**LEASE AGREEMENT**

**Featured Colorado Real Estate Leases**

LEASE AGREEMENT

BY AND BETWEEN

YEW TREE INVESTMENTS LTD., LLLP

AND

TRANSGENOMIC, INC.

This lease agreement (hereinafter "Lease Agreement") is made and

entered into as of the 23RD day of August, 2002, by and between Yew Tree

Investments Ltd., LLLP ("Landlord"), whose address is 4875 Pearl East Cr. #300,

Boulder, CO 80301, and Transgenomic, Inc. ("Tenant"), whose address is 12325

Emmet Street, Omaha, NE 68164. In consideration of the covenants, terms,

conditions, agreements and payments as herein set forth, the Landlord and Tenant

hereby enter into the following Lease Agreement:

1.DEFINITIONS. Whenever the following words or phrases are used in this Lease

Agreement, said words or phrases shall have the following meaning:

a. Area" shall mean the parcel of land commonly known and referred to as

5555 Airport Blvd., Lake Centre Business Park, Boulder, Colorado. The Area

includes the Leased Premises and one or more buildings. The Area may include

Common Areas.

b. "Building" shall mean a building located in the Area.

c. "Common Areas" shall mean all entrances, exits, driveways, curbs,

walkways, hallways, parking areas, landscaped areas, restrooms, loading and

service areas, and like areas or facilities which are located in the Area and

which are designated by the Landlord as areas or facilities available for the

nonexclusive use in common by persons designated by the Landlord.

d. "Leased Premises" shall mean the premises herein leased to the Tenant by

the Landlord.

e. "Tenant's Prorata Share" as to the Building in which the Leased Premises

are located shall mean an amount (expressed as a percentage) equal to the number

of square feet included in the Leased Premises divided by the total number of

leasable square feet included in said Building. The Tenant's Prorata Share as to

Common Areas shall mean an amount (expressed as a percentage) equal to the

number of square feet included in the Leased Premises divided by the total

number of leasable square feet included in all Buildings located in the Area.

The Tenant's Prorata Share for Common Areas may change from time to time as the

leasable square footage in all Buildings located in the Area is increased or

decreased. At the signing date of this Lease Agreement, Tenant's Prorata Share

of the Building and Area shall be 59.85% (33,517 square feet/56,000 square feet)

2. LEASED PREMISES. The Landlord hereby leases unto the Tenant, and the Tenant

hereby leases from the Landlord, the following described premises:

Space 200 in Building 5555 Airport Blvd., consisting of 33,673 square feet

3. BASE TERM. The term of this Lease Agreement shall commence at 12:00 noon on

August 15, 2002, and, unless sooner terminated as herein provided for, shall end

at 12:00 noon on November 30, 2007 ("Lease Term"). Tenant shall be granted

access from August 15, 2002 until November 15, 2002 for purposes of building out

the Leased Premises. Except as specifically provided to the contrary herein, the

Leased Premises shall, upon the termination of this Lease, by virtue of the

expiration of the Lease Term or otherwise, be returned to the Landlord by the

Tenant in as good or better condition than when entered upon by the Tenant,

ordinary wear and tear excepted.

4. RENT. Tenant shall pay the following rent for the Leased Premises:

a. BASE MONTHLY RENT. Tenant shall pay to Landlord, without notice and

without setoff, at the address of Landlord as herein set forth, the following

Base Monthly Rent ("Base Monthly Rent"), said Base Monthly Rent to be paid in

advance on the first day of each month during the term hereof. In the event that

this Lease Agreement commences on a date other than the first day of a month,

the Base Monthly Rent for the first month of the Lease Term shall be prorated

for said partial month. Below is a schedule of Base Monthly Rental payments as

agreed upon:

DURING LEASE TERM

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For Period To Period A Base Monthly

Starting Ending Rent of

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August 15, 2002 November 15, 2002 $ 0.00

November 16, 2002 November 30, 2002 $ 14,030.00

December 1, 2002 November 30, 2003 $ 28,061.00

December 1, 2003 November 30, 2007 $ 28,061.00 Plus any cost of living adjustment as

contained herein.

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b. LEASE TERM ADJUSTMENT. If, for any reason, other than delays caused by

the Tenant, the Leased Premises are not ready for Tenant's occupancy on August

15, 2002, the Tenant's rental obligation and other monetary expenses (i.e.

taxes, utilities, etc.) shall be abated in direct proportion to the number of

days of delay. It is hereby agreed that the premises shall be deemed ready for

occupancy on the day the Landlord receives a Temporary Certificate of Occupancy

(T.C.O) or Certificate of Occupancy (C.O.) from the appropriate authority, or on

the day the Landlord gives Tenant the

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keys to the Leased Premises if a building permit has not been applied for and/or

is not required by the appropriate authority.

c. COST OF LIVING ADJUSTMENT. The Base Monthly Rental specified in

paragraph 4A above shall be recalculated for each Lease Year as defined

hereinafter following the first Lease Year of this Lease Agreement. The

recalculated Base Monthly Rental shall be hereinafter referred to as the

"Adjusted Monthly Rental". The Adjusted Monthly Rental for each Lease Year after

the first Lease Year shall be the greater of: (i) the amount of the previous

year's Adjusted Monthly Rental, (or the Base Monthly Rental if calculating the

Adjusted Monthly Rental for the second Lease Year), or (ii) an amount calculated

by the rent adjustment formula set forth below. In applying the rent adjustment

formula, the following definitions shall apply:

i. "Lease Year" shall mean a period of twelve (12) consecutive full

calendar months with the first Lease Year commencing on the date of the

commencement of the term of this Lease and each succeeding Lease Year commencing

upon the anniversary date of the first Lease Year; however, if this Lease does

not commence on the first day of a month, then, the first Lease Year and each

succeeding Lease Year shall commence on the first day of the first month

following each anniversary date of this Lease;

ii. "Bureau" shall mean the Bureau of Labor Statistics of the United

States Department of Labor or any successor agency that shall issue the Price

Index referred to in this Lease Agreement.

iii. "Price Index" shall mean the "Consumer Price Index-All Urban

Consumers-All Items (CPI-U) U.S. City Average (1982-84=100)" issued from time to

time by the Bureau. In the event the Price Index shall hereafter be converted to

a different standard reference base or otherwise revised, the determination of

the increase in the Price Index shall be made with the use of such conversion

factor, formula or table as may be published by Prentice-Hall, Inc. or failing

such publication, by another nationally recognized publisher of similar

statistical information. In the event the Price Index shall cease to be

published, then, for the purposes of this paragraph 4C there shall be

substituted for the Price Index such other index as the Landlord and the Tenant

shall agree upon, and if they are unable to agree within sixty (60) days after

the Price Index ceases to be published, such matter shall be determined by

arbitration in accordance with the Rules of the American Arbitration

Association.

iv. "Base Price Index" shall mean the Price Index released to the

public during the second calendar month preceding the commencement of this Lease

Agreement.

v. "Revised Price Index" shall mean the Price Index released to the

public during the second calendar month preceding the Lease Year for which the

Base Annual Rental is to be adjusted;

vi. "Basic Monthly Rental" shall mean the Basic Monthly Rental set

forth in subparagraph 4A above. The rent adjustment formula used to calculate

the Adjusted Monthly Rental is as follows:

Adjusted Monthly = Revised Price Index X Base Monthly Rental

Rental -----------------------------------------

Base Price Index

Not withstanding the above formula, the Adjusted Monthly Rental shall not be

greater than 103% of the previous year's Adjusted Monthly Rental, or the Basic

Monthly Rental if such adjustment is for the Second Lease Year. The Adjusted

Monthly Rental as herein above provided shall continue to be payable monthly as

required in paragraph 4A above without necessity of any further notice by the

Landlord to the Tenant.

d. TOTAL NET LEASE. The Tenant understands and agrees that this Lease

Agreement is a total net lease (a "net, net, net lease"), whereby the Tenant has

the obligation to reimburse the Landlord for a share of all costs and expenses

(taxes, assessments, other charges, insurance, trash removal, Common Area

operation and maintenance and like costs and expenses), incurred by the Landlord

as a result of the Landlord's ownership and operation of the Area.

5. SECURITY DEPOSIT. Landlord acknowledges receipt from the Tenant of the sum of

thirty six thousand and 00/100 Dollars ($36,000.00) to be retained by Landlord

without responsibility for payment of interest thereon, as security for

performance of all the terms and conditions of this Lease Agreement to be

performed by Tenant, including payment of all rent due under the terms hereof.

Deductions may be made by Landlord from the amount so retained for the

reasonable cost of repairs to the Leased Premises (ordinary wear and tear

excepted), for any rent delinquent under the terms hereof and/or for any sum

used in any manner to cure any default of Tenant under the terms of this Lease

Agreement. In the event deductions are so made, the Tenant shall, upon notice

from the Landlord, redeposit with the Landlord such amounts so expended so as to

maintain the deposit in the amount as herein provided for, and failure to so

redeposit shall be deemed a failure to pay rent under the terms hereof. Nothing

herein contained shall limit the liability of Tenant as to any damage to the

Leased Premises, and Tenant shall be responsible for the total amount of any

damage and/or loss occasioned by actions of Tenant. Landlord may deliver the

funds deposited hereunder by Tenant to any purchaser of Landlord's interest in

the Leased Premises in the event such interest shall be sold, and thereupon

Landlord shall be discharged from any further liability with respect to such

deposit.

6. USE OF PREMISES. Tenant shall use the Leased Premises for reasonable purposes

related to analytical and chemistry laboratories, biotech laboratories, clean

rooms, research & development, manufacturing, warehousing, office and

administration. Tenant shall not use the premises for other unrelated purposes

except with the written consent of Landlord. Tenant shall not allow any

accumulation of trash or debris on the Leased Premises or within any portion of

the Area. All receiving and delivery of goods and merchandise and all removal of

garbage and refuse shall be made only by way of the rear and/or other service

door provided therefore. In the event the Leased Premises shall have no such

door, then these matters shall be handled in a manner satisfactory to Landlord.

No storage of any material outside of the Leased Premises shall be allowed

unless first approved by Landlord in writing, and then in only such areas as are

designated by Landlord. Tenant shall not commit or suffer any waste on the

Leased Premises nor shall Tenant permit any nuisance to be maintained on the

Leased Premises or permit any disorderly conduct or other activity having a

tendency to annoy or disturb any occupants of any part of the Area and/or any

adjoining property.

7. LAWS AND REGULATIONS. -- TENANT RESPONSIBILITY. The Tenant shall, at its sole

cost and expense, comply with all laws and regulations of any governmental

entity, board, commission or agency having jurisdiction over the Leased

Premises, except to the extent that such regulations relate to facilities which

are under the sole control of the Landlord or shared with other tenants, in

which event Tenant agrees to pay a prorated share of expenses. Tenant agrees not

to install any

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electrical equipment that overloads any electrical paneling, circuitry or wiring

and further agrees to comply with the requirements of the insurance underwriter

or any governmental authorities having jurisdiction thereof.

8. LANDLORD'S RULES AND REGULATIONS. Upon reasonable notice to Tenant Landlord

reserves the right to adopt and promulgate reasonable rules and regulations

applicable to the Leased Premises and from time to time amend or supplement said

rules or regulations, provided that such rules and regulations do not restrict

the use of the Leased Premises by Tenant or the purpose set forth in Section 6

above. Notice of such rules and regulations and amendments and supplements

thereto shall be given to Tenant, and Tenant agrees to comply with and observe

such rules and regulations and amendments and supplements thereto provided that

the same apply uniformly to all Tenants of the Landlord in the Area.

