INTERNATIONAL, INC., a Utah corporation ("Nu Skin"), SCRUB OAK, LLC, a Utah limited liability company ("Scrub Oak"), and ASPEN COUNTRY, LLC, a Utah limited liability company ("Aspen Country"), and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation ("First American"). Scrub Oak and Aspen Country are sometimes herein referred to as "Sellers."

RECITALS:

A. Concurrently with the execution of this Agreement, Nu Skin is closing (the "Closing") on its purchase of certain real properties (collectively, the "Scrub Oak Property") from Scrub Oak referenced in First American's Commitment for Title Insurance No. 320-5339366, dated October 5, 2010, with an Effective Date of December 2, 2010 (the "Commitment"). Nu Skin's purchase of certain real properties (collectively, the "Aspen Property") from Aspen Country, referenced in First American's Commitment, will also be closed at the Closing. The Scrub Oak Property and the Aspen Property are sometimes herein collectively referred to as the "Property."

B. In connection with Nu Skin's purchase of the Property, Nu Skin desires to receive an ALTA Owner's Policy of Title Insurance (the "Policy") in the form and content of the Pro Forma Policy of Title Insurance (the "Pro Forma") attached hereto as Exhibit A.

C. The Commitment lists as Exceptions on Schedule B – Section 2 those certain four Trust Deeds identified and defined as the "Trust Deeds" in Section 3 below.

D. Sellers desire that First American reconvey the Trust Deed and commit to issue the Policy to Buyer with the Trust Deeds deleted from the exceptions on Schedule B – Part Two of the Policy and Nu Skin desires that First American provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds.

E. First American is willing to reconvey the Trust Deeds and will commit, subject to satisfaction of the other requirements (the "Requirements") set forth in Schedule B – Section 1 of the Commitment, to issue the Policy to Nu Skin with the Trust Deeds deleted from the Exceptions on Schedule B – Part Two of the Policy and to provide Buyer, by endorsement to the Policy, affirmative coverage against injury or loss arising by reason of the Trust Deeds on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Nu Skin, Sellers, and First American hereby agree as follows:

1. Recitals. Recitals A through E set forth above are by this reference incorporated herein and made a part of this Agreement.

2. Assignment and Reconveyance. Through the escrow established with First American to close the purchase and sale transaction described in Recital A above, Nu Skin, Sellers, and First American shall accomplish the following:

(a) Nu Skin shall execute, acknowledge, and deliver to Aspen Country an Assignment of Nu Skin's beneficial interests, if any, in and to the Trust Deeds, in the form and content of the Assignment of Trust Deeds attached hereto as Exhibit B.

(b) Aspen Country shall execute and deliver to First American a Request for Full Reconveyance with respect to each of the Trust Deeds.

(c) First American shall execute, acknowledge, and record in the office of the Utah County Recorder Deeds of Full Reconveyance for each of the Trust Deeds.

(d) Sellers will assign to Nu Skin, without warranty, all right, title and interest of Sellers (or their members or affiliates, if later requested by Nu Skin), in and to the following (the "Exception 21 Instruments):

(i) Notice and Memorandum of Assignment of Joint Development Agreement recorded October 11, 1990 as Entry No. 33800 of the official records of the Country Recorder for Utah County, State of Utah; and

(ii) Assignment recorded October 20, 1993 as entry No. 73903.

3. First American Issuance of Policy. In consideration of the certifications and covenants of Nu Skin and Sellers set forth in this Agreement and the premiums paid to First American for the Policy, upon satisfaction of the Requirements to issuance of the Policy, First American shall:

(a) Execute, acknowledge, and record in the office of the Utah County Recorder deeds of full reconveyance for each of the Trust Deeds as provided in Section 2(c) hereof.

(b) Issue and deliver the Policy to Nu Skin in the form and content of the Pro Forma providing, among other things, affirmative coverage against the Trust Deeds, the Exception 21 Instruments and all other instruments and agreements listed in Schedule B – Section 2 of the Commitment as Exception Nos. 14, 19, 21, 25, and 26. The following Trust Deeds are, for convenience, collectively referred to herein as the "Trust Deeds."

(i) Exception No. 14. Trust Deed, dated October 9, 1990, securing original indebtedness of $5,800,000.00, recorded on October 11, 1990 as Entry No. 33762, Book 2730, at Page 835, in the records of the County Recorder for Utah County, State of Utah.

(ii) Exception No. 19. Trust Deed, dated October 9, 1990, securing an original indebtedness in the amount of $5,000,000.00, recorded on October 11, 1990 as Entry No. 33767, Book 2730, at Page 864, in the records of the County Recorder for Utah County, State of Utah.

(iii) Exception No. 25. Trust Deed, dated January 27, 1995, securing an original indebtedness in the amount of $7,364,529.00, recorded on February 3, 1995 as Entry No. 7302, Book 3615, at Page 562, in the records of the County Recorder for Utah County, State of Utah.

(iv) Exception No. 26. Trust Deed, dated January 27, 1995, securing an original indebtedness in the amount of $5,287,238.51, recorded on February 3, 1995 as Entry No. 7303, Book 3615, at Page 567, in the records of the County Recorder for Utah County, State of Utah.

Further, in addition to removal of Exception Nos. 14, 19, 21, 25, and 26 from Schedule B – Section 2 of the Policy issued to Nu Skin, First American shall issue the Policy to Nu Skin with an Endorsement in the form and content of Exhibit C attached to this Agreement.

4. Nu Skin Certification. In consideration of the covenants and agreements of First American and Sellers set forth in this Agreement, Nu Skin hereby certifies to Sellers and First American that:

(a) Except for the Assignments of Trust Deeds made by Nu Skin to Aspen Country pursuant to Section 2 hereof, Nu Skin has not assigned or transferred any interest that it may have had, if any, in and to the Trust Deeds or the indebtedness secured by the Trust Deeds to a person or entity other than Sellers or any other entity the control or majority ownership of which is presently, or at the time of such assignment was, held by any member or group of members of Aspen Country or Scrub Oak; and

(b) In the event Nu Skin presently owns any of the beneficial interests in or to the Trust Deeds or owns the Promissory Notes secured by the Trust Deeds (collectively, the "Notes"), no amounts under the Notes or the Trust Deeds are presently owed to Nu Skin Enterprises, Inc. or any of its subsidiaries, including Nu Skin.

EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 4(A) AND 4(B) ABOVE, NO REPRESENTATION, WARRANTY, OR ASSURANCE IS MADE BY NU SKIN TO FIRST AMERICAN OR SELLERS. NU SKIN HEREBY DISCLAIMS ANY REPRESENTATION, WARRANTY, OR ASSURANCE, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUST DEEDS, THE NOTES (OR ANY OF THEM) OR THE ACTIONS TO BE TAKEN BY ANY OF THE PARTIES TO THIS AGREEMENT, EXCEPT AS EXPRESSLY SET FORTH IN PARAGRAPHS 3(A) AND 3(B) ABOVE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NU SKIN DOES NOT CERTIFY TO SELLERS OR FIRST AMERICAN THAT IT HAS ANY INTEREST IN THE NOTES, THE TRUST DEEDS OR ANY OF THEM, NOR DOES NU SKIN CLAIM SUCH AN INTEREST.

5. Nu Skin Indemnity. Nu Skin hereby agrees to indemnify and hold harmless Aspen Country and First American from and against such liability, injury, and expense as may be incurred by Scrub Oak or First American which arise solely as a result of the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above being materially false and incorrect on the date hereof.

6. Responsibility for Reconveyance. Nu Skin shall have no responsibility or liability to Aspen Country or First American in connection with the reconveyance of the Trust Deeds except as expressly provided in Section 5 of this Agreement.

7. Policy of Title Insurance. First American's issuance of the Policy to Nu Skin is intended to cause First American to assume all risk of loss or injury arising from the Trust Deeds and their reconveyance pursuant to this Agreement, up to the Policy amount and subject to the provisions of the Policy (but not subject to Exclusions in Section 3 of the Policy) and subject to First American's rights against Nu Skin and Sellers, if any, pursuant to the provisions of this Agreement. In the event that the representations and warranties of Nu Skin set forth in paragraphs 4(a) and 4(b) above are materially false and incorrect on the date hereof, the liability of Nu Skin to First American, if any, pursuant to Section 5 of this Agreement shall not constitute or be asserted by First American as a defense against claims by Nu Skin for defense or payment under the Policy, nor will such liability of Nu Skin under this Agreement diminish the rights of Nu Skin to defense and recovery under the Policy, provided that First American shall have the right after a final determination (beyond any appeal rights) by a court of competent jurisdiction of the liability of Nu Skin under Section 5 hereof, to set off the amounts determined by such court to be owed by Nu Skin to First American under this Agreement, if any, against the amounts owed to Nu Skin under the Policy, if any, on a dollar for dollar basis.

8. Limited Rights Under Agreement. First American and Sellers shall not be entitled to rely upon this Agreement, the certifications, or indemnifications set forth herein for any purpose except with respect to their actions to: (a) reconvey the Trust Deeds in connection with the Closing on the sale of the Property to Nu Skin; and (b) First American's issuance to Nu Skin of the Policy, including endorsements to the Policy. Without limiting the generality of the foregoing limitations on First American, First American shall not have the right to rely upon this Agreement for any of the certifications or indemnifications set forth herein in connection with the issuance of any policy or report other than the Policy. This Agreement, nor any rights hereunder, may not be assigned or transferred by any party hereto.

9. No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

10. Interpretation. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah. The section headings contained in this Agreement are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. Time is of the essence. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against, including without limitation the drafting party, any of the parties.

11. Counterparts. This Agreement may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

12. No Recording. Neither this Agreement nor any notice of this Agreement shall be recorded in any public office without the prior written consent of all parties hereto.

[Signatures on following page]

IN WINESS WHEREOF, Nu Skin, Sellers, and First American have executed this Affidavit and Limited Scope Indemnity as of the 30th day of December, 2010.

