Mission ~~[illegible]~~ Garry McKee / Lady Fitness Ctr.

GL-100469

NET LEASE TERMINATION AGREEMENT

AGREEMENT made this 1st day of October, 1986, by and between THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, a New York corporation, whose address is 201 Park Avenue South, New York, New York 10003 (the "Landlord"), and GARRY McKEE and MARY McKEE, d/b/a LADY FITNESS, whose address is 730 N. 24th Street, Colorado Springs, Colorado 80904 (the "Tenant").

W I T N E S S E T H :

WHEREAS, Landlord's predecessor-in-interest, Charles Golding, Jr., d/b/a Golding and Company, and Tenant entered into a Net Lease dated the 16th day of August, 1985, by which Landlord demised to Tenant for the period from October 1, 1985 to and including September 31, 1988, approximately 6,807 square feet of commercial space located in Building No. 3, Mission Trace at the Springs Shopping Center, City of Colorado Springs, County of El Paso, State of Colorado, also known as 3105 S. Academy Boulevard, Colorado Springs, Colorado 80916 (the "premises"); and

WHEREAS, said Net Lease was modified by various addenda dated August 30, 1985, June 1, 1986, and June 4, 1986; and

WHEREAS, on or before June 1, 1986, Tenant vacated the premises and requested that Landlord relet the entire premises; and

WHEREAS, Landlord has agreed to relet the premises and to terminate the Net Lease according to the terms and conditions contained herein; and

WHEREAS, Tenant has agreed to surrender and relinquish its leasehold interest in the premises according to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. The Net Lease, as amended, is hereby terminated, and, except as otherwise provided herein, Landlord hereby releases Tenant from any and all obligations to pay rent or other monetary obligations owed by tenant to Landlord under the Net Lease and the parties agree that the Net Lease is terminated as of the date hereof.

2. Tenant hereby waives and releases and any all right, title, interest, or claim of any kind or nature heretofore and hereafter arising under or by virtue of the Net Lease and

forever discharges Landlord from any and all liability arising under the Net Lease or in connection therewith.

3. In consideration for said termination, Tenant agrees to pay to Landlord the principal sum of Thirty-Five Thousand and No One-Hundredths Dollars ($35,000.00) to be paid in eighteen (18) equal monthly installments of Two Thousand One Hundred Two and No-One Hundredths Dollars ($2,102.00), with interest thereon at the rate of ten percent (10%) per annum. Said payments shall commence on the first day of October, 1986, and shall thereafter be payable on the first day of each successive calendar month, without notice or demand, until paid in full.

4. The monetary obligation of Landlord said forth herein in paragraph 3 shall be evidenced by a promissory note executed by, and shall be the joint and several obligation of Garry McKee and Mary McKee. Said promissory note shall provide for a four percent late charge and a default interest rate at a rate of the greater of eighteen percent or two percent over the prime lending rate of Central Bank of Denver, as the same may be published from time to time.

5. All of the terms and conditions contained herein shall be binding upon and shall inure to the benefit of the parties, and their respective heirs, administrators, executors, successors and assigns.

6. The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

7. This Agreement shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, a New York corporation

By: James M McCarthy

Its: Assistant Vice President

GL-100471

Garry McKee, individually, and
d/b/a Lady Fitness

Mary McKee, individually, and
d/b/a Lady Fitness

STATE OF ~~COLORADO~~ NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 9th day of October, 1986, by James M. McCarthy, Asst. Vice President of The Guardian Life Insurance Company of America, a New York corporation.

Witness my hand and official seal.

Notary Public

My commission expires:

(S E A L)

BARBARA A. ZAREMBA
Notary Public, State of New York
No. 43-4858504
Qualified in Richmond County
Commission Expires May 5, 1988

STATE OF COLORADO)
) ss.
COUNTY OF El Paso)

The foregoing instrument was acknowledged before me this 6th day of October, 1986, by Garry McKee, individually, and d/b/a Lady Fitness.

Witness my hand and official seal.

Notary Public

My commission expires: 6/25/88

(S E A L)

GL-100472

STATE OF COLORADO)
) ss.
COUNTY OF El Paso)

The foregoing instrument was acknowledged before me this 6th day of October. 1986, by Mary McKee, individually, and d/b/a Lady Fitness.

Witness my hand and official seal.

Kaye Reis
Notary Public

My commission expires: 6/25/88

(S E A L)

GL-100473

the charles golding co.

September 23, 1986

Ms. Debra Smith
The Guardian Life Insurance Company of America
Legal Department
201 Park Avenue South
New York, NY 10003

Dear Ms. Smith:

I apologize for my haste in not checking to make sure all pages were complete in the copy of the revised Net Lease for Mission Trace at the Springs. Apparently our copier was not working properly and I was unaware of the problem.

I am Federal Expressing the complete copy of this Lease and hope that it has not caused too much inconvenience.

Please let me know if I can be of further help.

Sincerely,

Sharon Dameron

Sharon Dameron
Office Manager

SED:sd

Enclosure

9/24

Lucinda

There are still typos on pg 14 & 20, but I think we should sort while we are ahead

Debra

RECEIVED
1986 SEP 24 AM 11:19
THE GUARDIAN LIFE INS. CO. OF AMERICA
LAW DEPT.

SOUTHFIELD PARK TOWERS • TOWER ONE • 12835 EAST ARAPAHOE ROAD • 7TH FLOOR • ENGLEWOOD, COLORADO 80112 • (303) 799-9779

STANDARD LEASE

_____

TENANT

NET LEASE

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NET LEASE

1. PARTIES

THIS LEASE is made and entered into this _____ day of _____, 19_____ by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and _____ _____ hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately _____ square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for _____ _____.

3. TERM.

(a) The term of this Lease shall be for _____ (_____) years commencing _____ and ending on _____ _____ unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

INITIAL _____

_____

GL-100478

4. RENT

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of _____ _____ Dollars ($ _____). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of _____ _____ as rent for the month(s) of _____.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord`s breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord`s designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than one for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant`s default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or

INITIAL _____

measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of property management fees; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and adjacent walks, malls, landscaped area, parking area, common areas and improvements and facilities thereon including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; and rental expenses and a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leasable square feet in the Center in which the Premises are located, which for this Lease is agreed to be _____%.

(c) Computation. Tenant shall pay Tenant's share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonable practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, the date on which such statement is delivered to Tenant shall be herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that Tenant's share of the operating costs of the common facilities shall be $_____ per year. Therefore, Tenant shall pay Landlord the sum of $_____ per month as the estimated cost of Tenant's share. At the Statement Delivery Date, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $_____, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $_____, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar year's estimated Common Area Maintenance Expenses.

(2) For the calender year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

INITIAL _____

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenants equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

8. SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of _____ _____ Dollars ($_____) . Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payment of any other amount which Landlord may spend or incur by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such depost. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord`s option, to the last assignee of Tenant`s interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord`s interest in this Lease, Landlord shall transfer said deposit to Landlord`s successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

10. USE.

(a) The Premises shall be used and occupied by Tenant for _____ and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability of either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or

INITIAL _____

_____

improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on, or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules, the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges

(a) Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air conditioning, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Landlord and the leased premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated to furnish any utilities or services. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of the Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the water consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not

INITIAL _____

installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Center that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any said means or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

INITIAL _____

_____

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligation. Landlord shall maintain in good order, condition and repair the structural components of the Building and perform Common Area Maintenance, the components of which are identified in Article 6.(b)(2) above.

(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article 13(a) hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls, and fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of the Tenant. Tenant shall repair, at Tenant's sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the leased Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten (10) percent per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the premises in good order, condition and repair.

14. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is reserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the time during which it is accomplished and the requirement that upon written request of Landlord, Tenant will remove and all permanent

INITIAL _____

improvements or additions to the Premises installed by Tenant, at Tenant's expense, and all movable partitions, counters, personal property, fixtures, and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14 (b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities, stairways, passageways, hallways and parking areas, the use of which Tenant may have in conjunction with other tenants of the Center, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premise, or from the breakage, leakage, obstruction or other defects of the pipes, sprinkler, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their

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respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant`s opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant`s behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease,the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premise. Such insurance at all time shall be in an amount of not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less than TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord

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shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) days nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of the Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority,

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provided, however, that before Tenant may terminate this Lease by reason or taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to give Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant`s business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the area of the Premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

(c) No taking of any part of the parking area within the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

20. LIENS.

Tenant shall keep the Premises and the Center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have the right in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney`s fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanic`s and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) Closure or cessation of business for thirty (30) calendar days.

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(c) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, However, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonable been avoided; plus (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of The Federal Reserve Bank in Denver at the time of award plus one

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percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals to be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any mortgagees and/or trust deed holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days,, any mortgagee and/or trust deed holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

(e) In addition to the remedies set forth hereinabove, Landlord expressly reserves such additional rights or remedies as may be available at law or equity.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgement.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgement rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18 of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform

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all restoration made necessary by the removal of any alterations or Tenant`s personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration of termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant`s failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenacies

26. TRANSFER OF LANDLORD'S LEASE.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations of and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumbrance assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for an assignment, sublease or encumbrance under this Article, Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing

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such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorney's fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord's option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

28. INVOLUNTARY ASSIGNMENT.

No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on the Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings ar brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the poser of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any first mortgages or deeds of trust in any amount or amounts whatsoever now

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or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of it's first mortgage, first deed of trust or ground lease, and shall give written notice thereof to Tenant, this lease shall be deemed prior to such first mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenants knowledge any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of Tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be used only for the purposes herein set forth.

32. SUBSTITUTED PREMISES.

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted

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Premises and the denominator of which shall be the total number of leasable square feet in the Premises before substitution.

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying tent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgement of any court of by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable monthly in an amount equal to 200% of the monthly rent payable during the last month of the lease term, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The Rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Center, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Center of any of said rules and regulations.

37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy for payment of sums due under this paragraph the same remedies as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationary or in any other manner implying that the

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entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefore.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United State mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be give hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly give designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

INITIAL _____

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Center the parking facilities of the Center, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time to time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of construction and/or operating commercial building, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the

INITIAL _____

parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

(k) Tenant acknowledges that the Center and the premises occupied by Tenant hereunder are subject to easements and benefits, burdens, and certain Declarations of Restrictions as set forth in certain declarations of covenants, conditions and restrictions for Mission Trace at the Springs, entered into by and between Charles Golding Jr., and Dillon Real Estate Co., Inc. of Kansas, recorded in Book 3893 at Page 1222 in the Records of El Paso County, State of Colorado, Tenant further acknowledges that Landlord is the owner of only a portion of the Center, which portion is described in Exhibit C-4 hereto.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease Premises any sign, awning or canopy, or advertising matter or other thing of lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the Premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

INITIAL _____

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

LANDLORD:	TENANT:
The Guardian Life Insurance Company of America	By:_____
ADDRESS:	ADDRESS:
_____	_____
_____	_____

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

SIGNATURE PAGE

GL-100498

ADDENDUM TO LEASE

This Addendum, made and entered into this _____ day of _____, 19_____ by and between THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA (hereinafter "Landlord") and _____ _____ ("hereinafter Tenant"), and executed concurrent with the same parties.

The parties agree to the following amendments, and agreements as part of the Lease:

LANDLORD

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: _____ DATE: _____

TENANT:

_____

BY: _____ DATE: _____

BY: _____ DATE: _____

EXHIBIT "A"

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for and additional term of _____ (_____) years to commence concurrently with the expiration of the term thereof and to expire _____ (_____) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to *_____ ($_____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *_____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index", as hereinafter defined. As used herein, the term "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental will be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter using the same formula and subject to the same provisions as are set forth above.

GL-100500

EXHIBIT "B"

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for and additional term of _____ (_____) years to commence concurrently with the expiration of the term thereof and to expire _____ (_____) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to *_____ ($_____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *_____ (_____) per month.

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GL-100501

EXHIBIT "A"

FIRST OPTION

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Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

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GL-100502

EXHIBIT "B"

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for and additional term of _____ (_____) years to commence concurrently with the expiration of the term thereof and to expire _____ (_____) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to *_____ ($_____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *_____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

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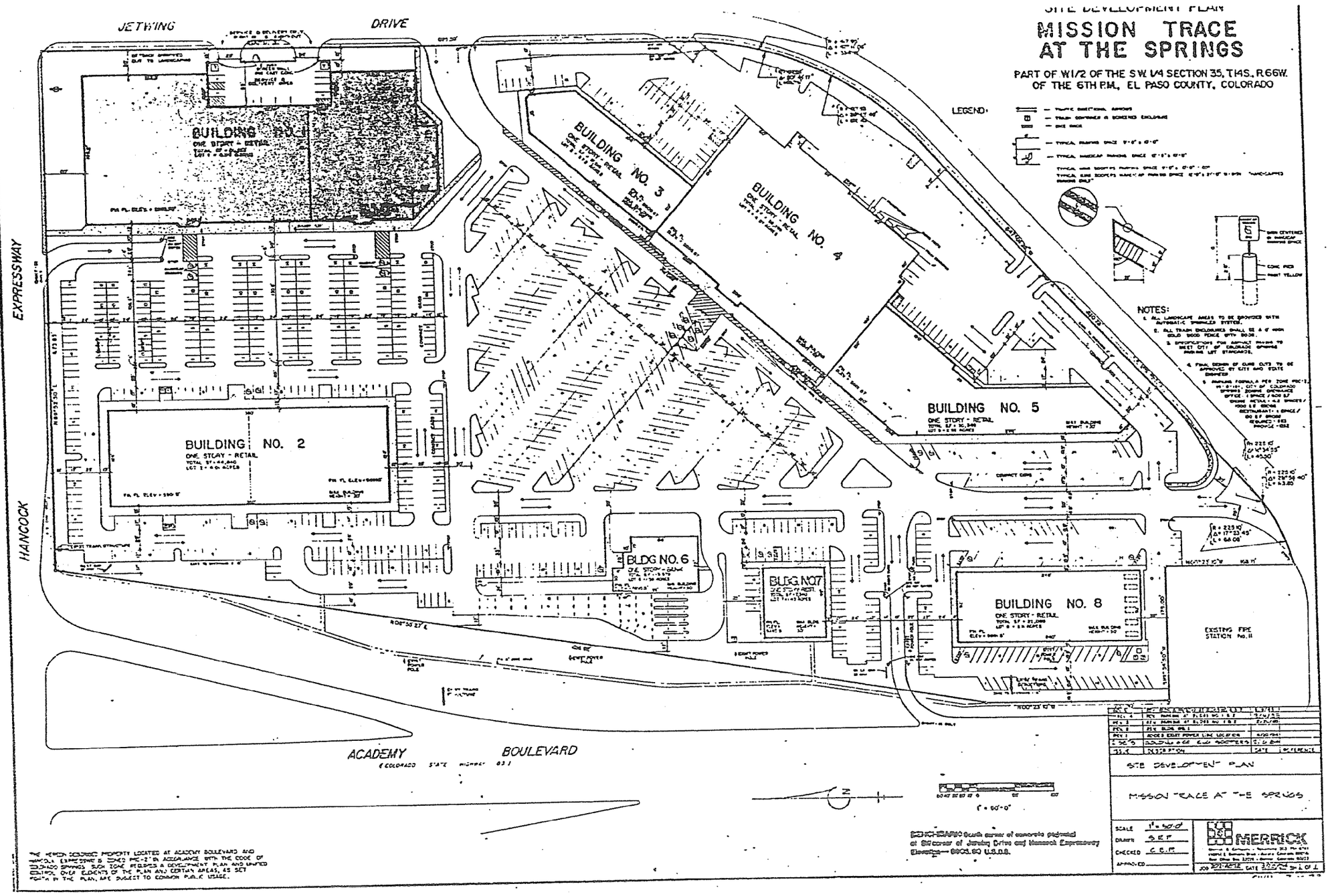
GL-100503

EXHIBIT "C-1"

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.



GL-100504

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

INITIAL_____

USES, OPEN SPACE & BUILDINGS

This project is a retail, restaurant, office and health club complex consisting of four (4), supportive retail buildings, two (2) single story restaurant buildings, one (1) retail building (King Soopers), one (1) two story retail/office building.

PERMITTED USES

1. This tract is designed to specifically allow for the following uses:
   a. Post offices and general offices.
   b. Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and etc.
   c. Private schools and care facilities.
   d. Community buildings, libraries, museums, aquariums and art galleries.
   e. Art, photographic, dance, music, radio and television studios.
   f. Stores for retail trade, including liquor, except:
      1. New or used motor vehicle or trailer sales, repair and/or lots and travel trailer parks.
      2. Fuel and feed stores.
      3. Lumber yards.
   g. Community or recreation halls, theaters, meeting rooms, dance halls, bowling alleys, pool/billiard parlors, exposition halls (no live animals), tennis courts, swimming pools, racquet ball courts, gymnasiums, massage parlors, health saunas and health studios.
   h. Banks, savings and loan associations with drive-thru facilities.
   i. Restaurant (drive-in facilities allowed wherever use is necessary to principal "sit-down" dining)
2. Parking shall be provided at the following ratios:

Restaurant uses	-	1 space per 150 GFA
Retail uses	-	4.2 spaces per 1,000 GFA
Offices Uses	-	1 space per 300 GFA
Health Club uses	-	2.5 spaces per 1,000 GFA

3. Building Height shall be limited to 45', excluding rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveway. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

30 feet from public street (Buildings No. 6 and 7 setbacks approved due to additional parking).

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for the Planned Development. External materials may be wood, brick, tile, stucco, block, precast concrete and glass. Colors shall be limited to white with other complimentary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of the Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are encountered during construction. New evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include and sprinkler system.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportional exposure for all elements. Performance shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.
2. Permitted Contents: Identification by letter, numeral, symbol or design of a legal use stating the name, services offered or products handled upon the premises.
3. Wall Signs/ Fascia Signs
   a. Location: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 4'-0" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be lower than 6" from the top or the bottom of the panel upon which it is located.
   b. Size: The overall size of the sign may not exceed 1.5 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings (or corner stores) shall be located in areas not to exceed 1.5 s.f. times the length and shall meet Section 14-9-2312 of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 4 (King Soopers) shall be permitted two (2) 8'-0" ht. x 12'-0" wide signs of their standard design.
   c. Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.
4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

UTILITIES

All new utilities located on the property shall be buried underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking lots shall be designed to allow none to overhang adjacent sidewalk by as much as 2 feet. Adjacent sidewalks to parking must be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of the development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the public R.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the depictions, descriptions and stipulations of the Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the content and intent of the Official Development Plan of it as approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and separate an adjacent residential area will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by the development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at the site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 26 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be screened from view by the use of permanent roof screening derived as much complimentary to the buildings. All dumpsters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinances of the City of Colorado Springs.

PLATTING

The property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four curb cuts on Jetway Drive, two curb cuts on Lakewood Drive, one curb cut on Hancock Expressway, and one curb cut on Academy Blvd. (State Highway No. 83). Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives into the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of the project and the City of Colorado Springs to ensure the construction of the improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in screened enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of the project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1976 State of Colorado Energy Conservation Performance Code for Commercial Buildings will be complied with.

VEGETATION

The existing site contains natural wild grasses. A complete landscaping program is noted on the Site Plan and reports the existing vegetation.

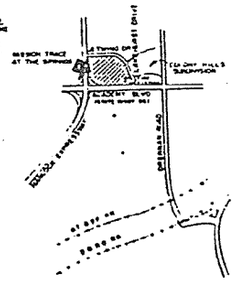
WILDLIFE

The surrounding area is either developed or in the process of being developed and little, if any, wildlife exists on the site. The development will have a minor impact on the site.

SITE DEVELOPMENT PLAN
MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

THE HEREIN DESCRIBED PROPERTY LOCATED AT HEADQUARTERS EXPRESSWAY, IS ZONED PBC-2 IN ACCORDANCE W/ THE CODE OF THE CITY OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND UNIFIED CONTROL OVER ELEMENTS OF THE PLAN AND CERTAIN AREAS, AS SET FORTH ON THE PLAN, ARE SUBJECT TO CERTAIN PUBLIC USES.



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 24.941 Acres, 1,087,215.0 square feet.

BUILDING AREA

		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	46,840 sq. ft.	187.3
Offices	24,640 sq. ft.	73.9
Total	89,280 sq. ft.	
Building No. 2 - One Story		
Retail	44,840 sq. ft.	187.3
Total	44,840 sq. ft.	
Building No. 3 - One Story		
Retail	17,248 sq. ft.	72.0
Total	17,248 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	38,234 sq. ft.	144.7
Total	38,234 sq. ft.	
Building No. 5 - One Story		
Retail	30,438 sq. ft.	127.8
Total	30,438 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,168 sq. ft.	54.4
Total	8,168 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,048 sq. ft.	73.6
Total	11,048 sq. ft.	
Building No. 8 - One Story		
Retail	13,848 sq. ft.	92.7
Total	13,848 sq. ft.	
	Required -	1,116
	Provided -	1,189

Gross Building Area = 261,244

Building Ground Coverage = 124,634 = 22.6%

Landscape Area - Excluding Roadway R.O.W. = 153,893 sq. ft. = 15%

Parking Lot, Drives - 455,317 sq. ft. = 62%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest Quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W 1/2 of the SW1/4;
THENCE N89°32'34"E along the northerly line of said W1/2 of the SW1/4, 923.84 feet;
THENCE S46°07'54"E, 54.89 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S46°07'54"E, 833.58 feet;
THENCE along the arc of a curve to the right which has a central angle of 07°11'08", a radius of 417.25 feet and an arc distance of 244.19 feet;
THENCE S47°56'46"W, 626.72 feet to a point on the northwesterly right-of-way line of Lakewood Drive, as platted in Colony Hills Subdivision, as recorded in Plat Book W-2, Page 77 of the records of said El Paso County;
THENCE along said northwesterly right-of-way line and along the arc of a curve to the right which has a central angle of 28°58'40", a radius of 233.10 feet and an arc distance of 117.85 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book V-2 at Page 25 of said records of El Paso County;

The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11:

(1) THENCE N06°32'10"W, 188.71 feet;
(2) THENCE S89°34'14"W, 173.06 feet to a point on the easterly right-of-way line of Academy Boulevard as described in deed recorded in Book 2278 at Page 189;

The following two (2) courses are along said easterly right-of-way line:

(1) THENCE N00°32'10"W, 237.26 feet;
(2) THENCE N00°33'37"E, 1214.93 feet (on a point on the southerly right-of-way line of Hancock Expressway)

THENCE N89°32'34"E along said southerly right-of-way line, 672.81 feet to the POINT OF BEGINNING, containing 24.941 acres, more or less.

SYM	DESCRIPTION	DATE	REFERENCE
	[illegible]		

MISSION TRACE AT THE SPRINGS

SCALE
DRAWN
CHECKED
APPROVED

MERRICK

JOB [illegible] DATE [illegible]

EXHIBIT "C-2"

DESCRIPTION OF DEMISED PREMISES

GL-100505

EXHIBIT "C-3"

DESCRIPTION OF DEMISED PREMISES

Suite Number _____

Street Address or Demised Premises

_____

_____

_____

Floor Area: _____ Square Feet

INITIAL_____

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GL-100506

EXHIBIT "C-4"

PROPERTY DESCRIPTION

Lots 1, 2, 3, 5 and 8, Block 1 Mission Trace at the Springs Filing no. 2 according to the plat recorded on August 26, 1985 in Plat Book Z3 at Page 8, in the Records of El Paso County, Colorado.

Together with non-exclusive easements, including but not limited to, passage and parking of vehicles, pedestrian traffic and access easements as covered in Declaration of Covenants, Conditions and Restrictions for Mission Trace Shopping Center recorded July 12, 1984, in Book 3893 at Page 1221.

INITIAL_____

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GL-100507

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed and installed at Tenant's expense.

All Tenants are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Landlord's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 8" deep raceway center mounted within 7 1/2" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the fascia panel. (See Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the Center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores

INITIALS _____

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shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center as determined by Landlord.

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlord's approval shall be removed at Tenant's expense within ten (10) days after Landlord's notification of same.

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GL-100509

EXHIBIT "D-2"

MISSION TRACE SIGN CRITERIA

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with of letters to be 5".

Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163-60.

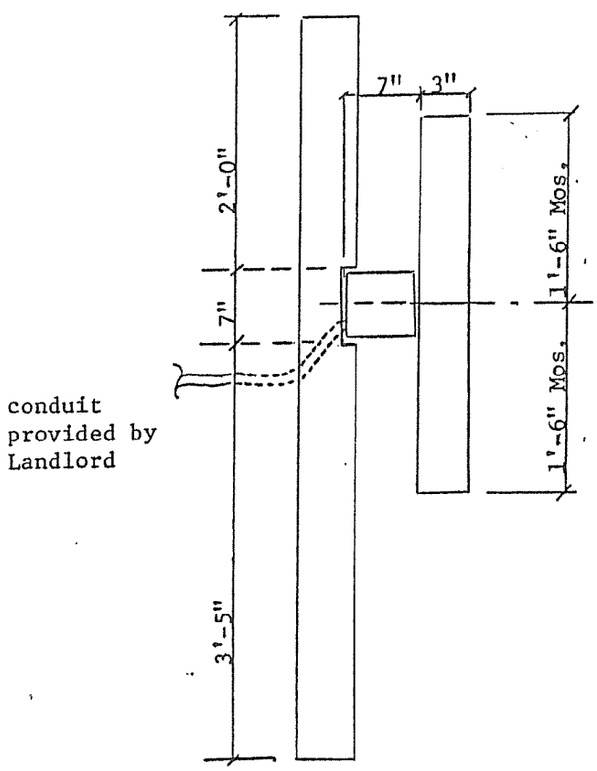
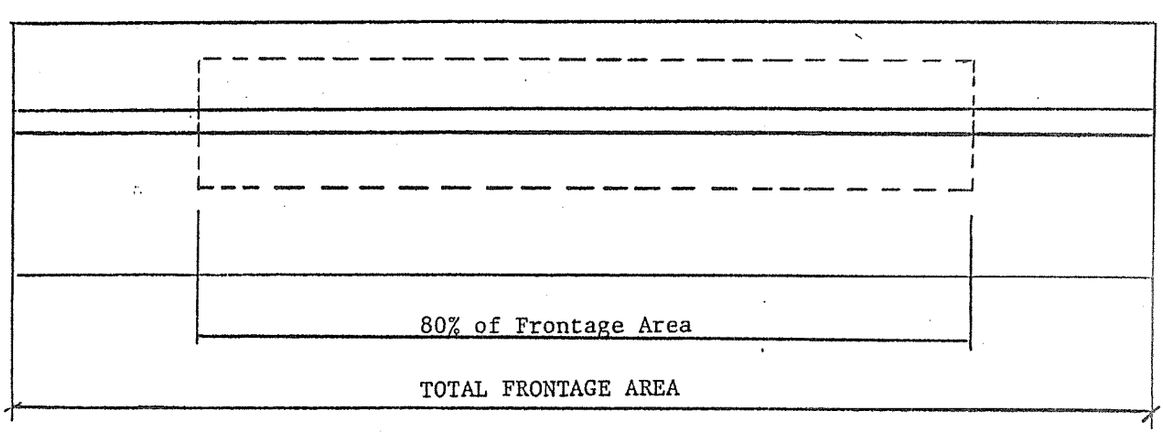


EXHIBIT "D-3"



INITIAL_____

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Revised 3/1/85

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

INITIAL_____

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GL-100511

6. The toilet rooms, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate, Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or other property sustained during the moving or maintaining of same and any repair to such property shall be at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or keep any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building (s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

INITIAL_____

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvas any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter Premises or Center or waive any rule or regulation at any time prescribed for the Premises or Center when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

INITIAL_____

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water heater recessed in ceiling, one water closet and one wall hung lavatory. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service; one 2 x 4 (4 tube) recessed fluorescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 linear feet of demising wall only. **One phone location (conduit and electrical box only.

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3'-0" x 6'-8" single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense.

1. Provide an adequate number of Tenant construction drawing to Landlord showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three (3) weeks of date of execution of this Lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up into the building's Central Signage Circuit as outlined in Exhibit "D", "Sign Criteria".

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

GL-100514

EXHIBIT "F" (Continued)

8. Exterior Tenant Identification Sign.

9. General decorating and installation of fixtures in subject space.

10. Any and all other items not mentioned in "A. Specifications and Improvements by Landlord at Landlord's Expense" above shall be paid for by Tenant.

*HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

**Mountain Bell runs service to Building. It is the Tenant's responsibility to coordinate with the phone company of their choice to hook up and install phone system.

GL-100515

EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between The Guardian Life Insurance Company of America, a New York corporation therein and herein referred to as "Landlord," and _____, therein referred to as "Tenant," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon

INITIALS _____

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and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this ___ day of _____, 19___.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

_____

Address: _____

_____

GUARANTOR NUMBER 2.