9. PARKING. If the Landlord provides off street parking for the common use of

Tenants, employees and customers of the Area, the Tenant shall park all vehicles

of whatever type used by Tenant and/or Tenant's employees only in such areas

thereof as are designated by Landlord for this purpose, and Tenant accepts the

responsibility of seeing that Tenant's employees park only in the areas so

designated. Tenant shall, upon the request of the Landlord, provide to the

Landlord license numbers of the vehicles normally used by Tenant and its

employees. The number of parking spaces within the off-street parking area

allocated shall not be less than one parking space per 361 square feet of area

leased in the Leased Premises.

10. CONTROL OF COMMON AREAS. -- EXCLUSIVE CONTROL OF THE LANDLORD. All Common

Areas shall at all times be subject to the exclusive control and management of

Landlord, notwithstanding that Tenant and/or Tenant's employees and/or customers

may have a nonexclusive right to the use thereof. Landlord shall have the right

from time to time to establish, modify and enforce rules and regulations with

respect to the use of and Common Areas, upon reasonable notice to Tenant.

11. TAXES.

a. REAL PROPERTY TAXES AND ASSESSMENTS. The Tenant shall pay to the

Landlord on the first day of each month, as additional rent, the Tenant's

Prorata Share of all real estate taxes and special assessments levied and

assessed against the Building in which the Leased Premises are located and the

Common Areas. If the first and last years of the Lease Term are not calendar

years, the obligations of the Tenant hereunder shall be prorated for the number

of days during the calendar year that this Lease is in effect. The monthly

payments for such taxes and assessments shall be $ 4,209.00 until the Landlord

receives the first tax statement for the referred to properties. Thereafter, the

monthly payments shall be based upon 1/12th of the prior year's taxes and

assessments. Once each year the Landlord shall determine the actual Tenant's

Prorata Share of taxes and assessments for the prior year and if the Tenant has

paid less than the Tenant's Prorata Share for the prior year the Tenant shall

pay the deficiency to the Landlord with the next payment of Base Monthly Rent,

or, if the Tenant has paid in excess of the Tenant's Prorata Share for the prior

year the Landlord shall forthwith refund said excess to the Tenant.

Additionally, upon Lease Agreement expiration or termination Landlord shall also

determine Tenant's Prorata Share of taxes and assessments for the calendar year

in which the Lease Agreement expires or terminates based on the most recent

valuation and estimate of taxes provided by Boulder County. If the Tenant has

paid less than the Tenant's prorated Prorata Share for the current year the

Tenant shall pay the deficiency, or, if the Tenant has paid in excess of the

Tenant's prorated Prorata Share for the current year the Landlord shall

forthwith refund the excess to the Tenant.

b. PERSONAL PROPERTY TAXES. Tenant shall be responsible for, and shall pay

promptly when due, any and all taxes and/or assessments levied and/or assessed

against any furniture, fixtures, equipment and items of a similar nature

installed and/or located in or about the Leased Premises by Tenant.

c. RENT TAX. If a special tax, charge or assessment is imposed or levied

upon the rents paid or payable hereunder or upon the right of the Landlord to

receive rents hereunder (other than to the extent that such rents are included

as a part of the Landlord's income for the purpose of an income tax), the Tenant

shall reimburse the Landlord for the amount of such tax within fifteen (15) days

after demand therefore is made upon the Tenant by the Landlord.

d. OTHER TAXES, FEES AND CHARGES. Tenant shall pay to Landlord, on the

first day of each month, as additional rent, Tenant's Pro Rata Share of any

"Other Charges" (as hereinafter defined) levied, assessed, charged or imposed

against the Area, as a whole. Unless paid directly by Tenant to the authority

levying, assessing, charging or imposing same, Tenant shall also pay to

Landlord, on the first day of the month following payment of same by Landlord,

the entire costs of any such "Other Charges" levied, assessed, charged or

imposed against the Leased Premises, Tenant's use of same, or Tenant's conduct

of business thereon. For purposes of this provision, "Other Charges" shall mean

and refer to any and all taxes, assessments, impositions, user fees, impact

fees, utility fees, transportation fees, alternative transportation fees and

passes, infrastructure fees, system fees, license fees, and any other charge or

assessment imposed by any governmental authority or applicable subdivision on

the Area, the Leased Premises or the ownership or use of the Area or Leased

Premises, or the business conducted thereon, whether or not formally denominated

as a tax, assessment, charge or other nominal description, whether now in effect

or hereafter enacted or imposed (excluding, however, Landlord's income taxes).

e. Representations and Warranties. Landlord represents and warrants that

there are no pending taxes or Other Charges payable under this section, or

otherwise related to the Leased Premises, as of the date of the execution of

this Lease Agreement, and that if such preexisting tax conditions are discovered

that these shall be the sole responsibility of the Landlord.

f. Should Landlord protest and win a reduction in the real estate taxes for

the Building and Area, Tenant shall be obligated to pay its Prorata Share of the

cost of such protest, if the protest is handled by a party other than the

Landlord.

12. INSURANCE.

a. LANDLORD'S INSURANCE. Landlord shall obtain and maintain such fire and

casualty insurance on the core and shell of the Building in which the Leased

Premises are located and the Common Areas, as well as such loss of rents,

business interruption, liability or any other insurance, as it deems

appropriate, with such companies and on such terms and conditions as are

customary and reasonable for similar properties. Such insurance shall not be

required to cover any of Tenant's inventory, furniture, furnishings, fixtures,

equipment or tenant improvements (whether or not installed on the Leased

Premises by or for Tenant and whether or not included within the tenant finish

provided by Landlord), and

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Landlord shall not be obligated to repair any damage thereto or replace any of

same, and Tenant shall have no interest in any proceeds of Landlord's insurance.

b. TENANT'S INSURANCE. Tenant shall, at its sole cost and expense, obtain

and maintain throughout the term of this Lease Agreement, on a full replacement

cost basis, "all risk" insurance covering all of Tenant's inventory, furniture,

furnishings, fixtures, equipment and all tenant improvements or tenant finish

(whether or not installed by Landlord) and betterments located on or within the

Leased Premises. In addition, Tenant shall obtain and maintain, at its sole cost

and expense, comprehensive general public liability insurance providing coverage

from and against any loss or damage occasioned by an accident or casualty on,

about or adjacent to the Leased Premises, including protection against death,

personal injury and property damage. Such liability coverage shall be written on

an "occurrence" basis, with limits of not less than $1,000,000.00 combined

single limit coverage.

All policies of insurance required to be carried by Tenant hereunder

shall be written by an insurance company licensed to do business in the State of

Colorado, and shall name Landlord as an additional named insured and/or loss

payee, as Landlord may direct. Each such policy shall provide that same shall

not be changed or modified without at least thirty (30) days' prior written

notice to Landlord and any mortgagee of Landlord. Certificates evidencing the

extent and effectiveness of all Tenants insurance shall be delivered to

Landlord. The limits of such insurance shall not, under any circumstances, limit

the liability of Tenant under this Lease Agreement.

In the event that Tenant fails to maintain any of the insurance

required of it pursuant to this provision, Landlord shall have the right (but

not the obligation) at Landlord's election, to pay Tenant's premiums or to

arrange substitute insurance with an insurance company of Landlord's choosing,

in which event any premiums advanced by Landlord shall constitute additional

rent payable under this Lease Agreement and shall be payable by Tenant to

Landlord immediately upon demand for same. Landlord shall also have the right,

but no the obligation, whether or not Tenant maintains coverage to carry any

such insurance as Landlord may elect in order to provide coverage in the event

Tenant fails to properly maintain such insurance.

The rights of Landlord hereunder shall be in addition to, and not in

lieu of any other rights or remedies available to Landlord under this Lease

Agreement or provided by law or in equity. Without limiting the foregoing, in

the event that coverage of any risk for which Tenant is responsible pursuant to

this Section 12 is ultimately provided by coverage maintained by Landlord,

whether due to Tenant's failure to provided or maintain such insurance or

otherwise, Tenant shall promptly reimburse Landlord for an amount equal to any

deductible incurred, immediately upon demand for same.

c. TENANT'S HIGH PRESSURE STEAM BOILER INSURANCE. If Tenant makes use of

any kind of steam or other high pressure boiler or other apparatus which

presents a risk of damage to the Leased Premises or to the Building or other

improvements of which the Leased Premises are a part or to the life or limb of

persons within such premises, Tenant shall secure and maintain appropriate

boiler insurance in an amount satisfactory to Landlord. The Landlord shall be

named insured in any such policy or policies. Certificates for such insurance

shall be delivered to Landlord and shall provide that said insurance shall not

be changed, modified, reduced or canceled without thirty (30) days prior written

notice thereof being given to Landlord.

d. TENANT'S SHARE OF LANDLORD INSURANCE. Tenant shall pay the Landlord as

additional rent Tenant's Prorata Share of the insurance secured by the Landlord

pursuant to "12A" above. Payment shall be made on the first day of each month as

additional rent. The monthly payments for such insurance shall be $ 281.00 until

changed by Landlord as a result of an increase or decrease in the cost of such

insurance.

e. MUTUAL SUBROGATION WAIVER. Landlord and Tenant hereby grant to each

other, on behalf of any insurer providing fire and extended coverage to either

of them covering the Leased Premises, Buildings or other improvements thereon or

contents thereof, a waiver of any right of subrogation any such insurer of one

party may acquire against the other or as against the Landlord or Tenant by

virtue of payments of any loss under such insurance. Such a waiver shall be

effective so long as the Landlord and Tenant are empowered to grant such waiver

under the terms of their respective insurance policy or policies and such waiver

shall stand mutually terminated as of the date either Landlord or Tenant gives

notice to the other that the power to grant such waiver has been so terminated.

13. UTILITIES.

a. Tenant shall be solely responsible for and promptly pay all charges for

heat, water, gas, electric, sewer service and any other utility service used or

consumed on the Leased Premises. For all utility services used or consumed on

the Leased Premises which are included in utility services to an area larger

than the Leased Premises, Landlord and Tenant shall agree upon a reasonable

formula for allocation of such costs and Tenant agrees to pay for its reasonable

share of such costs, except that Tenant shall not be responsible for any share

of such costs which are directly attributable to the unreasonable actions of

Landlord or Landlord's tenants which share or have access to the area larger

than the leased premises. Tenant shall pay monthly, commencing with the first

month of the Lease Term, as additional rent due under the terms hereof, a sum

equal to Tenant's Prorata Share of the estimated costs for said twelve (12)

month period, divided by 12. Once each year the Landlord shall determine the

actual costs of the foregoing expenses for the prior year and if the actual

costs are greater than the estimated costs, the Tenant shall pay its Tenant's

Prorata Share of the difference between the estimated costs and the actual costs

to the Landlord with the next payment of Base Monthly Rent, or, if the actual

costs are less than the estimated costs, the Landlord shall forthwith refund the

amount of the Tenant's excess payment to the Tenant. Additionally, upon Lease

expiration or termination Landlord shall also determine Tenant's Prorata Share

of the annualized actual costs of the foregoing expenses for the number of days

the Lease is in effect during the calendar year in which the Lease expires or

terminates. If the annualized actual costs are greater than the estimated costs,

the Tenant shall pay its Tenant's Prorata Share of the difference between the

estimated costs and the annualized actual costs to the Landlord, or, if the

annualized actual costs are less than the estimated costs, the Landlord shall

forthwith refund the excess payment to the Tenant. For purposes of calculating

Tenant's share of expenses under this paragraph, annualized actual costs shall

be the sum of actual costs for the year at the time of reconciliation plus the

total estimated costs prorated for the number of days from the date the last

actual cost was paid to the end of the year. For all utility services used or

consumed on the Leased Premises in which the utility service is used solely on

the Leased Premises, the Tenant shall forthwith upon taking occupancy of the

Leased Premises make arrangements with the Excel Energy Company, U.S. West or

other appropriate utility company to pay the utilities used on the Leased

Premises and to have the same billed to the Tenant at the address designated by

the Tenant. Should there be a time where the Landlord remains responsible for

utilities supplied to the Leased Premises, the Landlord shall bill the Tenant

therefore and the Tenant shall promptly reimburse the Landlord therefore. In no

event shall Landlord be liable for any interruption or failure

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in the supply of any such utility to the Leased Premises.