NU SKIN:

NU SKIN INTERNATIONAL, INC.,
a Utah corporation,

By _____
D. Matthew Dorny
Vice President

SCRUB OAK:

SCRUB OAK, LLC, a Utah limited liability company,

By _____
Brooke B. Roney
Manager

FIRST AMERICAN:

FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation,

By _____
Its _____
Manager

ASPEN COUNTRY:

ASPEN COUNTRY, LLC, a Utah limited liability company,

By _____
Brooke B. Roney

EXHIBIT A

PRO FORMA POLICY

EXHIBIT B

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

WHEN RECORDED, MAIL TO:

Steven L. Ingleby, Esq.
Callister Nebeker & McCullough
10 E. South Temple, Suite 900
Salt Lake City, UT 84133

ASSIGNMENT OF TRUST DEED
(WITHOUT WARRANTY)

NU SKIN INTERNATIONAL, INC., a Utah corporation ("Nu Skin"), hereby assigns, without representation or warranty of any interest therein, to ASPEN COUNTRY, LLC, a Utah limited liability company ("Assignee"), whatever interest Nu Skin may have, if any, in and to the beneficial interest under that certain Trust Deed (the "Trust Deed"), recorded on _____ as Entry No. _____, Book _____, at Page _____, in the records of the County Recorder for Utah County, State of Utah, and the Promissory Note (the "Note") in the original principal amount of $_____ secured thereby.

This Assignment of Trust Deed is made pursuant to and in accordance with the terms of that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Assignee, as Seller, dated as of December 30, 2010. NU SKIN EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE NOTE OR THE BENEFICIAL INTEREST UNDER THE TRUST DEED, OR OF ANY OTHER OBLIGATIONS (IF ANY) SECURED BY THE TRUST DEED, AND NU SKIN SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO ASSIGNEE OR ANY OTHER PERSON UNDER THIS ASSIGNMENT OF TRUST DEED IF NU SKIN HAS NO INTEREST IN OR TO THE NOTE OR THE TRUST DEED, OR OTHER OBLIGATIONS (IF ANY) SECURED THEREBY. This Assignment of Trust Deed and the Trust Deed relate to that certain tract of real property situated in Utah County, Utah, described in Exhibit B-1 attached hereto.

DATED this 30th day of December, 2010.

NU SKIN INTERNATIONAL, INC., a Utah corporation

By _____
Its _____

STATE OF UTAH)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of December, 2010 by _____, the _____ of Nu Skin International, Inc., a Utah corporation.

_____
NOTARY PUBLIC

EXHIBIT B-1

DESCRIPTION OF THE PROPERTY

PARCEL A:

COMMENCING at the Southwest corner of Block 66, Plat “A”, Provo City Survey of Building Lots, and running thence North 396.00 feet, more or less, to the Northwest corner of said Block 66; thence East 110.00 feet; thence South 396.00 feet, more or less to a point due East of the point of beginning; thence West 110.00 feet to the point of BEGINNING.

PARCEL B:

COMMENCING at a point 110.00 feet East of the Northwest corner of Block 66, Plat “A”, Provo city Survey of Building Lots, and running thence East 60.00 feet; thence South 233.00 feet; thence West 60.00 feet; thence North 233.00 feet to the point of BEGINNING.

CHURCH PARCEL:

COMMENCING at a point South 89°38’45” East 110.00 feet from the Southwest corner of Block 66, Plat “A”, Provo City Survey of Building Lots, and running thence North 00°18’34” East 165.675 feet; thence South 89°39’01” East 15.00 feet; thence South 00°18’34” West 165.74 feet; thence North 89°38’52” West 15.00 feet to the point of beginning.

EXHIBIT C

ENDORSEMENT TO POLICY

Notwithstanding the provisions of Exclusions From Coverage in Paragraph 3(a) and 3(b), Company hereby insures insured against loss or damage by reason of the reconveyance by Company, the enforcement or attempted enforcement by any person of the Trust Deeds, the Exception 21 Instruments and other instruments and agreements described below:

[Reprint here all instruments shown in exception numbers 14, 19, 21, 25 and 26 of the Title Commitment]

ASSIGNMENT OF
JOINT DEVELOPMENT AGREEMENT

THIS ASSIGNMENT OF JOINT DEVELOPMENT AGREEMENT ("Assignment") is made and entered into as of the 30th day of December, 2010 ("Effective Date") by and between NU SKIN INTERNATIONAL, INC., a Utah corporation ("Nu Skin"), ASPEN COUNTRY, LLC, a Utah limited liability company ("Aspen"), and SCRUB OAK, LLC, a Utah limited liability company ("Scrub Oak"). (Aspen and Scrub Oak are sometimes collectively referred to as "Assignors.")

RECITALS:

A. Provo City Redevelopment Agency, the City of Provo, Utah, and Boyer Center Street Ltd. ("Boyer") entered into that certain Joint Development Agreement dated on or about June 16, 1990 (the "Joint Development Agreement") relating to the development of that certain tract of real property located at 105 West Center Street, Provo, Utah County, Utah (the "Property") and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

B. Boyer assigned its interest (the "Beneficial Interest") in the Joint Development Agreement to Valley Bank and Trust Company ("Valley") as security for a loan made by Valley to Boyer, which assignment (the "Valley Assignment") is referred to in that certain Notice and Memorandum of Assignment of Joint Development Agreement dated October 9, 1990 by and between Boyer and Valley recorded October 11, 1990 as Entry No. 33800.

C. Bank One, Utah, National Association, as successor to Valley, assigned its interest in the Valley Assignment and the Joint Development Agreement to Nu Skin pursuant to that certain Assignment recorded in the official records of Utah County, Utah on October 20, 1993 as Entry No. 73903 (the "Bank One Assignment").

D. On the Effective Date, Scrub Oak sold the Property to Nu Skin pursuant to that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Scrub Oak, as Seller, dated as of the Effective Date and Aspen sold adjacent and related properties to Nu Skin pursuant to that certain Real Estate Purchase and Sale Agreement between Nu Skin, as Buyer, and Aspen, as Seller, dated as of the Effective Date, both of which transactions closed concurrently and each such closing was conditioned on the concurrent closing of the transaction.

NOW, THEREFORE, in consideration of the covenants and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Nu Skin and Assignors hereby agree as follows:

1. Assignment of Joint Development Agreement. As of the Effective Date, Assignors hereby assign to Nu Skin, whatever interest Assignors may have, if any, in and to the Beneficial Interest, the Valley Assignment, the Bank One Assignment, and the Joint Development Agreement, and amounts payable thereunder, if any. EXCEPT AS SET FORTH IN SECTION 2 HEREOF, ASSIGNORS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE OWNERSHIP OF THE JOINT DEVELOPMENT AGREEMENT, THE BENEFICIAL INTEREST, THE VALLEY ASSIGNMENT, OR THE BANK ONE ASSIGNMENT, OR ANY OBLIGATION (IF ANY) SECURED BY THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT. EXCEPT FOR OBLIGATIONS, IF ANY ARISING FROM A BREACH OF ASSIGNORS' WARRANTY IN SECTION 2 HEREOF, ASSSIGNORS SHALL HAVE NO OBLIGATION OR RESPONSIBILITY TO NU SKIN OR ANY OTHER PERSON UNDER THIS ASSIGNMENT IF ASSIGNORS HAVE NO INTEREST IN OR TO THE JOINT DEVELOPMENT AGREEMENT, THE BENEFICIAL INTEREST, THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT, OR ANY OBLIGATION (IF ANY) SECURED BY THE VALLEY ASSIGNMENT OR THE BANK ONE ASSIGNMENT.

2. Assignors' Warranty. Assignors represent and warrant to Nu Skin that none of the Assignors have assigned any interest in the Beneficial Interest, the Valley Assignment, the Bank One Assignment, the Joint Development Agreement or any amounts payable thereunder to any person or entity other than to Nu Skin or to the other Assignors.

3. Title to Property. Nu Skin hereby agrees to accept title to the Property subject to the Valley Assignment, the Bank One Assignment, and the Joint Development Agreement if and to the extent they have any effect upon the Property.

4. Counterparts. This Assignment may be executed in any number of counterparts, and each of such counterparts shall, for all purposes, be deemed to be an original, and all such counterparts shall together constitute one in the same instrument.

5. Recording. Neither this Assignment nor any notice of this Assignment shall be recorded in the office of the Utah County Recorder without the prior written consent of Nu Skin to such recording.

[Signatures on following page]

DATED the day and year first above written.

NU SKIN: SCRUB OAK:

NU SKIN INTERNATIONAL, INC., a Utah corporation,

By _____
D. Matthew Dorny
Vice President

SCRUB OAK, LLC, a Utah limited liability company,

By _____
Brooke B. Roney
Manager

ASPEN:
ASPEN COUNTRY, LLC, a Utah limited liability company

By _____
Brooke B. Roney
Manager

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Scrub Oak, LLC, the limited liability company therein named, and acknowledged to me that such limited liability company executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Brooke B. Roney, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Manager, on behalf of Aspen Country, LLC, the limited liability company therein named, and acknowledged to me that such limited liability company executed the within instrument pursuant to its operating agreement or a resolution of its members.

WITNESS my hand and official seal.

Signature _____

STATE OF UTAH)
) ss.
COUNTY OF _____)

On February ____, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared D. Matthew Dorny, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President, on behalf of Nu Skin International, Inc., the Utah corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its shareholders.

WITNESS my hand and official seal.

Signature _____

EXHIBIT “A”

LEGAL DESCRIPTION

BEGINNING AT THE NORTHEAST CORNER OF BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE WEST 71 FEET; THENCE SOUTH 106 FEET; THENCE EAST 71 FEET; THENCE NORTH 106 FEET TO THE PLACE OF BEGINNING.

ALSO BEGINNING 106 FEET SOUTH FROM THE NORTHEAST CORNER OF BLOCK 65, PLAT "A", PROVO CITY SURVEY OF BUILDING LOTS; THENCE SOUTH 93.54 FEET TO THE SOUTH LINE OF LOT 7 OF SAID BLOCK 65; THENCE WEST 144 FEET; THENCE NORTH 93.54 FEET; THENCE EAST 144 FEET TO THE PLACE OF BEGINNING.

ESCROW GENERAL PROVISIONS

This agreement governs the duties and obligations between First American Title Insurance Company (hereinafter "Escrow Agent") and the undersigned signatories, who are parties to the following transaction.