_____

Address: _____

_____

GUARANTOR NUMBER 3.

_____

Address: _____

_____

GL-100517

Chris' Hallmark
Mission Trace

[redacted]

GL-100518

ASSIGNMENT OF LEASE

This Agreement made this 23rd day of February, 1989, by and between Mary Lou & Donald Roberts, for Donalle Investments, Inc. d/b/a Chris' Hallmark, as Assignor(s), and Arnold & Tuttie Pelayo, as the Assignee(s).

In consideration of the mutual covenants herein contained, each act to be performed hereunder, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest, except its security deposit in the amount of $2,366.67, as Tenant, (which is in the form of a Letter of Credit); the security deposit is being replaced by the enclosed check in the amount of $2,366.67 from Assignee; into and under a certain Lease Agreement dated October 29, 1986 (hereinafter "Lease"), attached hereto as Exhibit "A", executed by and between The Guardian Life Insurance Company of America, as Landlord, and Assignor as Tenant, providing for the letting of certain premises located at Building #3, 3109 South Academy Boulevard, Colorado Springs, CO 80916.

2. Assignee hereby accepts and assumes all of the obligations, responsibilities and liabilities of Assignor under said Lease, and agrees to perform said Lease Agreement according to its terms, covenants and conditions.

3. Assignor agrees that it shall not be discharged from its obligations, responsibilities and liabilities under said Lease Agreement and shall remain liable as Tenant to perform said Lease according to its terms, and will continue to be liable thereon with the same force and effect as though no assignment has been made, through October 31, 1989.

4. Assignor hereby covenants that said Lease is valid and existing.

5. This Assignment shall be binding upon and shall inure to the benefit of the respective parties, their successors and assigns.

6. This Assignment shall be deemed effective on the date of the closing of the sale of the business known as Chris' Hallmark, which

is scheduled for March 1, 1989. In the event the sale of the subject business is not consummated, this Assignment is void.

7. As additional security for Assignee's obligations to Assignor, in the event Assignee is in default of Assignee's performance of any condition or obligation contained in the lease, or relating to Assignee's acquisition of the above referenced business, Assignee hereby assigns to Assignor, Assignee's interest as a tenant in the subject premises. It is understood that Assignee's default is a condition precedent to activating this assignment back to Assignor.

IN WITNESS WHEREOF, the parties hereby have executed this Assignment of Lease as of the date first above written.

ASSIGNOR(S)
Donalle Investments, Inc.

Mary Lou Roberts, Secretary

Donald Roberts, President

ASSIGNEE(S)

Arnold Pelayo

Tuttie Pelayo

LANDLORD'S CONSENT AND ACCEPTANCE

The Guardian Life Insurance Company of America, being the Landlord under the Lease described in the foregoing Assignment, hereby consents to and accepts the foregoing Assignment of Lease including the provisions of Paragraph 7, in accordance with the terms and provisions thereof. Landlord hereby releases Assignor from Assignor's obligations under the subject lease. Landlord acknowledges that the Lessee is not in default and is current in all lease payments through May, 1989.

DATED this 31st day of May, 1989.

LANDLORD:

WILLIAM C. FRENTZ
VICE PRESIDENT, REAL ESTATE

RRG-10/87B

ROSS RETAIL GROUP
ASSIGNMENT AND CONSENT

Assignment and Consent dated March 1, 1989, by and between Mary Lou and Donald Roberts d/b/a Chris' Hallmark, having a place of business at 3109 S. Academy Boulevard Colorado Springs, CO 80916 ("Assignor"); Arnold and Tuttie Pelayo having ~~a place of business at~~ residence at 1435 Spring Valley Drive Colorado Springs, CO 80921 ("Assignee") and The Guardian Life Insurance Company of America having a place of business at 201 Park Avenue South, New York, NY 10003 ("Landlord").

W I T N E S S E T H:

WHEREAS, Assignor leased suite 3109 in the premises located at The Mission Trace Shopping Center on the SE corner of Academy Blvd. & Hancock Expressway pursuant to a lease dated October 29, 1986, by and between Mary Lou and Donald Roberts d/b/a Chris' Hallmark and The Guardian Life Insurance Company of America (the "Lease");

WHEREAS, Assignor desires to assign all its right, title, an interest in the Lease to Assignee; and,

WHEREAS, such assignment requires the consent of Landlord under the terms of the Lease.

NOW, THEREFORE, in consideration of the sum of ONE AND NO/100 DOLLARS ($1.00) paid to Assignor and Landlord and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby sells, assigns, transfers, and sets over unto Assignee, its successors, and assigns all the right, title, and interest of Assignor in an to the Lease, ~~including~~ except a security deposit in the amount of TWO THOUSAND THREE HUNDRED SIXTY-SIX AND SIXTY-SEVEN ONE HUNDREDTH DOLLARS ($ 2,366.67*) held by Landlord, to have and to hold the same from the date hereof for all of the rest of the term mentioned in the Lease, subject to the rents, covenants, conditions, and provisions therein contained. *Security Deposit is in the form of a Letter of Credit

2. Assignor represents that Assignor is the holder o the Tenant's interest under the Lease free and clear of any lien, claim, or encumbrance and that the Lease is in full force and effect.

3. Landlord hereby consents to the foregoing assignment of the Lease by Assignor to Assignee upon the terms and conditions set forth below to each of which Assignor and Assignee expressly agree.

4. Landlord makes no representations or warranties with respect to the Lease including, but not limited to, Assignor's compliance or default thereunder nor does Landlord's consent to this assignment confirm any of Assignor's representations herein. Landlord represents, however, that it does not have any knowledge of any existing default under the Lease. Notwithstanding the foregoing, Landlord shall not be estopped from enforcing any rights and remedies available to it under the terms of the Lease or otherwise against Assignor or Assignee if a default by Assignor under the Lease is found to have existed as of the date of this Assignment or if a condition existed as of the date of this Assignment which would with the passage of time result in a default under the Lease.

5. Nothing herein contained shall be construed o modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease (except as may be herein expressly provided) or to waive any breach of Assignor in the due keeping, observance, or performance thereof.

RRG-10/87B

6. Assignee, for Assignee and the successors and assigns of Assignee, hereby recognizes and agrees to be bound by all of the covenants, agreements, terms, provisions, and conditions contained in the Lease, and hereby assumes and agrees to pay the rent, additional rent, damages, and all other sums now and hereafter payable by Assignor thereunder, and to keep and perform, and to permit no violation of, each and every covenant, agreement, term, provision, and condition therein set forth on the part and on behalf of Assignor thereunder to be kept and performed.

7. This Consent shall not be assignable.

8. This consent shall not be construed as a consent by Landlord to, or as permitting, any other or further assignment of the Lease by Assignor or by Assignee and no further or other assignment of the Lease, in whole or part, shall be made by Assignor or Assignee or the successors or assigns of either without the written consent of Landlord first had and obtained in every case.

9. Landlord shall be under no obligation to commence proceedings or exhaust its remedies against Assignee before proceeding against Assignor for any redress provided for in the Lease, this Assignment and Consent, or by law.

10. The obligations of Assignor under the Lease and under this Assignment and Consent shall not be discharged or otherwise affected by reason of the giving or withholding of any consent or approval for which provision is made in the Lease or by reason of any amendment, modification, or renewal of the Lease hereafter entered into by Landlord and Assignee.

11. ~~Tenant expressly agrees to pay Ross Retail Group an administrative processing fee of TWO HUNDRED FIFTY AND NO/100 DOLLARS ($250.00) for providing lease administration coordination services between the parties hereto.~~

SEE PAGE 14 OF THE LEASE

IN WHITNESS WHEREOF, this Assignment and Consent has been duly executed by the parties hereto as of the day and year first above written.

Barbara Stuart
Witness

Barbara Stuart
Witness

Barbara Stuart
Witness

Barbara Stuart
Witness

ASSIGNOR:

Mary Lou Roberts

Donald Roberts

ASSIGNEE:

Arnold Pelayo

Tuttie Pelayo

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Witness

RRG-10/87B

ROSS RETAIL GROUP
ASSIGNMENT AND CONSENT

Assignment and Consent dated March 1, 1989, by and between Mary Lou and Donald Roberts d/b/a Chris' Hallmark, having a place of business at 3109 S. Academy Boulevard Colorado Springs, CO 80916 ("Assignor"); Arnold and Tuttie Pelayo having ~~a place of business at~~ residence at 1435 Spring Valley Drive Colorado Springs, CO 80921 ("Assignee") and The Guardian Life Insurance Company of America having a place of business at 201 Park Avenue South, New York, NY 10003 ("Landlord").

W I T N E S S E T H:

WHEREAS, Assignor leased suite 3109 in the premises located at The Mission Trace Shopping Center on the SE corner of Academy Blvd. & Hancock Expressway pursuant to a lease dated October 29, 1986, by and between Mary Lou and Donald Roberts d/b/a Chris' Hallmark and The Guardian Life Insurance Company of America (the "Lease");

WHEREAS, Assignor desires to assign all its right, title, an interest in the Lease to Assignee; and,

WHEREAS, such assignment requires the consent of Landlord under the terms of the Lease.

NOW, THEREFORE, in consideration of the sum of ONE AND NO/100 DOLLARS ($1.00) paid to Assignor and Landlord and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby sells, assigns, transfers, and sets over unto Assignee, its successors, and assigns all the right, title, and interest of Assignor in an to the Lease, ~~xxxxxxxx~~ except a security deposit in the amount of TWO THOUSAND THREE HUNDRED SIXTY-SIX AND SIXTY-SEVEN ONE HUNDREDTH DOLLARS ($ 2,366.67*) held by Landlord, to have and to hold the same from the date hereof for all of the rest of the term mentioned in the Lease, subject to the rents, covenants, conditions, and provisions therein contained. *Security Deposit is in the form of a Letter of Credit

2. Assignor represents that Assignor is the holder o the Tenant's interest under the Lease free and clear of any lien, claim, or encumbrance and that the Lease is in full force and effect.

3. Landlord hereby consents to the foregoing assignment of the Lease by Assignor to Assignee upon the terms and conditions set forth below to each of which Assignor and Assignee expressly agree.

4. Landlord makes no representations or warranties with respect to the Lease including, but not limited to, Assignor's compliance or default thereunder nor does Landlord's consent to this assignment confirm any of Assignor's representations herein. Landlord represents, however, that it does not have any knowledge of any existing default under the Lease. Notwithstanding the foregoing, Landlord shall not be estopped from enforcing any rights and remedies available to it under the terms of the Lease or otherwise against Assignor or Assignee if a default by Assignor under the Lease is found to have existed as of the date of this Assignment or if a condition existed as of the date of this Assignment which would with the passage of time result in a default under the Lease.

5. Nothing herein contained shall be construed o modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease (except as may be herein expressly provided) or to waive any breach of Assignor in the due keeping, observance, or performance thereof.

6. Assignee, for Assignee and the successors and assigns of Assignee, hereby recognizes and agrees to be bound by all of the covenants, agreements, terms, provisions, and conditions contained in the Lease, and hereby assumes and agrees to pay the rent, additional rent, damages, and all other sums now and hereafter payable by Assignor thereunder, and to keep and perform, and to permit no violation of, each and every covenant, agreement, term, provision, and condition therein set forth on the part and on behalf of Assignor thereunder to be kept and performed.

7. This Consent shall not be assignable.

8. This consent shall not be construed as a consent by Landlord to, or as permitting, any other or further assignment of the Lease by Assignor or by Assignee and no further or other assignment of the Lease, in whole or part, shall be made by Assignor or Assignee or the successors or assigns of either without the written consent of Landlord first had and obtained in every case.

9. Landlord shall be under no obligation to commence proceedings or exhaust its remedies against Assignee before proceeding against Assignor for any redress provided for in the Lease, this Assignment and Consent, or by law.

10. The obligations of Assignor under the Lease and under this Assignment and Consent shall not be discharged or otherwise affected by reason of the giving or withholding of any consent or approval for which provision is made in the Lease or by reason of any amendment, modification, or renewal of the Lease hereafter entered into by Landlord and Assignee.

11. Tenant expressly agrees to pay Ross Retail Group an administrative processing fee of TWO HUNDRED FIFTY AND NO/100 DOLLARS ($250.00) for providing lease administration coordination services between the parties hereto.
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Witness

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Mary Lou Roberts

Barbara Stuart
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Donald Lee Roberts
Donald Roberts

ASSIGNEE:

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Witness

Arnold Pelayo
Arnold Pelayo

Barbara Stuart
Witness

Tuttie Pelayo
Tuttie Pelayo

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Witness

RRG-10/87B

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2. Assignor represents that Assignor is the holder o the Tenant's interest under the Lease free and clear of any lien, claim, or encumbrance and that the Lease is in full force and effect.

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RRG-10/87B

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ASSIGNEE:

Arnold Pelayo
Arnold Pelayo

Tuttie Pelayo
Tuttie Pelayo

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Witness

Post-it™ routing request pad 7664

ROUTING - REQUEST

Please

- [x] READ
- [ ] HANDLE
- [ ] APPROVE and
- [ ] FORWARD
- [ ] RETURN
- [ ] KEEP OR DISCARD
- [ ] REVIEW WITH ME

To Mary Mullen

Please advise whether to deposit checks. I have not received anything in writing.

Date 5/16/89

From Celeste x8216

GL-100527

Ross Retail Group
3107 South Academy Boulevard
Colorado Springs, Colorado 80916
(303) 390-7075

May 9, 1989

Mrs. Celeste Cawrse
THE GUARDIAN LIFE INSURANCE
COMPANY OF AMERICA
201 Park Avenue South
New York, New York 10003

RE: Assignment of Lease - Chris' Hallmark @ Mission Trace

Dear Celeste:

As you are aware, we have received a security check from the Pelayo's back in April of1989. ~~988~~. Since then, I have also received a check for the month of May, 1989 from them. Our accounting department was advised not to deposit the check as we had not yet received from you either a new lease or anything in writing advising us that the Pelayo's proposal had been accepted.

As I had told you a couple weeks ago, the Pelayo's have taken over operation of the store and I would appreciate it if you could take the time to advise me exactly what it is that we will be doing with them and as to whether or not I may deposit there check. - deposit

Sincerely,
THE FREDERICK ROSS COMPANY
REAL ESTATE MANAGEMENT GROUP

Cheryl G. Eitch

Cheryl G. Eitch, RPA
Real Estate Manager
Colorado Springs Operations

CGF:ldm

310-5-2

Value Vacuum/Frank Johnson
Mission Trace, Colorado

GL-100529

Name of Tenant FRANK JOHNSON

NET LEASE

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Exhibit B

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NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 7th day of March, 1986 by and between GOLDING & COMPANY hereinafter "Landlord" and Frank Johnson hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 1,116 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, and more particularly described as Mission Trace at the Springs. Tenant shall have the right to use the lease premises only for vacuum sales and service of both new and used vacuums, appliances, ceiling fans and all related products and services associated with said use.

3. TERM.

(a) The terms of this Lease shall be for three (3) years commencing May 1, 1986 and ending on N/A unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease of the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

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4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of One Thousand, One Hundred Sixty-Two & 50/100 Dollars ($1,162.50). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of $1,162.50 as ~~rent for the month(s) of~~ Security Deposit

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may substract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

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(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are not customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and the adjacent walks, malls, landscaped areas, parking areas, common areas and improvements and facilities thereon, including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; costs reasonably incurred by Lessor for management of the Center but not in excess of center management charges which would be incurred if a professional management firm were employed; and rental expenses or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leaseable square feet in the Center in which the Premises are located, which for this Lease is agreed to be .004 %.

(c) Computation. Tenant shall pay Tenant's Share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonably practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, and Tenant is herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that tenants share of the operating costs of the common facilities shall be $ 1,674.00 per year. Therefore, tenant shall pay Landlord the sum of

INITIALS

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per year. Therefore, tenant shall pay Landlord the sum of $ 139.50 per month as the estimated cost of Tenant's share. At the end of each calendar year, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $ 1,674.00, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $ 1,674.00, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar years estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date.

(3) If this Lease expires prior to the Statement Delivery Date of the last calendar year of the term of this Lease, Tenant hereby agrees to pay within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES.

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenant's equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

8. SECURITY DEPOSIT.

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of One Thousand, One Hundred Sixty-Two and 50 cents dollars ($ 1,162.50). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payable of any other amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant

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shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

CLB

thirty (30) days

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

10. USE.

(a) The Premises shall be used and occupied by Tenant for * and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability or either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such or acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, not shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be

* vacuum sales and service of both new and used vacuums, appliances, ceiling fans and all related products and services associated with said use.

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used for any unlawful or objectionable purpose, not shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges.

Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air condition, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Lessor and the leased premises from any such charges. Tenant shall pay Landlord for any utilities of services furnished by Landlord, but Landlord shall not be obligated fo furnish any utilities or services, pursuant to Article 6b. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charges for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

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12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Building that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means or otherwise, shall not under any circumstances by construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises, pursuant to Article 6b.

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(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article II hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls and floors, all doors, interior windows, all plumbing pipes, fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of Tenant. Tenant shall repair, at tenants sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the leased Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partition or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the lease Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performning any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligation as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair.

14. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is rerserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the times during which it is accomplished and the requirement that upon written request of Landlord prior to 30

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days following the expiration or earlier termination of the Lease, Tenant will remove any and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expenses, and all movable partitions, counters, personal property, equipment, fixtures and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14(b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities", stairways, passageways, hallways and parking areas), the use of which Tenant may have in conjunction with other tenants of the Building, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same by Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord, except that Tenant shall not be liable for any damages attributable to the negligence of Landlord or it's employees regarding the construction and *

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other

* interior finish of the premises.

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sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanke policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less the ONE MILLION DOLLARS ($1,000,000) for injury to persons in one accident, not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less then TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is

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not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the given of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

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(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any panelings, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking of appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area adjacent to the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

20. LIENS.

Tenant shall keep the Premises and any center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

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(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) the worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonably been avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of U.S. Federal Reserve Bank (Prime Rate) at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such

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thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any Mortgagees and/or Trust Deed Holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such Mortgagees and/or Trust Deed Holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagees and/or Trust Deed Holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any Mortgagee and/or Trust Deed Holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person. Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18; of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration or termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to

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retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained and shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumber. Landlord shall not be obligated to consent to the proposed assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

~~(c) Fees for Review. In the event that Tenant shall apply for assignment, sublease or encumbrance under this Article,~~

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~~Tenant shall pay to Landlord the sum of $175.00 as a non-~~ refundable fee for Landlord's time and processing ~~incurred~~ in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorneys' fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord's option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

28. INVOLUNTARY ASSIGNMENT.

No interest of tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on this Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale

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and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION.

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any Mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge any uncurred defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as maybe represented by Landlord, (ii) that there are no uncurred defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of

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tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by Landlord in confidence and shall be used only for the purposes herein set forth.

~~32. SUBSTITUTED PREMISES.~~

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of ~~rentable square feet in the Premises before substitution~~.

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Building, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations and the violation of any of them shall prevail. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any of said rules and regulations.

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37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment of sums due under this paragraph as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly given designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct Landlord, including, without limitation, the acceptance of the keys to the Premises, shall

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constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by,

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Landlord at any tim or from time to time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of constructing and /or operating commercial buildings, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extend permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as the words importing such covenants and conditions were used in each separate hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation

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represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-law of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the lease premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the lease premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:

Goldfield Company 3/26/86

ADDRESS:

3055 S. Academy Boulevard

Colorado Springs, CO 80916

TENANT:

By: Frank Johnson

Frank Johnson

ADDRESS:

2625 Telluride

Colorado Springs, CO 80918

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

Signature Page

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ADDENDUM TO LEASE

This Addendum, made and entered into this 7th day of March, 1986 by and between GOLDING & COMPANY (hereinafter "Landlord"), and Frank Johnson (hereinafter "Tenant"), and executed concurrent with Lease between the same parties.

The parties agree to the following clarifications, amendments, and agreements as a part of the Lease:

1.) Landlord shall grant Tenant four (4) months "free rent" from the commencement date of this lease (May 1, 1986). Tenant shall be obligated to all other charges under this lease during this "free rent" period.

2.) Landlord shall finish Tenant's premises per plans, which shall be provided at Landlord's expense and approved by Tenant and Landlord jointly. Landlord shall complete the interior finish of the premises within thirty (30) days of the approval of said plans by Tenant.

3.) During phase I, II & III of the development, Tenant's ratio of the development shall be 1,116/276,654 or .004%. As more buildings are added to the development, the denominator shall increase commensurately with the area of the additional buildings.

4.) The commencement date of this lease shall be fourteen (14) days subsequent to the completion of Landlord's work and tenant shall be given written notice of said completion.

5.) Tenant shall have the right to terminate this lease within sixty (60) days written notice to Landlord at any time during this lease. Should Tenant exercise this option, Tenant agrees to reimburse Landlord for an amount equal to four (4) months rent and for Landlord's costs of interior finish.

6.) Tenant's premises shall be located at space 3049.

Landlord 3/20/86
Golding & Company

BY: 3/20/86 Date:

Tenant

FRANK JOHNSON Date: 3/17/86

BY: Frank Johnson

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EXHIBIT A

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to

*

($_____) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of

*

($_____) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

* RENT ADJUSTMENT: Beginning in May 1, 1989 and each and every subsequent year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $ 1,162.50 by a fraction, (the numerator of which shall be the Consumer Price Index for the month of April and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of April. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall not be less than that provided in paragraph 3.1 of this Agreement.

Tenant_____

Landlord_____

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EXHIBIT B

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to

*

($_____) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of

*

($_____) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

* RENT ADJUSTMENT: Beginning in May 1, 1992 and each and every subsequent year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $ 1,162.50 by a fraction, (the numerator of which shall be the Consumer Price Index for the month of April and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of April. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall not be less than that provided in paragraph 3.1 of this Agreement.

Tenant _____

Landlord _____

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EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

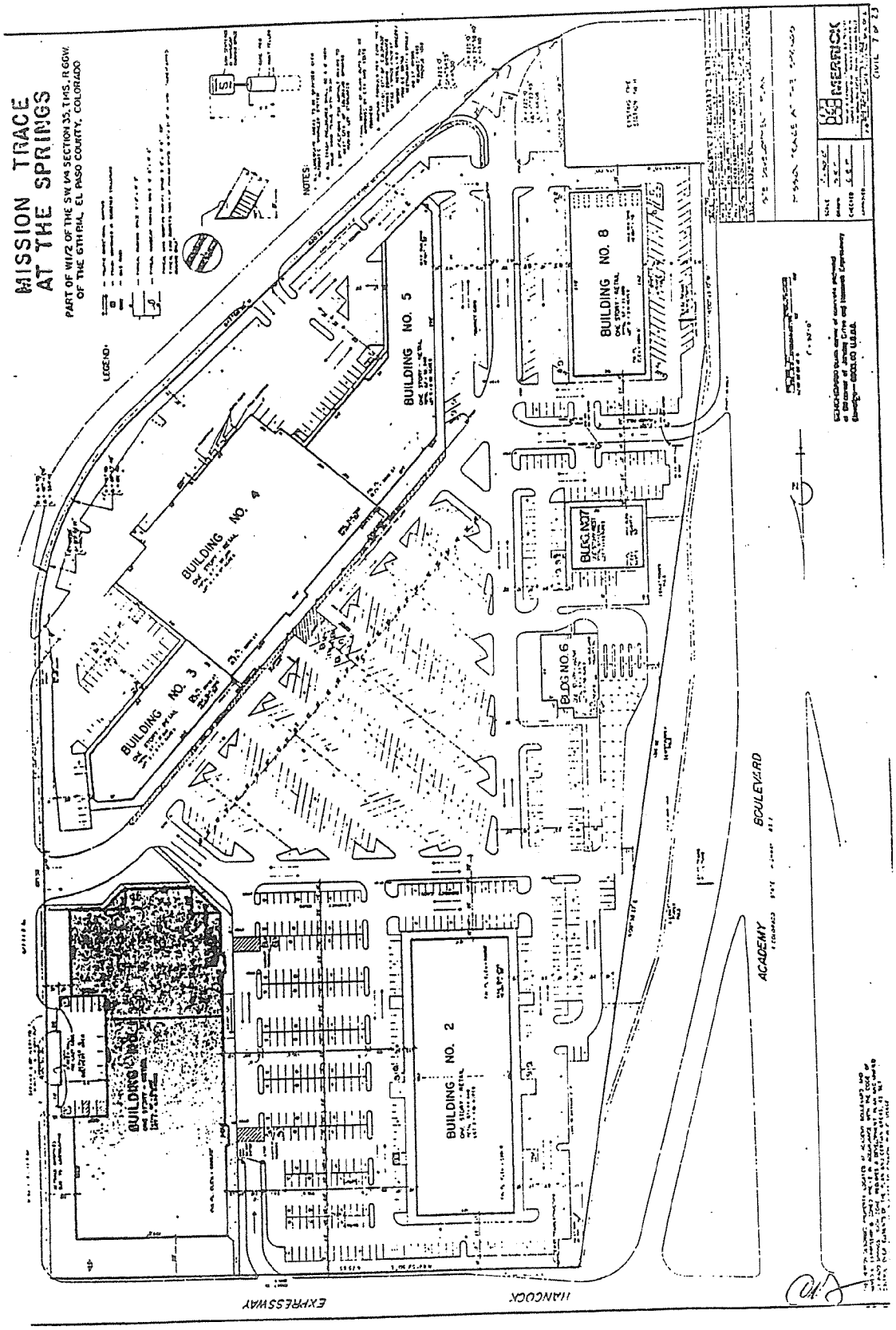
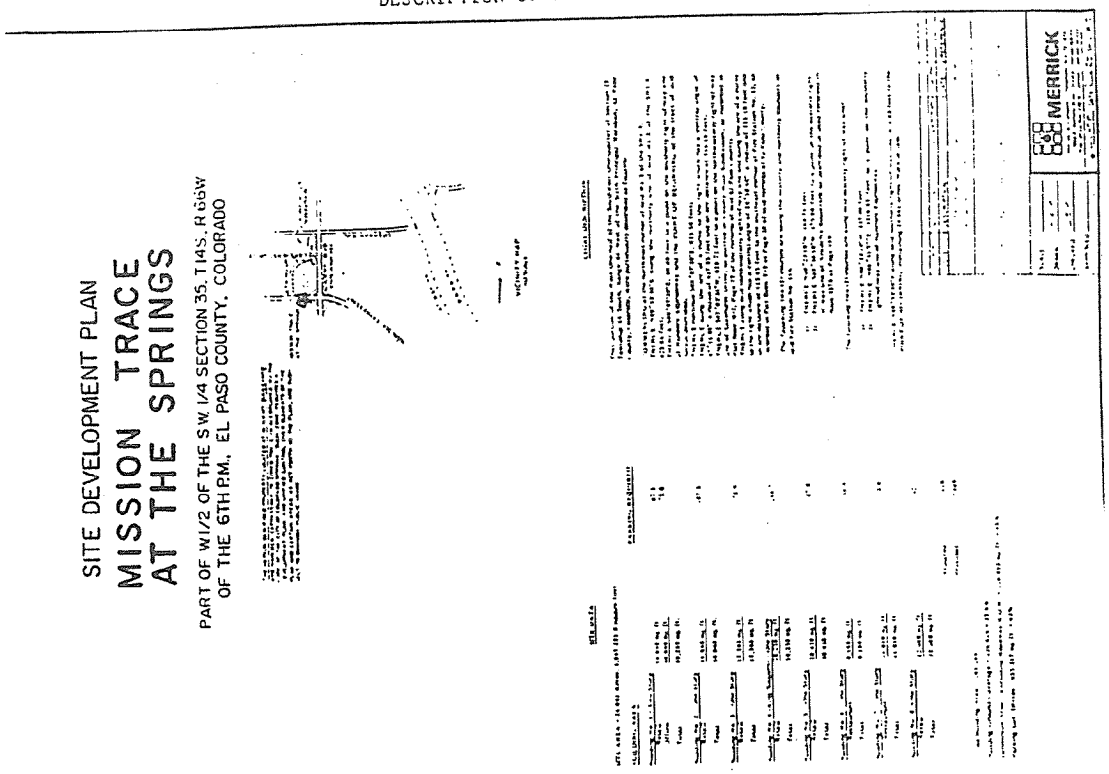


EXHIBIT C

DESCRIPTION OF DEMISED PREMISES



NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

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EXHIBIT "C-3"

DESCRIPTION OF

DEMISED PREMISES

Suite Number Building #2

Street Address or Demised Premises

3049 S. Academy Boulevard

Colorado Springs, CO 80916

Floor Area: 1,116 Square Feet

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EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed ans installed at Tenant's expense.