In the event the utility company supplying water and/or sewer to the

Leased Premises determines that an additional service fee, impact fee, and/or

assessment, or any other type of payment or penalty is necessary due to Tenant's

use and occupancy of the Building, nature of operation and/or consumption of

utilities, said expense shall be borne solely by the Tenant. Said expense shall

be paid promptly and any repairs requested by the utility company shall be

performed by Tenant immediately and without any delay.

b. Landlord Controls Selection. Landlord has advised Tenant that presently

Excel Energy Company of Colorado ("Utility Service Provider") is the utility

company selected by Landlord to provide electricity and gas service for the

Building. Notwithstanding the foregoing, if permitted by Law, Landlord shall

have the right at any time and from time to time during the Lease Term to either

contract for service from a different company or companies providing electricity

and/or gas service (each such company shall hereinafter be referred to as an

("Alternative Service Provider") or continue to contract for service from the

Utility Service Provider.

c. Tenant Shall Give Landlord Access. Tenant shall cooperate with Landlord,

Utility Service Provider, and any Alternative Service Provider at all times and,

as reasonably necessary, shall allow Landlord, Utility Service Provider, and any

Alternative Service Provider reasonable access to the Building's electric lines,

feeders, risers, wiring, gas lines, and any other machinery within the Premises.

d. Landlord Not Responsible for Interruption of Service. Landlord shall in

no way be liable or responsible for any loss, damage, or expense that Tenant may

sustain or incur by reason of any change, failure, interference, disruption, or

defect in the supply or character of the electrical and/or gas energy furnished

to the Premises, or if the quantity or character of the electric and/or gas

energy supplied by the Utility Service Provider or any Alternate Service

Provider is no longer available or suitable for Tenant's requirements, and no

such change, failure, defect, unavailability, or unsuitability shall constitute

an actual or constructive eviction, in whole or in part, or entitle Tenant to

any abatement or diminution of rent, or relieve Tenant from any of its

obligations under the Lease Agreement.

14. MAINTENANCE OBLIGATIONS OF LANDLORD. Except as herein otherwise specifically

provided for, Landlord shall keep and maintain the roof and exterior of the

Building of which the Leased Premises are a part in good repair and condition.

Tenant shall repair and pay for any damage to roof, foundation and external

walls caused by Tenant's action, negligence or fault. Landlord shall repair and

pay for any damage to roof, foundation and external walls, and resulting damage

to the Leased Premises, caused by Landlord's or other tenant's action,

negligence or fault.

15. MAINTENANCE OBLIGATIONS OF THE TENANT. Subject only to the maintenance

obligations of the Landlord as herein provided for, the Tenant shall, during the

entire Lease Term, including all extensions thereof, at the Tenant's sole cost

and expense, keep and maintain the Leased Premises in good condition and repair,

including specifically the following:

a. ELECTRICAL SYSTEMS. Tenant agrees to maintain in good working order and

to make all required repairs and replacements to the electrical systems for the

Leased Premises. Tenant upon signing this Lease Agreement acknowledges that

Tenant has inspected the existing electrical systems and all such systems are in

good repair and working order.

b. PLUMBING SYSTEMS. Tenant agrees to maintain in good working order and to

make all required repairs or replacements to the plumbing systems for the Leased

Premises. Tenant upon signing this Lease Agreement acknowledges that Tenant has

inspected the existing plumbing systems and all such systems are in good repair

and working order.

c. TENANT'S RESPONSIBILITY FOR BUILDING AND AREA REPAIRS. Tenant shall be

responsible for any repairs required for any part of the Building or Area of

which the Leased Premises are a part if such repairs are necessitated by the

actions or inactions of Tenant, except that Tenant shall not be responsible for

any repairs made necessary by Landlord's negligent acts.

d. CUTTING ROOF. Tenant must obtain in writing the Landlord's approval

prior to making any roof penetrations, which approval shall not be unreasonably

withheld in light of the intended and permitted use of the Lease Premises.

Failure by Tenant to obtain written permission to penetrate a roof shall relieve

Landlord of any roof repair obligations as set forth in Paragraph "14" hereof.

Tenant further agrees to repair upon termination of this Lease Agreement if

requested in writing by Landlord, at Tenant's sole cost and expense, all roof

penetrations made by the Tenant and to use, , a licensed contractor to make such

penetrations and repairs.

e. GLASS AND DOORS. The repair and replacement of all glass and doors on

the Leased Premises, which do not form part of the Common Areas, shall be the

responsibility of the Tenant. Any such replacements or repairs shall be promptly

completed at the expense of the Tenant.

f. LIABILITY FOR OVERLOAD. Tenant shall be responsible for the repair or

replacement of any damage to the Leased Premises, the Building or the Area which

result from the Tenant's movement of heavy articles therein or thereon, except

ordinary wear and tear reasonable in premises of a similar type and use. Tenant

shall not overload the floors of any part of the Leased Premises.

g. LIABILITY FOR OVERUSE AND OVERLOAD OF OPERATING SYSTEMS. Tenant shall be

responsible for the repair, upgrade, modification, and/or replacement of any

operating systems servicing the Leased Premises and/or all or part of the

Building which is necessitated by Tenant's change or increase in use of or

non-disclosed use of all or a part of the Leased Premises. Operating systems

include, but are not limited to, electrical systems; plumbing systems (both

water and natural gas); heating, ventilating, and air conditioning systems;

telecommunications systems; computer and network systems; lighting systems, fire

sprinkler systems; security systems; and building control systems, if any.

h. INSPECTION OF LEASED PREMISES-"AS IS" CONDITIONS. Tenant has inspected

the Leased Premises and accepts the Leased Premises in the condition that they

exist as of the date of this Lease Agreement, including, but not limited to, all

mechanical, plumbing and electrical systems and the conditions of the interior.

i. FAILURE OF TENANT TO MAINTAIN PREMISES. Should Tenant neglect to keep

and maintain the Leased Premises as required herein, the Landlord shall have the

right, but not the obligation, to have the work done and any reasonable costs

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therefore shall be charged to Tenant as additional rental and shall become

payable by Tenant with the payment of the rental next due.

16. COMMON AREA MAINTENANCE. Tenant shall be responsible for Tenant's Prorata

Share of the total costs incurred for the operation, maintenance and repair of

the Common Areas, including, but not limited to, the costs and expenses incurred

for the operation, maintenance and repair of parking areas (including restriping

and repaving); removal of snow; all utilities including water, gas, and electric

for the building; janitorial for common areas and tenant occupied space; normal

HVAC maintenance and elevator maintenance (if applicable); trash removal;

security to protect and secure the Area; common entrances, exits, and lobbies of

the Building; all common utilities, including water to maintain landscaping;

replanting in order to maintain a smart appearance of landscape areas; supplies;

depreciation on the machinery and equipment used in such operation, maintenance

and repair; the cost of personnel to implement such services; the cost of

maintaining in good working condition the HVAC system(s) for the Leased

Premises; the cost of maintaining in good working condition the elevator(s) for

the Leased Premises, if applicable; and costs to cover Landlord's management

fees paid for the management of the property. These costs shall be estimated on

an annual basis by the Landlord and shall be adjusted upwards or downwards

depending on the actual costs for the preceding twelve months. Tenant shall pay

monthly, commencing with the first month of the Lease Term, as additional rent

due under the terms hereof, a sum equal to Tenant's Prorata Share of the

estimated costs for said twelve (12) month period, divided by 12. The estimated

initial monthly costs are $ 3,227.00. Once each year the Landlord shall

determine the actual costs of the foregoing expenses for the prior year and if

the actual costs are greater than the estimated costs, the Tenant shall pay its

Tenant's Prorata Share of the difference between the estimated costs and the

actual costs to the Landlord with the next payment of Base Monthly Rent, or, if

the actual costs are less than the estimated costs, the Landlord shall forthwith

refund the amount of the Tenant's excess payment to the Tenant.

Additionally, upon Lease Agreement expiration or termination Landlord shall also

determine Tenant's Prorata Share of the annualized actual costs of the foregoing

expenses for the number of days the Lease is in effect during the calendar year

in which the Lease Agreement expires or terminates. If the annualized actual

costs are greater than the estimated costs, the Tenant shall pay its Prorata

Share of the difference between the estimated costs and the annualized actual

costs to the Landlord, or, if the annualized actual costs are less than the

estimated costs, the Landlord shall forthwith refund the excess to the Tenant.

For purposes of calculating Tenant's share of expenses under this paragraph,

annualized actual costs shall be the sum of actual costs for the year at the

time of reconciliation plus the total estimated costs prorated for the number of

days from the date the last actual cost was paid to the end of the year.

17. INSPECTION OF AND RIGHT OF ENTRY TO LEASED PREMISES--REGULAR, EMERGENCY,

RELETTING. Landlord and/or Landlord's agents and employees, shall have the right

to enter the Leased Premises upon reasonable notice and such that Tenant's

business is not unreasonably interrupted and such that Landlord shall reasonably

follow all of Tenants safety rules and procedures, at all times during regular

business hours and, at all times during emergencies, to examine the Leased

Premises, to make such repairs, alterations, improvements or additions as

Landlord deems necessary, and Landlord shall be allowed to take all materials

into and upon said Leased Premises that may be required therefore without the

same constituting an eviction of Tenant in whole or in part, and the rent

reserved shall in no way abate while such repairs, alterations, improvements or

additions are being made, by reason of loss or interruption of business of

Tenant or otherwise. During the six months prior to the expiration of the term

of this Lease Agreement or any renewal thereof, Landlord may, upon reasonable

notice and such that Tenant's business is not unreasonably interrupted, exhibit

the Leased Premises to prospective tenants and/or purchasers and may place upon

the Leased Premises the usual notices indicating that the Leased Premises are

for lease and/or sale.

18. ALTERATION-CHANGES AND ADDITIONS-RESPONSIBILITY.

Unless the Landlord's approval is first secured in writing, Tenant shall not

make any additions which are fixed to the Leased Premises. Such fixtures, unless

otherwise agreed in writing, shall become the property of the Landlord upon

termination of this Lease Agreement. Notwithstanding the foregoing, Tenant shall

be able to remove any and all of its equipment and trade fixtures which are

easily removed or are otherwise not fixed to the premises. Landlord may at its

sole option require Tenant at Tenant's cost to restore the Leased Premises to

original condition at the time of occupancy, subject to Tenant's normal wear and

tear. Notwithstanding the foregoing, Tenant shall be able to make changes to

voice and data networks which do not materially alter any fixture of the Leased

Premises without obtaining Landlord's consent. All such work shall be done in a

good and workmanlike manner and shall consist of new materials unless agreed to

otherwise by Landlord.

19. SIGN APPROVAL. Except for signs which are located inside of the Leased

Premises and which are not attached to any part of the Leased Premises, the

Landlord must approve in writing any sign to be placed in or on the interior or

exterior of the Leased Premises, regardless of size or value, which approval

shall not be unreasonably withheld. Tenant shall, during the entire Lease Term,

maintain Tenant's signs in good condition and repair at Tenant's sole cost and

expense. Tenant shall, remove all signs at the termination of this Lease

Agreement, at Tenant's sole risk and expense and shall in a workmanlike manner

properly repair any damage and close any unreasonable holes caused by the

installation and/or removal of Tenant's signs. Tenant shall give Landlord prior

notice of such removal so that a representative of Landlord shall have the

opportunity of being present when the signage is removed, or shall pre-approve

the manner and materials used to repair damage and close the holes caused by

removal.