Order No.: 320-5339366

Buyer: Nu Skin International, Inc. (“Buyer”)
Seller: Scrub Oak, LLC and Aspen Country, LLC (“Sellers”)

The parties understand and acknowledge:

1. Escrow Agent's Role
Subject to the terms of this Agreement, Escrow Agent has acted as escrow agent in closing the transaction described above for Sellers and Buyer (collectively, the “parties” and individually a “party”), which transaction closed December 30, 2010. Prior to consummation of the closing, Escrow Agent was not the agent of any single party. Rather, Escrow Agent agreed to prepare documents, secure the execution of documents, record documents, disburse funds, and otherwise close the transaction in accordance with the joint directions of the parties. After the closing, Escrow Agent has agreed to hold the Promissory Notes signed and delivered by Seller at Closing as agent for the named “Payee” and the endorsees of the Payee. Escrow Agent will promptly notify Buyer if any Payee or person to whom Payee has transferred one or more of the Promissory Notes requests delivery of any of the Promissory Notes from Escrow Agent. In particular, Escrow Agent does not give and has no duty to give legal advice to the parties.

2. Parties' Role
The parties authorize Escrow Agent to close the transaction, record documents, disburse funds, and otherwise act in accordance with the written Settlement Statement and the oral directives given to Escrow Agent by all of the parties or their representatives at the closing. The parties agree that Escrow Agent is entitled to act on the direction of the attorneys, officers or managers of Buyer and Sellers. If any party wishes to limit the authority of the attorneys, officers or managers who have dealt on their behalf with Escrow Agent, any such limitation must be contained in a writing that is delivered to Escrow Agent. The parties agree that they are not looking to Escrow Agent for legal advice, and that they have had an opportunity to obtain such advice from persons other than those affiliated with Escrow Agent.

3. Closing Documents
The parties have been given an opportunity to review all documents at closing and to seek independent advice or counsel concerning those documents, if desired. The parties agree that the only representations of Escrow Agent upon which they are entitled to rely or act are those that are in writing and executed by Escrow Agent and that the parties are not entitled to act or rely on conflicting written terms or directions given to Escrow Agent prior to closing. The parties' execution and delivery of documents at closing together with the oral directives of Seller and Buyer, through their officers, managers and attorneys, shall, as between Escrow Agent and the parties, constitute the parties' directions to Escrow Agent whether or not Escrow Agent is a party to the documents. The terms of this paragraph shall not affect the parties' rights between themselves.

4. Compliance
[Intentionally omitted.]

5. Deposit of Funds & Disbursements
Escrow Agent shall place all funds received in escrow into a federally insured depository account specifically designated as a trust account. Any funds deposited in an amount that exceeds $250,000.00 may not qualify for FDIC insurance. Escrow Agent may maintain a general trust account and individual accounts for specific escrows, subject to any specific terms and conditions of any written agreement between Buyer, Seller, and Escrow Agent. Absent specific written direction from both Seller and Buyer, Escrow Agent shall, as agent for Buyer and Seller, determine the identity of the depository institution. Escrow Agent shall not be responsible for any loss of funds occurring as a result of failure of the institution in which funds have been deposited, so long as Escrow Agent complies with the foregoing provisions relating to the type of depository institutions and accounts to be used. Except for excess funds deposited by Buyer in connection with the closing, earnings on funds held in Escrow Agent's escrow trust account shall be owned by and periodically disbursed to Escrow Agent as additional consideration for services actually performed by Escrow Agent. Funds may be paid from trust accounts only in accordance with the terms and conditions of Buyer’s and Seller’s instructions to Escrow Agent, which include the terms and conditions of this agreement.

The parties agree to pay compensation to Escrow Agent for the administration, monitoring, accounting, reminders and other notifications and processing of the dormant funds in accordance with this agreement and as set forth on the Settlement Statements signed by the parties. In the event that Escrow Agent initiates or is joined as a party to any litigation relating to this escrow, provided that such action and the responsive pleadings of the parties makes no allegation of error, breach of obligations or other wrongdoing by Escrow Agent, the non-prevailing party of Buyer and Seller in such action shall reimburse Escrow Agent for its reasonable costs and expenses, including reasonable attorney's fees, incurred by Escrow Agent in such litigation. If there is an allegation of error, breach of obligations or other wrongdoing by Escrow Agent, the prevailing party or parties (including Escrow Agent) shall have the right to recover from the non-prevailing parties (including Escrow Agent) the reasonable costs and expenses, including reasonable attorney's fees, incurred by the prevailing parties in such litigation.

Seller(s) Initials: ____ ____ Buyer(s) Initials: ____ ____

6. Disclosure of Possible Benefits to Escrow Agent
As a result of Escrow Agent maintaining its general escrow accounts with the depositories, Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Agent and Escrow Agent shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

7. Miscellaneous Fees
The Settlement Statement may prescribe that certain release or reconveyance fees are payable to Escrow Agent. These fees are payable to Escrow Agent to compensate it for facilitating and arranging for the reconveyance or release of the encumbrance in question and are payable in the amounts indicated irrespective of whether additional reconveyance fees or charges may have been paid or are payable to any other party and irrespective of any limitation on reconveyance or release fees that may be prescribed. Escrow Agent may incur certain additional costs on behalf of the parties for services performed by third party providers, including recording. The fees charged by Escrow Agent on the Settlement Statement for such services may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Agent for such services.

8. Prorations & Adjustments
The term "close of escrow" means the date on which documents are submitted to the County Recorder for recording, regardless of the date when such documents are actually processed and recorded by the Country Recorder. All prorations and/or adjustments shall be made as of the close of escrow based on a 365-day year, unless otherwise instructed in writing.

9. Contingency Periods
Escrow Agent shall not be responsible for monitoring contingency time periods between the parties.

10. Reports
As an accommodation, Escrow Agent may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Agent shall deliver copies of any such reports as directed. Escrow Agent is not responsible for reviewing such reports or advising the parties of the content of same.

11. Information from Affiliated Companies
[Intentionally omitted.]

12. Commitment for Title Insurance; Recordation of Documents
The undersigned Buyer and Seller hereby acknowledge receipt of a copy of, and an opportunity to review, Commitment for Title Insurance No. 320-5339366, Amendment No. 4, dated October 5, 2010, with an Effective Date of December 16, 2010 (the "Commitment") and a Pro Forma Policy of Title Insurance provided to Buyer on January __, 2011 (the “Pro Forma”) obtained through Escrow Agent in contemplation of the above transaction, and authorizes the title insurer to issue the policy of title insurance (with endorsements, as submitted an approved post-closing) as depicted in the Pro Forma, which policy shall contain the following exceptions from coverage as shown on the Pro Forma. The undersigned Buyer and Seller affirm that the legal description appearing in the Pro Forma is satisfactory. Upon closing, Escrow Agent will issue a Policy of Title Insurance to Buyer in the form and content of the Pro Forma.

13 Personal Property Taxes
No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

14 Real Property Taxes
The undersigned Buyer and Seller do hereby understand and agree that the proration for general property taxes as provided in the closing statements, was calculated as indicated below. Accordingly, the Buyer(s) and Seller(s) do hereby hold Escrow Agent free and harmless from any liability or damages caused by an inaccurate proration for general property taxes assessed for the current year if information is unavailable.

_____Taxes have been prorated based upon the tax amount for the year, in the amount of $ and are to be readjusted by and between the parties hereto when the present year’s tax notice is available.

_____Taxes have been prorates based upon an estimate for the current year and are to be readjusted by and between the parties hereto when the present year’s tax notice is available.

_____Taxes have not been prorated through Escrow and are to be adjusted by and between the parties outside of closing.

X Taxes for 2010 and prior years have been paid, which is considered a FINAL settlement between Buyer and Seller.

It is further understood by and between the parties hereto that, based upon the proration listed above, nothing has been paid to the County Treasurer or retained in any way in the Escrow Account, and when the General Property Taxes become due and payable, it is the responsibility of the parties to insure payment of same.

15 Utilities and Water Rights
Escrow Agent shall not be responsible for the transfer of utilities. Escrow Agent shall not be responsible for the transfer of water rights or shares unless specifically instructed by the parties.

16 Cancellation of Escrow
[Intentionally omitted.]

17 Conflicting Instructions & Disputes
If Escrow Agent becomes aware of any conflicting demands or claims concerning this escrow, Escrow Agent shall have the right to discontinue all further acts on Escrow Agent's part until the conflict is resolved to Escrow Agent's reasonable satisfaction. Escrow Agent has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the costs and attorneys fees incurred by Escrow Agent in such action shall be governed by the provisions of paragraph 5 of this agreement. Taxes have been paid by Buyer through 2010, which is considered a FINAL settlement between Buyer and Seller.

18 Usury
Escrow Agent is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefrom.

19. Insurance Policies
In all matters relating to casualty and liability insurance, Escrow Agent may assume that each policy is in force and that the necessary premium has been paid. Escrow Agent is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Agent has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

20. Copies of Documents; Authorization to Release
Escrow Agent shall require that the originals of documents to be placed in escrow be delivered to Escrow Agent. Escrow Agent may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded MUST contain original signatures. Escrow Agent may furnish copies of any and all documents to the parties and their attorney(s) involved in this transaction upon their request.

21. Tax Reporting, Withholding & Disclosure
The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Agent does not provide tax or legal advice.

EXCEPT AS MAY BE PROVIDED BY ALLICABLE LAW TO THE CONTRARY, WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW AGENT IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW AGENT AGREES IN WRITING OR IS REQUIRED BY LAW TO DO SO.

A. Taxpayer Identification Number Reporting
Federal law requires Escrow Agent to report Seller's' social security number and/or tax identification numbers, forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). Escrow can not be closed nor any documents recorded until the information is provided and Seller certifies its accuracy to Escrow Holder.

B. Federal Withholding & Reporting
Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation or partnership, a domestic corporation or partnership controlled by non-residents or non-resident corporations or partnerships.

C. Taxpayer Identification Disclosure
Parties to a residential real estate transaction involving seller-provided financing are required to furnish, disclose, and include taxpayer identification numbers in their tax returns. Escrow Agent is not required to transmit the taxpayer I.D. numbers of the parties to the IRS. Escrow Agent is authorized to release any party's taxpayer I.D. numbers to any other party upon receipt of a written request.

22. Privacy Policy
The undersigned Buyer and Seller hereby acknowledge receipt of a copy of the Privacy Policy of First American Corporation and Escrow Agent.