All Tenant's are obligated to have a sign (corner Tenant's must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and &" deep raceway center mounted within 7½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Shisper Shite with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the facia panel. (See Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The house of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occuped. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter, style will not be restricted; letter style should, however, be compatible with the design character of the Center.

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Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand n names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expence of the Tenant.

Rear and service door standardized indentification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenant's expense within ten (10) days after Landlords notification of same.

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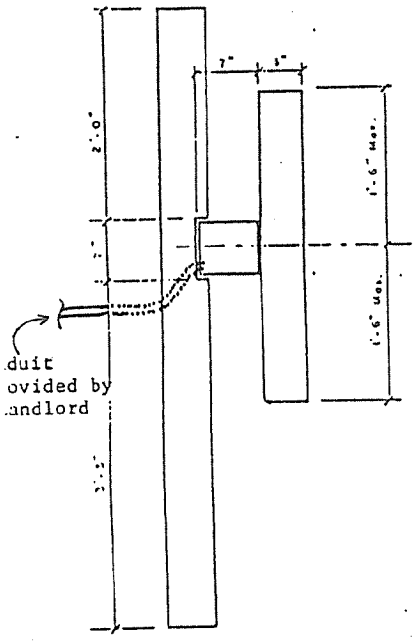
EXHIBIT D-2

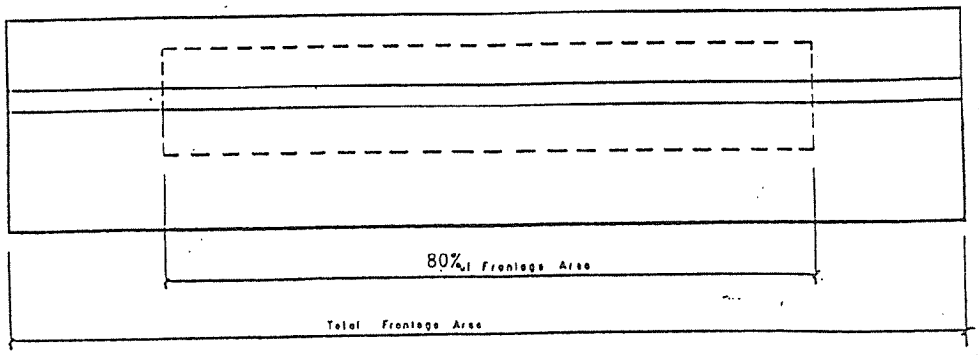
MISSION TRACE

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

EXHIBIT D-3



Tenant _____

Landlord _____

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

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6. The toilet rooms,wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein at the expense of any breakage, stoppage or damage resulting from the violation that this role shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will now be responsible for loss of or damage to any moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or kept any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvass any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water equal heater recessed in ceiling, one watercloset and one wall hung lavatory. Flooring shall be 12" x 12" VAT color as chosen by Landlord. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service: one 2 x 4 (4 tube) recessed flourescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 lineal feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3-0 x 6-8 single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense.

~~1. Provide an adequate number of Tenant construction drawings to Landlord~~ showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three weeks of date of execution of this lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up "into the buildings Central Signage Circuit as outlined in Exhibit D, Sign Criteria."

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

~~7. Any extra HVAC units or duct work, diffusers and air grills~~.

8. Exterior Tenant indentification sign.

9. General decorating and installation of fixtures of subject space.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS CONTINUED

B. Description of Tenant's Work at Tenant's Expense Continued.

10. Any and all other items not mentioned in "A. Specifications and Improvements by Landlord at Landlord's Expense" above shall be paid for by Tenant.

* HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

** Mountain Bell runs service to Building. It is the Tenant's responsiblity to coordinate with the phone company of their choice to hook up and install phone system.

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GL-100568

EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and Frank Johnson, therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns

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Exhibit C

of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 7th day of March 1986.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1

Frank Johnson

Address: 2625 Telluride
Colorado Springs, CO 80918

GUARANTOR NUMBER 2.

Anne F. Johnson

Address: 2625 Telluride
Colorado Springs, CO 80918

GUARANTOR NUMBER 3.

Address:

INITIAL

GL-100570

1988 - ACCOUNT RECONCILIATION
(310) - MISSION TRAC
(3049) - VALUE VACUUM

Exhibit D

	DATE	DESCRIPTION	1 RENT	2 CAM	3 MISC.	4 BALANCE
1	1987	Previous Billing	564950	-0-	-0-	564950
3	1/88	Standard Billing	116250	13950		695150
5	2/88	Standard Billing	116250	13950		825350
7	3/88	Standard Billing	116250	13950		955550
9	4/88	Standard Billing	116250	13950		1085750
11	5/88	Standard Billing	116250	13950		1215950
13	6/88	Standard Billing	116250	13950		1346150
14		1987 CAM Rec.			30336	1376486
16	7/88	Standard Billing	116250	13950		1506686
18	8/88	Standard Billing	116250	13950		1636886
20	9/88	Standard Billing	116250	13950		
21		Tenant I.D. Sign			6500	1773586
23	10/88	Standard Billing	116250	13950		1903786
25	11/88	Standard Billing	116250	13950		2033986
27	12/88	Standard Billing	116250	13950		2164186
29	1/89	Standard Billing	116250	13950		2294386
31	2/89	Standard Billing	116250	13950		
32		Late Charges 7/87-2/89			267793	2692379
34	3/89	Standard Billing	116250	13950		2822579
36	4/89	Standard Billing	116250	13950		
37		1988 CAM Recap			42264	
38		Security Forfeit	(116250)			2878793
		BALANCE TO DATE	2308700	223200	346893	2878793

RECEIVED
JUN 16 1989

	Initials	Date
Prepared by	Pm	7/89
Approved by		

310 - MISSION TRACE SHOPPING CENTER

3049- VALUE VACUUM

LATE CHARGE SCHEDULE

DATE	DESCRIPTION	1 ENDING BALANCE ACCOUNT	2 PREVIOUS LATE CHARGE	3 TEN PERCENT	4 BALANCE	
7/87	Rent & CAM	130200 +	— 0 —	x 10%	13020	1
8/87	Advertising & Late Charges	186600	13020		3162	2
9/87	Rent, CAM & Advertising & L.C.	139500	3162		14266	3
10/87	Partial Rent & Late Charges	60200	14266		7447	4
11/87	Rent & Late Charges	116250	7447		12370	5
12/87	Partial Rent & Late Charges	100200	12370		11257	6
1/88	Rent, CAM & Late Charges	130200	11257		14146	7
2/88	Rent, CAM & Late Charges	130200	14146		14435	8
3/88	Rent, CAM & Late Charges	130200	14435		14464	9
4/88	Rent, CAM & Late Charges	130200	14464		14466	10
5/88	Rent, CAM & Late Charges	130200	14466		14467	11
6/88	Rent, CAM, PreCAM & L.C.	160536	14467		17500	12
7/88	Rent, CAM & Late Charges	130200	17500		14770	13
8/88	Rent, CAM & Late Charges	130200	14770		14497	14
9/88	Rent, CAM Tenant I.D. & L.C.	136700	14497		15120	15
10/88	Rent, CAM & Late Charges	130200	15120		14532	16
11/88	Rent, CAM & Late Charges	130200	14532		14473	17
12/88	Rent, CAM & Late Charges	130200	14473		14467	18
1/89	Rent, CAM & Late Charges	130200	14467		14467	19
2/89	Rent, CAM & Late Charges	130200	14467		14467	20
						21
	TOTAL LATE CHARGES				267793	22
	MARCH + APRIL					23
						24
					29 67 37	25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38

GL-100572

ACCOUNT RECONCILIATION
VALUE VACUUM
MISSION TRACE

DATE	DESCRIPTION	1 RENT	2 CAM	3 MISC/ LATE	4 BALANCE
1986	Previous Balance			13020	13020
1/87	Standard Billing	116250 -	13950 -		143220
	Late Charges			27342	170562
	Credit Late Charges			(40362)	130200
1/31	Payment	(116250) -	(13950) -		-0-
2/87	Standard Billing	116250 -	13950 -		130200
2/10	Payment	(116250) -	(13950) -		-0-
3/87	Standard Billing	116250 -	13950 -		130200
3/9	Payment	(116250) -	(13950) -		-0-
4/87	Standard Billing	116250 -	13950 -		130200
	1986 CAM Rec.	(7727) -	(13950) -		108523
4/9	Payment	(108523) -			-0-
5/87	Standard Billing	116250 -	13950 -		130200
6/87	Standard Billing	116250 -	13950 -		260400
6/6	Payment #1368	(116250) -	(13950) -		130200
6/16	Payment #1382	(116250) -	(13950) -		-0-
7/87	Standard Billing	116250 -	13950 -		130200
8/87	Standard Billing	116250	13950 -		260400
	Advertising Fund			18600	279000
	Payment #1415	(116250) -	(13950) -		148800
9/87	Standard Billing	116250	13950 -		279000
	Advertising Fund			9300	288300
10/87	Standard Billing	116250	13950 -		418500
	Payment #1490	(250)	(41850) -	(27900)	348500
11/87	Standard Billing	116250	13950 -		478700
	Payment #1513		(13950) -		464750
12/87	Stand Billing	116250	13950 -		494950
	Payment #1530	(116050)	(13950) -		564950
1987	Balance	564950	-0-	-0-	564950

© WILSON JONES COMPANY G7204 GREEN 7204 BUFF

DISTRICT COURT, COUNTY OF EL PASO, STATE OF COLORADO

CASE NO. 89CV1041, DIVISION 1

NOTICE OF CHANGE OF ADDRESS

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA,
Plaintiff,

v.

FRANK JOHNSON and ANNE F. JOHNSON,

Defendants.

PLEASE TAKE NOTICE that the attorneys for the Plaintiff, Gorsuch, Kirgis, Campbell, Walker and Grover, have moved their offices to:

101 North Cascade, Suite 310
Colorado Springs, CO 80903-1622
(719) 633-6061

Respectfully submitted,
GORSUCH, KIRGIS, CAMPBELL,
WALKER & GROVER

By: Anne T. Kelson

Anne T. Kelson, #15093
101 North Cascade, Suite 310
Colorado Springs, CO 80903
(719) 633-6061

Attorneys for Plaintiff

#158 MISSION TRACE SHOPPING CENTER
RADIO SHACK LEASE

GL-100575

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), made this _____ day of _____, 1985 by The Charles Golding Company ("Landlord") and TANDY CORPORATION, a Delaware corporation ("Tenant");

WITNESSETH:

1. Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord 2630 square feet of space, 3123 South Academy Boulevard, Colorado Springs, Colorado 80916 ("Premises"), such space as shown on Exhibit "A" attached hereto, and located on land described as: Mission Trace at the Springs Filing 1, El Paso County, Colorado, together with all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to the said premises.

2. TERM: TO HAVE AND TO HOLD the same for the term of seven (7) years, beginning on Commencement Date as defined in Paragraph 4 hereof.

3. RENT: Tenant agrees to pay, at such place as may be designated by Landlord, rent for said Premises at a guaranteed minimum rental of Two Thousand Eighty-Two and 08/100 Dollars ($2,082.08) per month lease years one (1) through four (4) ($24,985.00 annually) of the term hereof, and for lease years five (5) through seven (7) of the term hereof, Two Thousand Three Hundred One and 25/100 Dollars ($2,301.25) per month ($27,615.00 annually) from the Commencement Date, in advance on the first day of each calendar month during the Lease term. If the Lease term commences on any day other than the first day of a calendar month, that pro rata fraction of the first month's minimum rental based on a thirty (30) day month shall be paid at the end of that portion of the month.

RS
3/7/85

GL-100576

4. COMMENCEMENT DATE: The term of this Lease shall commence: A. Thirty (30) days after Landlord has notified Tenant in writing that Landlord's work has been completed in accordance with Exhibit B herein and Tenant's plans and specifications; or B. On the day Tenant opens for business in the demised premises, whichever, A or B, shall first occur. No rent shall be payable by Tenant until the term hereof has thus commenced.

5. USE OF PREMISES: The Premises shall be used and occupied for the display and sale, as well as the service and classroom instruction, if required by Tenant, of electronic components and equipment, including computers and related items, telephones and other merchandise commonly sold in Radio Shack stores or its affiliates.

6. COMPLIANCE WITH LAW: Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisance in or upon the Premises, provided, however, that no such compliance shall include the making of structural changes or repairs to the Premises. Landlord agrees that it will enforce the obligations contained in its leases with its other tenants to keep their respective premises in good repair, not to create hazards, nuisances or obstructions, nor to permit waste.

7. REAL ESTATE TAXES:

A. Subject to the provisions of Paragraph B below, Landlord agrees to pay, before they become delinquent, all real estate taxes and special assessments lawfully levied or assessed against the above described Premises; however, Landlord may, at its expense, contest and dispute the same, and in such case, the disputed item need not be paid until finally adjudged to be valid.

RS
3/7/85

GL-100577

B. Beginning after the rent commencement date of this Lease, Tenant shall pay Landlord, upon presentation of copies of tax bills, its pro rata share of any tax increases over the tax assessment effective during the first year of the term hereof. Assessments, however, shall not be deemed to include special assessments. Any payment made by Tenant pursuant to this Paragraph B with respect to the real estate tax year in which this Lease commences or terminates shall be prorated.

C. In the event that the Premises are not separately assessed for real estate tax purposes, then Tenant's liability under this Section shall be the product obtained by multiplying the increase of real estate taxes by a fraction, the numerator being the number of square feet in the Premises and the denominator being the total number of leasable square feet in the tax parcel. Landlord shall advise Tenant of the total leasable area of the tax parcel at the time of billing.

8. MAINTENANCE BY LANDLORD:

A. Landlord shall, at its expense and risk, maintain and repair only the pipes, mains or conduits that may pass through the Premises, but which serve various tenants; the roof and the system for drainage of water therefrom; the foundation, underground and otherwise concealed plumbing; the parking lot (if a free standing building) and all common areas (if a free standing building); exterior walls (excluding all windows, window glass, plate glass, and all doors of the Premises); and the structural portions of the Premises. Landlord shall be responsible for termite eradication. Tenant shall give immediate written notice to Landlord of the need for repairs or corrections, provided Tenant has knowledge of the need for such repairs or corrections, and Landlord shall proceed promptly to make such repairs or corrections.

B. In the event that Landlord fails or neglects to make repairs to the Premises as provided herein within thirty (30) days after written notice from Tenant, then Tenant may make such repairs, and Landlord shall promptly reimburse Tenant for the actual cost thereof, or Tenant may deduct such cost from the rental payments next due to Landlord, at Tenant's option.

C. Landlord represents that at the Commencement Date of this Lease the plumbing, any fire protection sprinkler system, heating system, air conditioning equipment and electrical system, are in good operating condition, and warrants the foregoing for ninety (90) days after Tenant opens for business.

9. MAINTENANCE BY TENANT:

A. Tenant shall, at its expense and risk, maintain all other parts of the Premises in good condition, including but not limited to maintenance of the interior plumbing, windows, window glass, plate glass, doors, heating system, air conditioning equipment, and the interior of the Premises in general.

B. Tenant shall, throughout the Lease term, take good care of the Premises and keep them free from waste or nuisance. At the end of the Lease term, Tenant shall deliver up the Premises broom clean and in as good a repair and condition as the premises were when Tenant first took possession, reasonable wear and tear and damage by fire, tornado or other casualty excepted.

10. ALTERATIONS, ADDITIONS AND IMPROVEMENTS: Tenant shall not create any openings in the roof or exterior walls, nor make any structural alterations, additions or improvements to the Premises, without prior written consent of Landlord. Tenant shall have the right at all times to erect or install shelves, bins, machinery, air conditioning or heating equipment, and trade fixtures, provided that Tenant complies with all applicable governmental laws,

ordinances and regulations. Tenant shall have the right to remove at the termination of the Lease such items so installed except for air conditioning or heating equipment; however, Tenant shall, prior to the termination of this Lease, repair any damage caused by such removal. All alterations, additions or improvements made by Tenant that are permanently attached to the real estate shall become the property of Landlord at the termination of this Lease. Tenant has the right to make alterations of a non-structural nature or do remodeling of the interior of the Premises of a non-structural nature, without Landlord's consent.

11. SIGNS: Tenant shall have the right to erect a sign over Tenant's storefront, subject to the provisions of Exhibit C attached hereto, and other signage Tenant may deem desirable or necessary on the exterior walls of the Premises, securely attached to and parallel to said walls, subject to applicable laws and deed restrictions. Tenant shall not erect any signs other than customary trade signs identifying it's business, provided, however, Tenant shall have the right to change its storefront sign and other exterior signs to conform to any new business name as determined by Tandy Corporation for the majority of its other stores of like use. Tenant shall remove all signs at the termination of this Lease, and shall repair any damage caused by such removal. ~~Tenant may erect a pylon sign at a location to be mutually agreed upon by Landlord and Tenant, or, if the city ordinance prohibits Tenant's pylon sign, to install a sign on Landlord's Shopping Center pylon, if any.~~ Tenant will erect two (2) antennae at its sole cost and expense, at a location and in a manner mutually agreed upon by Landlord and Tenant. If Landlord constructs Tenant's space in accordance with Exhibit B attached hereto, Landlord shall install Tenant's antennae. Landlord shall not unreasonably or arbitrarily withhold or delay its agreement to any such sign and antennae installations.

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12. INSURANCE:

A. Landlord agrees to carry adequate fire, extended coverage, and vandalism insurance on the building, of which the Premises are a part, covering the Premises and the shopping center for at least eighty percent (80%) of their replacement value.

B. If Tenant changes its operations in the Premises subsequent to its initial use and occupancy, and thereby causes an increase in the premium for the fire and extended coverage insurance policy carried by Landlord (the premium for said policy having been based on such initial use and occupancy of Tenant), the amount of such increase in net annual premium shall be paid to Landlord by Tenant annually upon demand and presentation of copies of the insurance bills and written evidence from Landlord's insurance company that Tenant's change of operations has caused said increase, whether Landlord has consented to such change of operations or not. The foregoing shall not apply to any increase in premium resulting from any cause beyond the control of Tenant.

C. Tenant shall not permit any operation to be conducted in the Premises that would cause suspension or cancellation of the fire and extended coverage insurance policy carried by Landlord.

D. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Premises and other improvements situated on the Premises shall be for the sole benefit of the party carrying such insurance and shall be under its sole control.

E. Tenant shall maintain and keep in force public liability insurance in the amounts of Five Hundred Thousand Dollars ($500,000.00) per person or Five Hundred Thousand Dollars ($500,000.00) per occurrence and Five Hundred Thousand Dollars ($500,000.00) for property damage. Tenant shall furnish Landlord a certificate of insurance.

13. WAIVER OF SUBROGATION: Each party hereto waives any and every claim which arises, or may arise in its favor and against the other party hereto during the term of this Lease or any renewal or extension thereof, for any and all loss of, or damage to, any of its property located within the shopping center or upon, or constituting a part of, the Premises leased to Tenant, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Said mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as the above mutual waivers preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other company or person), each party hereto agrees immediately to give each insurance company, which has issued to it policies of fire and extended coverage insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverages by reason of said waivers.

14. LANDLORD'S RIGHT OF ENTRY: Landlord, and its authorized agents, shall have the right to enter the Premises during normal working hours for the following purposes: (a) inspecting the general condition and state of repair of the Premises; (b) the making of repairs required of Landlord; and (c) the showing of the Premises to any prospective purchaser. If Tenant shall not have renewed or extended this Lease prior to the final thirty (30) day period of the Lease term, Landlord shall have the right to enter the Premises during normal working hours for the showing of the Premises to prospective tenants or purchasers. During the final thirty (30) days of the Lease

term, Landlord, and its authorized agents, shall have the right to erect on or about the Premises a customary sign advertising the property for sale or lease.

15. UTILITY SERVICES: Landlord shall provide at the Commencement Date of the Lease the normal and customary utility service connections in the Premises. Tenant shall pay the actual costs for gas, water, sewer, telephone and electricity used on the Premises. In the event there is not a separate meter for such utility service to the Premises, Tenant shall have the option of installing a separate meter at its expense, or Tenant shall pay Landlord its proportionate share of the utilities, which share shall be determined by multiplying the total amount of utility charges of the shopping center of which the Premises is a part (excluding the common areas) by a fraction, the numerator of which shall be the square feet of floor area in the Premises, and the denominator of which shall be the total number of leasable square feet of the shopping center, which number Landlord shall indicate to Tenant at the time of billing. In any event, Tenant shall have the option of electing to install check or test meters for electricity and/or gas to monitor its actual usage. Landlord shall adjust its billings to Tenant to reflect actual consumption based on periodic readings of said meter(s). In no event shall Landlord charge more for a utility than would be charged by the proper local utility if Tenant were independently connected with its own meter.

16. ASSIGNMENT AND SUBLEASING: Anything in this Lease to the contrary notwithstanding, if not in default of any monetary terms contained in this Lease, Tenant shall have the right to assign this Lease and sublet the Premises, in whole or in part, to any person, firm or corporation, with Landlord's consent, which consent shall not be unreasonably withheld. In the event of a sublease, Tenant shall remain liable to Landlord for the payment of all rental hereunder

and for the performance of all covenants and conditions of this Lease applicable to Tenant.

17. FIRE AND CASUALTY DAMAGE:

A. If the Premises are damaged or destroyed by fire, tornado or other casualty, Tenant shall give immediate written notice thereof to Landlord.

B. TOTAL DESTRUCTION: If the Premises are so damaged that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days from the date of written notification by Tenant to Landlord of the happening of the damage, this Lease shall terminate, and rent and all additional charges, shall be abated for the unexpired portion of this Lease, effective as of the date of the happening of the damage. If the Shopping Center is so damaged that rebuilding or repairs cannot reasonably be completed within one hundred eighty (180) days from the date of written notification by Tenant to Landlord of the happening of the damage, this Lease shall terminate, and rent and all additional charges shall be abated for the unexpired portion of this Lease, effective as of the date of the happening of the damage.

C. PARTIAL DAMAGE: If the Premises are damaged by fire, tornado or other casualty, but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred twenty (120) days from the date of written notification by Tenant to Landlord of the happening of the damage, this Lease shall not terminate, but Landlord shall, if the casualty has occurred prior to the final eighteen (18) months of the Lease term, or any extension of the term hereof, at its sole cost and risk, proceed forthwith to rebuild or repair such Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final eighteen (18) months of the Lease term, or any extension of the term hereof, Landlord shall not be required to rebuild

or repair such damage unless Tenant shall exercise its renewal option (if any is contained herein), or unless both parties promptly agree on a renewal of the term, whereupon Landlord shall, at its sole cost and risk, proceed forthwith to rebuild or repair such damage. If Tenant does not elect to exercise its renewal option (if any is contained herein) or otherwise extend the term of this Lease within thirty (30) days from the date of written notification by Tenant to Landlord of the happening of the damage during the last eighteen (18) months of the term or any extension of the term hereof, this Lease shall terminate, and rent and all additional charges shall be abated for the unexpired portion of this Lease, effective as of the date of said written notification. If the Premises are to be rebuilt or repaired and are untenantable in whole or in part following such damage, the rent and all additional charges payable hereunder during the period in which they are untenantable shall be adjusted equitably. In the event that Landlord fails to complete such rebuilding or repairs within one hundred eighty (180) days from the date of written notification by Tenant to Landlord of the happening of the damage, Tenant may at its option terminate this Lease by written notification at such time to Landlord, whereupon all rights and obligations hereunder shall cease.

18. HOLD HARMLESS: Landlord shall not be liable to Tenant or Tenant's employees, agents or invitees, or to any other persons whomsoever, for any injury to person or damage to property on the Premises caused by negligence or misconduct of Tenant, its employees or agents. Tenant agrees to indemnify Landlord and hold it harmless from any loss, expense or claims arising out of any such damage or injury, unless such damage or injury result from the act, omission or neglect of Landlord, its employees or agents.

19. CONDEMNATION:

A. If, during the term of this Lease or any extension of the term hereof, all or a substantial part of the shopping center of which the Premises is a part is taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or is sold to the condemning authority under threat of condemnation, this Lease shall terminate, and the rent and all other charges shall be abated during the unexpired portion of this Lease, effective as of the date of taking of said property by the condemning authority.

B. If less than a substantial part of the shopping center of which the Premises is a part is taken for any public or quasi-public use as aforesaid, or is sold to the condemning authority under threat of condemnation, this Lease shall not terminate, but Landlord shall forthwith, at its sole cost and expense, restore and reconstruct the buildings of the shopping center including the demised Premises. Such restoration and reconstruction shall make the same reasonably suitable for the uses for which the Premises are leased as defined in Section 5 above. The rent, and all other charges payable hereunder during the unexpired portion of this Lease, shall be adjusted equitably.

C. Landlord and Tenant shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

20. HOLDING OVER: If Tenant holds over the Premises, or any part thereof, after expiration of the term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as tenancy from month-to-month only, at a monthly rental equal to the rent paid for the last month of the term of this Lease.

21. DEFAULT BY TENANT: The following events shall be deemed to be events of default by Tenant under this Lease:

A. Tenant's failure to pay any installment of the rent on the date that same is due and such failure shall continue for a period of thirty (30) days after receipt of written notice from Landlord;

B. Tenant's failure to comply with any term, condition or covenant of this Lease, other than the payment of rent and such failure is not cured within thirty (30) days after receipt of written notice thereof to Tenant, or if such failure cannot reasonably be cured within the said thirty (30) days and Tenant shall not have commenced to cure such failure within thirty (30) days after receipt of Landlord's written notice thereof by Tenant;

C. If Tenant becomes insolvent;

D. The filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof provided the same is not discharged within sixty (60) days, or adjudication of Tenant as bankrupt or insolvent in proceedings filed against Tenant thereunder;

E. The appointment of a receiver or trustee for all, or substantially all, of the assets of Tenant;

F. Upon the occurrence of any of such events of default, Landlord shall have the option to pursue any one (1) or more of the following remedies, provided such action is in accordance with existing laws or statutes:

(1) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails so to do, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof, without being liable for prosecution of any claim or damages

therefor; and Tenant agrees to pay to Landlord on demand the reasonable amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise;

(2) Enter upon and take possession of the Premises and expel or remove Tenant or any person who may be occupying said Premises or any part thereof, without being liable for prosecution, or any claim for damages therefor, and relet the Premises at commercially reasonable rates, and receive the rent therefor, and Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such reletting;

(3) Enter upon the Premises, without being liable for prosecution, or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for reasonable expenses which Landlord may incur in thus effecting compliance with Tenant's obligation under this Lease. Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by negligence of Landlord.

Landlord's damages shall be computed at the accelerated value of the rent herein provided plus the reasonable costs incurred in reletting the Premises (such as repairs or broker's fees) less the then reasonable fair market value of the Premises for the unexpired term.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided, or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

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22. ATTORNEY'S FEES: In the event that either party hereto shall bring legal action against the other party, the prevailing party shall be entitled to reimbursement from the other party for all reasonable expenses thus incurred, including attorney's fees.

23. QUIET ENJOYMENT: Landlord warrants that it has full right and power to execute and perform this Lease and to grant and convey the estate demised herein and that Tenant, on payment of the rent and performing the covenants herein contained, shall peaceably and quietly have, hold and enjoy the Premises, for the uses and purposes herein set forth, during the full term of this Lease, and any extension or renewal hereof; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust, or other lien presently existing upon the Premises. Landlord is hereby vested with full power and authority to subordinate Tenant's interest hereunder to any mortgage, deed of trust, or other lien hereafter placed on the Premises, and Tenant agrees upon demand to execute such further instruments, subordinating this Lease as Landlord may request, provided such further subordination shall be upon the express condition that this Lease shall be recognized by the mortgagee and that the rights of Tenant shall remain in full force and effect during the term of this Lease, or any extension thereof, so long as Tenant shall continue to perform all of the covenants of this Lease.

24. WAIVER OF DEFAULT: No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall be deemed to be waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

25. CERTIFICATE OF OCCUPANCY: Tenant may, prior to the Commencement Date of this Lease, apply for a certificate of occupancy to be issued by the municipality in which the

Premises is located. Landlord represents that on such Commencement Date all plumbing and electrical wiring installed in the Premises will be in proper condition to permit Tenant to obtain a certificate of occupancy.

26. EXCESSIVE VACANCIES: If at any time after Tenant has been in occupancy of the Premises for a period of six (6) months, the gross leasable area of the shopping center of which the Premises is a part is less than sixty percent (60%) actively occupied by other retail tenants, or if King Soopers discontinues its operations and a similar tenant does not replace it within a period of six (6) months, Tenant shall have the option of terminating this Lease by the giving of sixty (60) days written notice to Landlord, after which time there shall be no further obligations on the part of either party to the other.