20. RIGHT OF LANDLORD TO MAKE CHANGES AND ADDITIONS. Landlord reserves the right

at any time upon reasonable notice and such that Tenant's business is not

unreasonably interrupted, to make alterations or additions to the Building or

Area of which the Leased Premises are a part. Landlord also reserves the right

to construct other buildings and/or improvements in the Area and to make

alterations or additions thereto, all as Landlord shall determine, upon

reasonable notice and such that Tenant's business is not unreasonably

interrupted. Landlord further reserves the exclusive right to the roof of the

Building of which the Leased Premises are a part. Landlord also reserves the

right at any time to relocate, vary and adjust the size of any of the

improvements or Common Areas located in the Area upon reasonable notice and such

that Tenant's business is not unreasonably interrupted and provided that all

such changes shall be in compliance with the requirements of governmental

authorities having jurisdiction over the Area.

21. DAMAGE OR DESTRUCTION OF LEASED PREMISES. In the event the Leased Premises

and/or the Building of which the Leased Premises are a part shall be totally

destroyed by fire or other casualty or so badly damaged that, in the opinion of

Landlord, it is not feasible to repair or rebuild same, Landlord shall have the

right to terminate this Lease Agreement upon written notice to Tenant and if the

Landlord elects not to terminate the Lease Agreement, rent shall be abated until

the Leased Premises are reconstructed. If the Leased Premises are partially

damaged by fire or other casualty, , and said Leased Premises are rendered

untenable thereby, as determined by ordinary reason and prudence, an appropriate

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reduction of the rent shall be allowed for the unoccupied portion of the Leased

Premises until repair thereof shall be substantially completed. If the Landlord

elects to exercise the right herein vested in it to terminate this Lease

Agreement as a result of damage to or destruction of the Leased Premises or the

Building in which the Leased Premises are located, said election shall be made

by giving notice thereof to the Tenant within thirty (30) days after the date of

said damage or destruction.

If the Leased Premises are damaged by fire or other casualty such that Tenant

can not use the Leased Premises for the normal business purposes of Tenant under

Section 6 above, whether in part or in full, and the Landlord has not provided a

schedule for repair of the Leased Premises within forty five (45) days of such

event with further assurances that it will be able to restore the Leased

Premises, or is diligently working to restore the Leased Premises, to full

operating condition within a 360 day period of such event, then Tenant shall be

able to cancel this Lease Agreement upon written notice to the Landlord.

Notwithstanding the foregoing, Tenant may not cancel the Lease Agreement if the

damage to the Leased Premises is due in whole or in part to the act, omission,

fault or negligence of Tenant, so long the Landlord is diligently working to

restore the Leased Premises.

22. GOVERNMENTAL ACQUISITION OF PROPERTY. Upon reasonable notice to Tenant, the

Landlord shall have complete freedom of negotiation and settlement of all

matters pertaining to the acquisition of the Leased Premises, the Building, the

Area, or any part thereof, by any governmental body or other person or entity

via the exercise of the power of eminent domain, it being understood and agreed

that any financial settlement made or compensation paid respecting said land or

improvements to be so taken, whether resulting from negotiation and agreement or

legal proceedings, shall be the exclusive property of Landlord, there being no

sharing whatsoever between Landlord and Tenant of any sum so paid. In the event

of any such taking, Landlord shall have the right to terminate this Lease

Agreement on the date possession is delivered to the condemning person or

authority. Such taking of the property shall not be a breach of this Lease

Agreement by Landlord nor give rise to any claims in Tenant for damages or

compensation from Landlord. Nothing herein contained shall be construed as

depriving the Tenant of the right to retain as its sole property any

compensation paid for any tangible personal property owned by the Tenant which

is taken in any such condemnation proceeding.

Landlord shall inform Tenant immediately of the pendency of any legal action or

proceeding under this Section 22. Notwithstanding the foregoing, Tenant shall be

entitled to seek, directly from the acquiring governmental authority an award

for Tenant's fixtures which are agreed to be Tenant's property in writing by the

Landlord in accord with Section 18 above, and any award for any of Tenant's

trade fixtures, equipment, personal property and relocation expenses.

Landlord represents and warrants that there are no any such governmental actions

pending as of the effective date of this Lease Agreement, and that if such

preexisting governmental actions are later discovered that this Lease Agreement

shall be void.

23. ASSIGNMENT OR SUBLETTING. Tenant may not assign this Lease Agreement, or

sublet the Leased Premises or any part thereof, without the written consent of

Landlord. No such assignment or subletting if approved by the Landlord shall

relieve Tenant of any of its obligations hereunder, and, the performance or

nonperformance of any of the covenants herein contained by subtenants shall be

considered as the performance or the nonperformance by the Tenant.

24. WARRANTY OF TITLE. Subject to the provisions of the following three (3)

paragraphs hereof, Landlord covenants it has good right to lease the Leased

Premises in the manner described herein and that Tenant shall peaceably and

quietly have, hold, occupy and enjoy the Leased Premises during the term of the

Lease Agreement.

25. ACCESS. Landlord shall provide Tenant nonexclusive access to the Leased

Premises through and across land and/or other improvements owned by Landlord.

Landlord shall have the right, during the term of this Lease Agreement, to

designate, and to change, such nonexclusive access, upon reasonable notice and

such that any change shall not materially interfere with Tenant's ability to

conduct normal business.

26. SUBORDINATION. Subject to the provisions below, Tenant agrees that this

Lease Agreement shall be subordinate to any mortgages, trust deeds or ground

leases that may now exist or which may hereafter be placed upon said Leased

Premises and to any and all advances to be made thereunder, and to the interest

thereon, and all renewals, replacements and extensions thereof. Tenant shall

execute and deliver whatever instruments may be required for the above purposes,

and failing to do so within ten (10) days after demand in writing shall

constitute a material default under this Lease. Tenant shall in the event of the

sale or assignment of Landlord's interest in the Area or in the Building of

which the Leased Premises form a part, or in the event of any proceedings

brought for the foreclosure of or in the event of exercise of the power of sale

under any mortgage made by Landlord covering the Leased Premises, attorn to the

purchaser and recognize such purchaser as Landlord under this Lease Agreement.

If so requested by Tenant, Landlord shall use reasonable best efforts to ensure

that a letter of non-disturbance shall be obtained from any lender, and such

letter shall provide that Tenant's use, possession or enjoyment of the Premises

shall not be interfered with, nor shall the leasehold estate granted by this

Lease Agreement be affected in any other manner, in any foreclosure, deed in

lieu of foreclosure or any action or proceeding instituted under or in

connection with any mortgage, trust deed or ground lease for so long as Tenant

shall not be in default of any terms of this Lease Agreement. If Landlord is

unable to obtain a letter of non-disturbance, this shall not be a material

default under this Lease Agreement.

27. EASEMENTS. The Landlord shall have the right to grant any easement on, over,

under and above the Area for such purposes as Landlord determines, provided that

such easements do not materially interfere with Tenant's occupancy and ability

to conduct business and use of the Leased Premises, and upon reasonable notice.

28. INDEMNIFICATION AND WAIVER Except in the case of a breach or default in the

performance of any obligation under this Lease Agreement, each party shall

indemnify, defend and hold harmless the other party and nothing in this Lease

Agreement shall be construed as imposing any liability on them for any loss,

costs, expense (including reasonable attorney's fees), or any claims, suits,

actions or damages arising from the ownership, use, control or occupancy of any

portion of the Project including the Building, Common Areas and Premises unless

such loss, cost, expense, claim, suit or action is a result of or caused by the

negligent acts or omissions of such other party or its agents, servants,

employees, contractors, or invitees. Tenant shall not indemnify Landlord for

acts or failure to observe or comply with any of the rules by any other tenant

or occupant of the Building or Project that adversely affect Tenant's use and

occupancy in which Landlord has been put on notice of such adverse impact to

Tenant.

29. ACTS OR OMISSION OF OTHERS. Other than as specified in this Lease Agreement

and in the Laws of the State of

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Colorado, the Landlord, or its employees or agents, or any of them, shall not be

responsible or liable to the Tenant or to the Tenant's guests, invitees,

employees, agents or any other person or entity, for any loss or damage that may

be caused by the acts or omissions of other tenants, their guests or invitees,

occupying any other part of the Area or by persons who are trespassers on or in

the Area, or for any loss or damage caused or resulting from the bursting,

stoppage, backing up or leaking of water, gas, electricity or sewers or caused

in any other manner whatsoever, unless such loss or damage is caused by or

results from the negligent acts of the Landlord, its agents or contractors.

30. INTEREST ON PAST DUE OBLIGATIONS. Any amount due to Landlord not paid when

due shall bear interest at two (2%) percent per month from due date until paid.

Payment of such interest shall not excuse or cure any default by Tenant under

this Lease Agreement. Tenant shall be granted a grace period of ten (10) days

from the date the obligation was initially due, and if Tenant does not pay

within the grace period interest shall accrue from the date the obligation was

initially due.

31. HOLDING OVER. If Tenant shall remain in possession of the Leased Premises

after the termination of this Lease, and is not negotiating in good faith the

extend the lease term, whether by expiration of the Lease Term or otherwise,

without a written agreement as to such possession, then Tenant shall be deemed a

month-to-month Tenant. The rent rate during such holdover tenancy shall be

equivalent to one hundred and fifty percent (150%) the monthly rent paid for the

last full month of tenancy under this Lease, excluding any free rent concessions

which may have been made for the last full month of the Lease. No holding over

by Tenant shall operate to renew or extend this Lease without the written

consent of Landlord to such renewal or extension having been first obtained.

Tenant shall indemnify Landlord against loss or liability resulting from the

delay by Tenant in surrendering possession of the Leased Premises including,

without limitation, any claims made with regard to any succeeding occupancy

bounded by such holdover period.

32. MODIFICATION OR EXTENSIONS. No modification or extension of this Lease

Agreement shall be binding upon the parties hereto unless in writing and unless

signed by the parties hereto.

33. NOTICE PROCEDURE. All notices, demands and requests which may be or are

required to be given by either party to the other shall be in writing and such

that are to be given to Tenant shall be deemed to have been properly given if

served on Tenant or an employee of Tenant or sent to Tenant by United States

registered or certified mail, return receipt requested, properly sealed, stamped

and addressed to Tenant at see page 1 or at such other place as Tenant may from

time to time designate in a written notice to Landlord; and, such as are to be

given to Landlord shall be deemed to have been properly given if personally

served on Landlord or if sent to Landlord, United States registered or certified

mail, return receipt requested, properly sealed, stamped and addressed to

Landlord at 4875 Pearl East Cr. #300, Boulder, CO 80301 or at such other place

as Landlord may from time to time designate in a written notice to Tenant. Any

notice given by mailing shall be effective as of the date of receipt.

34. MEMORANDUM OF LEASE-NOTICE TO MORTGAGEE. The Landlord and Tenant agree not

to place this Lease Agreement of record, but upon the request of either party to

execute and acknowledge so the same may be recorded a short form lease

indicating the names and respective addresses of the Landlord and Tenant, the

Leased Premises, the Lease Term, the dates of the commencement and termination

of the Lease Term and options for renewal, if any, but omitting rent and other

terms of this Lease Agreement. Tenant agrees to an assignment by Landlord of

rents and of the Landlord's interest in this Lease Agreement to a mortgagee, if

the same be made by Landlord. Tenant further agrees if requested to do so by the

Landlord that it will give to said mortgagee a copy of any request for

performance by Landlord or notice of default by Landlord; and in the event

Landlord fails to cure such default, the Tenant will give said mortgagee a sixty

(60) day period in which to cure the same. Said period shall begin with the last

day on which Landlord could cure such default before Tenant has the right to

exercise any remedy by reason of such default. All notices to the mortgagee

shall be sent by United States registered or certified mail, postage prepaid,

return receipt requested.