Dated: January _____, 2011

SELLER(S):

Scrub Oak, LLC

_____

By: Brooke B. Roney, Manager

Aspen Country, LLC

_____

By: Brooke B. Roney, Manager

BUYER(S):

Nu Skin International, Inc., a Utah corporation

_____

By: D. Matthew Dorny, Vice President

ESCROW AGENT:

First American Title Insurance Company

By:
Terri Murphy

Schedule of Material Differences

NOTE	PAYEE	AMOUNT
1	Aspen Country, LLC	$56,426.27
2	Aspen Country, LLC	$601,805.73
3	Aspen Country, LLC	$564,261.65
4	Aspen Country, LLC	$3,423,189.27
5	Scrub Oak, LLC	$1,134,831.98
6	Scrub Oak, LLC	$1,134,831.98
7	Scrub Oak, LLC	$106,932.57
8	Scrub Oak, LLC	$2,416,139.61
9	Scrub Oak, LLC	$1,069,325.59
10	Scrub Oak, LLC	$6,487,245.30

PROMISSORY NOTE
([PAYEE])

$[AMOUNT] Date: December 30, 2010

FOR VALUE RECEIVED, the undersigned, Nu Skin International, Inc., a Utah corporation (the "Debtor"), hereby promises to pay to the order of [PAYEE], a Utah limited liability company (the "Payee"), the principal amount of **[AMOUNT]** (**$[AMOUNT]**) (the "Original Principal"). Principal shall be payable according to the schedule detailed below. The due date for payment is subject to acceleration, upon the occurrence of certain events as described below. This Note does not bear interest except in the case of an Event of Default, as defined below.

1. Nature of Obligation and Assignability.

1.1 Nature of Obligation. Debtor has made and delivered this Note to Payee in connection with the transactions contemplated by that certain Real Estate Purchase and Sale Agreement (the "Purchase Agreement") dated as of December 30, 2010, by and among Debtor and Payee, pursuant to which Payee agreed to sell and Debtor agreed to purchase certain real property as described in the Purchase Agreement in return for, among other consideration, the delivery of and performance by Debtor under this Note.

1.2 Assignability. It is contemplated that this Note shall be endorsed by Payee to one of the members of Payee, and distributed to such member in partial redemption of such member's interest in Payee, by such endorsement. Following such endorsement and delivery to such member, Debtor shall pay such member in lieu of Payee, and such member shall have all of the rights of Payee hereunder, including without limitation the right to direct the method of payment and provide wire transfer instructions under Section 2.4 hereof, and employ all remedies available to Payee in the enforcement hereof, and receive and give notices and provide an address for receipt of notice under Section 4.1.

2. Payment and Prepayments

2.1 Scheduled Payments. The principal of this Note and any accrued but unpaid interest due on such date shall be payable in two (2) installments (each an "Installment Payment Date") as follows:

First installment, due January 3, 2011, in the amount of Ninety-nine Percent (99%) of the Original Principal.

Second installment due January 31, 2011, in the amount of the remaining outstanding principal together with any accrued but unpaid interest.

2.2 Prepayment. The Debtor shall not prepay the principal amount of this Note in whole or in part. Any prepayment shall bear a penalty of ten percent (10%) of the Original Principal.

2.3 Accrual of Interest. Interest shall accrue only after an Event of Default and be calculated on the basis of a 360-day year of twelve 30-day months.

2.4 Method of Payment. All payments (including prepayments) by the Debtor on account of this Note shall be paid to the Payee by wire transfer in accordance with instructions provided by the Payee in writing or such other reasonable means as Payee may direct.

2.5 Payment Dates. If any Installment Payment Date is a Saturday, Sunday or holiday, the payment to be made on such date shall be paid on the business day immediately prior thereto.

2.6 Acceleration. The entire principal balance of this Note shall become due and payable immediately upon the occurrence of an Event of Default, as defined herein, unless the Event of Default has been cured within any grace period expressly set forth herein.

3. Default

3.1 Events of Default. An "Event of Default" occurs if

(i) the Debtor defaults in the payment of any installment of the principal amount of this Note;

(ii) the Debtor pursuant to or within the meaning of any Bankruptcy Law (as defined below)

(a) commences a voluntary case or proceeding;

(b) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property; or

(d) makes a general assignment for the benefit of its creditors; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that

(a) is for relief against the Debtor in an involuntary case or proceeding;

(b) appoints a Custodian of the Debtor or for all or substantially all of its property; or

(c) orders the liquidation of the Debtor;

and in each case described in subsection (iv) the order or decree remains unstayed and in effect for 60 days.

The term "Bankruptcy Law" means Title 11, U.S. Code or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

3.2 Acceleration; Waiver. At any time following any occurrence of an Event of Default, Payee may, at Payee's option, declare the entire principal of the Note then remaining unpaid to be due and payable immediately upon notice to Debtor and/or provide notice to the Debtor that the Default Rate of Interest shall apply. At any time following any occurrence of an Event of Default, and after a declaration as provided as to applicability of the Default Rate of Interest in the last sentence, all amounts due under this Note shall bear interest at the Default Rate of Interest. The "Default Rate of Interest" means the lesser of 10% per annum or the highest rate allowed by law under Utah law. Any forbearance, failure or delay by Payee in exercising any right or remedy under this Note or otherwise available to Payee shall not be deemed to be a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy. The Debtor hereby waives presentment by Payee for payment, demand, notice of dishonor and nonpayment of this Note, and consents to any and all extensions of time, renewals, waivers or modifications that may be granted by Payee with respect to the payment or other provisions of this Note.

3.3 Payment of Costs. If an Event of Default occurs, the Debtor will pay to the Payee such further amount as shall be sufficient to cover the costs and expenses of collection, including without limitation, reasonable attorneys' fees and expenses.

4. Miscellaneous

4.1 Notices. Any notice to be given to any party shall be served personally, by facsimile, or by certified mail (return receipt requested, postage prepaid), and shall be deemed complete on the date the notice is personally served, or the date on which a facsimile was received, or the date on which it was deposited in the mail, depending on the method of service. Notice shall be given as follows, unless written notice of change of address is given to all parties:

If to Payee: [PAYEE]
86 N. University Ave., Suite 420
Provo, Utah 84601
Attn: Brooke B. Roney, Manager
Fax No. 763-4564

With a Copy to:
Callister Nebeker & McCullough
Parkview Plaza I, Suite 600
2180 South 1300 East
Salt Lake City, Utah 84106
Attn: Damon E. Coombs
Fax No. 801-746-8607

If to Debtor:
Nu Skin International, Inc.
75 West Center St.
Provo, Utah 84601
Fax No. 801-345-5026

With a Copy to:
Stoel Rives
201 So. Main St., Suite 1100
Attn: Thomas A. Ellison
Fax No. 801-578-6999

4.2 Waiver; Amendment. No waiver or modification of any of the terms of this Note shall be valid or binding unless set forth in a writing specifically referring to this Note and signed by Holders and Makers' Representative, and then only to the extent specifically set forth therein. None of the provisions hereof and none of Holders' rights or remedies under this Note on account of any past or future defaults shall be deemed to have been waived by Holders' acceptance of any past due installments or by any indulgence granted by Holders to Makers.

4.3 Jurisdiction; Venue. Debtor and Payee agree that any dispute arising out of this Note shall be subject to the exclusive jurisdiction of the state and federal courts in the State of Utah. For that purpose, Debtor hereby submits to the jurisdiction of the state and federal courts of Utah. Debtor hereby irrevocably agrees and consents to the exclusive jurisdiction of and venue in such courts, and agrees not to assert in any such action that any such court lacks personal jurisdiction or assert any defense to venue in such court based on inconvenience. Debtor further agrees to accept service of process out of any of the aforesaid courts in any such dispute by notice provided in accordance with Section 4.1 or service by any other means legally available. Nothing herein contained, however, shall prevent Payee from bringing any action or exercising any rights against (i) Debtor, or (ii) the assets of Debtor within any other state or jurisdiction.

4.4 WAIVER OF JURY TRIAL. DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OFANY PARTY HERETO.

4.5 Law Governing. This Note and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, without regard to its conflicts of law rules.

4.6 Attorneys' Fees. Notwithstanding any other provision herein, if any action at law or in equity is necessary to enforce or interpret the terms of this Note, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements in addition to any other relief to which such party may be entitled.

4.7 Binding Effect. This Note inures to the benefit of Payee and binds the Debtor and its heirs, successors and assigns.

IN WITNESS WHEREOF, the Debtor has caused this Note to be duly executed on the date first above written.

NU SKIN INTERNATIONAL, INC.

By: /s/D. Matthew Dorny
D. Matthew Dorny, Vice President

(Endorsement on next page)

ENDORSEMENT

Pay to the order of [_____] ("Assignee"), that certain Promissory Note payable to [PAYEE], a Utah limited liability company, dated December 30, 2010, in the original principal amount of $**[AMOUNT]**. Assignee is a member of Payee.

[PAYEE], a Utah limited liability company

By: _____
Brooke B. Roney, Manager

Date: December 30, 2010

TERMINATION OF LOCK-UP AGREEMENT

THIS TERMINATION OF LOCK-UP AGREEMENT (the "Agreement") is entered into as of September 1, 2010, by and between Nu Skin Enterprises, Inc., a Delaware corporation (the "Company"), and [_____] (collectively, the "Stockholder"), and the Stockholder Affiliated Entities identified on the signature page (the "Stockholder Affiliated Entities").

Overview

On October 22, 2003, the Company and Stockholder, together with the Stockholder Affiliated Entities, entered into a Lock-Up Agreement (the "Lock-Up Agreement"). The Lock-Up Agreement restricted the number of shares of the Company's stock that Stockholder and the Stockholder Affiliated Entities could sell or transfer as more fully described in the Lock-Up Agreement.

Background Information

The Company has facilitated a secondary offering in which certain founders of the Company, including Stockholder and/or a Stockholder Affiliated Entity, sold a portion of their shares of Class A common stock in the Company. Pursuant to Section 17 of the Lock-Up Agreement, the Company, Stockholder and the Stockholder Affiliated Entities desire to terminate all rights, obligations and restrictions with respect to the Lock-Up Agreement and enter into this Agreement on the terms and conditions as provided below.

ACCORDINGLY, in consideration of the foregoing information and the mutual agreements herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Termination of Lock-Up Agreement.* In consideration of the non-compete agreement set forth below and the Stockholder's willingness to participate in the secondary offering and enter into a lock-up agreement with the underwriters, the Company, Stockholder, and the Stockholder Affiliated Entities hereby terminate the Lock-Up Agreement.