27. COMMON AREA: Landlord shall, in a manner in keeping with first class shopping centers of the same type; clean, maintain, police, light, landscape, insure and otherwise operate the common areas of the Shopping Center. Tenant agrees to pay to Landlord its proportionate share of the cost of insuring, cleaning, maintaining, policing and landscaping of the common areas of the shopping center of which the Premises is a part. Tenant shall pay its proportionate share of such costs based upon that formula set forth in the UTILITY SERVICES clause hereunder. The foregoing amounts shall be separately invoiced by Landlord and shall be paid by Tenant within twenty (20) days after receipt of such invoice. Such invoice shall indicate the total leasable area of the shopping center at the time of said billing. The amounts payable by Tenant for the first year and last year of this Lease shall be prorated for the parts of such first and last years that Tenant is obligated to pay fixed minimum rent under this Lease including any fraction of a month. Landlord will furnish Tenant with an itemized annual statement of all common area expenses

incurred within sixty (60) days of the close of its accounting year. Upon ten (10) days notice to Landlord, Tenant may examine Landlord's books as to common areas for a period of two (2) years following the submission of Landlord's annual statement. Landlord shall segregate on its statements to Tenant any real estate taxes attributable to the common area from those attributable to the Premises or it shall provide Tenant with the mathematical factor, formula or percentage that will enable Tenant to so segregate the amounts billed for such real estate taxes for Tenant's record keeping. Anything to the contrary herein notwithstanding, Tenant's contribution to the common area Maintenance shall not exceed $1.50 per year, per square foot of space occupied by Tenant. Under the provisions of this paragraph, Common Area Maintenance shall include the maintenance and repair of the parking lot, landscape areas, common area lights and signs, etc., and snow and trash removal.

28. MERCHANT'S ASSOCIATION: Tenant agrees to join and maintain membership in the Merchant's Association provided that, and as long as, other tenants occupying ninety percent (90%) or more of the mercantile area of the Shopping Center also maintain active, dues-paying memberships. On or before the Rent Commencement Date of this Lease, Landlord shall furnish documentary evidence that the ninety percent (90%) co-tenancy factor has been satisfied. If the ninety percent (90%) co-tenancy factor is satisfied at some date after the commencement of this Lease, Landlord shall then send such evidence and commence billing Tenant for Merchant's Association dues. Anything herein to the contrary notwithstanding, Tenant's contribution shall not exceed $.10 per year per square foot of space occupied by Tenant. Landlord shall advise Tenant of the total leasable area of the Shopping Center at the time of billing.

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29. RENEWAL OPTION: Tenant (but not any subtenant) shall have the right and option to renew this Lease, by written notice delivered to Landlord no later than ninety (90) days prior to the expiration date of the primary term for two additional terms of three (3) years and five (5) years each under the same terms, conditions and covenants, except: rent during this first option shall be $2,301.25 per month and $27,615.00 annually. Tenant shall have a second option for an additional five (5) years at $2,739.58 per month and $32,875.00 annually. All other terms and conditions remain the same. If Tenant exercises its option under this Paragraph, Tenant agrees to pay its pro rata share of the existing maintenance charges in effect for the Center at the time of the option.

30. MISCELLANEOUS:

A. Tenant agrees at any time and from time to time, upon not less than twenty (20) days after receipt of written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the rent and other charges have been paid in advance, if any, and stating whether or not Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and if so, specifying each such default, it being intended that any such statement delivered pursuant to this Paragraph may be relied upon by any party to whom such certificate may be delivered by Landlord.

B. If, because of any act or omission of Tenant, any mechanic's or other lien or order for the payment of money shall be filed against the Premises or upon the shopping center, or against Landlord, Tenant shall, at its expense, within thirty (30) days after receipt of notice of

the filing thereof, cause the same to be cancelled and discharged of record, or furnish Landlord with a surety bond issued by a surety company, protecting Landlord from any loss resulting from nonpayment of such lien claim, and further shall indemnify and save harmless Landlord from and against any and all cost, expenses, claims, losses or damages, including reasonable counsel fees, resulting thereupon or by reason thereof.

C. All provisions herein contained shall bind and inure to the benefit of the respective parties hereto, their heirs, personal representatives, successors, and assigns. In the event Landlord or any successor-owner of the Premises shall convey or otherwise dispose of the Premises and/or the shopping center of which the Premises form a part, all liabilities and obligations of Landlord shall be assumed by such successor-owner as Landlord.

D. Anything in this Lease to the contrary notwithstanding, Tenant shall not be required to accept possession of the demised premises and pay rents and all other charges set forth herein between November 1st and the next succeeding January 15th in any year. In the event Tenant elects not to accept possession during this time period, Tenant agrees to accept possession of the demised premises no later than January 15th and the date upon which Tenant accepts possession of the demised premises shall be considered the date Landlord has notified Tenant that Landlord's work has been substantially completed in accordance with Article 4A hereof.

E. If this Lease is not returned by the Landlord fully executed within thirty (30) days after it has been received by Landlord signed by Tenant, Tenant has the right, but shall not be obligated, to declare the Lease to be null and void with no obligation on the part of one party to the other.

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F. In the event Landlord elects to remodel the exterior of the Shopping Center, Landlord shall bear all expenses in connection with the removal, storage and reinstallation of Tenant's storefront sign, as well as the provision of temporary signage during such remodeling period.

31. FORCE MAJEURE: Landlord or Tenant shall not be required to perform any term, condition or covenant in this Lease, so long as such performance is delayed or prevented by force majeure, which shall mean Acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods and any other cause not reasonably within the control of Landlord or Tenant, and which, by the exercise of due diligence, Landlord or Tenant is unable, wholly or in part, to prevent or overcome.

32. PERCENTAGE RENTAL: In addition to the minimum rent set forth herein, Tenant shall pay to Landlord the amount, if any, by which in any fiscal year during the term hereof, three percent (3%) of gross sales exceed the minimum annual rent set forth herein. In the event Tenant should elect to establish a computer center in the demised premises, Tenant shall pay Landlord one percent (1%) of computer and related items sales in excess of the hereinafter established breakpoint. Such breakpoint shall be based upon the number of square feet allocated by Tenant within the demised premises for the computer center multiplied by the dollar amount per square foot per year of rent divided by one percent (1%). The remaining square feet shall be devoted to all other merchandise other than computers and related items. The term "gross sales" shall be construed to mean all gross sales credited to the demised premises, whether for cash or on credit made by Tenant at or from the demised premises in any fiscal year during the term of this Lease. Included in gross sales shall be all mail order sales made from the demised premises. Not included in

annual gross sales, for the purpose of computing percentage rent, shall be any and all sales or gross receipts taxes imposed by any governmental authority having jurisdiction, merchandise returned by customers for which refunds were given by Tenant, charges to customers for repairs to products performed in or at or outside the premises, charges for classroom instruction if any, and merchandise transferred to other Radio Shack stores or Tenant's warehouse. Within sixty (60) days after the close of each fiscal year of Tenant during the term hereof, Tenant shall submit to Landlord a statement of all gross sales made at or from the demised premises during the previous fiscal year. Said statement shall be certified to be correct by an authorized agent of Tandy Corporation and shall be accompanied by payment in full of any percentage rent that may have accrued during the previous fiscal year. The term fiscal year as used herein means Tenant's fiscal year, which is at present July 1 through the next succeeding June 30th. Landlord shall have the right to examine Tenant's sales records pertaining to the demised premises at Tenant's corporate headquarters. Tenant agrees to maintain said records at its principal accounting office for a period of two years following the end of each Tandy Corporation fiscal year during the term hereof. In the event Landlord's audit shall disclose a discrepancy in Tenant's favor of 3% or more, then Tenant shall pay for the reasonable cost of said audit. Any percentage rent due shall be payable in any event. All information obtained by Landlord regarding Tenant's business shall be held in strict confidence by Landlord.

33. EXHIBITS: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied at full length herein.

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34. USE OF LANGUAGE: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

35. SUCCESSORS: The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest, and legal representatives except as otherwise herein expressly provided. All rights, power, privileges, immunities and duties of Landlord under this Lease, including but not limited to any notices required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

36. NOTICES: Any notice or document required, or permitted to be delivered hereunder, shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out opposite their names below, or at such other addresses as they have theretofore specified by written notice, delivered in accordance herewith:

LANDLORD:	TENANT:
THE CHARLES GOLDING COMPANY 3055 SOUTH ACADEMY BOULEVARD COLORADO SPRINGS, COLORADO 80916	TANDY CORPORATION RADIO SHACK REAL ESTATE 700 ONE TANDY CENTER FORT WORTH, TEXAS 76102

37. GOVERNING LAW: This Lease shall be governed by and interpreted under the laws of the State of Colorado.

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EXECUTED THIS 2nd day of April, 1985.

LANDLORD:

By: _____

TITLE: _____

ATTEST: _____

TENANT:

TANDY CORPORATION

By: _____
E. W. Spieckerman

TITLE: Vice President
Real Estate

WITNESS: Maya Ellis

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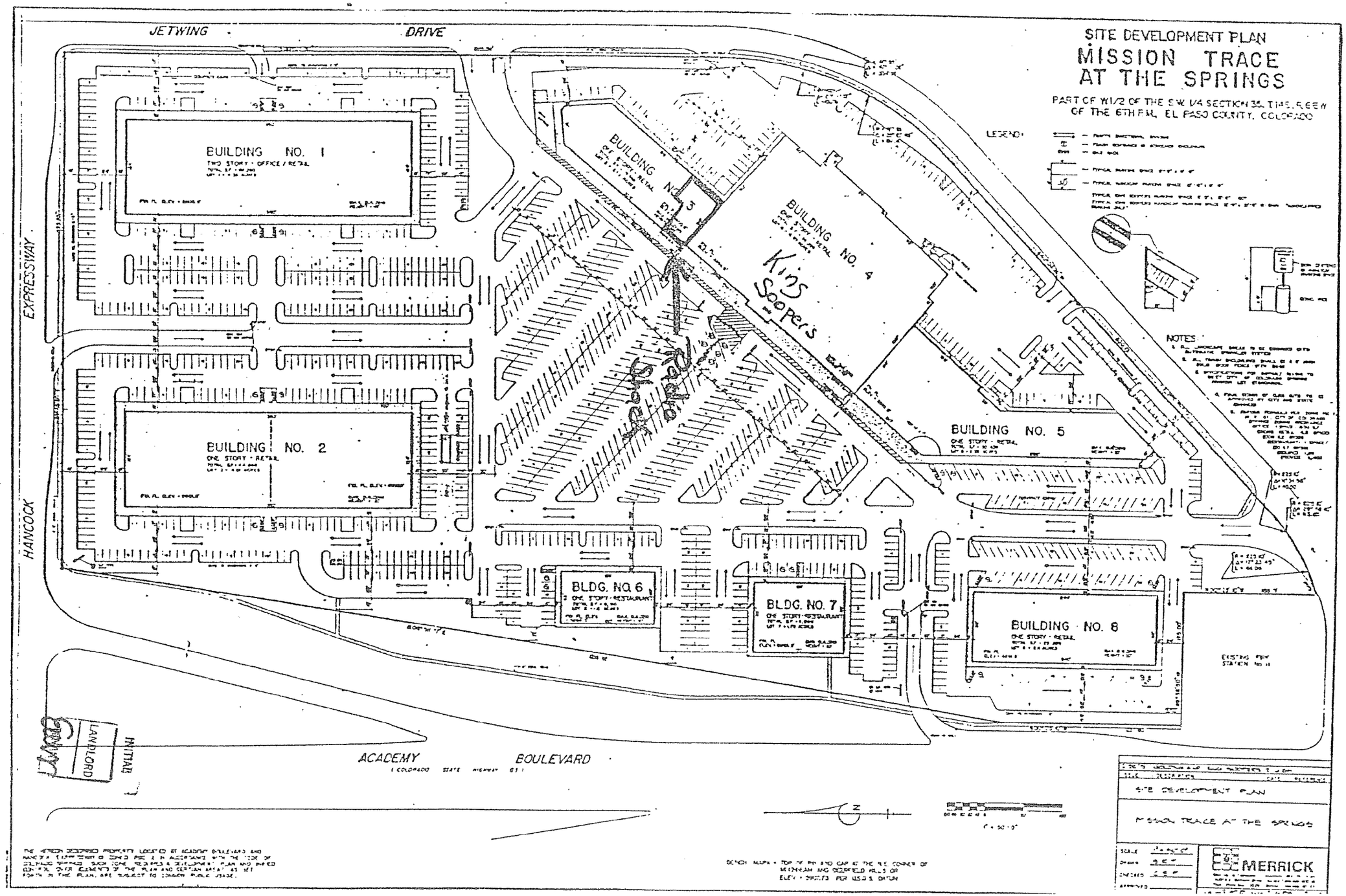
EXHIBIT A

DESCRIPTION OF DEMISED PREMISES



NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

EXHIBIT B

1. CONSTRUCTION OF BUILDING AND OTHER IMPROVEMENTS:

A. Landlord agrees to construct and complete the demised premises in accordance with detailed plans and specifications to be prepared by Tenant.

B. Upon receipt of said Plans and Specifications, Landlord shall forthwith begin construction and pursue same to completion with diligence in a good and workmanlike manner.

2. COMPLETION DATE:

A. It is estimated by Landlord that the demised premises shall be completed by May 01, 1985. EWR

B. Landlord shall notify Tenant in writing when construction has been completed. Tenant shall thereupon inspect the building and other improvements and if same have in fact been completed in accordance with the Plans and Specifications, the Lease Term shall begin as provided in Article 4 of this Lease.

C. If the building and other improvements have not in fact been completed in accordance with the Plans and Specifications, written notification of the items deemed incomplete shall be given by Tenant to Landlord immediately following inspection. Landlord shall forthwith proceed to complete or correct those items.

3. LETTER OF ACCEPTANCE: Tenant agrees to execute and deliver to Landlord upon Landlord's request a Letter of Acceptance addressed to Landlord and signed by Tenant (or its authorized agent) acknowleding that construction has been completed in accordance with the Plans and Specifications.

4. TAKING OF POSSESSION: The taking of possession of the premises by Tenant shall be deemed conclusively to be acknowledgement by Tenant that construction has been completed in accordance with Plans and Specifications (except for defects noted in writing as aforesaid).

5. FAILURE TO COMPLETE: In the event that the building and other improvements have not been completed in accordance with the Plans and Specifications by the estimated completion date set out in Paragraph 2A above, Tenant shall have the right and option to terminate at any time thirty (30) days or more after said estimated completion date (or by such date extended by the number of working days equal to the total number of working days lost prior to said estimated completion date due to any cause beyond the control of Landlord, as provided in the Force Majeure clause of this Lease); provided however, that should completion of the demised premises be delayed for more than six (6) months, for any cause, Tenant may terminate this Lease by written notice to Landlord. Upon the giving of either of such notices this Lease Agreement shall thereupon terminate with no further liability of one party to the other.

6. LANDLORD'S WORK:

Landlord agrees to perform or cause to be performed at Landlord's expense the following work in accordance with Tenant's plans and specifications in a diligent and workmanlike manner, including all material and labor:

A. Install standard glass windows and aluminum frame storefront with one or two double-acting aluminum frame and glass entrance door(s) as specified by Tenant.

B. Install all demising walls to the underside of the roof, taped and sealed providing a one hour fire rating, or more if required by code.

C. Install one cross partition separating selling and storage areas and angled partitions as specified by Tenant.

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LANDLORD: (Initials) TENANT: (Initials)
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D. Install carpeted raised floor at stereo modular display as specified by Tenant. Carpeting ordered through Tenant.

E. Provide furr down as specified by Tenant.

F. Install single-acting doors including hardware as specified by Tenant.

G. Install solid-core steel-clad rear loading door with metal lock bar and panic devices as specified by Tenant.

H. Install a 2 foot by 4 foot one-way mirror in the storage room partition as specified by Tenant.

I. Install Marlite pegboard furred on 3/4" vertical wood strips, Marlite planking, wall systems, Displawall or vinyl wall covering on all walls in sales area as specified by Tenant.

J. Paint remaining wall area two coats of paint as specified by Tenant.

K. Install vinyl composition floor tile, 1/8" thickness, or parquet flooring and carpeting as specified by Tenant. Carpeting ordered through Tenant.

L. Install 4" vinyl coved or carpet base as specified by Tenant.

M. Install insulation above the ceiling and in all walls of the premises to assure an insulation factor of R11 in the walls and R19 above the ceiling.

N. Install 2 foot by 2 foot T Bar construction ceiling (fire-rated per code) with acoustical drop-in tiles at 10 foot clearance in the sales areas as specified by Tenant. Install utility 2' X 4' T Bar construction ceiling (fire-rated per code) in storage area at 12' clearance or existing ceiling height as specified by Tenant.

O. Install one or more restrooms including all plumbing fixtures, lights, and doors with hardware, walls, ceiling and floor coverings and handicap fixtures as required by state and local codes.

P. Install electrical panel and electrical outlets as specified by Tenant. Install individual electric meter, service wire and conduit, electrical panel and breakers, and a 7 day automatic timeclock for sign control. Electrical service shall be sized per Tenant's Plans and Specifications. For purpose of estimating cost, Landlord should calculate approximately 20 watts per square foot.

Q. Install recessed wall and recessed floor electrical outlets as specified by Tenant.

R. Install recessed wall and floor outlets with conduits and wire connection to panel board for telephones as specified by Tenant.

S. Install 2 foot by 4 foot recessed fluorescent lighting to provide approximately 100 candlepower at 36" level initially and light tracks with spots, downlights, striplights and security lights (exterior/interior) as specified by Tenant.

T. Install water heater as specified by Tenant.

U. Install electrical conduit junction box and wire connection to Tenant's storefront and pylon signs.

V. Install ceiling hung fans as specified by Tenant.

W. Install any sprinkler, emergency lighting, exit lighting, and night lighting required by Landlord's insurance carriers, any municipal agencies, or Tenant.

X. Install complete HVAC system sized per Tenant's heating-cooling load shown on Tenant's drawings. Tenant air conditioning requirements shall be based on the geographical area. For purposes of estimating costs, Landlord should calculate approximately one ton per 300 square feet ±. Tenant shall specify exact tonnage required in its Plans and Specifications. Tenant shall supply thermostat at Tenant's cost.

Y. Install stereo modules in areas specified by Tenant. Tenant shall supply modules at Tenant's cost.

EWV

LANDLORD: (Initials)
RS
3/5/85

TENANT: (Initials)

Z. Provide and install antennae mounting brackets on roof or rear exterior wall with 1 inch conduit and wire connection to inside locations shown on Tenant's drawings.

AA. Install any and all devices not specifically listed above but required by federal, state or municipal laws or codes, including any fire corridors, as required. Make any and all modifications or changes required by local fire marshal or building inspector prior to the issuance of a certificate of occupancy.

7. LANDLORD'S REIMBURSEMENT: Landlord shall reimburse Tenant for all materials ordered through Tenant not otherwise specified as being supplied at Tenant's cost herein above within ten (10) days after receipt of invoices. If Landlord does not reimburse Tenant within thirty (30) days after receipt of such invoices, Tenant shall have the right to offset such amounts against payments of minimum rent until such amounts are completely recovered.

LANDLORD: (Initials)
RS
3/5/85

TENANT: (Initials)

EXHIBIT ~~B~~C

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2) copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be construed and installed at Tenant's expense.

All Tenant are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain the sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 7" deep raceway center mounted within the 7 1/2" recessed portion of the fascia (See attached Exhibit B-2 and B-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be centered on Tenant's leased store front. Sign letters shall be five inches (5") in depth. Sign letter size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the tenant. In no case may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center.

INITIAL

LANDLORD

GL-100602

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed non-conforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenants expense within 10 days after Landlords notification of same.

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TENANT

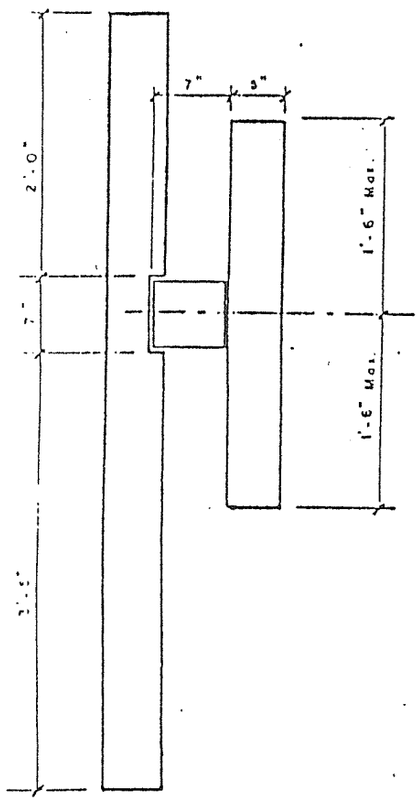
GL-100603

C-1

EXHIBIT ~~C-1~~

MISSION TRACE

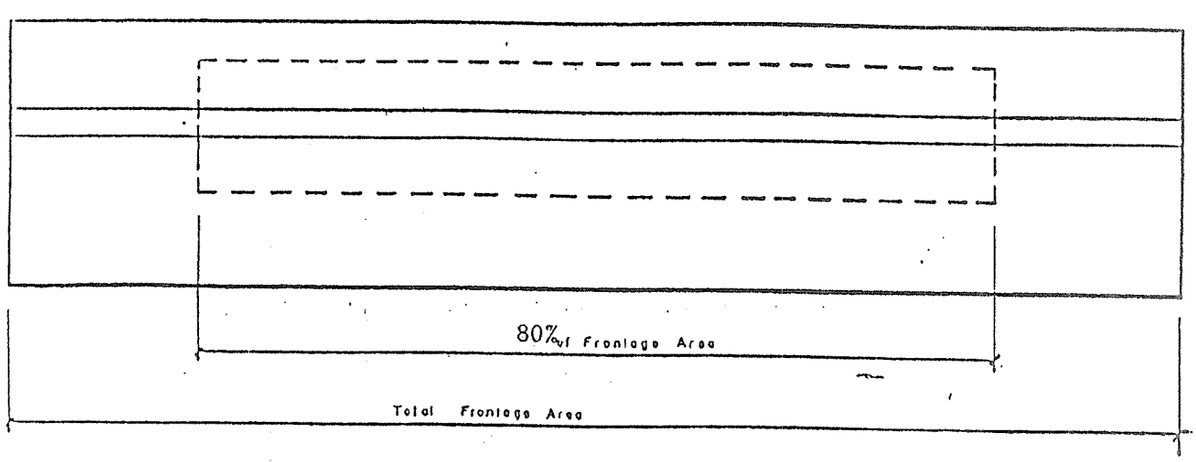
All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

D

EXHIBIT ~~D~~



Tenant EWR

Landlord

INITIAL

LANDLORD

TENANT EWR

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

Page 1 of 1

LANDLORD

INITIAL

GL-100605

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T.14S., R.66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

DEVELOPERS STIPULATIONS

This project is a retail, restaurant, office and health club complex consisting of four (4) single-story retail buildings, two (2) single-story restaurant buildings, one (1) retail building (King Soopers), and (1) two story retail/office building.

PERMITTED USES

1. This tract is designed to specifically allow for the following uses:
   a. Post offices and general offices.
   b. Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and etc.
   c. Private schools/child care facilities.
   d. Community buildings, libraries, museums, aquariums and art galleries.
   e. Art, photographic, dance, music, radio and television studios.
   f. Stores for retail trade, including liquor, except:
      1. New or used motor vehicle or trailer sales, repair and/or lots and travel trailer parks.
      2. Fuel and feed stores.
      3. Lumber yards.
   g. Assembly or convention halls, theaters, skating rinks, dance halls, bowling alleys, pool/billiard parlors, exposition halls (no live animals), tennis courts, swimming pools, racquet ball courts, gymnasium, massage parlors, turkish baths and health studios.
   h. Banks, savings and loan associations with drive-thru facilities.
   i. Restaurant (drive-in facilities allowed whereas use is secondary to principal "sit-down" dining.)

2. Parking shall be provided at the following ratios:

Restaurant uses	-	1 space per 150 GFA
Retail uses	-	4.2 spaces per 1,000 GFA
Office Uses	-	1 space per 400 GFA
Health Club uses	-	2.5 spaces per 1,000 GFA

3. Building Height shall be limited to 45', including rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveway. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

50 feet from public street (Buildings No. 6 and 7 setbacks approved due to additional parking.

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for this Planned Development. External materials may be wood, brick, tile, stucco, block, precast concrete and glass. Colors shall be limited to white with other complementary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of this Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are discovered during construction. New evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include sod and sprinkler system.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportional exposure for all tenants. Performance shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.

2. Permitted Contents: Identification by letter, numeral, symbol or design of a legal use stating the name, service offered or products located upon the premise.

3. Wall Signs, Fascia Signs
   a. Locations: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 8'-0" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be closer than 6" from the top or the bottom of the panel upon which it is located.
   b. Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 s.f. times the length and shall meet Section 14-9-202(B) of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 4 (King Soopers) shall be permitted two (2) 8'-0" ht. x 12'-0" wide signs of their standard design.
   c. Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.

4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

UTILITIES

All new utilities located on this property shall be located underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking lots shall be designed to allow cars to overhang adjacent sidewalks by as much as 2 feet. Adjacent sidewalks to parking shall be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of this development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the public R.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the depictions, descriptions and stipulations of this Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the context and intent of this Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and impacts on adjacent residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by this development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at this site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigations will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 30 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be shielded from view by the use of permanent roof screening devices in colors complementary to the buildings. All meters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court or competent jurisdiction, such decision shall not effect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four curb cuts on Jetwing Drive, two curb cuts on Lakehurst Drive, one curb cut on Hancock Expressway, and one curb cut on Academy Blvd. (State Highway No. 83). Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives onto the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to insure the construction of said improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in screened enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of this project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1979 State of Colorado Energy Conservation Performance Code for Nonresidential Buildings will be complied with.

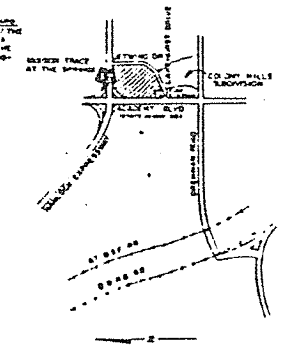
VEGETATION

The existing site contains natural wild grasses. A complete landscaping program as noted on the Site Plan will replace the natural vegetation.

WILDLIFE

The surrounding area is either developed or in the process of being developed and little, if any, wildlife exists on the site. This development will have a minor impact on the site.

THE HEREIN DESCRIBED PROPERTY LOCATED AT ACADEMY BOULEVARD AND HANCOCK EXPRESSWAY IS ZONED PBC 2 IN ACCORDANCE W/ THE CODE OF THE CITY OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND IMPLIES CONTROL OVER ELEMENTS OF THE PLAN AND CERTAIN AREAS, AS SET FORTH IN THE PLAN, ARE SUBJECT TO COMMON PUBLIC USAGE.



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 24.041 Acres, 1,047,225.9 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	44,648 sq. ft.	107.5
Office	34,610 sq. ft.	75.0
Total	80,258 sq. ft.	
Building No. 2 - One Story		
Retail	44,640 sq. ft.	187.5
Total	44,640 sq. ft.	
Building No. 3 - One Story		
Retail	17,240 sq. ft.	72.0
Total	17,240 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	58,238 sq. ft.	244.7
Total	58,238 sq. ft.	
Building No. 5 - One Story		
Retail	30,430 sq. ft.	127.8
Total	30,430 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,160 sq. ft.	54.4
Total	8,160 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,040 sq. ft.	73.6
Total	11,040 sq. ft.	
Building No. 8 - One Story		
Retail	22,088 sq. ft.	92.7
Total	22,088 sq. ft.	
	Required -	1,116
	Provided -	1,402

Gross Building Area = 281,244

Building Ground Coverage = 226,824 = 22.6%

Landscape Area - Excluding Roadway R.O.W. = 158,893 sq. ft. = 15%

Parking Lot, Drives - 655,317 sq. ft. = 62%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest One-quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northeast corner of said W1/2 of the SW1/4;
THENCE N89°32'38"E along the northerly line of said W1/2 of the SW1/4, 925.84 feet;
THENCE S00°07'38"E, 50.00 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'38"E, 825.58 feet;
THENCE along the arc of a curve to the right which has a central angle of 47°11'06", a radius of 417.85 feet and an arc distance of 344.19 feet;
THENCE S47°03'30"W, 628.73 feet to a point on the northeasterly right-of-way line of Lakehurst Drive, as platted in Colony Hills Subdivision, as recorded in Plat Book V-2, Page 77 of the records of said El Paso County;
THENCE along said northeasterly right-of-way line and along the arc of a curve to the right which has a central angle of 28°38'00", a radius of 225.10 feet and an arc distance of 112.83 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book Y-2 at Page 39 of said records of El Paso County;

(The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11):

(1) THENCE N30°23'10"W, 188.71 feet;
(2) THENCE S89°30'30"W, 171.00 feet to a point on the easterly right-of-way line of Academy Boulevard as described in deed recorded in Book 2372 at Page 185;

(The following two (2) courses are along said easterly right-of-way line):

(1) THENCE N00°23'10"W, 12[illegible] feet;
(2) THENCE N34°33'[illegible]"E, 12[illegible] feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N89°32'38"E along said southerly right-of-way line, 871.83 feet to the POINT OF BEGINNING, containing 24.041 acres, more or less.