35. CONTROLLING LAW. The Lease Agreement, and all terms hereunder shall be

construed consistent with the laws of the State of Colorado. Any dispute

resulting in litigation hereunder shall be resolved in court proceedings

instituted in Boulder County and in no other jurisdiction.

36. LANDLORD NOT A PARTNER WITH THE TENANT. Nothing contained in this Lease

Agreement shall be deemed, held or construed as creating Landlord as a partner,

agent, associate of or in joint venture with Tenant in the conduct of Tenant's

business, it being expressly understood and agreed that the relationship between

the parties hereto is and shall at all times remain that of Landlord and Tenant.

37. PARTIAL INVALIDITY. If any term, covenant or condition of this Lease

Agreement or the application thereof to any person or circumstance shall, to any

extent, be invalid or unenforceable, the remainder of this Lease Agreement or

the application of such term, covenant or condition to persons and circumstances

other than those to which it has been held invalid or unenforceable, shall not

be affected thereby, and each term, covenant and condition of this Lease

Agreement shall be valid and shall be enforced to the fullest extent permitted

by law.

38. DEFAULT-REMEDIES OF LANDLORD.

a. The occurrence of any of the following events shall constitute a default

by Tenant under this Lease Agreement:

i. Failure to make due and punctual payment of rent or any other

charges, assessments or amounts due or payable or required to be paid under this

Lease Agreement; or

ii. Neglect or failure by Tenant to perform or observe, or any other

breach of, any other term, covenant or condition of this Lease Agreement; or

iii. Adjudication of Tenant as bankrupt or insolvent, or filing by or

against Tenant of any petition in bankruptcy or for reorganization or for the

adoption of any arrangement under the Bankruptcy Code; application is made for

the appointment of receiver or conservator for Tenant's business or property; or

assignment by Tenant is made of its property for the benefit of its creditors;

or Tenant's interest in this Lease Agreement or any substantial amount of

Tenant's other real or personal property is levied or executed upon by process

of law; or

iv. Petition or other proceeding is made by or against Tenant for its

dissolution or liquidation; or voluntary dissolution or liquidation of Tenant;

or

v. Abandonment of the Leased Premises, by Tenant for a period of time

in excess of thirty (30) consecutive

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days.

b. If Tenant shall default in the payment of rent or in the keeping of any

of the terms, covenants or conditions of this Lease Agreement to be kept and/or

performed by Tenant or shall otherwise commit any event of default as defined

above, Landlord may upon the expiration of any applicable cure, immediately, or

at any time thereafter, reenter the Leased Premises, remove all persons and

property therefrom, without being liable to indictment, prosecution for damage

therefore, or for forcible entry and detainer and repossess and enjoy the Leased

Premises, together with all additions thereto or alterations and improvements

thereof. Landlord may, at its option, at any time and from time to time

thereafter, relet the Leased Premises or any part thereof for the account of

Tenant or otherwise, and receive and collect the rents therefore and apply the

same first to the payment of such expenses as Landlord may have incurred in

recovering possession and for putting the same in good order and condition for

rerental, and expense, commissions and charges paid by Landlord in reletting the

Leased Premises. Any such reletting may be for the remainder of the term of this

Lease Agreement or for a longer or shorter period. In lieu of reletting such

Leased Premises, Landlord may occupy the same or cause the same to be occupied

by others. Whether or not the Leased Premises or any part thereof be relet,

Tenant shall pay the Landlord the rent and all other charges required to be paid

by Tenant up to the time of the expiration of this Lease Agreement or such

recovered possession, as the case may be and thereafter, Tenant, if required by

Landlord, shall pay to Landlord until the end of the term of this Lease

Agreement, the equivalent of the amount of all rent reserved herein and all

other charges required to be paid by Tenant, less the net amount received by

Landlord for such reletting, if any, unless waived by written notice from

Landlord to Tenant. No action by Landlord to obtain possession of the Leased

Premises and/or to recover any amount due to Landlord hereunder shall be taken

as a waiver of Landlord's right to require full and complete performance by

Tenant of all terms hereof, including payment of all amounts due hereunder or as

an election on the part of Landlord to terminate this Lease Agreement. If the

Leased Premises shall be reoccupied by Landlord, then, from and after the date

of repossession, Tenant shall be discharged of any obligations to Landlord under

the provisions hereof for the payment of rent. If the Leased Premises are

reoccupied by the Landlord pursuant hereto, and regardless of whether the Leased

Premises shall be relet or possessed by Landlord, all fixtures, additions,

furniture, and the like then on the Leased Premises may be retained by Landlord.

In the event Tenant is in default under the terms hereof and, by the sole

determination of Landlord, has abandoned the Leased Premises, Landlord shall

have the right to remove all the Tenant's property from the Leased Premises and

dispose of said property in such a manner as determined best by Landlord, at the

sole cost and expense of Tenant and without liability of Landlord for the

actions so taken and without liability on the part of Landlord for any action so

taken.

c. In the event an assignment of Tenant's business or property shall be

made for the benefit of creditors, or, if the Tenant's leasehold interest under

the terms of this Lease Agreement shall be levied upon by execution or seized by

virtue of any writ of any court of law, or, if application be made for the

appointment of a receiver for the business or property of Tenant, or, if a

petition in bankruptcy shall be filed by or against Tenant, then and in any such

case, at Landlord's option, with or without notice, Landlord may terminate this

Lease Agreement and immediately retake possession of the Leased Premises without

the same working any forfeiture of the obligations of Tenant hereunder .

d. In addition to all rights and remedies granted to Landlord by the terms

hereof, Landlord shall have available any and all rights and remedies available

at law or in equity, or under the statutes of the State of Colorado. No remedy

herein or otherwise conferred upon or reserved to Landlord shall be considered

exclusive of any other remedy but shall be cumulative and shall be in addition

to every other remedy given hereunder or now or hereafter existing at law or in

equity or by statute. Further, all powers and remedies given by this Lease

Agreement to Landlord may be exercised, from time to time, and as often as

occasion may arise or as may be deemed expedient. No delay or omission of

Landlord to exercise any right or power arising from any default shall impair

any such right or power or shall be considered to be a waiver of any such

default or acquiescence thereof. The acceptance of rent by Landlord shall not be

deemed to be a waiver of any breach of any of the covenants herein contained or

of any of the rights of Landlord to any remedies herein given.

e. If Tenant shall, for any reason, vacate the Leased Premises before the

end of the Lease Agreement and more than 30 days late in the payment of rental

payments, landlord shall have the right to accelerate rental payments and any

and all future rent payments due during the course of the Lease Term shall

become immediately payable in full to the Landlord, except that Tenant shall

have the right, in accord with the provisions of Article 23 above, to obtain a

sublessee acceptable to the Landlord for the remainder of the Lease Term, and

Landlord's consent to any qualified sublessee shall not be unreasonably

withheld. Amount received under any such sublease shall be creditable against

Tenant's obligations to pay rent and shall not remove the primary obligation of

the Tenant to pay the rent.

39. LEGAL PROCEEDINGS-RESPONSIBILITIES. In the event of proceeding at law or in

equity by either party hereto, the defaulting party shall pay all costs and

expenses, including all reasonable attorney's fees incurred by the

non-defaulting party in pursuing such remedy, if such non-defaulting party is

awarded substantially the relief requested.

40. ADMINISTRATIVE CHARGES. In the event any check, bank draft or negotiable

instrument given for any money payment hereunder shall be dishonored at any time

and from time to time, for any reason whatsoever not attributable to Landlord,

Landlord shall be entitled, in addition to any other remedy that may be

available, (1) to make an administrative charge of $100.00 or three times the

face value of the check, bank draft or negotiable instrument, whichever is

smaller, and (2) at Landlord's sole option, if Tenant's financial instrument has

been returned more than two (2) times in any consecutive twelve (12) month

period, to require Tenant to make all future rental payments in cash or cashiers

check.

41 LANDLORD HAZARDOUS MATERIALS AND ENVIRONMENTAL CONSIDERATIONS.

a. Tenant shall not be held liable, and Landlord agrees to indemnify and

hold Tenant harmless, from and against any action brought with regards to any

conditions in the Leased Premises or Common Areas which existed prior to the

commencement of the Lease Term, and which violate any and all applicable

Hazardous Materials Laws (as hereinafter defined), UST Laws (as hereinafter

defined) and environmental and occupation safety and health rules laws and

regulations ("Preexisting Violations"). Tenant shall not be held liable, and

Landlord agrees to indemnify and hold Tenant harmless, from and against any

action brought with regards to any conditions caused by Landlord in the Common

Area or Leased Premises during the Lease Term which violate any and all

applicable Hazardous Materials Laws, UST Laws and environmental and occupation

safety and health rules laws and regulations. For the avoidance of doubt, under

this Article 41 Landlord shall be responsible for the timely cure, at its

expense, of (i) Landlord's violation of Hazard Material Laws and (ii) any

Preexisting Conditions that impair the use of the Leased Premises by Tenant.

b. Landlord covenants and agrees to provide to Tenant, upon Tenant's

reasonable request, access to any and all

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communications to or from any federal, state or local governmental authority or

agency or political subdivision relating to Hazardous Materials Laws or any UST

Laws, or violation thereof affecting the Common Area or Leased Premises and all

communications to or from any other person relation to Hazardous Materials Laws

or any UST Laws, or violation thereof affecting the Common Areas or Leased

Premises. Without limiting the foregoing, Landlord also covenants and agrees to

provide Tenant access to all reports prepared by or on behalf of Landlord with

respect to compliance by Landlord with Hazardous Materials Laws or any UST Laws

insofar as they pertain to the Common Areas or Leased Premises or the operations

conducted by Landlord thereon, as well as copies of any "Material Safety Data

Sheets" issued from time to time in connection with any Hazardous Materials

used, generated, handled, stored or disposed of on, about or from the Common

Areas or Leased Premises.

c. Landlord covenants and agrees to, within a reasonable amount of time,

advise Tenant in writing of (i) any and all claims made or threatened by any

governmental authority, political subdivision or any private third party with

respect to any alleged violation of any applicable Hazardous Materials Laws or

of any other claim of liability arising out of or related to Hazardous

Materials; (ii) Landlord's discovery of any occurrence or condition in, on or

about the Leased Premises or Common Areas, which constitutes or may constitute a

violation of any applicable Hazardous Materials Laws or breach of any term or

condition of this Lease; (iii) any and all claims made or threatened by any

governmental authority, political subdivision or any private third party with

respect to any alleged violation of any UST Laws or of any other liability

arising out of or in connection with Landlord's installation, use or maintenance

of above ground or underground storage tanks on or under the Leased Premises;

(iv) Landlord's discovery of any occurrence of condition in, on or about the

Common Areas or Leased Premises, which constitutes a violation of any such laws;

and (v) any remedial action taken or proposed to be taken by Landlord in

response to any claim or discovery described in subparagraphs (i), (ii), (iii)

or (iv).

d. Tenant shall have the right to join and participate in, as a party if it

so elects, any legal proceedings or actions initiated in connection with any

asserted violation of applicable Hazardous Materials by Landlord, and Landlord

shall pay all attorney's fees, cost and expenses associated therewith so long as

Tenant agrees to be represented by counsel of Landlord's choosing and that

Landlord shall control the settlement of any claim, subject to Tenant's consent

to any such settlement which consent shall not be unreasonably withheld. If

Tenant chooses to be represented by separate counsel Tenant shall pay all

attorney's fees, costs and expenses associated therewith.

Landlord represents and warrants, to the best of its information, belief

and knowledge, that there are no Preexisting Violations of any and all Hazardous

Materials Laws, UST Laws and environmental and occupation safety and health

rules, laws and regulations as of the effective date of this Lease Agreement.

e. Nothing in this Article 41 shall relieve either party of any liability

in contravention of any and all applicable Hazardous Materials Laws, UST Laws

and environmental and occupation safety and health rules laws and regulations

which ordinarily attach to that party by operation of law.

f. Subject to applicable laws, all obligations of Landlord under this

Section 41 shall survive and continue after the expiration of the term of this

Lease Agreement or the earlier termination of this Lease Agreement for any

reason.