2. *Restrictive Covenants.* In consideration of the agreement of the Company to terminate the Lock-Up Agreement and the opportunity to participate in the secondary offering, the Stockholder agrees to be bound by the following restrictive covenants.

a. Non-Compete. Stockholder agrees that, during the Restricted Period (as defined in Section 2(e) below), Stockholder shall not, directly or indirectly, accept employment with, engage in or participate, directly or indirectly, individually or as an officer, director, employee, shareholder, consultant, partner, joint venturer, agent, equity owner, independent distributor or in any other capacity whatsoever, with any Competitive Business (as defined in Section 2(e) below); provided, however, that the foregoing restriction shall not apply to (i) Stockholder if it is the Company that elects to terminate Stockholder's service to the Company, and (ii) diversified mutual fund investments which may result in the indirect ownership of interests in a competing company.

b. Restricting Solicitation. Stockholder agrees that, during the Restricted Period, Stockholder shall not solicit the distributors of the Company or its affiliates (a) to participate in any other direct selling or network marketing company, or (b) to purchase any product or service other than the Company's products and services. Stockholder agrees that Stockholder will also not assist any other person or entity in any manner to do any of the foregoing during the Restricted Period. This Section 2(b) shall not preclude Stockholder from general advertising for any product or service, provided that such advertisement is not (i) targeted or directed at distributors of the Company or its affiliates; or (ii) related to a Competitive Business.

c. Non-Endorsement. Stockholder shall not at any time during the Restricted Period, personally and publicly speak on behalf of or personally and publicly endorse any Competitive Business or Competitive Product (as defined in Section 2(e) below), or allow Stockholder's name or likeness to be used in any way to promote any Competitive Business or Competitive Product.

d. Reformation. The Company intends to restrict the activities of Stockholder under this Agreement only to the extent necessary for the protection of the legitimate business interests of the Company. It is the intention and agreement of the parties that all of the terms and conditions hereof be enforced to the fullest extent permitted by law. In the event that the provisions of this Agreement should ever be deemed or adjudged by a court of competent jurisdiction to exceed the time or geographical limitations permitted by applicable law, then such provisions shall nevertheless be valid and enforceable to the extent necessary for such protection as determined by such court, and such provisions will be reformed to the maximum time or geographic limitations as determined by such court.

e. Definitions.

i. “Restricted Period” shall mean the period in which Stockholder is acting in any capacity (i.e. employee, director, consultant, advisor, independent distributor, etc.) with the Company and for a period of two (2) years after termination of Stockholder’s service to the Company or its affiliates in any and all capacities.

ii. “Competitive Business” shall mean direct sales or multi-level marketing company that competes with the business of the Company or its affiliates (as such business is set forth in the Company’s most recent Annual Report on Form 10-K).

iii. “Competitive Product” shall mean any product that is substantially similar to or competes with a product offered or sold by the Company or any of its affiliates.

f. Commercial Enterprises. As a point of clarification, the restrictions in paragraphs (a) and (c) of this Section 2 shall not preclude Stockholder from participating in any commercial enterprise that markets and sells Competitive Products, provided that (i) such commercial enterprise is not a Competitive Business; and (ii) Stockholder complies with Section 2(c) and does not publicly speak on behalf of or publicly endorse any Competitive Product marketed and sold by the commercial enterprise, or allow Stockholder’s name or likeness to be used in any way to promote any Competitive Product marketed or sold by the commercial enterprise. By way of example, if Stockholder invested in a retail store that sold, among other products, cosmetics products, Stockholder would not be in violation of this Section 2 provided that such retail store had no involvement with a Competitive Business and Stockholder did not publicly speak on behalf of or publicly endorse, or allow [his/her] name or likeness to be used to promote any products that were Competitive Products.

g. Acknowledgement. Stockholder acknowledges that his or her position as a founding stockholder and spokesperson of the Company is an important factor to the on-going success of the Company's operation in each product category and in each geographic location in which the Company operates. In addition, Stockholder acknowledges that his or her employment or involvement with any other competitive entity in particular would create the impression that Stockholder has left the Company for a "better opportunity," which could damage the Company by this perception in the minds of the Company's independent distributors. Therefore, Stockholder acknowledges that his or her non-solicitation, non-endorsement, and non-competition covenants hereunder are fair and reasonable and should be construed to apply to the fullest extent possible by applicable laws. Stockholder has carefully read this Agreement, has consulted with independent legal counsel to the extent Stockholder deems appropriate, and has given careful consideration to the restraints imposed by the Agreement.

h. Injunctive Relief. Stockholder acknowledges: (a) that compliance with the restrictive covenants contained in this Agreement are necessary to protect the business and goodwill of the Company or its affiliates and (b) that a breach may result in irreparable and continuing damage to the Company or its affiliates, for which money damages may not provide adequate relief. Consequently, Stockholder agrees that, in the event that Stockholder breaches or threatens to breach these restrictive covenants, the Company or its affiliates shall be entitled to (1) a preliminary or permanent injunction, without bond, to prevent the continuation of harm and (2) money damages insofar as they can be determined with respect to a material breach. Nothing in this Agreement shall be construed to prohibit the Company or its affiliates from also pursuing any other remedy, the parties having agreed that all remedies are cumulative and not mutually exclusive.

3. *Governing Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah.

4. *Binding Effect.* This Agreement will be binding upon and inure to the benefit of the Company, its successors and assigns, and to the Stockholder and Stockholder Affiliated Entities, and their respective heirs, personal representatives, successors and assigns.

5. *Entire Understanding.* This Agreement sets forth the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and the transactions contemplated hereby and supersedes all prior written and oral agreements, arrangements and understandings relating to the subject matter hereof. This Agreement may not be changed orally, but may only be changed by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

6. *Counterparts.* This Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all, of the parties hereto.

7. *Severability*. If any provision, paragraph, or subparagraph of this Agreement is adjudged by any court or administrative agency to be void or unenforceable in whole or in part, this adjudication shall not affect the validity of the remainder of the Agreement, including any other provision, paragraph, or subparagraph. Each provision, paragraph, and subparagraph of this Agreement is severable from every other provision, paragraph, and subparagraph and constitutes a separate and distinct covenant.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been signed as of the date first written above.

NU SKIN ENTERPRISES, INC.

a Delaware Corporation

By:

Name:

Title:

STOCKHOLDER:

Signature:

Name: [_____]

STOCKHOLDER'S SPOUSE (as applicable):

Signature: _____

Name: [_____]

STOCKHOLDER AFFILIATED ENTITIES

[_____]

By: _____

[_____]

Its: [_____]

NU SKIN ENTERPRISES, INC.

2010 OMNIBUS INCENTIVE PLAN

PERFORMANCE STOCK OPTION GRANT NOTICE

Nu Skin Enterprises, Inc. ("Company"), pursuant to its 2010 Omnibus Incentive Plan ("Plan") and the 2010 Omnibus Incentive Plan Master Performance Stock Option Agreement ("Master Agreement") previously entered into by the parties, hereby grants to the "Employee" identified below an option to purchase the number of shares of the Company's common stock ("Shares") set forth below. This option is subject to all of the terms and conditions set forth in this Performance Stock Option Grant Notice (the "Grant Notice"), the Master Agreement and the Plan, all of which are incorporated herein in their entirety. Any capitalized terms not defined herein shall have the meaning provided to such terms in the Plan.

Employee:
Date of Grant:
Vesting Commencement Date: N/A
Number of Shares Subject to Option:
Exercise Price (Per Share):
Total Exercise Price:
Expiration Date:
Type of Grant [check one]: Incentive Stock Option[1] Nonstatutory Stock Option
Exercise Schedule: Same as Vesting Schedule.
Vesting Schedule:
Termination: Any unvested options shall terminate in full upon the earlier of:
Payment: By cash or check
Same day sale program (if permitted by the Board)
Tender of Common Stock (if permitted by the Board)

Additional Terms/Acknowledgements: The Employee acknowledges receipt of, and understands and agrees that his or her Option is subject to this Grant Notice, the Master Agreement and the Plan. The Employee further acknowledges that as of the Date of Grant, this Grant Notice, the Master Agreement and the Plan set forth the entire understanding between the Employee and the Company regarding the acquisition of Shares covered by this Grant Notice and supersedes all prior oral and written agreements on that subject with the exception of the agreements, if any, listed below. To the extent that this Grant Notice varies the terms of the Master Agreement, this Grant Notice will prevail only with respect to Options granted pursuant to this Grant Notice.

Other Agreements:

NU SKIN ENTERPRISES, INC.

By: _____
Name: **[REPRESENTATIVE NAME]**
Title: **[REPRESENTATIVE TITLE]**

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1 If this is an incentive stock option, it (plus the Employee's other outstanding incentive stock options) cannot be first *exercisable* for more than US $100,000 in any calendar year. Any excess over US $100,000 is a nonstatutory stock option.

NU SKIN ENTERPRISES, INC.
2010 OMNIBUS INCENTIVE PLAN
MASTER PERFORMANCE STOCK OPTION AGREEMENT

This Master Performance Stock Option Agreement (the "Master Agreement") is entered into effective as of the "Effective Date" set forth below, by and between Nu Skin Enterprises, Inc., a Delaware corporation (the "Company"), and the undersigned "Employee," subject to the terms and conditions of the Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Master Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Master Agreement.

1. Definitions.

(a) "*Beneficial Owner*" shall have the meaning ascribed to such term in Rule 13d-3 promulgated under the Exchange Act.

(b) "*Common Stock*" means the Class A common shares of the Company, par value $0.01 per share.

(c) "*Cause*" shall mean the termination of the Employee's employment with or service to the Company (for purposes of this definition, Company shall refer to the Company and any Subsidiaries of the Company) because of:

(i) a material breach by the Employee of any of the Employee's obligations under the Company's Key Employee Covenants or any employment agreement, which breach is (i) not cured within any applicable cure period set forth in the Key Employee Covenants or employment agreement, and (ii) materially injurious to the Company;

(ii) any willful violation by the Employee of any material law or regulation applicable to the business of the Company, which is materially injurious to the Company, or the Employee's conviction of, or a plea of nolo contendre to, a felony or any willful perpetration of common law fraud; or

(iii) any other willful misconduct by the Employee that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company.