REV.	DESCRIPTION	DATE	REFERENCE
[illegible]	[illegible]		

SITE PLAN, LEGAL, SITE DATA, [illegible]

MISSION TRACE AT THE SPRINGS

SCALE
DRAWN
CHECKED
APPROVED

MERRICK

EXHIBIT E

DESCRIPTION OF DEMISED PREMISES

ADDENDUM

This addendum shall be attached to the lease agreement dated April 04, 1985 between The Charles Golding Company (Landlord) and Tandy Corporation (Tenant). All terms and conditions shall remain the same except for Exhibit B paragraph 2A shall be changed from May 01, 1985 to June 01, 1985.

Tandy Corporation (Tenant)

Date

Chris B. Barnett
The Charles Golding Company
Landlord

April 5, 1985
Date

#158 MISSION TRACE SHOPPING CENTER
SQUARE ONE, INC. d/b/a NUTRI SYSTEMS

GL-100607

Guardian Insurance
Copy

STANDARD LEASE

Square One, Inc.
TENANT

NET LEASE

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NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 25th day of August, 19 88 by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and Square One, Inc. d/b/a Nutri Systems hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 1,261 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for weight loss programs.

3. TERM.

(a) The term of this Lease shall be for five (5) years commencing November 1, 1988 and ending on October 31, 1993 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights of liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of see Addendum Dollars ($). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

INITIAL

Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of $1,261.00 as rent for the ~~month(s) of~~ security deposit.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. PERCENTAGE PAYMENTS AS ADDITIONAL RENT.

~~1. Percentage Rents:~~

a. TENANT agrees to pay OWNER as additional rent for the premises, over and above the annual base rental, a sum equal to the percentage rental rate specified Paragraph 4, below, on the amount of the annual gross sales in excess of the gross sales excluded from percentage rent as set forth in Paragraph 5, below.

b. The percentage rent shall be computed and paid within thirty (30) days after the end of the calendar year in which such gross sales were made.

c. If TENANT had possession of the premises for a fractional part of the calendar year, the total percentage rent shall be computed on the gross sales during such fractional part of said calendar year by prorating the annual gross sales excluded from percentage rent, based on the percentage of the calendar year in possession.

2. Definition of Gross Sales:

a. The term "gross sales" shall refer to the selling price of all services performed or goods, wares and merchandise sold in, upon or from any part of the premises, and shall include sales and charges for cash or credit, regardless of collections in the case of the latter, but shall exclude returns and refunds and the amount of any sales tax or excise tax or similar ~~tax charged by TENANT to customers as a separate item.~~

3. Accounting and Statements of Tenant:

~~a. Accounting for these purposes shall be on a calendar year~~ basis. TENANT shall keep books of account and records in which shall be entered a full, true and correct record of all gross sales. TENANT further agrees to deliver to OWNER on or before the 10th day of each month during the term hereof, sworn written statements showing total gross sales for the preceding month.

b. OWNER or its designated representative shall have the right to examine all pertinent books and records of TENANT and TENANT agrees to make same available at managing agent's address. All expenses of such examination shall be borne by OWNER, unless such examination discloses additional rental liability of two percent (2%) or more of the additional percentage rents originally due for the preceding calendar year or pro-rata part thereof, in which case the expenses of such examination, including attorney's fees, shall be borne by TENANT.

c. TENANT will, upon request of OWNER, furnish a true copy of the sales tax reports, insofar as the same are applicable to the Premises, filed by TENANT with the applicable Federal, State, County or Local taxing authorities, covering the period for which the statement of additional rent has been furnished by TENANT to OWNER.

4. The percentage which shall be applied to the gross sales for calculation of additional rent due under this provision shall be: _____ _____ (_____%).

5. The amount of gross sales which shall be excluded from the ~~calculation purposes for determining the amount of additional rent shall be~~ _____ ($ _____).

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6. LATE CHARGES.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than one for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held.

7. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of property management fees; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and adjacent walks, malls, landscaped area, parking area, common areas and improvements and facilities thereon including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding

persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; and rental expenses and a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

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(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leasable square feet in the Center in which the Premises are located, which for this Lease is agreed to be .5 %.

(c) Computation. Tenant shall pay Tenant's share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonable practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, the date on which such statement is delivered to Tenant shall be herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that Tenant's share of the operating costs of the common facilities shall be $ 1,891.50 per year. Therefore, Tenant shall pay Landlord the sum of ($ 157.63) per month as the estimated cost of Tenant's share. At the Statement Delivery Date, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year is less than $ 1,891.50 , Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar year's estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

8. TAXES

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenants equipment, fixtures and other personal property located on the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

9. SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of
One Thousand Two Hundred Sixty One and No/100
Dollars ($ 1,261.00). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payment of any other amount which Landlord may spend or incur by reason of Tenant's default or to compensate Landlord for any other loss or damage with Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material

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breach of this Lease. Landlord shall not be required to keep this security deposit separate for its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

10. COMPLETION

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

unless provided for elsewhere herein.

11. USE

(a) The Premises shall be used and occupied by Tenant for weight loss and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability of either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such acts), or cause a cancellation of any insurance policy covering said Center or any party thereof or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or in which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, satutes, ordinances and governmental rules, the requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules, the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

12. UTILITIES.

Utility Charges

(a) Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air conditioning, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall

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contract for the same in Tenant's own name, and shall protect Landlord and the lease premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated to furnish any utilities or services. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of the Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the water consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay Landlord promptly upon demand by Tenant and Tenant agrees to pay Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

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(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

13. ENTRY BY LANDLORD.

Except in the case of an emergency with prior notice to Tenant

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Center that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any said means or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

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Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

14. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the structural components of the Building and perform Common Area Maintenance, the components of which are identified in Article 6. (b) (2) above.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article 139a) hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls, and fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of the Tenant. Tenant shall repair, at Tenant's sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord'a reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the leased Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten (10) percent per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the premises in good order, condition and repair.

15. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is reserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the time during which it is accomplished and the requirement that upon written request of Landlord, Tenant will remove and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expense, and all movable partitions, counters, personal property, fixtures, and furniture at Tenant's expense.

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(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14 (b) above.

(d) All articles or personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

16. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities, stairways, passageways, hallways and parking areas, the use of which Tenant may have in conjunction with other tenants of the Center, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinkler, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center, unless said damage is caused by negligence of the Landlord.

17. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the

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Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premise. Such insurance at all time shall be in an amount of not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less than TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

18. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

19. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or

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engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of the Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

20. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason or taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to give Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for the unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the area of the Premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

or Tenant

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area within the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

21. LIENS.

Tenant shall keep the Premises and the Center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have the right in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanic's and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

22. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) Closure or cessation of business for thirty (30) calendar days.

(c) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, However, that the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

23. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of

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and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specififed in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of The Federal Reserve Bank in Denver at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals to be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any mortgagees and/or trust deed holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any mortgagee and/or trust deed holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure, in which event this Lease shall not be terminated while such remedies are being so pursued.

(e) In addition to the remedies set forth hereinabove, Landlord expressly reserves such additional rights or remedies as may be available at law or equity.

24. COST OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the

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Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgement.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under of using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgement rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

25. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18 of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration of termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

26. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases of subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenacies.

27. TRANSFER OF LANDLORD'S LEASE.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations of and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

28. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof,

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without the prior written consent of Landlord any attempt to do so without such consent being first had and obtained shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumbrance assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for an assignment, sublease or encumbrance under this Article, Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of any attorney to review said application, all attorney's fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord'a option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

29. INVOLUNTARY ASSIGNMENT.

No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered in involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit or creditors;

(b) If a writ of attachment or execution is levied on the Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

30. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the poser of sale under any mortgage or deed or trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchase upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

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31. SUBORDINATION

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any first mortgages or deeds or trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of it's first mortgage, first deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such first mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

32. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenants knowledge any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of Tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be used only for the purposes herein set forth.

33. SUBSTITUTED PREMISES.

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of leasable square feet in the Premises before substitution.

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(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

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34. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this lease shall not be recorded by Tenant.

35. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

36. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgement of any court of by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable monthly in an amount equal to 200% of the monthly rent payable during the last month of the lease term, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

37. RULES AND REGULATIONS.

The Rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Center, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Center of any of said rules and regulations.

38. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy for payment of sums due under this paragraph the same remedies as in the case of default by Tenant in the payment of the rent.

39. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationary or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reseves the right at any time to change said name without in any manner being liable to Tenant therefore.

40. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States Mail, duly registered or certified with

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postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may be written notice similarly give designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

41. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

42. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

43. MISCELLANEOUS.

(a) MERCHANT'S ASSOCIATION/PROMOTIONAL FUND. In the event that the Development has either a Merchant's Association or a Promotional Fund for the promotion of the Development and the businesses located in the Development, TENANT agrees to pay dues to the Promotional Fund in the amount of _____ Dollars (_____) per month and to participate in the promotional activities it sponsors. Said dues shall be subject to adjustments, approved by the owner and/or the Board of the Promotional Fund/Association, increasing the dues to the extent required by increases in the costs of promotion, public relations, advertising and other services. In the event that the Development does not, as of the date of execution of this lease, have such an Association/Fund, but in the future the owner elects to establish such an Association/Fund, TENANT agrees to subscribe to and participate faithfully in such Association/Fund.

(b) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes

* "To be determined at such time that Fund is established"

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effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(c) No partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(d) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(e) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Center the parking facilities of the Center, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of construction and/or operating commercial building, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropropriate for the parking areas.

(e) CAPTIONS AND ATTACHMENTS.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

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(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

(k) Tenant acknowledges that the Center and the premises occupied by Tenant hereunder are subject to easements and benefits, burdens, and certain Declarations of Restrictions as set forth in certain declarations of covenants, conditions and restrictions for Mission Trace at the Springs, entered into by and between Charles Golding Jr., and Dillon Real Estate Co., Inc. of Kansas, recorded in Book 3893 at Page 1222 in the Records of El Paso County, State of Colorado, Tenant further acknowledges that Landlord is the owner of only a portion of the Center, which portion is described in Exhibit C-4 hereto.

44. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease Premises any sign, awning or canopy, or advertising matter or other thing of lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the Premises. Signs shall be in strict accordance with Exhibit B.

45. INCORPORATION OR PRIOR AGREEMENTS: AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:

The Guardian Life Insurance Company of America

ADDRESS:

TENANT:

By: Mechel L. Scollard

Mechel L. Scollard

ADDRESS:

112 E. Idaho Ave., Haven Beach, N.J. 07035

By: James O. Haas

James O. Haas

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By:

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

ADDENDUM TO LEASE

This Addendum made and entered into this _____ day of August, 1988 by and between THE GUARDIAN LIFE INSURANCE (hereinafter "Landlord") and SQUARE ONE, INC. d/b/a NUTRI SYSTEMS (hereinafter "Tenant") and executed concurrent with the same parties.

The parties agree to the following amendments and agreements as part of the Lease.

1. Term. The Lease term shall commence on ~~June~~ OCTOBER 1, 1988 and continue for five (5) consecutive years.

Tenant shall take occupancy of the demised premises on October 1, 1988 paying no base rent until November 1, 1988. Tenant shall pay expenses on space to include insurance, taxes and common area maintenance.

2. Base Rent - Effective November 1, 1988, the minimum annual base rent payable in monthly installments of Nine Hundred Ninety Eight and 29/100 Dollars ($998.29).

Effective November 1, 1989, the minimum annual base rent payable in monthly installments of One Thousand Fifty and 83/100 Dollars (1,050.83).

Effective November 1, 1990, the minimum annual base rent payable in monthly installments of One Thousand One Hundred Three and 37/100 Dollars ($1,103.37)

Effective November 1, 1991, the minimum annual base rent payable in monthly installments of One Thousand One Hundred Fifty-Five and 92/100 Dollars ($1,155.92)

Effective November 1, 1992, the minimum annual base rent payable in monthly installments of One Thousand Two Hundred Eight and 46/100 Dollars ($1,208.46)

3. Construction. Landlord agrees to finish space according to attached plan and bid submitted by Peak Professional Contractors at Landlord's expense.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: _____ DATE: 10-12-88

TENANT:

SQUARE ONE INC., d/b/a/ NUTRI SYSTEMS

By: _____ DATE: 8-26-88
Mechel L. Scollard

By: _____ DATE: 9/2/88
James O. Haas

GL-100632

EXHIBIT "A"

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of Five (5) years to commence concurrently with the expiration of the term thereof and to expire October 31, 1998 (10/31/98) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * _____ ($ _____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *

_____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

GL-100633

EXHIBIT "B"

SECOND OPTION

~~Second Option to Renew Lease. Tenant shall have and is hereby given~~ the option to renew and extend this Lease for additional term of _____ (_____) years to commence concurrently with the expiration of the term thereof and expire _____ (_____) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of the Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will excalate to * _____ ($ _____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * _____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any ~~lease term presently in effect, or forfeit such right to exercise this option~~.

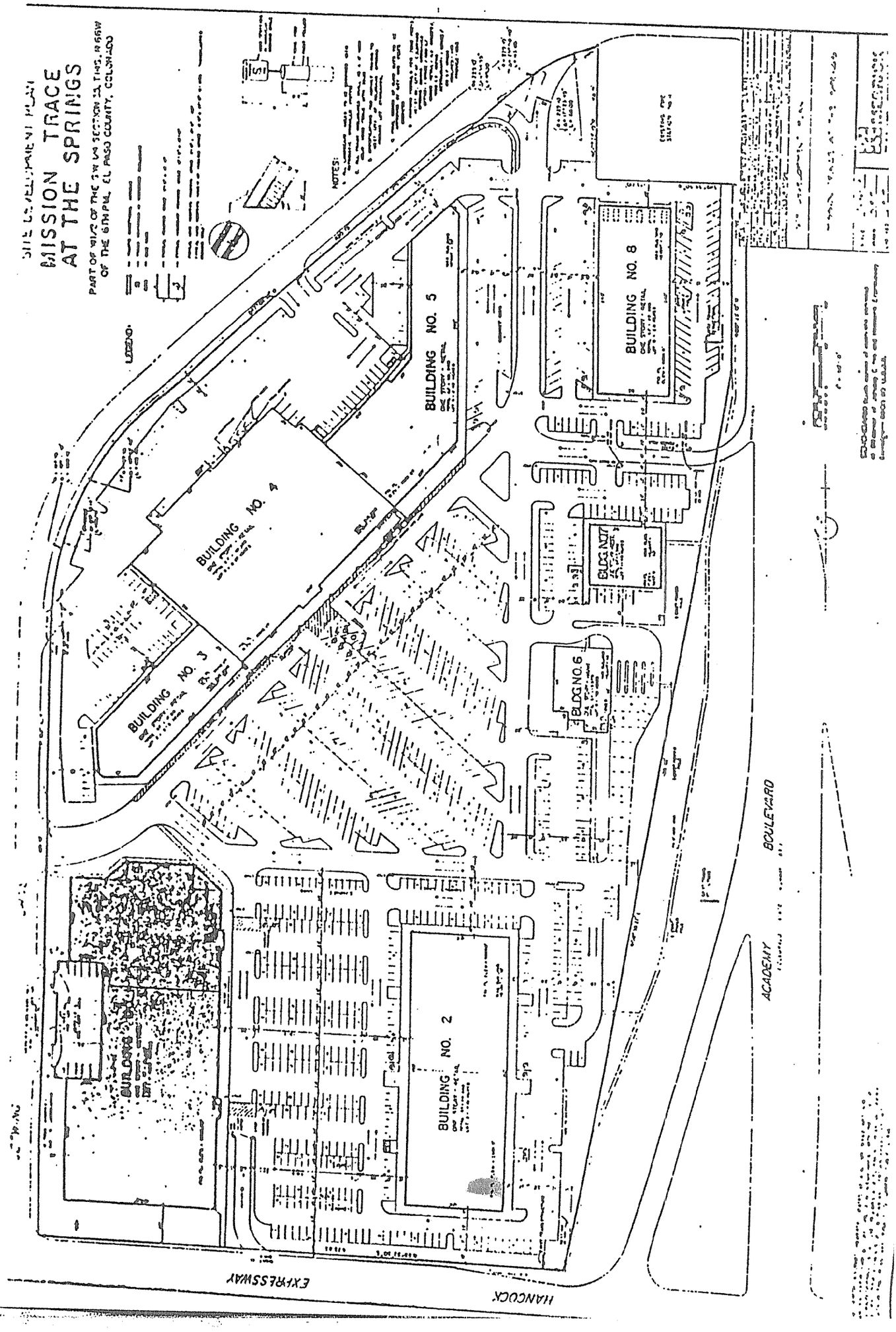
*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

GL-100634

EXHIBIT "C-1"

DESCRIPTION OF DEMISED PREMISES

NOTE: *This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.*



NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

INITIAL

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R 66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

VICINITY MAP

SITE DATA

LEGAL DESCRIPTION

MERRICK

EXHIBIT "C-2"

DESCRIPTION OF DEMISED PREMISES

GL-100636

EXHIBIT "C-3"

DESCRIPTION OF DEMISED PREMISES

Suite Number Building #2

Street Address or Demised Premises

3011 South Academy Boulevard

Colorado Springs, Colorado

Floor Area: 1,261 Square Feet

INITIAL

EXHIBIT "C-4"

PROPERTY DESCRIPTION

Lots 1, 2, 3, 5 and 8, Block 1 Mission Trace at the Springs Filing No. 2, according to the plat record on August 26, 1985 in Plat Book Z3 at Page 8, in the Records of El Paso County, Colorado.

Together with non-exclusive easements, including but not limited to, passage and parking of vehicles, pedestrian traffic and acces easements as covered in Declaration of Covenants, Conditions and Restrictions for Mission Trace Shopping Center recorded July 12, 1984, in Book 3893 at Page 1221.

GL-100638

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specification. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed and installed at Tenant's expense.

All Tenants are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Landlord's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 8" deep raceway center mounted within 7 ½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the fascia panel (see Exhibit D-2). The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the Center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exced 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center as determined by Landlord.

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manfacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

GL-100639

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlord's approval shall be removed at Tenant's expense within ten (10) days after Landlord's notification of same.

MN

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

A. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense, unless provided for elsewhere herein.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had an obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudical to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

6. The toilet rooms, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

MW

GL-100641

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate, Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or other property sustained during the moving or maintaining of same and any repair to such property shall be at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or keep any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, photograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building (s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord deems it necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

MW

GL-100642

16. Tenant shall not disturb or canvas any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlords.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter Premises or Center or waive any rule or regulation at any time prescribed for the Premises or Center when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

GL-100643

EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 ½ BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled celing at 8' - 0" above finished floor.

4. Provide one ½ bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water heater recessed in ceiling, one water closet and one wall hung lavatory. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service; one 2 x 4 (4 tube) recessed fluorescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 linear feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3' - 0" x 6' - 8" single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense.

1. Provide an adequate number of Tenant construction drawing to Landlord showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three (3) weeks of date of execution of this Lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up into the building's Central Signage Circuit as outlined in Exhibit "D", "Sign Criteria".

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

8. Exterior Tenant Identification Sign.

9. General decorating and installation of fixtures in subject space.

10. Any an all other items not mentioned in "A". Specifications and Improvements by Landlord at Landlord's Expense" above shall be paid for by Tenant.

*HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

**Mountain Bell runs service to Building. It is the Tenant's responsibility to coordinate with the phone company of their choice to hook up and install phone system.

MN

GL-100644

EXHIBIT "G"

GUARANTEE OF LEASE

WHEREAS, a certain lease of even date herewith has been, or will be, executed by and between The Guardian Life Insurance Company of America, a New York corporation therein and herein referred to as "Landlord," and SQUARE ONE INC., therein referred to as "Tenant", covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the libility of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorney's fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease agains the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 2nd day of September, 19 88.

GL-100645

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

*

GUARANTOR NUMBER 1.

Michel L. Gallard

Address: 3390 S. ENSENADA WAY

Aurora Co. 80013

GUARANTOR NUMBER 2.

James D. Haas

Address: 112 E. Idaho Avenue

Haven Beach, N.J. 08008

GUARANTOR NUMBER 3.

Address:

* The above notwithstanding, Landlord and Tenant mutually agree that the total dollar value of the guarantee shall be $33,000 at the beginning of the lease term, and shall be reduced each month by the amount of minimum rent paid. However, in no event shall the value of the lease guarantee be less than ten (10%) of the remaining minimum rent due under the terms of the lease.

GL-100646

#158 MISSION TRACE SHOPPING CENTER
ALCO-DUCKWALL STORES LEASE

GL-100647

L E A S E

THIS LEASE, made and entered into this 15th day of November, 1984, by and between the CHARLES GOLDING COMPANY, a sole proprietorship, having its principal place of business at 3055 South Academy Boulevard, Colorado Springs, Colorado, 80916, (hereinafter designated as "Landlord"), and DUCKWALL-ALCO STORES, INC., a Kansas corporation, with its General Office at 401 Cottage Street, Abilene, KS, 67410, (hereinafter designated as "Tenant").

WITNESSETH

1. Landlord in consideration of the rents to be paid and the covenants and agreements to be performed by Tenant, does by these presents demise, lease unto Tenant, premises with a building to be erected thereon together with the non-exclusive rights in the alleyways and other rights of ingress and egress, and all rights, privileges, easements and appurtenances thereto, situated in the City of Colorado Springs, County of El Paso, State of Colorado, to-wit:

Premises

A portion of Building 1, Lot 1, Mission Trace at the Springs

Which building space and premises are hereinafter together sometimes referred to as the "demised premises" on Academy and Hancock. The location, size and area of the demised premises and of the Shopping Center shall be exactly as shown on Exhibit "A" attached hereto and identified by the signatures of the parties hereto, and are thereby made a part hereof.

Tenant's portion of the building upon the demised premises shall have an exterior ground floor area of not less than 50,400 square feet. It shall be constructed by Landlord at its sole cost and expense in accordance with Tenant's requirements. Complete building plans and specifications shall be submitted by Landlord to Tenant for approval not later than sixty (60) days following the execution hereof. Tenant shall either approve the plans and specifications or give notice of its objection thereto within thirty (30) days after their delivery to Tenant, and should Tenant fail to object within said thirty (30) days, the plans are to be deemed accepted.

Terms

TO HAVE AND TO HOLD the same for a term of twenty (20) years commencing sixty (60) days from the date that the Landlord notifies the Tenant in writing that the storeroom to be constructed is ready for occupancy or when goods and services are offered for sale from said premises, whichever date is earliest.

RENTAL, COVENANTS, TERMS AND CONDITIONS

Occupancy

2. The leased premises shall be deemed to have been made available by the Landlord for occupancy by the Tenant when the Landlord has substantially completed the construction of the improvements thereon in accordance with the plans and specifications which have been approved by the Tenant in writing and which are attached to this Lease and made a part hereof, and as evidenced by the building inspector's certification of substantial completion.

Building Completion Notice

3. The Landlord shall give to the Tenant sixty (60) days prior written notice of the date on which the leased premises will be made available for occupancy by the Tenant.

Occupancy by Tenant Prior to Completion

4. Whenever it is practicable for the Tenant so to do, it may enter upon the leased premises and install its fixtures therein, at Tenant's sole risk, prior to the time the Landlord makes the same available to it for occupancy, providing Tenant does not interfere with the Landlord's contractor. It is understood that such entry does not constitute acceptance of the building as being completed.

Commencement Date Options

5. Notwithstanding any other provisions of this Lease, if the footings and foundations for the building which the Landlord is required to erect on the leased premises shall not have been completed on or before April 1, 1985, (delays caused by wars, strikes, lockouts, embargoes, governmental regulations, material shortages, Acts of God, and other circumstances beyond the control of the Landlord excepted); then the Tenant shall have a period of thirty (30) days thereafter during which it may cancel this Lease by giving a written notice of its intent to cancel to the Landlord. In event of any one or all of the above occurrences, the amount of time lost shall be automatically added for completion of footings and foundations. If the term of this Lease shall not have commenced on or before October 15, 1985, then the Tenant shall have a period of thirty (30) days thereafter during which it may cancel this Lease by giving written notice of its intent to cancel to the Landlord. In the event the building is ready for occupancy during a calendar year after September 1, and the option to cancel as heretofore mentioned has not been exercised by the Tenant, then and in that event the term of this Lease shall commence on the following March 1st, and the basic rental payments hereinafter mentioned in Paragraph Six (6) shall commence sixty (60) days thereafter or when goods and services are offered for sale from said premises, whichever date is earliest. Nothing herein shall require Tenant to open for business and pay rent during the months of January, February, June, July, November and December.

Rent

6. The Tenant shall, during the primary term, pay to the Landlord a guaranteed annual rental in the amount of Two Hundred Sixty-Nine Thousand Six Hundred Forty Dollars ($269,640.00). The guaranteed rental shall be paid by Tenant to the Landlord in equal monthly installments of Twenty-Two Thousand Four Hundred Seventy Dollars ($22,470.00), in advance, between the first and tenth day of each month, during the primary term of this Lease or any extension thereof. The guaranteed rentals reserved herein shall commence sixty (60) days after said premises are ready for occupancy, subject to the terms of Paragraph Five (5), or when goods and services are offered for sale from said premises, whichever date is first.

7. In addition to the fixed minimum rental the Tenant shall pay percentage rental to the Landlord as follows:

(a) During the first four (4) years of the Lease, one percent (1%) of the "Gross Sales", as hereinafter defined, in excess of Five Million Dollars ($5,000,000.00).

(b) For the remainder of the primary term thereof percentage rental shall be paid by the Tenant on the basis of one percent (1%) of the Gross Sales in excess of the fourth year gross sales or Five Million Dollars ($5,000,000.00), whichever is less.

(c) For the first five (5) year option period percentage rental shall be paid by the Tenant on the basis of one percent (1%) of Gross Sales in excess of Five Million Three Hundred Fifty Thousand Dollars ($5,350,000.00).

During the second five (5) year option period percentage rental shall be paid by Tenant on the basis of one percent (1%) of Gross Sales in excess of Five Million Eight Hundred Eighty-Five Thousand Dollars ($5,885,000.00).

During the third five (5) year option period percentage rental shall be paid by Tenant on the basis of one percent (1%) of Gross Sales in excess of Six Million Four Hundred Seventy-Three Thousand Five Hundred Dollars ($6,473,500.00).

For the purposes of determining the premium rental at any time due and owing under the terms of this Lease, the annual "Gross Sales" shall be computed on a lease year basis. This premium rental, if any be due, shall be paid once annually within thirty (30) days from the end of each lease year and shall be based on a sworn statement from the Tenant which statement shall show the "Gross Sales" in, on, from, upon or through the leased premises during the lease year.

Gross Sales

8. The term "Gross Sales" shall mean the selling price of all goods, wares and merchandise and receipts of all transactions and the charges for all services performed (for which a charge is made by the Tenant), including vending machines and coin operated devices, leasing of merchandise in, on, or from any part of the demised premises, including all departments and concessions therein and subtenancies, where permitted, pursuant to the provisions of this agreement, no matter by whom operated for cash or on credit, whether payment is actually made or not, the risk of such payment being assumed by the Tenant, but there shall be excluded from "Gross Sales" the following:

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(a) Customer returns or refunds and credits paid or allowed customers in settlement of claims for loss or damage to merchandise;

(b) All sales taxes, excise taxes and similar taxes, whether imposed under existing or future rules, regulations, laws or ordinances, provided that they are collected and paid to governmental authorities;

(c) Any transfer of merchandise from the demised premises to any other store or warehouse in the chain of stores operated by the Tenant or any affiliate of the Tenant, providing such transfer does not represent delivery of merchandise actually sold from the demised premises;

(d) Any transfer of merchandise from the demised premises to the manufacturer of such merchandise, or to the supplier of such merchandise from whom the Tenant obtained the same;

(e) Sales of merchandise to Tenant's employees working on the leased premises; and

(f) The right to deduct the cost of trading stamps, if any, which shall have been issued free of charge to Tenant's customers with respect to sales made in, on, or from the demised premises and further, the amount received from the sale of merchandise bonds, gift certificates or similar instruments purchased at but not redeemed at the demised premises.