42. TENANT HAZARDOUS MATERIALS AND ENVIRONMENTAL CONSIDERATIONS.

a. The provisions of this Article 42 shall apply only to Tenant and its

agents, employees, contractors, licensees and invitees, use, handling, storage

and disposal of Hazardous Materials on or about the Leased Premises during the

Lease Term, and any extensions of the Lease Term (Tenant's Acts).

b. Tenant covenants and agrees that Tenant and its agents, employees,

contractors, licensees and invitees will comply with all Hazardous Materials

Laws. Without limiting the foregoing, in the event Tenant generates any

Hazardous Materials on or about the Leased Premises, Tenant covenants and agrees

that it will use, handle, store and dispose of such Hazardous Materials in full

compliance with all Hazardous Materials Laws. The generation of any Hazardous

Materials shall in no way interfere with (i) any other tenant's or adjoining

landowner's ability to use its premises, or (ii) the integrity of Landlord's

premises. All Hazardous Materials, vapors, chemicals or other pollutants shall

be handled in an environment controlled by appropriately designed and installed

air-handling or other appropriate equipment which shall be maintained and

operated at Tenant's expense at all times during the term hereof, which

equipment shall meet or exceed the stricter of standards imposed by any

applicable Hazardous Materials Laws or any applicable industry standards. Any

such air-handling or other equipment coming into contact with Hazardous

Materials shall be removed by Tenant upon termination or expiration of this

Lease if Landlord so requests.

c. Without limiting the foregoing, in the event Tenant stores any Hazardous

Materials on the Leased Premises (or elsewhere if such Hazardous Materials were

generated on or transported from the Leased Premises), Tenant covenants and

agrees that such storage shall be in compliance with all applicable Hazardous

Materials Laws. Should it be necessary to store any Hazardous Materials outside

the Building on the Leased Premises, Tenant shall do so in a manner designed to

prevent contamination of the air, ground or water in, on or surrounding the

Leased Premises.

d. Without limiting the foregoing, Tenant covenants and agrees that any

transportation of Hazardous Materials to or from the Leased Premises shall be

accomplished in full compliance with all applicable Hazardous Materials Laws.

Landlord shall be given full access to any and all records, bills of lading,

manifests, and other information or records maintained by Tenant in connection

with such transportation,

e. Tenant covenants and agrees to inform Landlord at any time during the

term of this Lease Agreement of any significant changes in the scope or type of

Hazardous Materials it intends to use, generate, manufacture, handle, store or

dispose of on, about or from the Leased Premises, and of any significant changes

in the scope of activities conducted by Tenant on or in the Leased Premises.

f. Tenant shall promptly take any and all necessary preventive and/or

remedial action in response to any spills or releases of Hazardous Materials on,

under or about the Leased Premises. Tenant shall take such preventive or

remedial action in good faith so as to minimize any impairment to the Leased

Premises and any adjoining premises. In the event Tenant undertakes any remedial

action with respect to any Hazardous Materials on, under or about the Leased

Premises, Tenant shall conduct and complete such remedial action (i) in

compliance with all applicable Hazardous Materials Laws; (ii) to the reasonable

satisfaction of Landlord; and (iii) in accordance with the lawful orders and

directives of all federal, state and local governmental authorities or political

subdivisions asserting jurisdiction over the Leased Premises.

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g. Upon expiration or termination of this Lease Agreement and/or vacation

of the Leased Premises, Tenant covenants and agrees that it shall properly

remove and dispose of all Hazardous Materials from the Leased Premises and

thereafter provide Landlord with an environmental audit report, prepared by a

professional consultant reasonably satisfactory to Landlord and at Tenant's sole

expense, certifying that the Leased Premises and the surrounding areas have not

been subjected to environmental harm brought about by Tenant's use and occupancy

of the Leased Premises. If the initial report does not adequately certify that

the Leased Premises and surrounding areas are not subject to environmental harm,

Tenant shall, at Tenant's expense, undertake such remediation and mitigation

actions as are appropriate and reasonably acceptable to Landlord and shall

provide an updated or amended report by such professional consultant then

certifying that the Leased Premises and surrounding areas are no longer subject

to environmental harm brought by Tenant's use and occupancy of the Leased

Premises. Landlord shall grant to Tenant and its agents or contractors such

access to the Leased Premises as is reasonably necessary to accomplish such

removal and prepare such audit. If such removal is not accomplished prior to the

expiration of the Lease term, Tenant shall be obligated to pay rent to Landlord

in an amount of One Hundred Ten (110%) of the last month's rent.

h. Landlord shall have the right to join and participate in, as a party if

it so elects, any legal proceedings or actions initiated in connection with any

asserted violation of applicable Hazardous Materials Laws or UST Laws by Tenant,

and Tenant shall pay all attorney's fees, cost and expenses associated therewith

so long as Landlord agrees to be represented by counsel of Tenant's choosing and

that Tenant shall control the settlement of any claim, subject to Landlord's

consent to any such settlement which consent shall not be unreasonably withheld.

If Landlord chooses to be represented by separate counsel Landlord shall pay all

attorney's fees, costs and expenses associated therewith.

Tenant shall and hereby covenants and agrees to indemnify, defend and hold

Landlord harmless from and against any and all suits, actions, legal or

administrative proceedings, demands, claims, judgments, damages, penalties,

fines, costs, liabilities, expenses or losses and Tenant shall pay all

attorney's fees, cost and expenses associated therewith so long as Landlord

agrees to be represented by counsel of Tenant's choosing and that Tenant shall

control the settlement of any claim, subject to Landlord's consent to any such

settlement which consent shall not be unreasonably withheld which arise during

or after the Lease Term as caused or permitted by Tenant's Acts in connection

with (i) breach by Tenant of any of its agreements or covenants contained in

this Section entitled "Hazardous Materials and Environmental Considerations";

(ii) the presence of Hazardous Materials on the Leased Premises caused or

permitted by Tenant (or its agents, employees, contractors, licensees or

invitees); (iii) personal injury or property damage to any person or property

(including, without limitation, the Leased Premises) resulting from the use,

storage, generation, manufacture, disposal or transportation of Hazardous

Materials by Tenant (or its agents, employees, contractors, licensees or

invitees) in, on, under or from the Leased Premises; (iv) any violation or claim

of violation by Tenant (or its agents, employees, contractors, licensees or

invitees) of any Hazardous Materials Laws; (v) costs incurred in connection with

any investigation of site conditions or any cleanup, remedial, removal or

restoration work or action caused or permitted by Tenant's acts and required by

any federal, state or local governmental agency, political subdivision or court

order (or pursuant to settlement of any such proceedings); (vi) imposition of

any lien for the recovery of any costs for environmental cleanup or other

response costs caused or permitted by Tenant's Acts and related to the release

or threatened release of Hazardous Materials in, on or about the Leased

Premises. Without limiting the foregoing, if the presence of any Hazardous

Materials on the Leased Premises caused or permitted by Tenant's Acts results in

any contamination of the Leased Premises, Tenant shall promptly take all

actions, at its sole expense, as are necessary to return the Leased Premises to

the condition existing prior to the introduction of any such Hazardous Materials

to the Leased Premises; provided that Landlord's approval of such actions shall

first be obtained, which approval shall not be unreasonably withheld so long as

such actions would not potentially have any material adverse long-term or

short-term effect on the Leased Premises. Tenant understands and agrees that its

liability to Landlord shall arise upon the earlier to occur of (i) discovery of

any Hazardous Materials on, under or about the Leased Premises caused or

permitted by Tenant's Acts; or (ii) the institution of any claim asserting the

violation of any Hazardous Materials Laws or other indemnified matter caused or

permitted by Tenant's Acts, and not upon the realization of loss or damage, and

Tenant agrees to pay to Landlord from time to time, immediately upon Landlord's

request, an amount equal to such expenses, as reasonably determined by landlord.

All agreements of indemnification of Landlord by Tenant shall also accrue to the

benefit of the employees, agents, officers, directors and partners of Landlord.

i. "Hazardous Materials" shall mean (i) any oil, flammable substances,

explosives, radioactive materials, hazardous wastes or substances, toxic wastes

or substances, or any other materials or pollutants which pose a hazard to the

Leased Premises or to persons on or about the Leased Premises or cause the

Leased Premises to be in violation of any Hazardous Materials Laws; (ii)

asbestos in any form which is or could become friable, urea formaldehyde foam

insulation, transformers, or other equipment from which contain dielectric fluid

containing levels of polychlorinated by phenyls in excess of fifty (50) parts

per million; (iii) any chemical, material or substance defined as or included in

the definition of "hazardous substances," "hazardous wastes," "hazardous

materials," "extremely hazardous wastes," "restricted hazardous waste," "toxic

substances," "regulated substances," or words of similar import under any

applicable federal, state or local law or under the regulations adopted or

publications promulgated pursuant thereto, including, but not limited to, the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as

amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation

Act, as amended, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and

Recovery Act, as amended, 42 U.S.C. Section 6901, et seq., the Solid Waste

Disposal Act, 42 U.S.C. Section 6991, et seq.; the Federal Water Pollution

Control Act, as amended, 33 U.S.C. Section 1251, et seq.; Sections 25-15-101, et

seq., 25-16-101, et seq., 25-7-010, et seq., and 25-8-101, et seq. of the

Colorado Revised Statutes; and (iv) any other chemical, material, substances or

pollutant exposure to which is prohibited, limited or regulated by any

governmental authority or which may or could pose a hazard to the health or

safety of the occupants of the Leased Premises or the owners and/or occupants of

property adjacent to or surrounding the Leased Premises.

j. "Hazardous Materials Laws" shall mean any federal, state or local laws,

ordinances, codes, rules, regulations, directives or policies (including, but

not limited to, those laws specified in subparagraph H, above) relating to the

environment, health or safety, any Hazardous Materials (including, without

limitation, the use, handling, transportation, production, disposal, discharge

or storage thereof) or to industrial hygiene or the environmental conditions on,

under or about the Leased Premises (including, without limitation, soil and

ground water conditions). The term "Hazardous Materials Laws" shall also be

deemed to include any future such laws, ordinances, codes, rules, regulations,

directives or policies as the same may be adopted from time to time during the

term of this Lease Agreement, and any amendments to any currently existing or

subsequently adopted Hazardous Materials Laws.

k. Tenant covenants and agrees that it shall comply with all federal, state

and local laws, rules, regulations and/or

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ordinances governing the installation, operation and maintenance of above ground

and underground storage tanks, including, without limitation, all standards

concerning construction, installation, upgrades, operations, repairs, common

maintenance, monitoring, leak detection, inspection, testing, record keeping and

recording imposed by law (collectively "UST Laws"). Tenant further covenants and

agrees that it shall not install any above ground or underground tank on the

Leased Premises without obtaining the prior written consent of Landlord, such

consent not to be unreasonably withheld.

Tenant shall provide to Landlord, upon reasonable request, access to any

and all records required to be maintained pursuant to law, including, without

limitation, registrations, monitoring records, inventory reconciliation record,

chemical and physical analyses, tank tests and reports required to be provided

to any governmental agency or political subdivision.

At all times during and following installation of any above ground or

underground storage tanks, Tenant shall comply with all financial responsibility

requirements of the Environmental Protection Agency, the Colorado Department of

Health or any other federal, state or local governmental body with jurisdiction

over the Leased Premises, which compliance shall including, but need not be

limited to, maintaining adequate insurance for the benefit of both Landlord and

Tenant.