(d) "*Continuous Service*" means that the Employee's service with the Company or a Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. The Employee's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Employee renders service to the Company or a Subsidiary as an Employee, Consultant, or Director, or a change in the entity for which the Employee renders such service, provided that there is no interruption or termination of the Employee's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service. Subject to the requirements of applicable law, the Committee, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

(e) "*Disability*" means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code for all Incentive Stock Options. For all other Options, "Disability" means the Employee (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death, or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Employee's employer. Any question as to the existence of that person's physical or mental impairment as to which the person or person's representative and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the person and the Company (or its Subsidiary, as applicable). If the person and the Company (or its Subsidiary, as applicable) cannot agree as to a qualified independent physician, each shall appoint such a physician and those two (2) physicians shall select a third (3rd) who shall make such determination in writing. The determination of Disability made in writing to the Company or a Subsidiary and the person shall be final and conclusive for all purposes of the Options.

(f) "*Forfeiture Event*" means

(i) a material breach by the Employee of any of the Employee's obligations under the Company's Key Employee Covenants or any employment agreement, which breach is (i) not cured within any applicable cure period set forth in the Key Employee Covenants or employment agreement, and (ii) materially injurious to the Company;

(ii) any willful violation by the Employee of any material law or regulation applicable to the business of the Company, which is materially injurious to the Company, or the Employee's conviction of, or a plea of nolo contendre to, a felony or any willful perpetration of common law fraud; or

(iii) any other willful misconduct by the Employee that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company; or

(iv) any material breach of the non-competition or non-solicitation provisions of the Key Employee Covenant.

(g) "*Nonstatutory Stock Option*" means an Option not intended to qualify as an Incentive Stock Option.

2. Master Agreement. By executing this Master Agreement, the Employee agrees that this Master Agreement shall govern all Options granted to the Employee under the Plan on or after the Effective Date pursuant to a Stock Option Grant Notice ("Grant Notice") that incorporates by reference the terms of this Master Agreement. Each Option grant that is intended to be governed by this Master Agreement shall incorporate all of the terms and conditions of this Master Agreement and shall contain such other terms and conditions as the Committee shall establish for the grant of options covered by such Grant Notice. In the event of a conflict between the language of this Master Agreement and any Grant Notice, the language of the Grant Notice shall prevail with respect to Options granted pursuant to that Grant Notice. In order to be effective, the Grant Notice must be executed by a duly authorized executive officer of the Company. The Employee will not be required to sign each Grant Notice, but the Employee shall be deemed to have accepted the Grant Notice (and all of the terms and conditions set forth therein) unless the Employee provides written notice to the Plan administrator of the Employee's rejection of the Grant Notice and all of the Options granted pursuant to such Grant Notice within 20 days after receipt of the Grant Notice.

3. Grant of Option. The Company grants to the Employee, as of the Date of Grant specified in the Grant Notice, an Option to purchase up to the number of shares of the Company's Common Stock ("Shares") specified in the Grant Notice.

4. Vesting. Each Option will vest and become exercisable as set forth in the applicable Grant Notice, provided that vesting will cease upon the termination of the Employee's Continuous Service.

5. Exercise Price. An Option may be exercised, to the extent vested, prior to the Expiration Date (unless earlier terminated) at the Exercise Price (per Share) specified in the applicable Grant Notice. The Exercise Price indicated in a Grant Notice may be adjusted from time to time for various adjustments in the Company's equity capital structure, as provided in the Plan.

6. Method of Payment. Payment of the Exercise Price is due in full upon exercise of all or any part of the Employee's Options. The Employee may elect to make payment of the Exercise Price in cash, by check or pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate Exercise Price to the Company from the sales proceeds. Notwithstanding the terms of the previous sentence, the Employee may not be permitted to exercise the Employee's Options pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board if such exercise would violate the provisions of Section 402 of the Sarbanes-Oxley Act of 2002.

(a) The Company may permit the Employee to make payment of the Exercise Price, in whole or in part, in Shares having a Fair Market Value equal to the amount of the aggregate Exercise Price or such portion thereof, as applicable; provided, however, that the Employee must satisfy all such requirements as may be imposed by the Board including without limitation that the Employee has held such shares for not less than six months (or such other period as established from time to time by the Board in order to avoid a supplemental charge to earnings for financial accounting purposes).

(b) Where the Employee is permitted to pay the Exercise Price of an Option by delivering Shares, the Employee may, subject to procedures satisfactory to the Board, satisfy such delivery requirement by presenting proof that the Employee is the Beneficial Owner of such Shares, in which case the Company shall treat the Options as exercised without further payment and shall withhold such number of shares from the Option Shares acquired by the exercise of the Option.

(c) The Company may permit the Employee to make payment of the Exercise Price in any other form permitted by the Plan as may be acceptable to the Committee, in its sole discretion, including, without limitation, the withholding of Shares otherwise issuable in connection with the exercise of the Option

7. Whole Shares. The Employee may exercise the Employee's Options only for whole Shares.

8. Compliance.

(a) Notwithstanding anything to the contrary contained herein, the Employee may not exercise the Employee's Options unless the Shares issuable upon such exercise are then registered under the Securities Act or, if such shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of the Employee's Options must also comply with other applicable laws and regulations governing the Employee's Options, and the Employee may not exercise the Employee's Options if the Company determines that such exercise would not be in material compliance with such laws and regulations.

(b) Notwithstanding anything to the contrary contained herein, the Employee may not exercise the Employee's Options if the terms of the Plan do not permit the exercise of Options, or if the Company exercises its rights under the Plan to suspend, delay or restrict the exercise of Options.

9. Term. Subject to the provisions of the Plan and this Master Agreement, the Employee may exercise all or any part of the vested portion of an Option at any time prior to the earliest to occur of:

(a) the date on which the Employee's Continuous Service is terminated for Cause;

(b) three (3) months after the termination of the Employee's Continuous Service for any reason other than for Cause or as a result of the Employee's death or Disability;

(c) twelve (12) months after the termination of the Employee's Continuous Service due to the Employee's Disability;

(d) twelve (12) months after the termination of the Employee's Continuous Service due to the Employee's death; or

(e) the Expiration Date indicated in the Grant Notice.

Notwithstanding the foregoing, if the exercise of an Option is prevented by the Company within the applicable time periods set forth in Sections 9(b) or (c) for any reason, the Employee's Option shall not expire before the date that is thirty (30) days after the date that the Employee is notified by the Company that the Option is again exercisable, but in any event no later than the Expiration Date indicated in the Employee's Grant Notice; provided, however, that if the Grant Notice designates the Employee's Option as an Incentive Stock Option, and if any such extension causes the term of the Employee's Option to exceed the maximum term allowable for Incentive Stock Options, the Employee's Option shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonstatutory Stock Option.

10. Exercise Procedures.

(a) Subject to Section 6 above and other relevant terms and conditions of the Plan and this Master Agreement, the Employee may exercise the vested portion of an Option during its term by delivering a notice of exercise (in a form designated by the Company) specifying the number of Shares for which the Option is being exercised, together with the Exercise Price, to the Plan administrator, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then reasonably require.

(b) By exercising an Option the Employee agrees that, as a condition to any exercise of an Option, the Company may require the Employee to enter into an arrangement providing for the payment by the Employee to the Company of any tax withholding obligation of the Company (including any Subsidiary) arising by reason of (1) the exercise of the Employee's Option, or (2) other applicable events (as described in Section 15 of this Master Agreement).

(c) The Employee's participation in the Plan, including vesting in any Options, will cease upon termination of Continuous Service for any reason (unless otherwise provided in the Plan or this Master Agreement); for the purposes of this Master Agreement, in the event of involuntary termination of Continuous Service, the termination shall be effective as of the date stated in the relevant notice of termination and, unless otherwise required by law, will not be extended by any notice period or other period of leave under local law. Subject to applicable law, the Company shall determine the date of termination in its sole discretion.

(d) If on the last day of the term of an Option the Fair Market Value of one Share exceeds the per Share Exercise Price of the Option and the Employee has not exercised the Option (or a tandem Stock Appreciation Right, if applicable) and the Option has not expired, the Option shall be deemed to have been exercised by the Employee on such day with payment made by withholding Shares otherwise issuable in connection with the exercise of the Option.

11 Documents Governing Issued Common Stock. Shares that the Employee acquires upon exercise of an Option are subject to the terms of the Plan, the Company's bylaws, the Company's certificate of incorporation, any applicable Master Agreement relating to such Shares, or any other similar document. The Employee should ensure that the Employee understands the Employee's rights and obligations as a stockholder of the Company prior to the time that the Employee exercises an Option.

12 Limitations on Transfer of Options. Options are not transferable, except by will or by the laws of descent and distribution, and are exercisable during the Employee's life only by the Employee. Any purported assignment, alienation, pledge, sale, transfer or encumbrance, other than as expressly permitted herein, shall be void and unenforceable against the Company and any Subsidiary. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, the Employee may designate a third party who, in the event of the Employee's death, shall thereafter be entitled to exercise the Employee's Options. In the absence of such designation, the Employee's Option shall remain exercisable by the Employee's executor or administrator, or the person or persons to whom the Employee's rights under this Master Agreement shall pass by will or by the laws of descent and distribution, as the case may be. Any heir or legatee shall take rights herein granted subject to the terms and conditions hereof and in accordance with such requirements as may be established by the Company from time to time.

13 Rights Upon Exercise. The Employee will not have any rights to dividends or other rights of a stockholder with respect to the Shares subject to an Option until the Employee has given written notice of the exercise of the Option, paid the Exercise Price and any applicable taxes for such shares in full, satisfied any other conditions imposed by the Board pursuant to the Plan, if applicable, and become a holder of record of the purchased Shares.

14 Forfeiture of Options and Related Gains.

(a) If at any time during the Employee's Continuous Service or following the termination of the Employee's Continuous Service until the later of (i) the twelve (12) month anniversary of the termination of the Employee's Continuous Service for any reason, and (ii) the six (6) month anniversary of the date the Employee exercises any outstanding Options, a Forfeiture Event occurs, then the Company may, in the sole discretion of the Committee: (A) terminate this Master Agreement and all rights with respect to any unexercised options; or (B) direct that the Employee return for cancellation (without the payment of any consideration) any Shares plus pay the Company the amount of any proceeds from the sale of Shares to the extent such Shares were received upon the exercise of any of the Employee's Options (i) during the 12 month period immediately preceding the Forfeiture Event or (ii) upon or after the occurrence of any such Forfeiture Event. The Company shall determine the manner of the recovery of any such amounts which may be due and which may include, without limitation, set-off against any amounts which may be owed by the Company or any of its Subsidiaries to the Employee.