9. The Tenant shall keep on the leased premises proper books, records and accounts which shall show daily sales and transactions made by the Tenant and by any other person, partnership, firm or corporation in, on, from, upon or through the leased premises.

Audit by Landlord

Landlord, at any reasonable time and at its own expense, shall have the right to examine the books and records of Tenant pertaining to gross sales made in or on the demised premises, but not oftener than once during any twelve (12) month period, upon receipt by Tenant of written request to examine sales records. If Landlord wishes to audit Tenant's records for any lease year, Landlord shall notify Tenant and proceed with such audit within twelve (12) months after the end of the lease year in question. Should Landlord fail to exercise the right to audit records of Tenant within twelve (12) months after the end of any lease year, then and in that event, Landlord shall have no further right to audit or inspect the records of Tenant for such lease year. Landlord agrees not to divulge any figures, statements or audit reports and to keep all such information confidential. If Landlord's audit discovers an error of more than five percent (5%), Tenant shall within thirty (30) days remit the corrected percentage rental, and pay for Landlord's actual cost of the audit.

10. The Landlord does not, by accepting any premium rental payment, acknowledge that such payment constitutes the correct amount of premium rentals due and owing for the particular fiscal year for which a premium rental payment is made by the Tenant and accepted by the Landlord. Nor does the Landlord by such acceptance acknowledge the accuracy of the sworn statement showing total "Gross Sales" relating to any particular premium rental payment.

11. All rental payments due and owing under this Lease shall be made by the Tenant to the Landlord at such place as the Landlord may at any time, in writing, direct.

Tenant Landlord Relationship

12. Nothing contained in this Lease shall be deemed, held or construed to make the Landlord a partner or associate of the Tenant in the conduct of the Tenant's business, or to render the Tenant liable for any debts, liabilities or obligations incurred by the Landlord, or to render the Landlord liable for any debts, liabilities or obligations incurred by the Tenant in the conduct of its business. It is expressly understood and agreed that the relationship between the parties to this Lease shall always be that of Landlord and Tenant or Lessor and Lessee.

Economic Abandonment

13. It is mutually agreed and understood that at any time after the expiration of the third year of the primary term, or extended term, if the use and occupancy of the premises are resulting in a net loss to the Tenant, then Landlord will permit Tenant to vacate the premises upon receiving six (6) months prior written notice of its intent to vacate. Landlord shall have the option to terminate the Lease by giving written notice of its intent to terminate during said six (6) months notice period. In the event Landlord elects to terminate

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under the terms of this paragraph, Tenant's obligations under this Lease including the payment of rent shall cease at the end of six (6) months after Tenant gives notice of its intent to cease business operations. In the event Landlord elects not to terminate under the terms of this paragraph, Tenant's obligations under this Lease including the payment of rent shall continue for the then remaining term of this Lease.

Assignment Subletting Consolidation Merger

14. It is further understood and agreed that the Tenant shall have the right to license others to operate departments within the demised premises without first obtaining Landlord's consent, but Tenant agrees that it will not sublet any part of said premises nor assign this Lease nor any part thereof without first giving Landlord ninety (90) days written notice of Tenant's intent to sublet or assign. Upon receipt of such notice from Tenant, Landlord may (1) terminate this Lease within sixty (60) days after receipt of such notice, or (2) prohibit such sublease or assignment without terminating this Lease if the proposed assignee's or transferee's business conflicts with exclusive rights granted to other tenants in the shopping center or fails to constitute a retail use, or (3) consent to such sublease or assignment, it being specifically understood that if such consent shall be obtained, then the Tenant shall remain liable for the performance of all of Tenant's agreements herein after this Lease has been so sublet or assigned, unless released in writing by the Landlord, or (4) accept the sublease as negotiated by the Tenant and terminate the Lease between Landlord and Tenant effective as of the date of the commencement of the term of the sublease.

Notwithstanding the content of the foregoing paragraph of this Paragraph Fourteen (14), it is understood and agreed that the Tenant shall not license others, subject or assign this Lease, or any part thereof, for the use and purposes of operating a typical supermarket or prescription pharmacy within the said demised premises.

The Tenant may assign this Lease without consent of the Landlord to another corporation by reason of a re-organization or with which the Tenant may merge, consolidate or otherwise become a part thereof, and thereupon the Tenant shall be released of all liability hereunder and the new corporation shall be the sole obligor and possessor of all benefits hereof, provided that the successor corporation shall have a net worth at least as great as that of Tenant and provided that before any such assignment becomes effective, an executed copy of the assignment wherein the assignee assumes and agrees to perform all of the obligations of the Tenant hereunder shall be delivered to Landlord.

Utilities

15. Landlord shall furnish to the leased premises during the term of this Lease all utility lines in connection with Tenant's occupancy of the premises, including water, sewer, electrical and gas lines. Landlord shall supply and maintain adequate separate meters for the purpose of measuring all such utilities consumed by Tenant. Tenant shall pay the cost of all utility services consumed by Tenant on the premises. Landlord agrees to make any and all repairs, at Landlord's expense, to any common sewer, water, and electric lines serving the shopping center for a period of twelve (12) months after the commencement date of this Lease. After that, these expenses shall be considered common area expenses and Tenant shall pay its pro rata share as outlined in Paragraph Seventeen (17), parking and common area expenses, listed below.

Repairs

16. The Tenant shall, at its own cost and expense, keep and maintain in good repair the entire leased premises throughout the term of this Lease. The term repair as used herein shall not be construed that Tenant be responsible for repair or restoration of any portion of the building in the event it is damaged or destroyed by fire, windstorm or other casualty. Tenant shall be entitled to all warranty and service guarantees which the manufacturer or installing contractor warrants on any of the aforementioned equipment or on the store building.

The Landlord agrees that any and all repairs required within one (1) year from date of completion of construction, as a result of faulty materials or workmanship used in the construction thereof shall be made promptly at no expense to the Tenant.

The Landlord also shall make promptly as necessary all repairs to the building resulting from a structural failure and the Landlord shall indemnify and hold harmless the Tenant from any damage, injuries or causes of action resulting from such structural failure. Landlord shall not be responsible for cost of repairs if said repairs are made necessary due to Tenant's negligence.

Parking and Common Area Expense

17. The Landlord shall have the following obligations with respect to the general shopping center area in which the leased premises are situated, including, but not limited to:

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(a) To keep the parking area, and other common areas in a clean and unlittered condition, free from dirt, debris and obstructions, ice and snow, and the paving in good repair, maintain all grass areas including shrubs and other plantings thereon;

(b) To keep the enclosed mall area, if any, properly heated, lighted and air conditioned at all times;

(c) To keep those sidewalks which are not adjacent to premises occupied by any of the Landlord's tenants or lessees in a clean and unlittered condition, free from all dirt, debris, obstructions, ice and snow;

(d) To keep the parking area, loading area and standing area well lighted during all reasonable hours when such lighting is called for, except when, for reasons beyond the Landlord's control, it is impossible, onerous or impracticable for the Landlord to maintain such lighting. Landlord shall provide a separate meter for parking lot lighting for Building #1;

(e) To keep the common areas insured for bodily injury and property damage liability in amounts not less than $100,000/$300,000/$25,000.

Tenant agrees to reimburse Landlord for Tenant's pro rata share of the common area expense, namely; sweeping, lighting, snow removal, caring for and watering landscaped areas and repairs, excluding, however, the costs of any capitalizable improvements or additions to the common areas. Tenant shall so reimburse Landlord after receipts of satisfactory evidence of said costs and the amount due from Tenant, but not more often than once each month. Tenant's share shall be such proportion of such costs, as the number of square feet of ground floor space in the premises bears to the total number of square feet of ground floor space in the shopping center, including the buildings on the "out lots", as shown on Exhibit "A" attached hereto.

18. The Landlord shall provide and keep in good repair throughout the term of this Lease, a customer parking area which has a minimum lighting level of 1½ foot candles throughout, and hard-surfaced, marked into parking stalls, and shall maintain parking not less than that shown on Exhibit "A" throughout the Lease term or extension thereof.

Landlord shall not, without the advance written consent by Tenant, add to or in any manner vary the requirements of Exhibit "A" such as by changing the location of any of the tenants therein specified or the size of their premises, by providing for the construction of buildings not therein designated, by causing any structures or obstructions of any kind to be erected on any portion of the common facilities except as otherwise expressly specified on Exhibit "A", by causing any additions to be made to any of the buildings shown upon Exhibit "A", by causing additional floors to be added upon or by causing additional basement areas to be constructed under any of said buildings, or by permitting the use of the common facilities for the benefit of premises not within the shopping center.

Shopping Center Sign

The Landlord shall construct a shopping center sign to support Tenant's and Co-Tenant's sign panel, as part of the shopping center, which sign shall be completed on or before August 15, 1985. The cost of said sign shall be prorated equally between Tenant and Co-Tenant (Anthony's), the cost of which shall be paid to the Landlord prior to the commencement of the term of this Lease. The Tenant and Co-Tenant shall share equally in the expense of maintaining the sign structure, with both tenants being responsible for the maintenance and repair to their individual sign panels. At the termination of this Lease for any reason, Landlord has the option to repurchase Tenant's interest in the sign at the original cost Tenant paid Landlord for their portion of the sign.

Employee Parking

19. The Landlord grants to Tenant and Tenant's customers, employees, visitors and invitees, the right throughout the term to use, in common with others entitled to similar use thereof, all of the common facilities of the entire shopping center area. Landlord shall control and restrict the parking of Tenant's employees' cars to specific areas in said common area and Tenant agrees to furnish Landlord upon request, license plate numbers of all of Tenant's employees.

Use

20. The Tenant shall use the leased premises for the purpose of conducting a retail variety store and/or ALCO Discount Department Store for the purpose of selling at retail any and all products customarily or in the future handled in such retail variety and/or ALCO Discount Department Stores.

21. The Tenant shall keep the sidewalks in front of and around the leased premises free from ice and snow and free from litter, dirt, debris and obstructions.

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Clean

22. The Tenant shall keep the leased premises in a clean and sanitary condition and free from all litter, dirt, debris and obstructions.

Alterations

23. The Tenant shall have the right to make non-structural interior alterations to the leased premises, at its expense, without the prior written consent of the Landlord. Any alterations involving structural changes must have Landlord's prior written approval, which shall not be unreasonably withheld. Any additions to, or alterations of the leased premises, except movable equipment, furniture and movable trade fixtures, shall become a part of the realty and shall become and remain the property of the Landlord.

Liability

24. Tenant shall neither hold nor attempt to hold Landlord liable for any injury or damage occurring on the premises or in the shopping center area unless the proximate cause shall be Landlord's negligence or wilful act or omission. The Tenant shall carry Owner's, Landlord's and Tenant's Comprehensive Liability Insurance, naming the Landlord as an insured, in the minimum total amounts of One Hundred Thousand Dollars ($100,000.00) for injuries to one person and Three Hundred Thousand Dollars ($300,000.00) for any one accident, with a limit in all respects of each occurrence of $3,000,000.00.

Fire and Extended Insurance Coverage

25. Tenant agrees that it will, at its own expense, keep the building, including glass, on the demised premises insured against loss or damage from fire and extended coverage, including vandalism, for its full insurable value, and will furnish Landlord with certificates of insurance. Tenant shall cause to have endorsed on said insurance that any loss payable thereunder shall be in accordance with the terms of this Lease Agreement; and it is mutually agreed that in the event any damage occurs to the building upon the demised premises, or any part thereof, from any cause covered by said insurance, then the proceeds payable under said insurance, subject to the interest of any mortgagee, shall be paid by the insurance company to an escrow agent mutually agreed upon by both parties, who shall hold said proceeds under a standard form of escrow agreement and pay out the same upon the mutual consent of both Landlord and Tenant in payment of the repair, reconstruction or restoration of said building. In the event of any excess of insurance proceeds over the cost of repair, reconstruction or restoration, said excess shall be payable to Tenant. Each party hereto hereby waives all claims for recovery from the other party for any loss or damage to any of its property insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance subject to the limitation that this waiver shall apply only when permitted by the applicable policy of insurance. Any amount paid by Tenant hereunder in any year shall be credited against percentage rental due, if any, for such year and such credit shall be noncumulative and shall not be credited in any subsequent year.

Partial and/or Total Destruction of Premises

26. If the leased premises become partially destroyed to the extent that the costs of restoration or repair are less than thirty-three and one-third percent (33-1/3%) of the total reasonable estimated costs of replacement of all improvements included in the leased premises, then the Landlord shall restore or repair the leased premises and such restoration or repair shall be commenced within forty-five (45) days after the damage, injury or destruction has occurred, and shall be completed with due diligence by the Landlord, barring delays beyond the control of the Landlord.

If the leased premises are so destroyed that the costs of restoration or repair would exceed thirty-three and one-third percent (33-1/3%) of the total reasonable estimated costs of replacement of all improvements on the leased premises, then the Landlord may, but need not, restore or repair the leased premises. If the Landlord elects to make such restoration or repair, the same shall be commenced within forty-five (45) days after the damage, injury or destruction has occurred and shall be completed with due diligence by the Landlord, barring delays beyond the control of the Landlord.

Upon the happening of either of the occurrences set forth above in this paragraph, the Tenant shall reoccupy the leased premises for the purposes set forth in this Lease immediately upon the completion of the restoration or repair.

If the leased premises become so destroyed that the costs of restoration or repair would exceed thirty-three and one-third percent (33-1/3%) of the total reasonable estimated replacement costs of all improvements on the leased premises, and if the Landlord, under those circumstances elects not to restore or repair the leased premises, then the Tenant may elect to restore or repair said premises. In such event of the Tenant's restoring or repairing the leased premises, the Landlord shall assign the Tenant any rights accruing to the Landlord as a result of insurance covering the injury or damages suffered by the leased premises. If the Tenant elects to restore or repair the damaged or destroyed premises, the work shall be commenced by the Tenant within forty-five (45) days after the Landlord has elected not to restore or repair the leased premises and shall be

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completed with due diligence barring delays beyond the control of the Tenant. In the event of such restoration or repair by Tenant, the Tenant shall reoccupy the leased premises, for the purposes set forth in this Lease, immediately upon the completion of the restoration or repair.

If the provisions of this paragraph which give the Landlord or the Tenant an election to restore or repair the leased premises become applicable and neither the Landlord nor the Tenant elects to do so, then this Lease shall cease and terminate on the day after the Tenant would have been required to commence the restoration or repair work had it elected to do so.

Rent Abatement

27. Irrespective of the rental payment provisions set forth above, if the leased premises ever become totally unusable by the Tenant because of injury or damage thereto, or destruction thereof, then the basic rental payments herein provided, shall be abated during the period which such unusability occurs.

28. During any period of reconstruction or repair of the leased premises, the Tenant shall continue the operation of its business on the leased premises to the extent such operation is reasonably practicable from the standpoint of good business policy.

If, by reason of any such damage or destruction and/or repair or reconstruction of same, there is a substantial interference with the operation of the business of Tenant in the demised premises, having regard to the extent to which Tenant may be required partially or wholly to discontinue its business in the demised premises, and if, as a result of such interference with Tenant's business or of such discontinuance of Tenant's business in the demised premises, in any month during which such interference with, or discontinuance of Tenant's business shall occur, the guaranteed rent for that month shall be abated partially or wholly, and such abatement shall apply to those months wholly or partially, occurring during the period commencing with such destruction or damage and ending with the completion of such work, repair and/or construction as shall be necessary to restore the premises.

Condemnation

29. Should the whole or any part of the demised premises be taken pursuant to any condemnation proceeding: (1) in the event separate awards payable to both parties are made, each party shall be entitled to receive the award payable to it; or (2) in the event a single award is made, there shall be such a division of the proceeds arising therefrom as shall be just and equitable between Landlord and Tenant.

In the event the entire demised premises shall be appropriated or taken under the power of eminent domain by any public or quais-public authority, or if by reason of any law or ordinance the use of the premises for the purpose herein specified shall become unlawful, this Lease shall terminate and expire as of the date of such occurrence and the Tenant shall thereupon be released from further liability hereunder.

If twenty percent (20%) or more of the ground floor area of the building and/or the customer parking area on the demised premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, then in such event the Tenant shall have the right to cancel and terminate this Lease as of the date of such taking upon giving the Landlord notice in writing of such election within thirty (30) days after the receipt by the Tenant from the Landlord of written notice that said premises have been so appropriated or taken. In the event of such cancellation the Tenant shall thereupon be released from any further liability under the Lease. The Landlord agrees immediately after any appropriation or taking to give to the Tenant notice in writing thereof.

If this Lease is terminated in either manner hereinabove provided in Paragraph Twenty-Nine (29) hereof, the rent for the last month of the Tenant's occupancy shall be prorated and the Landlord agrees to refund to the Tenant any rent paid in advance, and if the Tenant shall have made improvements or alterations or erected any building on the demised premises after the date hereof and shall have not yet fully amortized its expenditures for such improvements, alterations or structure, the Landlord shall and hereby does assign to the Tenant out of any award payable to the Landlord a sum equal to any unamortized portion of such expenditures as reflected by the accounting records of the Tenant on the date of cessation of business, excepting as follows: In event, under condemnation proceedings, the amount of a single award is less than Landlord and Tenant's combined total unamortized capital improvement to the demised area taken, then and in that event the single award shall be prorated for division between both parties, computed upon the ratio the unamortized capital improvement made by Tenant bears to the total unamortized capital improvements of both Landlord and Tenant as reflected

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Exclusive Use

34. Since Tenant shall conduct a general variety store or ALCO Store business on the leased premises, a material consideration to be received by the Tenant for the execution of this Lease, is the specific agreement by Landlord that Tenant is hereby granted the exclusive privilege for the operation of a general variety store, discount variety store, or discount variety department store. Landlord shall not suffer or permit the use of any portion of the demised premises in violation of the aforesaid exclusive privilege. As used in this paragraph, the term "Landlord" is defined as and shall include all of the following persons and entities, jointly and severally; (i) Landlord shall include the person(s) and/or entity(ies) designated as Landlord at Page 1 of this Lease, jointly and severally; (ii) if the Landlord designated at Page 1 is a corporation, Landlord shall include all officers, directors and principal shareholders thereof, jointly and severally, and also all corporations and/or other entities in which Landlord or its officers, directors, or principal shareholders, jointly and severally, shall have any substantial interest; (iii) if the Landlord designated at Page 1 is or consists of one or more individuals and/or any unincorporated entity(ies), Landlord shall include all corporations and/or other entities in which such individual(s), entity(ies), or any member of such unincorporated entity(ies), jointly and severally, shall have any substantial interest. In the event that the legality of this exclusive is challenged by a third party and determined by a Court action, arbitration, or other lawful proceeding to be in violation of any law, this paragraph in its entirety shall be considered null and void and of no further binding effect.

35. The Landlord covenants and warrants that it has now a good and valid title to the leased premises, subject, however, to encumbrances, mortgages, building restrictions, occupancy restrictions, use restrictions and other restrictions of record. The Landlord agrees that the Tenant, upon paying the rents and performing the covenants, terms, conditions and provisions of this Lease may quietly have, hold and enjoy the leased premises during the term of this Lease.

Plot and Building Plans

36. This Lease is executed upon the condition that the Tenant shall approve in writing the plot plan of the shopping center in which the leased premises are situated, including lighting plans for common areas and customer parking areas, customer entrance and exit driveways, and the plans and specifications for the improvements which constitute part of the leased premises and approval shall not be unreasonalby withheld by the Tenant.

Options

37. Tenant shall have the option to renew this Lease for three (3) additional periods of five (5) years each, upon giving written notice to the Landlord one hundred eighty (180) days before the expiration of each term, said renewal to be upon the same terms and conditions as the original Lease, except that the minimum annual rent shall escalate to Two Hundred Eighty-Eight Thousand Five Hundred Fifteen Dollars ($288,515.00) for the first five (5) year option; Three Hundred Seventeen Thousand Three Hundred Sixty-Seven Dollars ($317,367.00) the second five (5) year option; and Three Hundred Forty-Nine Thousand One Hundred Four Dollars ($349,104.00) the third five (5) year option.

Fixtures

38. Tenant shall have the right to remove from the demised premises all of its signs, shelving, electrical, plumbing and other fixtures and equipment, window reflectors and backgrounds, and any and all other trade fixtures which it has installed in and upon the demised premises, all of said property being hereby expressly reserved and retained by Tenant; provided, however, Tenant shall repair any damage caused by removal of its property.

Landlord Default

39. It is further understood and agreed that should Landlord default in fulfillment of any of the covenants or agreements of this Lease, and same is not corrected within thirty (30) days from receipt of written notice from Tenant of such default, Tenant at its option may correct such default and deduct any and all costs as a result of such correction from rentals due or becoming due until Tenant is reimbursed in full for cost of such corrections, or may cancel this Lease and both parties hereto shall be released from any obligations or liability hereunder. However, if after receiving Tenant's note of default, Landlord contends that Landlord is not in default of this Lease, and notifies Tenant within fourteen (14) working days of the receipt of Tenant's letter, then Tenant may not make any deductions from rent until a Court or third party arbitration entity has resolved the issue of Landlord's default. Tenant hereby agrees to send a copy of any such notice of default to the mortgagee, if known to Tenant, which shall be deemed good and sufficient notice and mortgagee shall have the right to cure such defaults within the same period of time.

Notice

40. Wherever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof, if such notice to the Tenant, is in writing addressed to the Tenant at the last known Post Office address of the Tenant, or at the leased premises and sent by registered mail postage prepaid, and if such notice of the Landlord is in writing, addressed to the last known Post Office address of the Landlord and sent by registered mail postage prepaid.

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Any notice shall have to be mailed to only one Tenant or one Landlord even though, by reason of subsequent events, there is more than one Tenant or more than one Landlord bound by this Lease.

41. Landlord and Tenant declare that in entering into this Lease it relied solely upon the statements contained in this Lease and fully understands that no agents or representatives of the Landlord or Tenant have authority to in any manner, change, add to or detract from the terms of this Lease.

Subordination of Lease

42. Upon written request by Landlord, Tenant shall execute and deliver an agreement subordinating this Lease to any first mortgage upon the demised premises; provided, however, such subordination shall be upon the express condition that validity of this Lease shall be recognized by the mortgagee, and that, notwithstanding any default by the mortgagor with respect to said mortgage of any foreclosure thereof. Tenant's possession and right of use under this Lease in and to the demised premises shall not be disturbed by such mortgagee unless and until Tenant shall breach any of the provisions hereof and this Lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this Lease.

Right of Entry

43. Landlord and its designees shall have the right to enter the demised premises for all lawful purposes and to whatever extent necessary or appropriate to enable Landlord to exercise all of its rights under this Lease and to carry out all of Landlord's obligations hereunder and to make such repairs, alterations, improvements and additions to the building as Landlord shall desire, but Landlord shall use reasonable efforts to minimize the interference to Tenant's business caused by reason thereof and Landlord shall have the right to run utility lines, pipes, conduits and similar items through ceiling space, column space or other places and parts of the demised premises and to repair, alter, replace or remove the same, all in a manner which does not interfere unnecessarily with Tenant's use thereof.

Fixtures and Equipment Waiver

44. It is recognized that Tenant intends to lease its fixtures and equipment at the subject location and Landlord hereby agrees to execute the Consent and Waiver attached hereto, simultaneous with the execution of this agreement. Landlord hereby agrees to cause a similar Consent and Waiver to be executed by its mortgagee not later than thirty (30) days after the effective date of this Lease. Tenant hereby agrees not to record the aforementioned waivers until Landlord advises in writing that its mortgage has been filed of record.

Indemnification Agreement

45. Landlord and Tenant hereby agree to same and hold harmless each to the other from any and all liability, claims, damages, causes of action or expenses (including attorney fees) except if due to the negligence of either party.

Non-Waiver

46. This Lease and all of the matters contained herein shall be and remain, fully binding upon, and enforceable by, the successors, representatives and assigns of each of the parties hereto.

47. No waiver of any covenant or condition of this Lease by either party shall be deemed to imply or constitute a future waiver of the same covenant or condition or of any other covenant or conditions of this Lease.

Marginal Captions

48. The captions on the margins of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms of the Lease.

GL-100656

No Offset From Rental

49. Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or offset any sums whatsoever from the rental reserved hereunder.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

LANDLORD

CHARLES GOLDING COMPANY

Charles Golding, Jr.

ATTEST:

TENANT

DUCKWALL-ALCO STORES, INC.

Vice President

ATTEST:

Secretary

DUCKWALL-ALCO STORES, INC. ABILENE, KANSAS CORPORATE SEAL

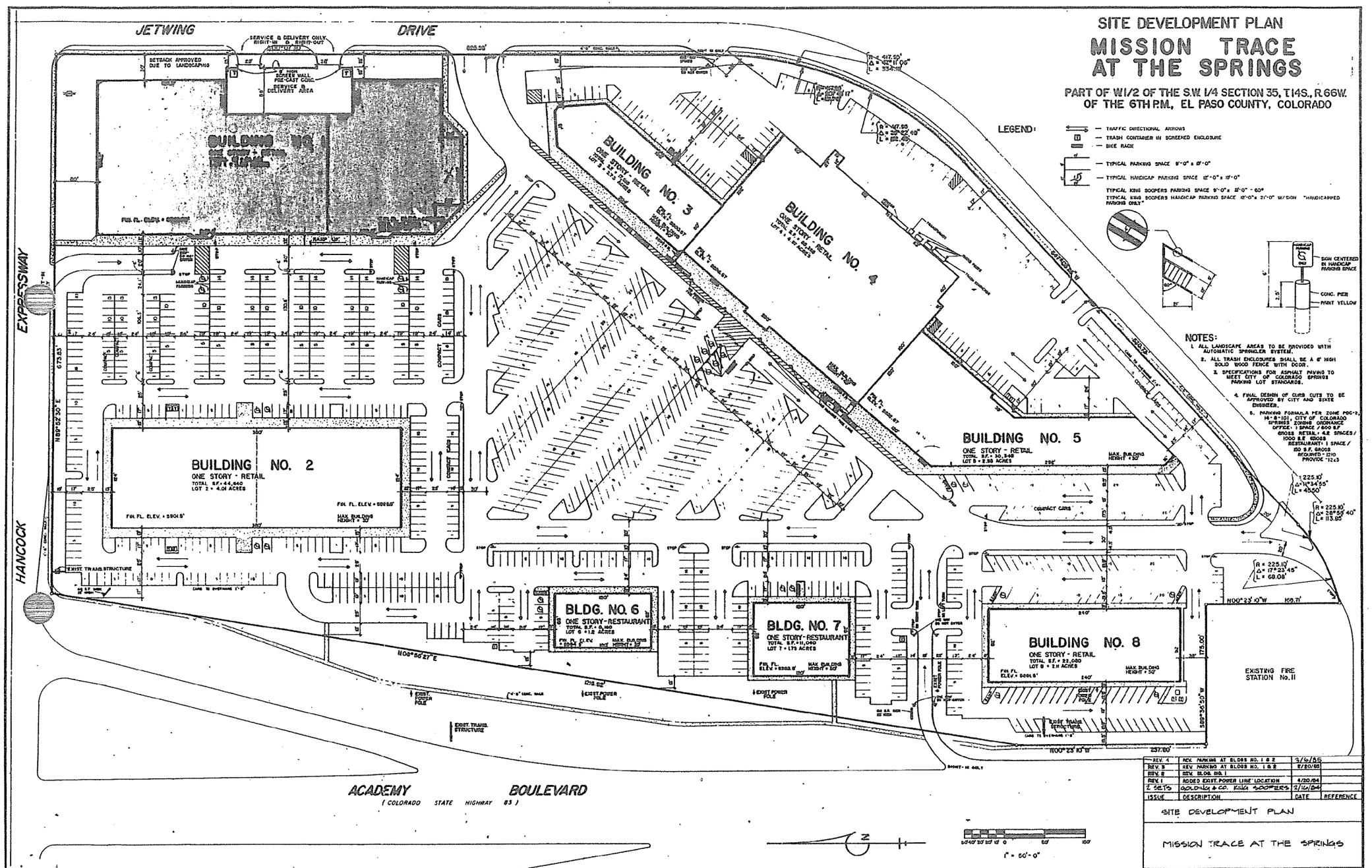
GL-100657

GL-100658

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO



LEGEND:

- TRAFFIC DIRECTIONAL ARROWS
- TRASH CONTAINER IN SCREENED ENCLOSURE
- BIKE RACK
- TYPICAL PARKING SPACE 9'-0" x 19'-0"
- TYPICAL HANDICAP PARKING SPACE 12'-0" x 19'-0"

TYPICAL KING SOOPERS PARKING SPACE 9'-0" x 15'-0" - 60°

TYPICAL KING SOOPERS HANDICAP PARKING SPACE 12'-0" x 21'-0" W/SIGN "HANDICAPPED PARKING ONLY"

SIGN CENTERED IN HANDICAP PARKING SPACE

CONC. PIER

PAINT YELLOW

NOTES:

1. ALL LANDSCAPE AREAS TO BE PROVIDED WITH AUTOMATIC SPRINKLER SYSTEM.
2. ALL TRASH ENCLOSURES SHALL BE A 6' HIGH SOLID WOOD FENCE WITH DOOR.
3. SPECIFICATIONS FOR ASPHALT PAVING TO MEET CITY OF COLORADO SPRINGS PARKING LOT STANDARDS.
4. FINAL DESIGN OF CURB CUTS TO BE APPROVED BY CITY AND STATE ENGINEER.
5. PARKING FORMULA PER ZONE PDC-2, 14-8-101, CITY OF COLORADO SPRINGS ZONING ORDINANCE
   OFFICE - 1 SPACE / 300 S.F.
   GROSS RETAIL: 4.5 SPACES / 1000 S.F. GROSS
   RESTAURANT: 1 SPACE / 150 S.F. GROSS
   REQUIRED - 1210
   PROVIDE 1243

REV.	DESCRIPTION	DATE	REFERENCE
REV. 4	REV. PARKING AT BLDGS NO. 1 & 2	3/6/85	
REV. 3	REV. PARKING AT BLDGS NO. 1 & 2	8/20/84	
REV. 2	REV. BLDG. NO. 1		
REV. 1	ADDED EXIST. POWER LINE LOCATION	4/20/84	
2 SETS	GOLDING & CO. FOR KING SOOPERS	2/10/84	

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

SCALE 1" = 60'-0"
DRAWN S.R.P.
CHECKED C.E.P.
APPROVED

MERRICK
Merrick & Company • Telephone 303 751 0741
10556 E Bethany Drive • Aurora Colorado 80014
Post Office Box 22026 • Denver Colorado 80222

JOB 201-4918 DATE 2/20/84 SH 1 OF 1

THE HEREON DESCRIBED PROPERTY LOCATED AT ACADEMY BOULEVARD AND HANCOCK EXPRESSWAY IS ZONED PDC-2 IN ACCORDANCE WITH THE CODE OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND UNIFIED CONTROL. OVER ELEMENTS OF THE PLAN AND CERTIAN AREAS, AS SET FORTH IN THE PLAN, ARE SUBJECT TO COMMON PUBLIC USAGE.