Upon termination of this Lease Agreement (unless by purchase of the Leased

Premises by Tenant) and/or vacation of the Leased Premises, Tenant covenants and

agrees that it shall properly remove all above ground and underground storage

tanks from the Leased Premises, unless other methods of insuring compliance with

all applicable UST Laws are recommended by a professional consultant and

accepted by Landlord, and thereafter provide Landlord with an environmental

audit report, prepared by a professional consultant reasonably satisfactory to

Landlord and at Tenant's sole expense, certifying that the Leased Premises and

the surrounding areas have not been subjected to environmental harm caused by,

arising out of, or in connection with Tenant's installation, use, maintenance or

removal of above ground and underground storage tanks on or from the Leased

Premises. Landlord shall grant to Tenant and its agents or contractors such

access to the Leased Premises as is reasonably necessary to accomplish such

removal and prepare such audit. If such removal is not accomplished prior to the

expiration of the Lease term, Tenant shall be obligated to pay rent to Landlord

in an amount of One Hundred Ten (110%) of the last month's rent.

Tenant shall indemnify, defend and hold Landlord harmless from any and all

claims, judgments, damages, penalties, fines, costs, liabilities or losses which

arise during or after the Lease Term as a result of breach by Tenant under this

Section 42 k. and Tenant shall pay all attorney's fees, cost and expenses

associated therewith so long as Landlord agrees to be represented by counsel of

Tenant's choosing and that Tenant shall control the settlement of any claim,

subject to Landlord's consent to any such settlement which consent shall not be

unreasonably withheld. This indemnification of Landlord by Tenant includes,

without limitation, any costs incurred in connection with any investigation of

site conditions or any cleanup, remedial, removal or restoration work required

by any federal, state or local governmental agency or political subdivision

arising out of or in connection with the use or existence of above ground or

underground storage tanks on the Leased Premises. Without limiting the

foregoing, if the presence of above ground or underground storage tanks on the

Leased Premises installed, used or operated by Tenant results in any

contamination of the Leased Premises not due to a Preexisting Violation, Tenant

shall promptly take all actions at its sole expense, as are necessary to return

the Leased Premises to the condition required by the relevant governmental

authorities with regards to such contamination; provided that Landlord's

approval of such actions shall first be obtained, which approval shall not be

unreasonably withheld. All agreements of indemnification of Landlord by Tenant

shall also accrue to the benefit of the employees, agents, officers, directors

and/or partners of Landlord.

l. Tenant covenants and agrees that it shall allow Landlord's employees or

agents upon reasonable notice and such that Tenant's business is not

unreasonably interrupted rights of access to inspect the Leased Premises and the

surrounding area to conduct such tests as Landlord deems necessary (at

Landlord's expense) and to otherwise confirm that Tenant is in full compliance

with all applicable Hazardous Materials Laws and/or UST Laws. If any such test

discloses that Tenant is not in compliance with any such laws, Tenant shall, in

addition to all other obligations hereunder, reimburse Landlord for the cost of

conducting such tests.

m. Tenant covenants and agrees to provide to Landlord, upon reasonable

notice and such that Tenant's business is not materially interfered with, access

to any and all communications to or from any federal, state or local

governmental authority or agency or political subdivision relating to Hazardous

Materials Laws or any UST Laws, or violation thereof affecting the Leased

Premises and all communications to or from any other person relation to

Hazardous Materials Laws or any UST Laws, or violation thereof affecting the

Leased Premises. Without limiting the foregoing, Tenant also covenants and

agrees to provide Landlord reports prepared by or on behalf of Tenant with

respect to compliance by Tenant with Hazardous Materials Laws or any UST Laws

insofar as they pertain to the Leased Premises or the operations conducted by

Tenant thereon, as well any "Material Safety Data Sheets" issued from time to

time in connection with any Hazardous Materials used, generated, handled, stored

or disposed of on, about or from the Leased Premises.

n. Tenant covenants and agrees to immediately advise Landlord in writing of

(i) any and all claims made or threatened by any governmental authority,

political subdivision or any private third party with respect to any alleged

violation of any applicable Hazardous Materials Laws or of any other claim of

liability arising out of or related to Hazardous Materials; (ii) Tenant's

discovery of any occurrence or condition in, on or about the Leased Premises,

which constitutes or may constitute a violation of any applicable Hazardous

Materials Laws or breach of any term or condition of this Lease; (iii) any and

all claims made or threatened by any governmental authority, political

subdivision or any private third party with respect to any alleged violation of

any UST Laws or of any other liability arising out of or in connection with

Tenant's installation, use or maintenance of above ground or underground storage

tanks on or under the Leased Premises; (iv) Tenant's discovery of any occurrence

of condition in, on or about the Leased Premises, which constitutes a violation

of any such laws; and (v) any remedial action taken or proposed to be taken by

Tenant in response to any claim or discovery described in subparagraphs (i),

(ii), (iii) or (iv).

o. If Tenant fails to comply with any of its foregoing obligations with

respect to Hazardous Materials, Landlord may, in its reasonable discretion,

cause the removal (or other cleanup or remediation acceptable to Landlord) of

any Hazardous Materials from the Leased Premises. The cost of any such removal,

remediation and other cleanup, including, without limitation, transportation and

storage costs, costs of consultants and professionals, and any other costs or

expenses in any way associated with such removal, remediation or cleanup (and

compliance of any applicable Hazardous Materials Laws in connection with same)

shall constitute additional rent under this Lease Agreement, and such costs and

expenses shall become due and payable upon demand by Landlord. Tenant shall

provide Landlord, or its agents, contractors and employees, upon reasonable

notice and such that Tenant's business is not unreasonably interrupted access to

the Leased Premises for the purpose of removing or otherwise cleaning up any

Hazardous Materials upon demand.

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Landlord, however, shall have no affirmative obligation to remove, remediate or

otherwise cleanup any Hazardous Materials or otherwise deal with any Hazardous

Materials in, on or about the Leased Premises, and this Lease Agreement shall

not be construed as creating any such obligation.

p. Nothing in this Article 42 shall relieve either party of any liability

in contravention of any applicable environmental and occupation safety and

health rules laws and regulations which ordinarily attach to that party by

operation of law.

r. Subject to applicable laws, all obligations of Tenant under this Section

42 shall survive and continue after the expiration of the term of this Lease

Agreement or the earlier termination of this Lease Agreement for any reason.

41. ENTIRE AGREEMENT. It is expressly understood and agree by and between the

parties hereto that this Lease Agreement sets forth all the promises,

agreements, conditions, and understandings between Landlord and/or its agents

and Tenant relative to the Leased Premises and that there are no promises,

agreements, conditions, or understandings either oral or written, between them

other than that are herein set forth.

42. ESTOPPEL CERTIFICATES. Within no more than 5 days after receipt of written

request, the Tenant shall furnish to the owner a certificate, duly acknowledged,

certifying, to the extent true:

A. That this Lease Agreement is in full force and effect.

B. That the Tenant knows of no default hereunder on the part of the

owner, or if it has reason to believe that such a default exists, the

nature thereof in reasonable detail.

C. The amount of the rent being paid and the last date to which rent

has been paid.

D. That this Lease Agreement has not been modified, or if it has been

modified, the terms and dates of such modifications.

E. That the term of this Lease Agreement has commenced.

F. The commencement and expiration dates.

G. Whether all work to be performed by the owner has been completed.

H. Whether the renewal term option has been exercised if applicable.

I. Whether there exist any claims or deductions from, or defenses to,

the payment of rent.

J. Such other matters as may be reasonably requested by owner.

43. FINANCIAL STATEMENTS. Landlord acknowledges that Tenant is a publicly traded

company and that Tenant's certified financial statements are a matter of public

record and are readily available.

44. QUIET ENJOYMENT. Subject to the provisions of the Lease, Landlord covenants

that, Tenant upon payment of rent and performing the other covenants of this

Lease Agreement, shall and may peacefully hold and quietly have hold and enjoy

the Leased Premises for the Term of this Lease Agreement. In the event of any

transfer or transfers of Landlord's interest in the Leased Premises or any real

property which is pertinent to the Leased Premises or Common Areas, Landlord's

obligations and covenants under this section shall likewise attach to any

successor in interest to this Lease Agreement.

45. BROKERS. Tenant represents and warrants that it has dealt only with The

Colorado Group, Inc. (the "Broker") in the negotiation of this Lease Agreement.

Landlord shall make payment of the commission according to the terms of a

separate agreement with the Broker. Tenant hereby agrees to indemnify and hold

Landlord harmless of an from any and all loss, costs, damages or expenses

(including, without limitation, all attorney's fees and disbursements) by reason

of any claim of, or liability to, any other broker or person claiming through

Tenant and arising out of this Lease Agreement. Additionally, Tenant

acknowledges and agrees that Landlord shall have no obligation for payment of

any brokerage fee or similar compensation to any person with whom Tenant has

dealt or may deal with in the future with respect to leasing of any additional

or expansion space in the Building or any renewals or extensions of this Lease

Agreement unless specifically provided for by separate written agreement with

Landlord. In the event any claim shall be made against Landlord by any other

broker who shall claim to have negotiated this Lease Agreement on behalf of

Tenant or to have introduced Tenant to the Building or to Landlord, Tenant

hereby indemnifies Landlord, and Tenant shall be liable for the payment of all

reasonable attorney's fees, costs, and expenses incurred by Landlord in

defending against the same, and in the event such broker shall be successful in

any such action, Tenant shall, upon demand, make payment to such broker.

46. ADDITIONAL TERMS AND CONDITIONS. In addition to all rights and remedies

granted to Tenant by the terms hereof, Tenant shall have available any and all

rights and remedies available at law or in equity, or under the statutes of the

State of Colorado. No remedy herein or otherwise conferred upon or reserved to

Tenant shall be considered exclusive of any other remedy but shall be cumulative

and shall be in addition to every other remedy given hereunder or now or

hereafter existing at law or in equity or by statute. Further, all powers and

remedies given by this Lease Agreement to Tenant may be exercised, from time to

time, and as often as occasion may arise or as may be deemed expedient. No delay

or omission of Tenant to exercise any right or power arising from any default

shall impair any such right or power or shall be considered to be a waiver of

any such default or acquiescence thereof. The payment of rent or continued

occupancy by Tenant shall not be deemed to be a waiver of any breach of any of

the covenants herein contained or of any of the rights of Tenant to any remedies

herein given

47. LEASE AGREEMENT EXHIBITS ATTACHED. This Lease Agreement includes the

following Lease Agreement Exhibits which are incorporated herein and made a part

of this Lease Agreement:

Exhibit "A" - Landlord and Tenant's Construction Obligations

Exhibit "B" - Space Plan

Exhibit "C" - Additional Terms and Conditions not contained in Paragraph 48

above

Exhibit "D" - Option to Extend

48. MISCELLANEOUS. All marginal notations and paragraph headings are for

purposes of reference and shall not affect the true meaning and intent of the

terms hereof. Throughout this Lease Agreement, wherever the words "Landlord" and

"Tenant" are used they shall include and imply to the singular, plural, persons

both male and female, companies, partnerships and corporations, and in reading

said Lease Agreement, the necessary grammatical changes required to make the

provisions hereof mean and apply as aforesaid shall be made in the same manner

as though originally included in said Lease Agreement.

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IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of the

date hereof.

LANDLORD: YEW TREE INVESTMENTS LTD., LLLP

By: /s/ Gerald P. Lee

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Gerald P. Lee, Partner

TENANT: TRANSGENOMIC, INC.

By: /s/ Mitchell L. Murphy

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Mitchell L. Murphy

V.P., Secretary & Treasurer

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Exhibit "A"

Landlord and Tenant's Construction Obligations

1. Landlord Construction Obligations

Landlord agrees to provide Tenant with ($10.00/SF) for improvement to

the Leased Premises. Landlord shall pay such funds for allowable construction

costs completed in the Leased Premises within ten (10) business days of Tenant

providing written submission for payment with evidence of completed

construction, to include Lien Waivers, in the amount up to, in the Leased

Premises. No furnishings, fixtures, or equipment in place in the premises shall

be paid for under the Landlord allowance.