(b) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Committee may terminate any Options granted hereunder or require you to reimburse the Company the amount of any payment or benefit received upon exercise of any Option granted hereunder to the extent the Option would not have been earned or accrued after giving effect to the accounting restatement.

15 Responsibility for Taxes and Notice Requirement.

(a) Regardless of any action the Company or, if different, the Employee's employer (the "Employer") takes with respect to any or all income tax (including federal, state and other taxes), social insurance, payroll tax or other tax-related withholding ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee's responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including the grant of the Options, the vesting of the Options, the exercise of the Options, the subsequent sale of any Shares acquired upon exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Options to reduce or eliminate the Employee's liability for Tax-Related Items.

(b) The Employee may not exercise an Option unless and until the tax withholding obligations of the Company and/or any Subsidiary are satisfied or appropriate arrangements (acceptable to the Company) are made therefor, and the Employee authorizes the Company and its Subsidiaries to take such action as may be necessary to satisfy any such tax withholding obligations.

(c) If permissible under local law and regulations, the Employee authorizes the Company and/or the Employer, at their discretion, to satisfy the obligations with respect to Tax-Related Items by one or a combination of the following: (i) selling or arranging for the sale of Shares otherwise deliverable to the Employee upon exercise of the Options; (ii) withholding from the Employee's wages or other cash compensation payable to the Employee by the Company or the Employer (whether in cash, securities or other property); (iii) withholding from proceeds of the sale of Shares purchased upon exercise of the Options (including by means of a "same day sale" program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company and applicable law, including, but not limited to, Section 402 of the Sarbanes-Oxley Act of 2002); or (iv) withholding in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, the Employee will pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Employee's participation in the Plan that cannot be satisfied by the means previously described.

(d) The Company may permit the Employee to make provision for the payment of any tax withholding obligation by delivering shares, or authorizing the Company to withhold shares, of Common Stock having a Fair Market Value equal to the amount of such taxes or a portion thereof, as applicable. Where the Employee is permitted to pay the taxes relating to the exercise of an Option by delivering shares of Common Stock, the Employee may, subject to procedures satisfactory to the Board, satisfy such delivery requirement by presenting proof that the Employee is the Beneficial Owner of such shares of Common Stock, in which case the Company shall treat the taxes as paid without further payment and shall withhold such number of shares from the shares acquired by the exercise of the Option.

(e) The Company may refuse to deliver any of the Shares if the Employee fails to comply with the Employee's obligations in connection with the Tax-Related Items described in this Section.

(f) The Employee agrees to promptly notify the Company of any disposition of shares issued pursuant to the exercise of an Incentive Stock Option that results in a "disqualifying disposition" for purposes of Section 421 of the Code.

16 **Nature of Grant.** In accepting the Options and signing this Master Agreement, the Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan;

(b) the grant of Options is voluntary and occasional and does not create any contractual or other right to receive future awards of Options, or benefits in lieu of Options even if Options have been awarded repeatedly in the past;

(c) nothing in this Master Agreement or in the Plan shall confer upon the Employee any right to continue in the employment or service of the Employer or the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Employer or the Company, which rights are hereby expressly reserved, to terminate the Employee's employment or service at any time for any reason, with or without cause except as may otherwise be provided pursuant to a separate written employment agreement. In addition, nothing in this Master Agreement or the Plan shall obligate the Company or the Employee's Employer or any of its Subsidiaries, their respective stockholders, Boards of Directors, officers or employees to continue any relationship that the Employee might have as a Director or Consultant or otherwise for the Employee's Employer or the Company or any of its Subsidiaries;

(d) all decisions with respect to future grants of Options, if any, will be at the sole discretion of the Company;

(e) the Employee's participation in the Plan is voluntary;

(f) Options are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculation of any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) in consideration of the grant of Options, no claim or entitlement to compensation or damages arises from termination of the Options or diminution in value of the Options or Shares received upon vesting of Options resulting from termination of the Employee's employment or other service-providing relationship with the Company or Employer (for any reason whatsoever and whether or not in breach of local labor laws) and the Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Master Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim; and

(h) in the event of the termination of the Employee's Continuous Service (whether or not in breach of local labor laws), the Employee's right to receive Options and vest under the Plan, if any, will terminate effective as of the date that the Employee is no longer actively employed or providing service and will not be extended by any notice period mandated under local law (*e.g.*, active employment or service would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when the Employee is no longer providing Continuous Service for purposes of the Plan.

17 Severability. If any one or more terms, provisions, covenants or restrictions contained herein shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

18 Notices. Any notices provided for in this Master Agreement (including the notice of exercise required under Section 10 of this Master Agreement) or the Plan shall be given in writing and shall be deemed effectively given upon receipt, or in the case of notices delivered by mail, five (5) days after deposit in the United States mail (or with another delivery service), certified or registered mail, return receipt requested or postage prepaid. Notices from the Company will be provided to the Employee at the last address the Employee provided to the Company and will be deemed effectively given to the Employee at that address.

19 Signature in Counterparts. This Master Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

20 Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, Options granted under the Plan or future Options that may be granted under the Plan by electronic means or to request the Employee's consent to participate in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

21 Option Subject to Plan Document. By entering into this Master Agreement, the Employee agrees and acknowledges that the Employee has received and read a copy of the Plan and this Master Agreement. The Option is subject to the terms and provisions of the Plan, this Master Agreement and the applicable Grant Notice.

22 Choice of Law. The interpretation, performance and enforcement of this Master Agreement shall be governed by the laws of the State of Utah, without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, the parties have executed this Master Agreement effective as of **[EFFECTIVE DATE]** (the "Effective Date").

NU SKIN ENTERPRISES, INC.

By: _____
Name: **[REPRESENTATIVE NAME]**
Title: **[REPRESENTATIVE TITLE]**

EMPLOYEE

_____
Name: **[EMPLOYEE NAME]**
Address: **[EMPLOYEE ADDRESS]**

NU SKIN ENTERPRISES, INC.
2009 KEY EMPLOYEE DEATH BENEFIT PLAN

1. Establishment and Purpose.

By approval of the Compensation Committee of the Board of Directors of Nu Skin Enterprises, Inc., a Delaware corporation (the "Company"), the 1997 Key Employee Death Benefit Plan is hereby restated to be known as the Nu Skin Enterprises, Inc. 2009 Key Employee Death Benefit Plan (the "Plan"). The purposes of the Plan are: (a) to enhance the growth and profitability of the Company and any subsidiaries it may have now or in the future by providing greater security to certain officers, directors, and employees and their families; and (b) to attract and retain officers, directors, and employees of outstanding competence and ability.

2. Definitions.

For the purpose of this Plan, the following terms shall have the indicated meanings:

a. "Board of Directors" or "Board" shall mean the Board of Directors of the Company.

b. "Company" shall mean the Company and shall include each of its present and future subsidiaries, which are defined to include any corporation, partnership, or other organization in which the Company has proprietary interest by reason of share or equity ownership or otherwise, but only if the Company and each subsidiary are in a parent-subsidiary controlled group, as defined in Internal Revenue Code ("Code") § 1563(a)(1) ("80% common control"), or brother-sister controlled group as described in Code § 1563(a)(2) ("50% common control").

c. "Committee" shall mean a Committee of members of the Board of Directors established by the Board of Directors to administer this Plan, or its functional successor, unless no committee has been designated by the Board of Directors to administer this Plan, in which case the entire Board of Directors shall constitute the Committee to administer this Plan. Committee members shall serve at the pleasure of the Board of Directors.

d. "Death Benefit" shall mean the insurance benefit payable to the designated beneficiaries of a Participant upon the death of the Participant pursuant to insurance obtained under this Plan.

e. "Participant" shall mean any officer, director, or employee of the Company who has been designated as a Participant by the Committee, and any person on leave of absence from the Company while serving as a full-time missionary for any legally recognized ecclesiastical organization, who was designated as a Participant by the Committee prior to the commencement of such leave of absence.

3. Administration.

a. The Plan shall be administered by the Committee. Subject to the provisions of this Plan, the Committee shall have a sole and complete discretion and authority to: (i) select Participants after receiving the recommendations of the management of the Company; (ii) determine the amount of any death benefit payable under this Plan; (iii) determine the amount and terms of such insurance obtained by the Company under this Plan; (iv) adopt, amend, and rescind such rules as, in its opinion, may be advisable for the administration of this Plan; (v) construe and interpret this Plan, the rules, and the instruments utilized hereunder; and (vi) make all determinations deemed advisable or necessary for the administration of this Plan. All determinations by the Committee shall be final and binding.

b. The Committee shall hold meetings at such times and places as it may determine. The Committee may request advice or assistance or employ such other persons as are necessary for proper administration of this Plan. A quorum of the Committee shall consist of a majority of its members, and the Committee may act by a majority vote of its members at a meeting at which a quorum is present, or without a meeting by a written consent to the action taken, signed by all members of the Committee. The Board of Directors may from time to time appoint members to the Committee in substitution of members previously appointed and fill any vacancies, however caused, in the Committee.

4. Death Benefit.

The Company shall procure and pay all premiums for insurance upon the life of each Participant, providing to the Participant a Death Benefit in the amount established by the Committee, with the right to the Participant to designate the beneficiary of such insurance. The Participant shall have the right to assign all of the Participant's rights in the policy pursuant to U.C.A. §31A-22-412. The terms of any insurance policy obtained by the Company may provide the benefits under this Plan through the adoption of a split-dollar arrangement with any or all of the Participants, as the Committee may determine, in its sole and absolute discretion.

5. Beneficiary Designation.

Designation of beneficiaries of insurance provided under this Plan shall be accomplished in accordance with the terms of such insurance.

6. Employment Rights.

Neither this Plan nor any action taken hereunder shall be construed as giving any employee of the Company the right to become a Participant nor any right to be retained in the employ of the Company.

7. Protection of Company.

The Company reserves the right not to pay any premium or other payment for any insurance procured by the Company under this Plan at any time, for any or no reason, provided, however, that to the extent that the insurance provided under this Plan may, under the terms of such insurance, be assumed and paid for by the Participant, the Participant may pay such premium or other payment and continue such insurance in force. The Company's sole obligation shall be to provide reasonable notice to the Participant of its determination not to pay any such premium or other payment.