BENCHMARK: South corner of concrete pedestal at Sidewalk of Jetwing Drive and Hancock Expressway
Elevation — 6906.60 U.S.G.S.

APPROVED: LANDLORD April 18, 1985
TENANT 4/29/85

Certificate

The undersigned, Lessor under that certain lease ("the Lease") dated November 15, 1984 and amendments thereto between CHARLES GOLDING COMPANY, as lessor, and DUCKWALL-ALCO STORES, INC., as lessee ("Lessee"), hereby certifies to General Electric Credit Corporation ("GECC"), a New York corporation, as follows:

1. If Lessee defaults on its obligations to GECC and, as a result, GECC enforces its remedies pursuant to any security document encumbering any of Lessee's property, Landlord will cooperate with GECC in GECC's efforts to assemble all of Lessee's assets located within the leased premises, will permit GECC to remove said assets from the leased premises without charge (provided that such removal is accomplished so as not to damage the demised premises) and will not hinder GECC's actions in enforcing its liens and security interests with respect to such assets.

2. Landlord agrees that henceforth Landlord will not consent to the modification of any of the terms of the Lease or to termination of the Lease, and will not seek to terminate the Lease by reason of any act or omission of Lessee until:

(i) written notice of such act or omission of Lessee and written notice of such termination has been received by GECC; and

(ii) (a) in the case of any monetary default, GECC has failed to cure such default within thirty (30) days after receipt of such notice; or

(b) in the case of any curable non-monetary default, GECC has failed to cure such default within sixty (60) days after receipt of such notice; provided that such 60-day period will be extended for so long as GECC has commenced and is diligently pursuing such cure, or is diligently prosecuting foreclosure; or

(c) in the case of any non-curable default, GECC has failed to commence, within sixty (60) days after receipt of such notice, foreclosure proceedings or GECC shall not thereafter diligently prosecute such proceedings.

GECC will have the right to enter upon the demised premises and take other action reasonably necessary to cure any default by Lessee under the Lease.

3. Notices for GECC shall be sent to:
General Electric Credit Corporation
2777 Summer Street
Stamford, CT 06905
Attention: Region Operations Manager

The undersigned acknowledges that GECC will rely on this certificate in making loans henceforth to the Lessee.

[LESSOR]

By _____

Name: CHARLES GOLDING, JR.

Date: 9/27/85

GL-100660

#158 MISSION TRACE SHOPPING CENTER
ALARJOE CORP. INC. LEASE

GL-100661

11/20/90

Mary Mullen

ASAP

Per our conversation today A.M.; the tenant has ~~of~~ not opened for business today & has advised its employees they are closed. I want to move to collect on our letter of credit & otherwise protect ourselves immediately.

Thanks,

C.

~~Sept~~

Oct.

Nov.

Dec — Sec. Dep

Jan
½ Feb → Letter of Credit

Post-it™ Note

Post-it™ Note

Post-it™ Note

T.G. Copy

STANDARD LEASE

between

The Guardian Life Insurance Company of America

LANDLORD

and

Alarjoe Corporation, Inc.

TENANT

NET LEASE

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NET LEASE

1. PARTIES

THIS LEASE is made and entered into this 14th day of September 1990 by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and ALARJOE CORPORATION, INC., hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 30,000 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for Telemarketing.

3. TERM

(a) The term of this Lease shall be for one (1) year commencing October 1, 1990, and ending on September 30, 1991, unless sooner terminated pursuant to this Lease.

(b) THIS LEASE will then become a Month to Month Lease. Landlord shall have the right to reclaim the premises by notifying the Tenant in writing of such intent with at least Ninety (90) days notice, after the expriation of the Primary Term.

(c) Acknowledgment of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgment of the date of commencement and shall attach it to this Lease.

4. RENT

Tenant shall pay to Landlord as base rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Ninety Six Thousand and 00/100 ($96,000.00). Payable in the following matter: The sum of $8,000.00 on the first of each month beginning October 1, 1990.

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GL-100667

If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of Eight Thousand Dollars. ($8000.00) as base rent for the month(s) of October.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

~~5. PERCENTAGE PAYMENTS AS ADDITIONAL RENT~~

1. Percentage Rates:

a. TENANT agrees to pay OWNER as additional rent for the premises, over and above the annual base rental, a sum equal to the percentage rental rate specified Paragraph 4, below, on the amount of the annual gross sales in excess of the gross sales excluded from percentage rent as set forth in Paragraph 5, below.

b. The percentage rent shall be computed and paid within thirty (30) days after the end of the calendar year in which such gross sales were made.

c. If TENANT had possession of the premises for a fractional part of the calendar year, the total percentage rent shall be computed on the gross sales during such fractional part of said calendar year by prorating the annual gross sales excluded from percentage rent, based on the percentage of the calendar year in possession.

2. Definition of Gross Sales:

a. The term "gross sales" shall refer to the selling price of all services performed or goods, wares and merchandise sold in, upon or from any party of the premises, and shall include sales and charges for cash or credit, regardless of collections in the case of the latter, but shall exclude returns and refunds and the amount of any sales tax or excise tax or similar tax charged by TENANT to customers as a separate item.

3. Accounting and Statements of Tenant:

a. Accounting for these purposes shall be on a calendar year basis. TENANT shall keep books of account and records in which shall be entered a full, true and correct record of all gross sales. TENANT further agrees to deliver to OWNER on or before the 10th day of each month during the term hereof, sworn written statements showing total gross sales for the preceding month.

b. OWNER or its designated representative shall have the right to examine all pertinent books and records of TENANT and TENANT agrees to make same available at managing agent's address. All expenses of such examination shall be ~~borne by OWNER, unless such examination discloses additional~~

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~~rental liability of two percent (2%) or more of the~~ additional percentage rents originally due for the preceding calendar year or pro-rata part thereof, in which case the expenses of such examination, including attorney's fees, shall be borne by TENANT.

c. TENANT will, upon request of OWNER, furnish a true copy of the sales tax report, insofar as the same are applicable to the Premises, filed by TENANT with the applicable Federal, State, County or Local taxing authorities covering the period for which the statement of additional rent has been furnished by TENANT to OWNER.'

4. The percentage which shall be applied to the gross sales for calculation of additional rent due under this provision shall be: _____ (_____%).

5. The amount of gross sales which shall be excluded from the calculation purposes for determining the amount of ~~additional rent shall be: _____ (_____%).~~

6. LATE CHARGES

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by the Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held.

7. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense." Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's Common Area Maintenance Expense."

(b) "Common Area Maintenance Expense": The sum of following:

(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant

INITIAL _____

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* except in the following four (4) instances in which case Tenant's Share shall be calculated as set forth below:

(a) Trash Removal. Tenant's Share of Common Area Maintenance Expenses for trash removal shall equal the percentage that the total number of square feet in he Premises bears to the total number of leasable square feet in the Center in which the Premises are located to which service is being offered.

(b) Building Repairs. Tenant's Share of Common Area Maintenance Expenses for building repairs shall equal the percentage that the total number of square feet in the Premises bears to the total number of leasable square feet in the Center in which the Premises are located to which service is being offered.

(c) Real Estate Taxes. Tenant's Share of Common Area Maintenance Expenses for real estate taxes shall equal the percentage that the total number of square feet in the Premises bears to the total number of leasable square feet in the Center in which the Premises are located for which Landlord pays real estate taxes.

(d) Fire and Casualty Insurance. Tenant's Share of Common Area Maintenance Expenses for fire and casualty insurance shall equal the percentage that the total number of square feet in the Premises bears to the total number of leasable square feet in the Center in which the Premises are located for which Landlord provides Fire and Casualty Insurance.

Initial _____

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of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the Center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of property management fees; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and adjacent walks, malls, landscaped area, parking area, common areas and improvements and facilities thereon including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; and rental expenses and a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leasable square feet in the Center in which the Premises are located, which for this Lease is estimated to be 16.62%. * See page 4A attached hereto and made a part hereof.

(c) Computation. Tenant shall pay Tenant's share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonable practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, the date on which such statement is delivered to Tenant shall be herein called the "Statement Delivery Date."

(e) Payment.

(1) It is estimated that Tenant's share of the operating costs of the common facilities shall be $2.03 per sq. ft. per year. Therefore, Tenant shall pay Landlord the sum of ($5075.00) per month as the estimated cost of Tenant's share. At the Statement Delivery Date, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year is less than $5075.00, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar year's estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by

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Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

8. TAXES

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenants equipment, fixtures and other personal property located on the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

9. SECURITY DEPOSIT

Tenant has on deposit with Landlord the sum of EIGHT THOUSAND AND 00/00 DOLLARS ($8,000.00). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payment of any other amount which Landlord may spend or incur by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

10. COMPLETION

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the premises shall be at Tenant's sole cost of expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

11. USE

(a) The Premises shall be used and occupied by Tenant for A Tele Marketing Operations and for no other purpose without prior written consent of Landlord, which consent shall not be unreasonably withheld.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability of either for the conduct

INITIAL _____

establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such acts), or cause a cancellation of any insurance policy covering said Center or any party thereof or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or in which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, the requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules, the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

12. <u>UTILITIES</u>

Utility Charges

(a) Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat air conditioning, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Landlord and the lease premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated to furnish any utilities or services. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of the Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the water consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises

INITIAL _____

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during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

13. ENTRY BY LANDLORD

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this lease;

(b) To do any necessary maintenance and to make any restoration to the Center that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any said means or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, any other loss occasioned thereby.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

14. MAINTENANCE AND REPAIRS

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the structural components of the Building and perform Common Area Maintenance, the components of which are identified in Article 6. (b) (2) above.

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(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article 139a) hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls, and fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of the Tenant. Tenant shall repair, at Tenant's sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation any claims made by any succeeding Tenant founded on such delay.

(3) In the event Tenant fails to maintain the leased Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten (10) percent annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(b) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(c) Waiver of Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the premises in good order, condition and repair.

15. ALTERATIONS AND ADDITIONS

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is required. Use of roof is reserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the time during which it is accomplished and the requirement that upon written request of Landlord, Tenant will remove and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expense, and all movable partitions, counters, personal property, fixtures, and furniture at Tenant's expense.

(c) All such alterations, additions or improvements

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shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14 (b) above.

(d) All articles or personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

16. INDEMNITY

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occuring in, on or about the Premises or any part thereof, and (2) occuring in, on or about any facilities, stairways, passageways, hallways and parking areas, the use of which Tenant may have in conjunction with other tenants of the Center, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against the Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinkler, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

17. INSURANCE

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee

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of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own costs and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all time shall be in an amount of not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less than TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

18. WAIVER OF SUBROGATION

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account or loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

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19. DAMAGE AND DESTRUCTION

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionated reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty (30) days nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of the Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, the Tenant shall have damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

20. CONDEMNATION AND OTHER TAKINGS

(a) If all or any part of the Premises shall be taken or

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appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason or taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to give Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for the unamortized cost of leasehold improvements. In the event of a partial taking which does not result in termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the area of the Premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

(c) No taking of any part of the parking area within the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

21. LIENS

Tenant shall keep the Premises and the Center of which the Premises are a part free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have the right in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanic's and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

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22. DEFAULT

The occurrence of any one or more of the following events shall constitute a material default or breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) Closure or cessation of business for thirty (30) calendar days.

(c) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecuted such cure to completion.

Then in any of said cases Landlord may give to Tenant a notice terminating this Lease and upon the giving of said notice of termination on this Lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Section 23A.

23. RE-ENTRY BY LANDLORD

(a) If this Lease shall terminate as provided in Paragraph 22, Landlord or Landlord's agent and employees may immediately or at any time thereafter re-enter the Premises, or any part thereof, either by summary dispossess proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any person therefrom, to the end that Landlord may have, hold and enjoy the Premises. The word "re-enter," as used herein, is not restricted to its technical legal meaning. If this Lease is terminated under the provisions of Paragraph 22, or if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of the Tenant, Tenant shall thereupon pay to Landlord the rent and any other payments due hereunder up to the time of such termination of this Lease, or of such recovery of possession of the Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Section 23A.

(b) In the event of a breach or threatened breach by Tenant of any of its obligations under this Lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies to which Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

(c) If this Lease shall terminate under the provisions of Section 22, or if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the

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termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant. Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such monies shall be credited by Landlord against any rent or other payments due hereunder from Tenant at the time of such termination or re-entry, or, at Landlord's option, against any damages payable by Tenant under Section 23A pursuant to law.

23A. DAMAGES

(a) If this Lease is terminated under the provisions of Section 22, or if Landlord shall re-enter the Premises under the provisions of Section 23, or in the event of the termination of this Lease, or of re-entry by or under summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord, either:

(i) A sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then excess, if any, of (i) the aggregate amount of the rent and other payments due hereunder which would have been payable by Tenant for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the date contemplated as the Expiration Date if this Lease had not so terminated or if Landlord had not so re-entered the Premises, over (ii) the aggregate rental value of the Premises for the same period, or

(ii) Sums equal to the rent and other payments due hereunder which would have been payable by Tenant had this Lease not been so terminated, or had Landlord not so re-entered the Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the date contemplated as the Expiration Date if this Lease had not so terminated or if Landlord had not so re-entered the Premises provided, however, that if Landlord shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this Lease or in re-entering the Premises and in securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Premises for new tenants, broker's commissions, legal fees, and all other expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such reletting may be for a period shorter or longer than the remaining term of this Lease; but in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this subdivision to a credit in respect of any net rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis shall be made of the rent received from such reletting and of the expenses of reletting.

If the Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this Lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting, shall, prima facie, be the fair and reasonable rental value for the Premises, or part thereof, so relet during the term of the reletting. Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises or any part thereof, or if the Premises

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are relet, for its failure to collect the rent under such reletting, and no such refusal or failure to relet or failure to collect rent shall release or affect Tenant's liability for damages or otherwise under this Lease.

23B. SUIT FOR RECOVERY

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of Section 22, or under any provisions of law, or had Landlord not re-entered the Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit prejudice the right of Landlord to prove for and obtain as damages by reason of the termination of this Lease or re-entry on the Premises for the default of Tenant under this Lease an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which ,such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 23A.

~~23C. LANDLORD'S LIEN ON PERSONALTY~~

In addition to any statutory Landlord's lien, Landlord is hereby granted a valid security interest to secure payment of all rent and other payments becoming due hereunder and to secure payment of any loss or damage which Landlord may sustain because of any default in the performance of any provisions of this Lease to be kept, performed or observed by Tenant, upon all of Tenant's property and any other personal property of Tenant which may now or hereafter be installed or placed in the Premises and all proceeds thereof. The property subject to such security interest shall not be removed from the Premises without Landlord's consent so long as there shall be any default in the payment of rent or other payments due hereunder or in the performance of any provisions of this Lease which are to be kept, performed or observed by Tenant. If Tenant shall be in default in the performance of any of the provisions of this Lease, to be kept, performed or observed by Tenant beyond the applicable grace period, if any, Landlord may, in addition to any other rights or remedies provided in this Lease or by law (including, without limitation, Landlord's statutory lien for rent), enter upon the Premises and take possession of Tenant's property and any other personal property of Tenant installed or placed in the Premises, without liability for trespass or conversion and sell the same at public or private sale. Upon request by Landlord, Tenant shall execute and deliver to Landlord any financing statement required to perfect the security interest of Landlord in the property subject to such security interest and the proceeds thereof. Landlord is hereby authorized to execute any such statement ~~on behalf of Tenant.~~

24. COST OF SUIT

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgement.

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(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under of using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgement rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

25. SURRENDER OF PREMISES BY TENANT

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18 of this Lease, and except for alterations that Tenant has the right to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration of termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

26. SURRENDER OF LEASE

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases of subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

27. TRANSFER OF LANDLORD'S LEASE

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations of and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

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28. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord. Any attempt to do so without such consent being first had and obtained shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumbrance assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for an assignment, sublease or encumbrance under this Article, Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of any attorney to review said application, all attorney's fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord's Option to Terminate. Landlord shall have the right to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

29. INVOLUNTARY ASSIGNMENT

No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered in involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit or creditors;

(b) If a writ of attachment or execution is levied on the Lease;

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(c) If, in any proceeding or action to which Tenant is a party, receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

30. ATTORNMENT

In the event any proceedings are brought for default ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed or trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchase upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

31. SUBORDINATION

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any first mortgages or deeds of trust in any amounts whatsoever nor or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part Tenant to effectuate such subordination. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, first deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such first mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

32. ESTOPPEL CERTIFICATE

(a) Tenant shall at any time upon not less than ten (10) days prior to written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

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(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of Tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be used only for the purposes herein set forth.

33. SUBSTITUTED PREMISES

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of leasable square feet in the Premises before substitution.

34. NONRECORDABILITY OF LEASE

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

35. QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

36. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgement of any court of by any legal process or writ, Tenant's right or occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable monthly in an amount equal to 200% of the monthly rent payable during the last month of the lease term, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

37. RULES AND REGULATIONS

The Rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, cure, utilization and cleanliness of the Premises and the Center, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations. Landlord shall not be

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responsible to Tenant for the non-performance by any other tenant or occupant of the Center of any of said rules and regulations.

38. RIGHT TO PERFORMANCE

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant nearby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy for payment of sums due under this paragraph the same remedies as in the case of default by Tenant in the payment of the rent.

39. NAME OF CENTER

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefore.

40. NOTICES

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States Mail, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

41. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the

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surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

42. DEFINITIONS

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of a husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

43. MISCELLANEOUS

(a) MERCHANT'S ASSOCIATION/PROMOTIONAL FUND. In the event that the Development has either a Merchant's Association or a Promotional Fund for the promotion of the Development and the businesses located in the Development, Tenant agrees to pay dues to the Promotional Fund in the amount of N/A Dollars (N/A) (to be determined whereas Association is formed) per month and to participate in the promotional activities it sponsors. Said dues shall be subject to adjustments, approved by the owner and/or the Board of Promotional Fund/Association, increasing the dues to the extent required by increase in the costs of promotion, public relations, advertising and other services. In the event that the Development does not, as of the date of execution of this Lease, have such an Association/Fund, but in the future the owner elects to establish such an Association/Fund, Tenant agrees to subscribe to and participate faithfully in such Association/Fund.

(b) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(c) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(d) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without the consent of Landlord. See Article 43.

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d Tenant's employees 9/5/90

(e) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Center the parking facilities of the Center, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities may be established or altered by Landlord at any time or from time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of construction and/or operating commercial building, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) CAPTIONS AND ATTACHMENTS

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any questing or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the Laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly

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authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation, Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

(1) Tenant acknowledges that the Center and the Premise occupied by Tenant hereunder are subject to easements and benefits, burdens, and certain Declarations of Restrictions as set forth in certain declarations of covenants, conditions and restrictions for Mission Trace at the Springs, entered into by and between Charles Golding Jr., and Dillon Real Estate Co., Inc. of Kansas, recorded in Book 3893 at Page 1222 in the Records of El Paso County, State of Colorado, Tenant further acknowledges that Landlord is the owner of only a portion of the Center, which portion is described in Exhibit C-3 hereto.

44. SIGNS

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease Premises any sign, awning or canopy, or advertising matter or other thing of lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining Landlord's written approval and consent. Tenant further aggress to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the Premises. Signs shall be in strict accordance with Exhibit B.

~~45. SECURITY INTEREST~~

Tenant hereby grants to Landlord a security interest in Tenant's personal property and any fixtures on the Premises. This Lease shall constitute a Security Agreement under the Uniform Commercial Code and the execution and delivery hereof shall evidence the intent of Landlord and Tenant to that effect. Tenant hereby irrevocably appoints Landlord its attorney-in-fact to execute, deliver and file with the appropriate filing officer or office such financing statements and/or other instruments as Landlord may request or require in order to impose and perfect the lien and security interest hereof more specifically on the Tenant's property and any fixtures securing its interest in Tenant's personal property on the Premises at any time during the term ~~of this Lease.~~

9/4/90

46. INCORPORATION OF PRIOR AGREEMENTS: AMENDMENTS

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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47. LETTER OF CREDIT

Upon execution of this Lease Agreement, Tenant shall deposit with Landlord an Irrevocable Letter of Credit, in form and substance acceptable to The Guardian, in the amount of Twelve Thousand Seven Hundred and 00/100 ($12,700.00) dollars, with an expiration date of no earlier than October 31, 1991 (hereinafter referred to as the "Letter of Credit"). The face amount of said Letter of Credit represents the amount Landlord has expended upon tenant improvements and leasing commissions in connection with the execution of this Lease Agreement. Said Letter of Credit will be returned to Tenant at the end of the term of this Lease provided Tenant is not in default under any provision of this Lease Agreement. In the event that Tenant is in default hereunder, Landlord may draw upon the Letter of Credit in an amount equal to the sum of the total dollar amount expended by Landlord for tenant improvements and leasing commissions in connection with the execution of this Lease divided by the number of months in the lease term and multiplied by the number of months or portions thereof remaining in the lease term. Said calculations shall be based upon the date of the default beyond all applicable cure periods.

This Letter of Credit shall be deposited by Tenant with Landlord in addition to the $8,000.00 security deposit described above. In the event Landlord draws upon the Letter of Credit such action shall in no way constitute a waiver of any of Landlord's rights or remedies provided for herein, at law or in equity.

LANDLORD: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: Celeste P. Gaunce

TENANT: ALARJOE CORPORATION, INC., a Colorado corporation

BY: Thomas Jacobs, President

BY: Michael Jacobs, Vice President

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IN WITNESS WHEREOF, the Landlord and Tenant have executed this lease the date and year first above written.

LANDLORD: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: _____

201 Park Avenue South
New York, NY 10003

TENANT: ALARJOE CORPORATION, INC., a Colorado corporation

BY: _____
Thomas Jacobs, President

BY: _____
Michael Jacobs, Vice President

910 15th Street, Suite 400
Denver, CO 80202

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

ALARJOE CORPORATION, INC. A Colorado Corporation

ADDRESS:

Thomas Jacobs
9400 East Iliff #274
Denver, CO 80231

Michael Jacobs
No. 4 Mt. View Road
Greenwood Village, CO 80111

This lease is contingent on the city's and/or county's approval of tenant's usage of said premises.

_____

This contract must be verbally accepted on or before Tuesday, September 18, 1990 by 12:00 p.m., Mountain Standard time by Guardian Life Insurance Company of America's agent to listing broker of said premises.

_____

SIGNATURE PAGE

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

LANDLORD: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: _____

TENANT: THE ALARJOE CO.

BY: _____ 9/14/90
Thomas Jacobs, Pres.

BY: _____
Michael Jacobs, V.Pres.

201 PARK AVENUE SOUTH
NEW YORK, NY 10003

910 15TH STREET SUITE 400
DENVER, CO 80202

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

ADDRESS:

Thomas Jacobs
9400 East Iliff #274
Denver, CO 80231

Michael Jacobs
No. 4 Mt View Road
Greenwood Village, CO
80111

This lease is contingent on the city's and/or county's approval of tenant's usage of said premises.

_____ 9/14/90

_____

This contract must be verbally accepted on or before Tuesday, September 18, 1990 by 12:00 p.m., Mountain Standard time by Guardian Life Insurance Company of America's agent to listing broker of said premises.

_____ 9-14-90

SIGNATURE PAGE

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EXHIBIT "C"

DESCRIPTION OF DEMISED PREMISES

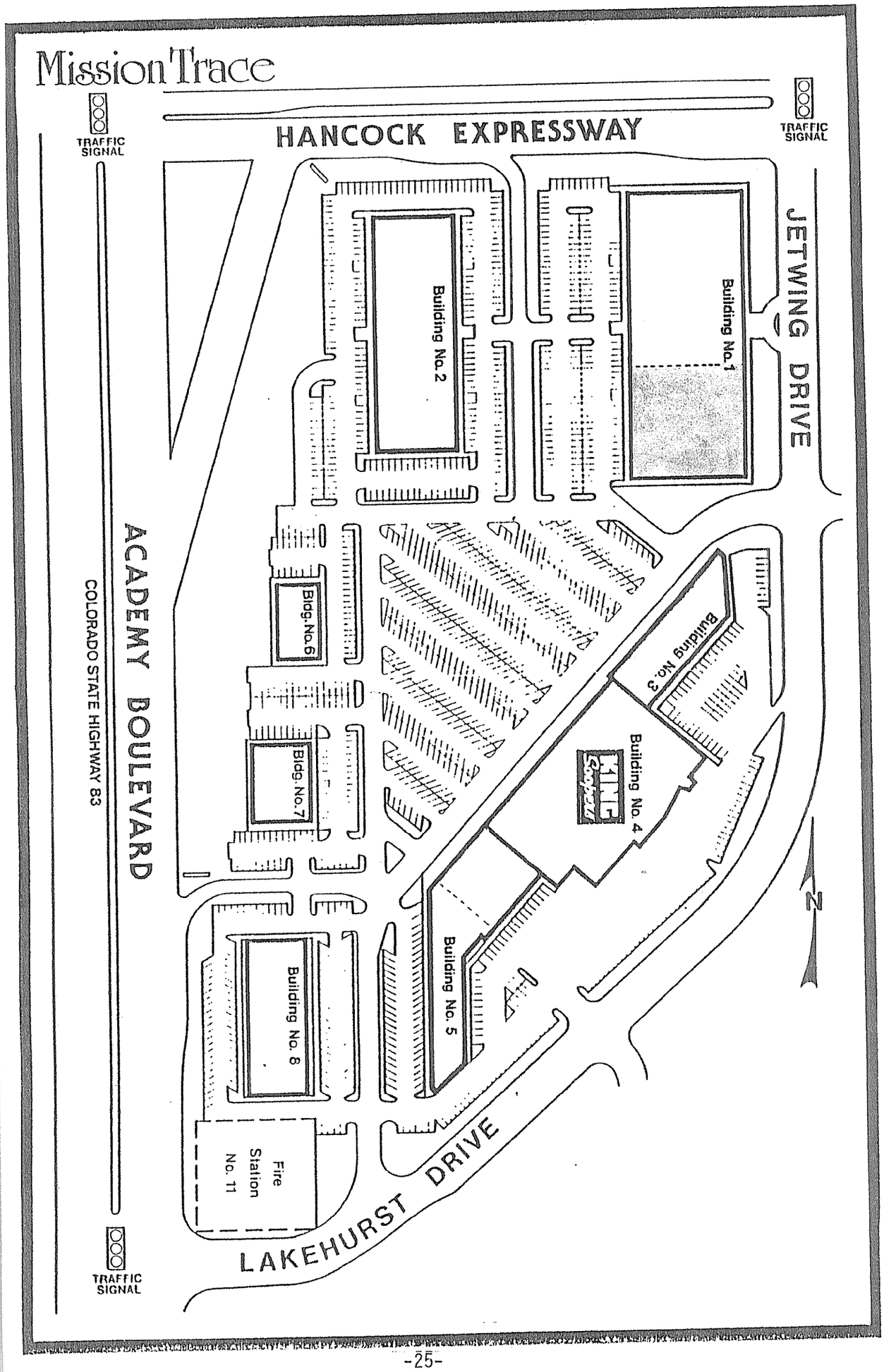

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EXHIBIT C-1

Site Information

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

This project is a retail, restaurant, office and health club complex consisting of four (4), single-story retail buildings, two (2) single-story restaurant buildings, one (1) retail building (King Soopers), one (1) two-story retail/office building.