Tenant's plans for tenant finish shall be submitted to Landlord in writing.

Landlord shall provide a response thereto within five (5) business days after

receipt of the written submission. In the event no response is received by

Tenant from Landlord within five (5) business days after receipt by Landlord of

the written plans, Landlord will be deemed to have approved the proposed tenant

finish plans as submitted.

Tenant agrees to use a City of Boulder licensed General Contractor for all

Tenant Improvements during any remodeling and/or improvements to the Leased

Premises.

2. Tenant Construction Obligations

Tenant shall perform all improvements to the Leased premises at its

sole cost and expense, except as provided in Item 1 above and Item 6 below.

Landlord shall review and approve plans prior to construction. Landlord's

approval of said plans shall not be unreasonably withheld or delayed. Tenant and

Tenant's contractor shall abide by all applicable government and other governing

authorities rules and regulations.

3. Mechanic's Liens

A. The Tenant agrees to pay or cause to be paid promptly all bills and

charges for material, labor, or otherwise in connection with or arising out of

any alterations, additions, or changes made by the Tenant or its agents or

subtenants to the Leased Premises; and the Tenant agrees to hold the Landlord

free and harmless against all such liens and claims of liens for labor and

materials, or either of them, filed against the Leased Premises, property, or

any part thereof, and from and against any expense and liability in connection

therewith. The Tenant shall, however, have the right to contest any mechanic's

liens or claims filed against the Leased Premises, provided the Tenant shall

diligently prosecute any such contest and at all times effectively stay or

prevent any sale of the Leased Premises under execution or otherwise, and pay or

otherwise satisfy any final judgment adjudging or enforcing such contested lien

and thereafter procure record satisfaction or release thereof. The Tenant also

agrees in any such contest, at the Tenant's cost and expense, to defend the same

on behalf of the Landlord.

B. The Tenant hereby agrees to discharge (either by payment or by

filing the necessary bond or otherwise) any mechanic's, materialman's, or other

liens against the Leased Premises arising out of any payment due or alleged to

be due for any work, labor, services, materials, or supplies claimed to have

been furnished at the Tenant's request in, on, or about the Leased Premises, and

to indemnify the Landlord against any lien or claim of lien attached to or upon

the Leased Premises or any part thereof by reason of any act or omission on the

Tenant's part; but nothing contained in this Lease Agreement, however, is

intended to or shall be construed to prevent the Tenant from contesting, at its

own expense, any lien, encumbrance, charge, or claim of any kind asserted

against the Leased Premises; and the Tenant shall not be deemed to be in default

hereof during the pendency of any such contest brought and maintained in good

faith.

4. If Tenant deems necessary then Tenant shall be allowed to install, at its

sole cost and expense, and at its option to remove at the end of the Lease

Agreement the following improvements:

a). Separate HVAC systems for use in any clean room or lab room which

may require the use of such systems.

b). Clean rooms and cold rooms.

c). Individual wet labs, biotech labs, chemistry labs.

d). Fume and ventilation hoods..

e). Chemical and Waste storage which shall be located on the outside

of the building, on the north side of the east wing of the building,

including wall or roof penetration pertinent to pipelines therefore.

f). Casework.

g). Tank farm and solvent handling system which shall be located on

the outside of the building, on the north side of the east wing of the

building, , including wall or roof penetration pertinent to pipelines

therefore .

h). All work shall be done to current local building codes and by

licensed contractors.

i). Tenant shall provide to Landlord drawings of any possible Tenant

Improvements which shall follow this Letter of Intent.

5. Tenant at its sole cost shall provide separate gas and electric metering to

the Leased Premises such metering to be obtained direct from the utility by

Tenant.

6. Landlord shall provide at its sole cost any demising wall(s) that may be

necessary to separate the Leased Premises from other portions of the building.

Landlord shall also repaint the interior office and lab areas of the Leased

Premises and re-carpet the office areas of the Leased Premises. Both paint and

carpet shall be at Landlords sole cost and shall be mutually agreed upon by both

Landlord and Tenant. Landlord shall also repair any and all water damage to the

building which includes but is not limited to all walls, counters, floors,

carpets and fixtures, windows, roof, sidewalks, and parking lots.

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Exhibit "B"

Space Plan

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Exhibit "C"

Additional Terms and Conditions not contained in Paragraph 48 above

1. Any equipment or trade fixtures that the Tenant may install during the term

of their Lease Agreement will not become part of the building, and may be

removed by the Tenant upon the vacating of the premises. A list of such items

shall be provided to Landlord, which list may be amended from time to time

during the Lease Term.

2. Landlord shall leave any equipment or delivery systems left by previous

tenant.

3. Subject to the terms and conditions of this Section, at any time after

Landlord learns that any premises ("Additional Space") within the Building in

which the Leased Premises are located will become available for lease to Tenant,

and prior to offering the Additional Space for lease to any other prospective

tenant, Landlord shall so notify Tenant, in writing. Such notice shall not be

unreasonable in light of prevailing market conditions for similar space and

shall advise Tenant that Landlord intends to offer the Additional Space, on the

market, shall describe the amount and location of the space that is available

(and attach a floor plan showing the location of such space within the

Building), shall state the rental rate at which Landlord intends to offer the

space, shall state the date on which the space will be available and the term of

the proposed lease, and shall set forth any tenant finish allowance or other

special conditions, concessions or provisions pursuant to which Landlord intends

to lease the Additional Space. Upon Tenant's notice of intent to negotiate a

lease for the Additional Space, the parties shall into mutual good faith

negotiations for a lease for the Additional Space for a period of not less than

10 days, and if the parties can not reach an agreement, Landlord shall be free

to negotiate a lease for the Additional Space with any other interested parties

without again offering the Additional Space to Tenant.

If Tenant exercises its right to accept the Additional Space, the lease of such

Additional Space shall, at Landlord's election, be evidenced by a new lease

incorporating the appropriate terms and conditions, or by amendment of this

Lease Agreement, incorporating the appropriate terms and conditions, or by

memorandum of lease setting forth the terms of the notice of offer and otherwise

incorporating the terms and conditions of this Lease Agreement. Any such

document may be attached to Landlord's written notice and must be executed by

Tenant and returned to Landlord within ten (10) business days following receipt

of such notice by Tenant.

In no event shall Landlord be required to lease the Additional Space to Tenant

if this Lease Agreement is not then in full force and effect, or if Tenant is in

default under the terms of this Lease Agreement, either at the time of exercise

of the right or at the time of commencement of the lease of the Additional

Space. Additionally, Tenant's rights under this section are expressly

conditioned upon Landlord's review and approval of Tenant's most recent

financial statement, provided, however, that such approval by Landlord shall not

be unreasonably withheld.

4. This Lease Agreement shall be contingent upon Tenant obtaining approval form

the City of Boulder for the Intended use. Said approval must occur no later than

August 30, 2002, otherwise Landlord reserves the right to terminate this Lease

Agreement if so desired.

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Exhibit "D"

Option to Extend

1. OPTION TO EXTEND. The Tenant shall have two (2) options to extend the Lease

Agreement an additional five (5) years each. In the event Tenant desires to

exercise the option to extend, Tenant shall provide written notice of such

exercise to Landlord no later than twelve (12) months prior to the expiration of

the base term or any option term.

See below for Option Term Rent. In the event of such exercise, this Lease

Agreement shall be automatically extended for the additional term.

Notwithstanding the foregoing, this option shall be void and of no force or

effect if the Tenant is in default hereunder either as of the date of the

Tenant's exercise of said option or as of the date of the commencement of the

option or additional term.

2. RENT DURING OPTION PERIODS. Tenant shall pay the following rent for the

Leased Premises

During Option Term

<Table>

<Caption>

For Period To Period A Base Monthly

Starting Ending Rent of

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November 1, 2007 November 1, 2012 The base rental rate for

this renewal term shall be

5% of the Fare Market Rental

Value (See below\*) and in no

event shall the base rental

rate during this renewal

period be less than $11.26

per rentable share foot net

net net, nor greater than

$13.00 per rentable share

foot net net net.

November 1, 2012 November 1, 2017 The base rental rate for this

renewal term shall be 95% of

the Fare Market Rental Value

(See below\*) and in no event

shall the base rental rate

during this renewal period be

less than the rental rate at

the conclusion of the first

renewal option, nor greater

than $15.50 per rentable

share foot net net net.

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\* Landlord and Tenant will attempt to agree upon a Fair Market Rental Value of

the Leased Premises (expressed on a dollar per square foot basis) as determined

by comparison to parcels of similar size property located in or near the City of

Boulder, Colorado, having comparable development, use and density capability and

such other characteristics as may be deemed relevant by a subject appraiser

whose selection is outlined herein.

Landlord shall select an independent MAI real estate appraiser with at least ten

(10) years' experience in appraising commercial real property in the City of

Boulder, Colorado (a "Qualified Appraiser"). The Qualified Appraiser selected by

the Landlord shall be referred to as the "Landlords Appraiser". Within thirty

(30) days of being selected by the Landlord, the Landlord's appraiser shall

determine the Fair Market Rental Value of the Leased Premises in accordance with

the appraisal standards set forth above and shall immediately give the Landlord

and the Tenant written notification of his determination.

If the Tenant agrees with the Landlord's Appraiser's determination by

multiplying the Fair Market Rental Value, then the Base Monthly Rent shall be

determined by multiplying the Fair Market Rental Value by 33,673 and the new

Base Monthly Rental shall become effective beginning with the first month of the

Option Term. If the Tenant does not agree with the Landlord's Appraiser's

determination of Fair Market Rental Value, the Tenant shall have the right to

select its own Qualified Appraiser its own Qualified Appraiser to determine the

Fair Market Rental Value. If the Tenant does elect to appoint a Qualified

Appraiser, (the Tenant's Appraiser"), the Tenant shall select the Tenant's

Appraiser within thirty (30) business days after receiving the Landlord's

Appraiser's Determination of Fair Market Rental Value. The Tenant's Appraiser

shall make his own determination if the Fair Market Rental Value in accordance

with the provisions set forth above, within thirty (30) business days of being

selected by the Tenant and shall immediately give the Landlord and the Tenant

written notice of his determination.

If the Fair Market Rental Value as determined by the Landlord's Appraiser and

the Tenant's Appraiser, respectively, differ by an amount which is equal to or

less than five percent (5%) of the Fair Market Rental Value determined by the

Landlord's Appraiser, then the arithmetic mean of the two Fair Market Rental

Values shall constitute the fair Market Rental Value used to calculate the new

Base Monthly Rental which will be in effect for the Option Term. If the Fair

Market Rental Value determined by the Landlord's Appraiser and the Tenant's

Appraiser's determination of the Fair Market Rental Value differ by more than

five percent (5%), the Landlord's Appraiser and the Tenant's Appraiser shall

agree upon and select a third Qualified appraiser who shall be independent of

and have no prior or existing affiliation or relationship with either the

Landlord or the Tenant (the "Independent Appraiser"). Within ten (10) business

days of being appointed, the Independent Appraiser shall, after exercising his

best professional judgement, choose either the Landlord's Appraiser's or the

Tenant's Appraiser's determination of the Fair Market Rental Value which the

judgement, best represents the Fair Market Rental Value at that point in time.

Upon making such a selection, the Independent Appraiser shall immediately give

the Landlord and the Tenant written notice of this selection of the Fair Market

Rental Value. The Fair Market Rental Value selected by the Independent Appraiser

shall be used to calculate the new Base Monthly Rental which will be in effect

during the Extension Option, and such selection by the Independent appraiser

shall be binding and conclusive upon the Landlord and the Tenant.

The Landlord and Tenant shall share all Appraisal fees required hereunder

equally.

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