8. Withholding.

The Company shall have the right to deduct or withhold from any other compensation payments made to the Participant, any Federal, state, or local taxes, including transfer taxes, required by law to be withheld or to require the Participant to pay any amount, or the balance of any amount, required to be withheld as a condition to receiving a benefit hereunder.

9. Relationship to Other Benefits.

No benefits under this Plan shall be taken into account in determining any benefits under any pension, retirement, group insurance, or other employee benefit plan of the Company, whether now existing or hereafter adopted. This Plan shall not preclude the shareholders of the Company, the Board of Directors or any committee thereof, of the Company from authorizing or approving other employee benefit plans or forms of incentive compensation, nor shall it limit or prevent the continued operation of other incentive compensation plans or other employee benefit plans of the Company or the participation in any such plans by participation in this Plan.

10. No Trust or Fund Created.

Neither this Plan nor any benefit conferred hereunder shall create or be construed to create a trust or separate fund of any kind.

11. Expenses.

The expenses of administrating this Plan shall be borne by the Company.

12. Indemnification.

Service on the Committee for purposes of this Plan only shall constitute service as a member of the Board of Directors so that members of the Committee shall be entitled to indemnification and reimbursement similar to directors of the Company pursuant to its Articles of Incorporation, By-Laws or resolutions of its Board of Directors or shareholders.

13. Tax Litigation.

The Company shall have the right to contest, at its expense, any tax ruling or decision, administrative or judicial, on any issue that is related to this Plan and that the Company believes to be important to the Company and to conduct any such contest or any litigation arising therefrom to a final decision.

14. Amendment and Termination.

The Committee may modify, amend, or terminate this Plan in any respect at any time. The Company may terminate insurance under this Plan at any time.

15. Governmental and Other Regulations.

This Plan shall be subject to all applicable Federal and state laws, rules, and regulations and to such approvals by any regulatory or governmental agency which may, in the opinion of the counsel for the Company, be required. This Plan is a “employee welfare benefit plan” as defined under the Employee Retirement Income Security Act of 1974 (“ERISA”) and is intended to be a “top hat plan” thereunder.

16. Claim Procedure.

If a Participant believes that he is not receiving a benefit he is entitled to receive under the Plan, the Participant may file a claim with the Committee. The claim must be in writing, must include the facts and arguments the Participant wants to be considered, and must be filed within one year of the date the Participant knew (or should have known) the facts behind the claim. The Committee has 90 days after receiving the claim to make a decision and notify the Participant if the claim is denied in whole or in part. The notice of denial will state the reasons for the denial, the Plan provisions on which the denial is based, a description of additional material (if any) needed from the Participant and why, the procedure for requesting a review of the denial, and the Participant’s right to file a civil action under section 502(a) of ERISA if the claim is denied upon review.

If the Participant disagrees with the denial of the claim, the Participant may file a request for a review of that decision. The request must be in writing to the Committee, must state the reason for disagreement with the denial of the claim, and must be filed within 60 days after the denial notice was received. The Participant should submit all documents and written arguments he wants considered at the review, and the Participant may, upon request and free of charge, receive copies of documents and information relevant to the claim. The Committee has 60 days after receiving the request to make a decision and notify the Participant if the denial is upheld. If the Committee decides that the claim was correctly denied, the notice will state the reasons for the denial, the Plan provisions on which the denial is based, the Participant's right to receive, upon request and free of charge, reasonable access to and copies of the relevant documents and information used in the claims process, and the Participant's right to file a civil action under section 502(a) of ERISA.

If the Participant is notified what special circumstances require an extension and what date the claim is expected to be decided, the 90-day period for deciding an initial claim may be extended for up to 90 additional days and the 60-day period for making a decision following a request for a review may be extended for up to 60 additional days. If an extension of the 60-day period is necessary because the Participant needs to submit additional information, the Participant will be given 60 days to provide that information. The time it takes the Participant to provide that information will not count against the 60 days the Committee has to make a decision.

The Committee will make all final decisions on claims. The Committee has the discretion, authority, and responsibility to decide all factual and legal questions under the Plan, to interpret and construe the Plan and any ambiguous or unclear terms, and to determine whether a claimant is eligible for benefits and the amount of benefits, if any, a claimant is entitled to receive. The Committee has the right to delegate his or her authority to make decisions and all such decisions are conclusive and binding on all parties. A Participant may, at his own expense, have an attorney or representative act on his behalf, but the Company has the right to require a written authorization from the Participant.

17. Governing Law.

This Plan shall be construed and its provisions enforced and administered in accordance with the laws of the State of Utah, to the extent not preempted by federal law.

18. Effective Date.

This Plan shall not be effective unless and until adopted by action of the Committee, and shall be effective upon the day and date specified in the adoptive resolution of the Committee.

EXHIBIT 21.1

SUBSIDIARIES OF REGISTRANT

Big Planet, Inc., a Delaware corporation

First Harvest International, LLC, a Utah limited liability company

Jixi Nu Skin Vitameal Co., Ltd., a Chinese corporation

Niksun Acquisition Corporation, a Delaware corporation

NSE Products, Inc., a Delaware corporation

Nu Family Benefits Insurance Brokerage, Inc., a Utah corporation

Nu Skin (China) Daily-Use and Health Products Co., Ltd., Chinese company

Nu Skin (Malaysia) Sdn. Bhd., a Malaysian corporation

Nu Skin (Shanghai) Management Co., Ltd., a Chinese corporation

Nu Skin Argentina, Inc., a Utah corporation with an Argentine branch

Nu Skin Asia Investment, Inc., a Delaware corporation

Nu Skin Belgium, NV, a Belgium corporation

Nu Skin Brazil, Ltda., a Brazilian corporation

Nu Skin Canada, Inc., a Utah corporation

Nu Skin Chile Enterprises Ltda., a Chilean corporation

Nu Skin Chile, Inc., a Utah corporation

Nu Skin Chile, S.A., a Chilean corporation

Nu Skin Colombia, Inc., a Delaware corporation

Nu Skin Costa Rica, a Costa Rican corporation

Nu Skin Eastern Europe Ltd. A Delaware corporation

Nu Skin El Salvadore S.A. de C.V., an El Salvadore corporation

Nu Skin Enterprises (Thailand), Ltd., a Delaware corporation

Nu Skin Enterprises (Thailand), Ltd., a Thailand corporation
Nu Skin Enterprises Australia, Inc., a Utah corporation

Nu Skin Enterprises Hong Kong, Inc., a Delaware corporation

Nu Skin Enterprises India Private Ltd., an Indian corporation

Nu Skin Enterprises New Zealand, Inc., a Utah corporation

Nu Skin Enterprises Philippines, Inc., a Delaware corporation with a Philippines branch

Nu Skin Enterprises RS, Ltd., a Russian limited liability company

Nu Skin Enterprises Singapore Pte. Ltd., a Singapore corporation

Nu Skin Enterprises South Africa (Proprietary) Limited

Nu Skin Enterprises Ukraine, LLC, a Ukrainian limited liability company

Nu Skin Enterprises United States, Inc., a Delaware corporation

Nu Skin Enterprises, SRL, a Romanian corporation

Nu Skin France, SARL, a French limited liability company

Nu Skin Germany, GmbH, a German limited liability company

Nu Skin Guatemala, S.A., a Guatemalan corporation

Nu Skin Honduras, S.A., a Honduras corporation

Nu Skin International Management Group, Inc., a Utah corporation

Nu Skin International, Inc., a Utah Corporation

Nu Skin Islandi ehf, an Iceland private limited liability company

Nu Skin Israel, Inc, a Delaware corporation

Nu Skin Italy, Srl, an Italian corporation

Nu Skin Japan Company Limited, a Japanese corporation

Nu Skin Japan, Ltd., a Japanese corporation

Nu Skin Korea, Ltd., a Korean corporation

Nu Skin Malaysia Holdings Sdn. Bhd., a Malaysian corporation

Nu Skin Mexico, S.A. de C.V., a Mexican corporation

Nu Skin Netherlands, B.V., a Netherlands corporation

Nu Skin New Caledonia EURL, a French corporation

Nu Skin Norway AS, a Norwegian corporation

Nu Skin Poland Sp. z.o.o., a Polish corporation

Nu Skin Scandinavia A.S., a Denmark corporation

Nu Skin Taiwan, Inc., a Taipei Branch

Nu Skin Taiwan, Inc., a Utah corporation

Nu Skin Turkey Cilt Bakimi Ve Besleyici Urunleri Ticaret Limited Sirketi

Nu Skin U.K., Ltd., a United Kingdom corporation

Nu Skin Venezuela, a Venezuela corporation

NuSkin Pharmanex (B) Sdn Bhd, a Brunei corporation

Nutriscan, Inc., a Utah corporation

Pharmanex (Huzhou) Health Products Co., Ltd., a Chinese corporation

Pharmanex Electronic-Optical Technology (Shanghai) Co., Ltd., a Chinese corporation

Pharmanex License Acquisition Corporation, a Utah Corporation

Pharmanex, LLC, a Delaware limited liability company

PT. Nu Skin Distribution Indonesia, an Indonesian corporation

PT. Nusa Selaras Indonesia, an Indonesian corporation

The Nu Skin Force for Good Foundation, Business Trust

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-48611, 333-68407, 333-95033, 333-102327, 333-124764, 333-130304, 333-136464 and 333-167690) and Form S-3 (No. 333-167239) of Nu Skin Enterprises, Inc. of our report dated February 18, 2011 relating to the financial statements and the effectiveness of internal control over financial reporting, which appear in the Nu Skin Enterprises, Inc. Annual Report on Form 10-K for the year ended December 31, 2010.

/s/ PricewaterhouseCoopers LLP

Salt Lake City, Utah
February 23, 2011

EXHIBIT 31.1

SECTION 302 – CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, M. Truman Hunt, certify that:

1. I have reviewed this annual report on Form 10-K of Nu Skin Enterprises, Inc;

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(s) 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(s) 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.

Date: February 23, 2011 /s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 31.2
SECTION 302 – CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Ritch N. Wood, certify that:

1. I have reviewed this annual report on Form 10-K of Nu Skin Enterprises, Inc;

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(s) 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(s) 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.

Date: February 23, 2011 /s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

EXHIBIT 32.1
SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Truman Hunt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of 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.

Date: February 23, 2011

/s/M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 32.2
SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ritch N. Wood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of 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.

Date: February 23, 2011

/s/Ritch N. Wood
Ritch N. Wood
Chief Financial Officer