PERMITTED USES

1. This tract is designed to specifically allow for the following uses:
   a. Post offices and general offices.
   b. Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and etc.
   c. Private schools/child care facilities.
   d. Community buildings, libraries, museums, aquariums and art galleries.
   e. Art, photographic, dance, music, radio and television studios.
   f. Stores for retail trade, including liquor, except:
      1. New or used motor vehicle or trailer sales, repair and/or lots and travel trailer parks.
      2. Fuel and feed stores.
      3. Lumber yards.
   g. Assembly or convention halls, theaters, skating rinks, dance halls, bowling alleys, pool/billiard parlors, exposition halls (no live animals), tennis courts, swimming pools, racquet ball courts, gymnasium, massage parlors, turkish baths and health studios.
   h. Banks, savings and loan associations with drive-thru facilities.
   i. Restaurant (drive-in facilities allowed whereas use is secondary to principal "sit-down" dining.)

2. Parking shall be provided in the following ratios:

Restaurant uses	-	1 space per 150 GFA
Retail uses	-	4.2 spaces per 1,000 GFA
Office Uses	-	1 space per 600 GFA
Health Club uses	-	2.5 spaces per 1,000 GFA

3. Building Height shall be limited to 45', including rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveways. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

30 feet from public street (Buildings No. 6 and 7 setbacks approved due to additional parking.

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for this Planned Development. External materials may be wood, brick, tile, stucco, block, precast concrete and glass. Colors shall be limited to white with other complimentary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of this Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are discovered during construction. New evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include sod and sprinkler system.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportional exposure for all tenants. Performance shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.

2. Permitted Contents: Identification by letter, numeral, symbol or design of a legal use stating the name, service offered or products located upon the premises.

3. Wall Signs/ Fascia Signs
   a. Location: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 4'-0" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be closer than 6" from the top or the bottom of the panel upon which it is located.
   b. Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 s.f. times the length and shall meet Section 14-9-292.B of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 4 (King Soopers) shall be permitted two (2) 6'-0" ht. x 12'-0" wide signs of their standard design.
   c. Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.

4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

All new utilities located on this property shall be located underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking lots shall be designed to allow auto to overhang adjacent sidewalk by as much as 2 feet. Adjacent sidewalks to parking must be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of this development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the public R.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the depictions, descriptions and stipulations of this Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the context and intent of this Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and impacts on adjacent residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by this development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at this site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 30 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be shielded from view by the use of permanent roof screening devices in colors complimentary to the buildings. All meters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court or competent jurisdiction, such decisions shall not affect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four curb cuts on Jetwing Drive, two curb cuts on Lakehurst Drive, one curb cut on Hancock Expressway, and one curb cut on Academy Blvd. (State Highway No. 83). Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives onto the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to insure the construction of said improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in screened enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of this project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1978 State of Colorado Energy Conservation Performance Code for Nonresidential Buildings will be complied with.

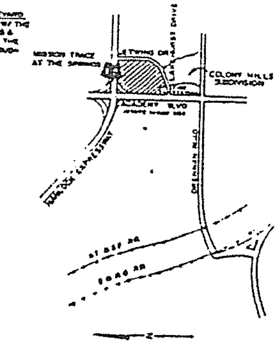
VEGETATION

The existing site contains natural wild grasses. A complete landscaping program as noted on the Site Plan will replace the natural vegetation.

WILDLIFE

The surrounding area is either developed or in the process of being developed and little, if any, wildlife exists on the site. This development will have a minor impact on the site.

THE HEREIN DESCRIBED PROPERTY LOCATED AT ACADEMY BOULEVARD AND HANCOCK EXPRESSWAY, IS ZONED PBC-2 IN ACCORDANCE W/ THE CODE OF THE CITY OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND VARIOUS CONTROL OVER ELEMENTS OF THE PLAN AND CERTAIN AREAS, AS SET FORTH IN THE PLAN, ARE SUBJECT TO COMMON PUBLIC USAGE.



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 14.041 Acres, 1,047,222.9 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	44,640 sq. ft.	187.5
Office	44,640 sq. ft.	73.6
Total	89,280 sq. ft.	
Building No. 2 - One Story		
Retail	44,640 sq. ft.	187.5
Total	44,640 sq. ft.	
Building No. 3 - One Story		
Retail	17,360 sq. ft.	72.9
Total	17,360 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	58,234 sq. ft.	244.7
Total	58,238 sq. ft.	
Building No. 5 - One Story		
Retail	30,428 sq. ft.	127.8
Total	30,430 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,160 sq. ft.	54.4
Total	8,160 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,040 sq. ft.	73.6
Total	11,040 sq. ft.	
Building No. 8 - One Story		
Retail	22,000 sq. ft.	92.7
Total	22,000 sq. ft.	
	Required =	1,116
	Provided =	1,109

Gross Building Area = 281,264

Building Ground Coverage = 236,624 = 22.6%

Landscape Area - Excluding Roadway R.O.W. = 136,293 sq. ft. = 13%

Parking Lot, Drives = 655,317 sq. ft. = 63%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest One-quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE N00°52'30"E along the northerly line of said W1/2 of the SW1/4, 923.84 feet;
THENCE S00°07'30"E, 30.00 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'30"E, 823.58 feet;
THENCE along the arc of a curve to the right which has a central angle of 47°11'00", a radius of 417.73 feet and an arc distance of 344.19 feet;
THENCE S47°07'30"W, 420.73 feet to a point on the northeasterly right-of-way line of Lakehurst Drive, as platted in Colony Hills Subdivision, as recorded in Plat Book H-2, Page 77 of the records of said El Paso County;
THENCE along said northeasterly right-of-way line and along the arc of a curve to the right which has a central angle of 28°34'40", a radius of 223.10 feet and an arc distance of 113.23 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book T-2 at Page 23 of said records of El Paso County;

(The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11):

(1) THENCE N00°22'10"W, 188.73 feet;
(2) THENCE S89°30'10"W, 175.00 feet to a point on the easterly right-of-way line of Academy Boulevard as described in deed recorded in Book 2278 at Page 168;

(The following two (2) courses are along said easterly right-of-way line):

(1) THENCE N00°22'10"W, 237.20 feet;
(2) THENCE N00°35'77"E, 1216.02 feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N89°52'30"E along said southerly right-of-way line, 672.23 feet to the POINT OF BEGINNING, containing 14.041 acres, more or less.

ISSUE	DESCRIPTION	DATE	REFERENCE
[illegible]	[illegible]	[illegible]	

MISSION TRACE AT THE SPRINGS

SCALE
DRAWN
CHECKED
APPROVED

MERRICK

GL-100695

EXHIBIT "C-3"

PROPERTY DESCRIPTION

Lots 1, 2, 3, 5 and 8, Block 1 Mission Trace at the Springs Filing No. 2, according to the plat record on August 26, 1985, in Plat Book Z3 at Page 8, in the Records of El Paso County, Colorado.

Together with non-exclusive easements, including but not limited to, passage and parking of vehicles, pedestrian traffic and access easements as covered in Declaration of Covenants, Conditions and Restrictions for Mission Trace Shopping Center recorded July 12, 1984, in Book 3893 at Page 1221.

GL-100696

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2) copies of detailed drawings, indicating the location, layout, size, design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenants shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24-hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All Tenants are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Landlord's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 8" deep raceway center mounted within 7-1/2" recessed portion of the fascia (See attached Exhibits D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the fascia panel (see Exhibit D-2). The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally luminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the Center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia-mounted signs shall not be mounted higher than 4'0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush-mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed eighty percent (80%) of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-303;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center as determined by the Landlord.

INITIAL _____

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Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlord's approval shall be removed at Tenant's expense within ten (10) days after Landlord's notification of same.

INITIAL 9/24/98

GL-100698

EXHIBIT "D-2"

MISSION TRACE SIGN CRITERIA

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with letters to be 5".

conduit provided by Landlord

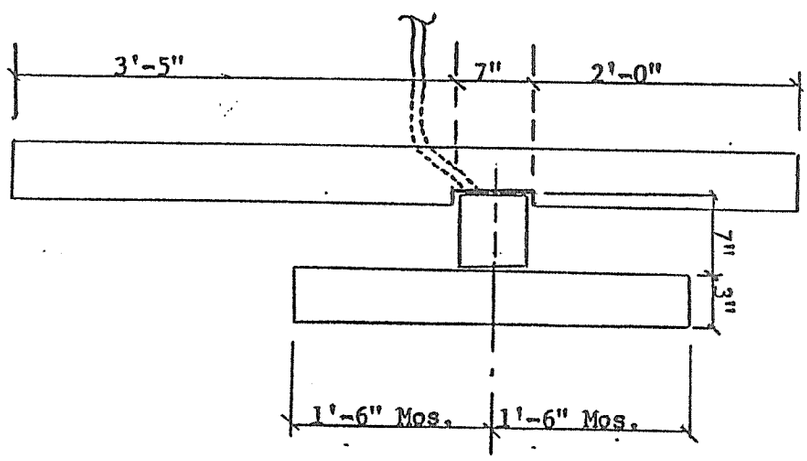
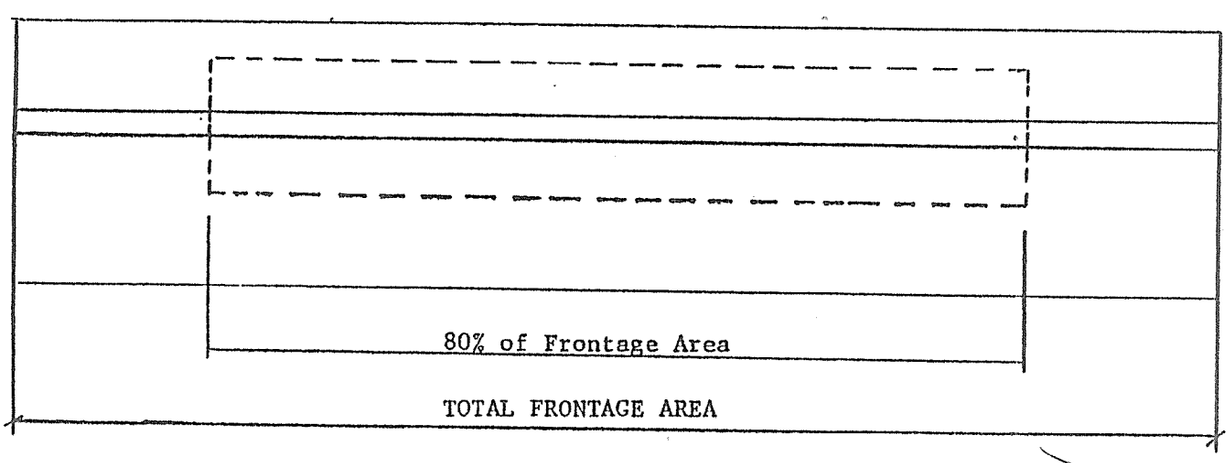


EXHIBIT "D-3"



INITIAL

GL-100699

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

(a) Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved plans and specifications at Tenant's sole cost expense.

(b) Tenant shall cause its Contractor to perform the work and supply new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electrical Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

(c) Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without written consent of Landlord first had an obtained an Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits , entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgement of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new additional locks or any bolts on any door of the Premises without the written consent of Landlord.

6. The toilet rooms, wash bowls and other apparatus shall not be used for any purpose other than that for which they

INITIAL _____

GL-100700

were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenant's Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or other property sustained during the moving or maintaining of same and any repair to such property shall be at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or keep any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco of any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep on the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air condition other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wire will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished , shall pay the Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord deems it necessary to make such changes.

INITIAL _____

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GL-100701

14. No Tenant shall lay linoleum, tile, carpet or other similar floor coverings so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness, Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvas any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor or drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter Premises or Center or waive any rule or regulation at any time prescribed for the Premises or Center when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

INITIAL _____

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GL-100702

EXHIBIT "F-1"

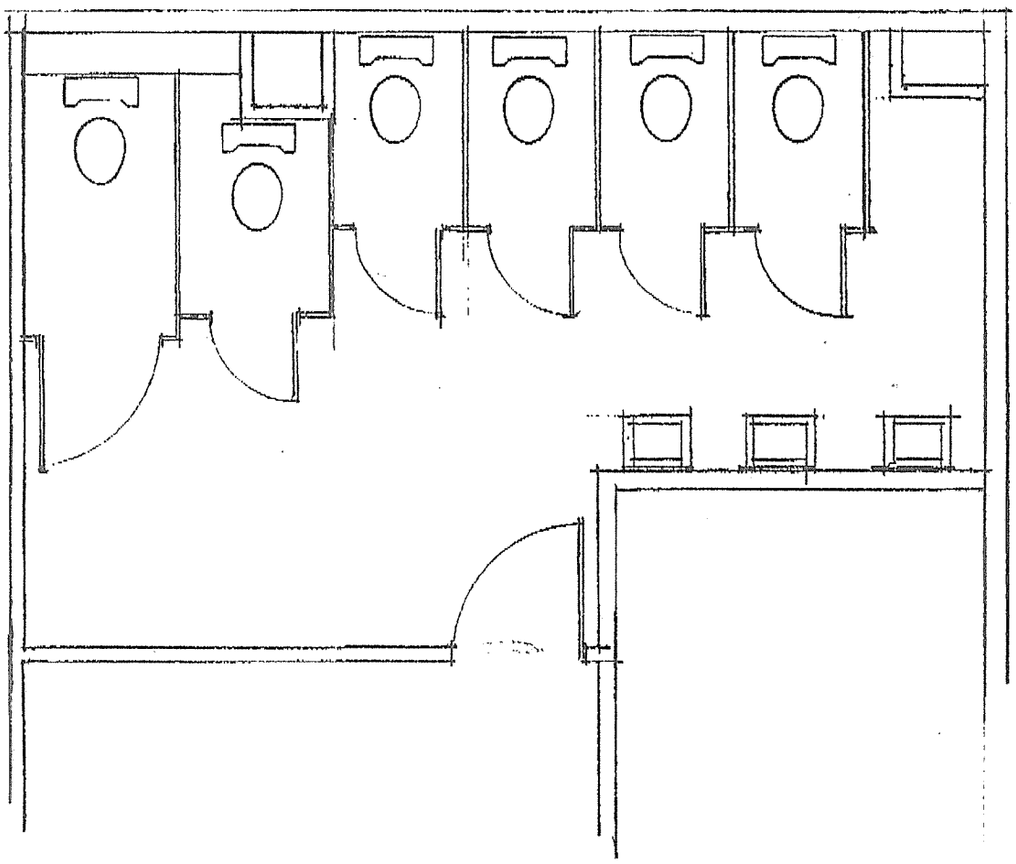
TENANT IMPROVEMENTS

South Academy Boulevard
Colorado Springs, Colorado

LANDLORD proposes to furnish all necessary labor, materials and equipment to complete the Tenant Improvements for unit #3077 per attached plan (Exhibit "F-2") and the following scope of work:

LANDLORD agrees to put six tolit stalls and three wash basins in the room that is presently the break room.

Peak Professional Contractors Inc. agree that installition of these inprovments shall not exceed $6,000.00



SCALE: 1/4" = 1'-0"

Any other changes or modifications of the space shall be at the TENANTS expence.

INITIAL _____

_____

PEAK PROFESSIONAL CONTRACTORS INC.
320 South Weber Street
Colorado Springs, CO 80903
719/578-0091

GL-100703

IN WITNESS WHEREOF, the Landlord and Tenant have executed this lease the date and year first above written.

LANDLORD: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: _____

201 Park Avenue South
New York, NY 10003

TENANT: ALARJOE CORPORATION, INC., a Colorado corporation

BY: _____
Thomas Jacobs, President

BY: _____
Michael Jacobs, Vice President

910 15th Street, Suite 400
Denver, CO 80202

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

Alarjoe Corporation, Inc.
A Colorado Corporation

ADDRESS:

Thomas Jacobs
9400 East Iliff #274
Denver, CO 80231

Michael Jacobs
No. 4 Mt. View Road
Greenwood Village, CO 80111

This lease is contingent on the city's and/or county's approval of tenant's usage of said premises.

_____

_____

This contract must be verbally accepted on or before Tuesday, September 18, 1990 by 12:00 p.m., Mountain Standard time by Guardian Life Insurance Company of America's agent to listing broker of said premises.

_____

SIGNATURE PAGE

GL-100704

NET LEASE

1. PARTIES

THIS LEASE is made and entered into this 14th day of September 1990 by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and ALARJOE CORPORATION, INC., hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 30,000 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for Telemarketing.

3. TERM

(a) The term of this Lease shall be for one (1) year commencing October 1, 1990, and ending on September 30, 1991, unless sooner terminated pursuant to this Lease.

(b) THIS LEASE will then become a Month to Month Lease. Landlord shall have the right to reclaim the premises by notifying the Tenant in writing of such intent with at least Ninety (90) days notice, after the expriation of the Primary Term.

(c) Acknowledgment of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgment of the date of commencement and shall attach it to this Lease.

4. RENT

Tenant shall pay to Landlord as base rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Ninety Six Thousand and 00/100 ($96,000.00). Payable in the following matter: The sum of $8,000.00 on the first of each month beginning October 1, 1990.

INITIALS

GL-100705

47. LETTER OF CREDIT

Upon execution of this Lease Agreement, Tenant shall deposit with Landlord an Irrevocable Letter of Credit, in form and substance acceptable to The Guardian, in the amount of Twelve Thousand Seven Hundred and 00/100 ($12,700.00) dollars, with an expiration date of no earlier than October 31, 1991 (hereinafter referred to as the "Letter of Credit"). The face amount of said Letter of Credit represents the amount Landlord has expended upon tenant improvements and leasing commissions in connection with the execution of this Lease Agreement. Said Letter of Credit will be returned to Tenant at the end of the term of this Lease provided Tenant is not in default under any provision of this Lease Agreement. In the event that Tenant is in default hereunder, Landlord may draw upon the Letter of Credit in an amount equal to the sum of the total dollar amount expended by Landlord for tenant improvements and leasing commissions in connection with the execution of this Lease divided by the number of months in the lease term and multiplied by the number of months or portions thereof remaining in the lease term. Said calculations shall be based upon the date of the default beyond all applicable cure periods.

This Letter of Credit shall be deposited by Tenant with Landlord in addition to the $8,000.00 security deposit described above. In the event Landlord draws upon the Letter of Credit such action shall in no way constitute a waiver of any of Landlord's rights or remedies provided for herein, at law or in equity.

LANDLORD: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

BY: _____

TENANT: ALARJOE CORPORATION, INC., a Colorado corporation

BY: _____
Thomas Jacobs, President

BY: _____
Michael Jacobs, Vice President

GL-100706

#158 MISSION TRACE SHOPPING CENTER
TOWN & COUNTRY OPTICAL LEASE

GL-100707

Name of Tenant E & T Enterprises

NET LEASE

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INITIAL

GL-100709

NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 19th day of February, 19 85 by and between GOLDING & COMPANY hereinafter "Landlord" and E & T Enterprises, A Colorado Corporation hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit A attached hereto containing approximately 1197 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, and more particularly described as Mission Trace at the Springs. Tenant shall have the right to use the lease premises only for A full service optical store and all related products and services associated with said business.

3. TERM.

(a) The terms of this Lease shall be for 3 years (3) years commencing May 1, 1985 and ending on April 30,1988 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease of the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

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4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of One Thousand, two hundred forty-six and 87/100 Dollars ($1,246.87). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

~~Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of _____ as rent for the month(s) of _____.~~

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, and default shall continue for 10 days after written notice to Tenant Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may substract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

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(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are not customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of services of independent contractors; cost of services of independent contractors; ~~cost of compensation, (including employment taxes and fringe benefits)~~ of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and the adjacent walks, malls, landscaped areas, parking areas, common areas and improvements and facilities thereon, including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; costs reasonably incurred by Lessor for management of the Center but not in excess of center management charges which would be incurred if a professional management firm were employed; and rental expenses or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center. See EXHIBIT H which lists estimated operating costs for 1985.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leaseable square feet in the Center in which the Premises are located, which for this Lease is agreed to be 1.12 (See page 26)%.

(c) Computation. Tenant shall pay Tenant's Share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonably practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, and Tenant is herein called the "Statement Delivery Date". Landlord will provide Tenant with monthly statements that will show monthly and year to date expenses as compared to the annual projected expenses

(e) Payment.

(1) It is estimated that tenants share of the operating costs of the common facilities shall be $ 1,795.50 per year. Therefore, tenant shall pay Landlord the sum of

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per year. Therefore, tenant shall pay Landlord the sum of $149.62 per month as the estimated cost of Tenant's share. At the end of each calendar year, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $1,795.50, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $1,795.50, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar years estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date.

(3) If this Lease expires prior to the Statement Delivery Date of the last calendar year of the term of this Lease, Tenant hereby agrees to pay within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES.

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenant's equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

8. SECURITY DEPOSIT.

~~Concurrently with Tenant's execution of this Lease, Tenant~~ shall deposit with Landlord the sum of One thousand Three hundred Ninty-six dollars and 49/100---------- dollars ($ 1,396.49). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payable of any other amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant

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~~shall, within ten (10) days after written demand therefore,~~ deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such ~~deposit or the accounting therefor.~~

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

10. USE.

(a) The Premises shall be used and occupied by Tenant for * and for no other purpose without prior written consent of Landlord. * A full service Optical store and all related products and services associated with said business.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability or either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease (in exhibit F and related paragraphs.) The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such or acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, not shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be

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used for any unlawful or objectionable purpose, not shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges.

Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air condition, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Lessor and the leased premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated fo furnish any utilities or services, pursuant to Article 6b. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charges for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

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12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes. Landlord shall give tenant prior written notice except in case of an emergency.

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Building that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

~~(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default~~;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, ~~Landlord shall at all times have and retain a key which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and~~ Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means or otherwise, shall not under any circumstances by construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

~~Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby~~.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises, pursuant to Article 6b. In the event that Landlord fails to perform its obligation under the provisions of this lease, Tenant may notify Landlord immediately of the deficiencies and demand that the Landlord perform according to the terms of the lease. If Landlord does not commence the corrective action within 10 days, Tenant may send certified letter demanding the deficiencies be corrected within 14 days. If the corrective measures have not commenced within 14 days after the receipt of notice by Landlord, Tenant may cause the deficiencies to be corrected and deduct the cost of repairs from the next scheduled rent payment to the Landlord. If there is a dispute as to whether the corrective measures requested by Tenant are a bonafide obligation of the Landlord under the terms of this lease, Landlord shall notify tenant in writing of such disagreement and the issue will be resolved by arbitration or similiar civil proceedings prior to the tenant deducting any sum from the rent payable to Landlord.

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(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article II hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls and floors, all doors, interior windows, all plumbing pipes, fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of Tenant. Tenant shall repair, at tenants sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the leased Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partition or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the lease Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performning any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligation as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair.

14. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is rerserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the times during which it is accomplished and the requirement that upon written request of Landlord prior to 30

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days following the expiration or earlier termination of the Lease, Tenant will remove any and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expenses, and all movable partitions, counters, personal property, equipment, fixtures and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14(b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities", stairways, passageways, hallways and parking areas), the use of which Tenant may have in conjunction with other tenants of the Building, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same by Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other

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sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanked policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less the ONE MILLION DOLLARS ($1,000,000) for injury to persons in one accident, not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less then TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is

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not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord.* In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the given of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

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*Landlord will notify Tenant within 60 days after the loss of Landlord's decision to rebuild or terminate the lease.

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(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof. *

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any panelings, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking of appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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* Similarly in the event the damage resulting from any casualty covered under this section 18 occurs during the last 12 twelve nonths of the term of this lease Tenant may cancel this lease by giving Landlord 60 days prior written notice of his intent.

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(c) No taking of any part of the parking area adjacent to the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

20. LIENS.

Tenant shall keep the Premises and any center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

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(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) the worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonably been avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of U.S. Federal Reserve Bank (Prime Rate) at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such

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thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any Mortgagees and/or Trust Deed Holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such Mortgagees and/or Trust Deed Holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagees and/or Trust Deed Holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any Mortgagee and/or Trust Deed Holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person. Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18; of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration or termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to

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retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained and shall be voidable and, at Landlord's election, shall constitute a default under this Lease. Landlords consent under provisions of this paragraph will not be unreasonable withheld.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumber. Landlord shall not be obligated to consent to the proposed assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

~~(c) Fees for Review. In the event that Tenant shall apply for assignment, sublease or encumbrance under this Article~~,

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~~Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorneys' fees incurred by Landlord in connection with such review.~~

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

~~(e) Landlord's option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.~~

28. INVOLUNTARY ASSIGNMENT.

No interest of tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on this Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale

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and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION.

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any Mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge any uncurred defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as maybe represented by Landlord, (ii) that there are no uncurred defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of

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tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by Landlord in confidence and shall be used only for the purposes herein set forth.

32. SUBSTITUTED PREMISES.

~~Landlord reserves the right, upon not less than thirty (30)~~ days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of ~~leaseable square foot in the Premises before substitution~~.

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Building, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations and the violation of any of them shall prevail. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any of said rules and regulations.

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37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment of sums due under this paragraph as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly given designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct or Landlord, including, without limitation, the acceptance of the keys to the Premises, shall

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constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by

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Landlord at any tim or from time to time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of constructing and /or operating commercial buildings, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extend permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as thought the words importing such covenants and conditions were used in each separate hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation

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represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-law of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the lease premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the lease premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:	TENANT:
Golding & Company	
By: Charles Golding, Jr.	By: Earl Cleaveland
Chris B. Barnett	
ADDRESS:	ADDRESS:
3055 South Academy Blvd.	1321 South Academy Blvd.
Colorado Springs, CO 80916	Colorado Springs, CO 80916

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

INITIAL

GL-100732

ADDENDUM TO LEASE

This Addendum, made and entered into this 4th day of February, 1985 by and between GOLDING & COMPANY (hereinafter "Landlord"), and Earl Cleveland, (hereinafter "Tenant"), and executed concurrent with Lease between the same parties.

The parties agree to the following clarifications, amendments, and agreements as a part of the Lease:

1) During Phase I of the development comprised of building's 3,4, & 5 Tenant's ratio of common area maintenance shall be 1,197/106,123 or 1.12. As more buildings are added to the development the denominator shall increase commensurately by the area of the additional buildings, therefore tenants share will decrease commensurately.

2) Landlord hereby assures Tenant that the operating hours of said business of the sole decesion of the Tenant. Also Tenant shall not be forced to join a Merchant's Association.

LANDLORD- Charles Golding, Jr.

Landlord
Golding & Company

BY: _____ Date: 3-9-85
Chris B. Barnett

Tenant

_____ Date: 3-9-85

BY: _____
Earl Cleveland

INITIAL _____

GL-100733

EXHIBIT A

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * Sixteen Thousand, One Hundred Fifty-Nine and 50/100 ($ 16,159.50) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * One Thousand, Three Hundred Forty-Six and 62/100 ($ 1,346.62) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

* $13.50/sq.ft. per year

~~RENT ADJUSTMENT: Beginning in _____ and each and every subsequent~~ year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall ~~not be less than that provided in paragraph 2 hereof in any event~~.

Tenant _____

Landlord _____

GL-100734

EXHIBIT B

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * Seventeen Thousand, Three Hundred Fifty-Six and 50/100 ($ 17,356.50) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * One Thousand, Four Hundred Forty-Six and 37/100 ($ 1,446.37) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

* $14.50/sq.ft. per year

~~RENT ADJUSTMENT. Beginning in _____ and each and every subsequent~~ year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall ~~not be less than that provided in paragraph 3 of this Agreement~~.

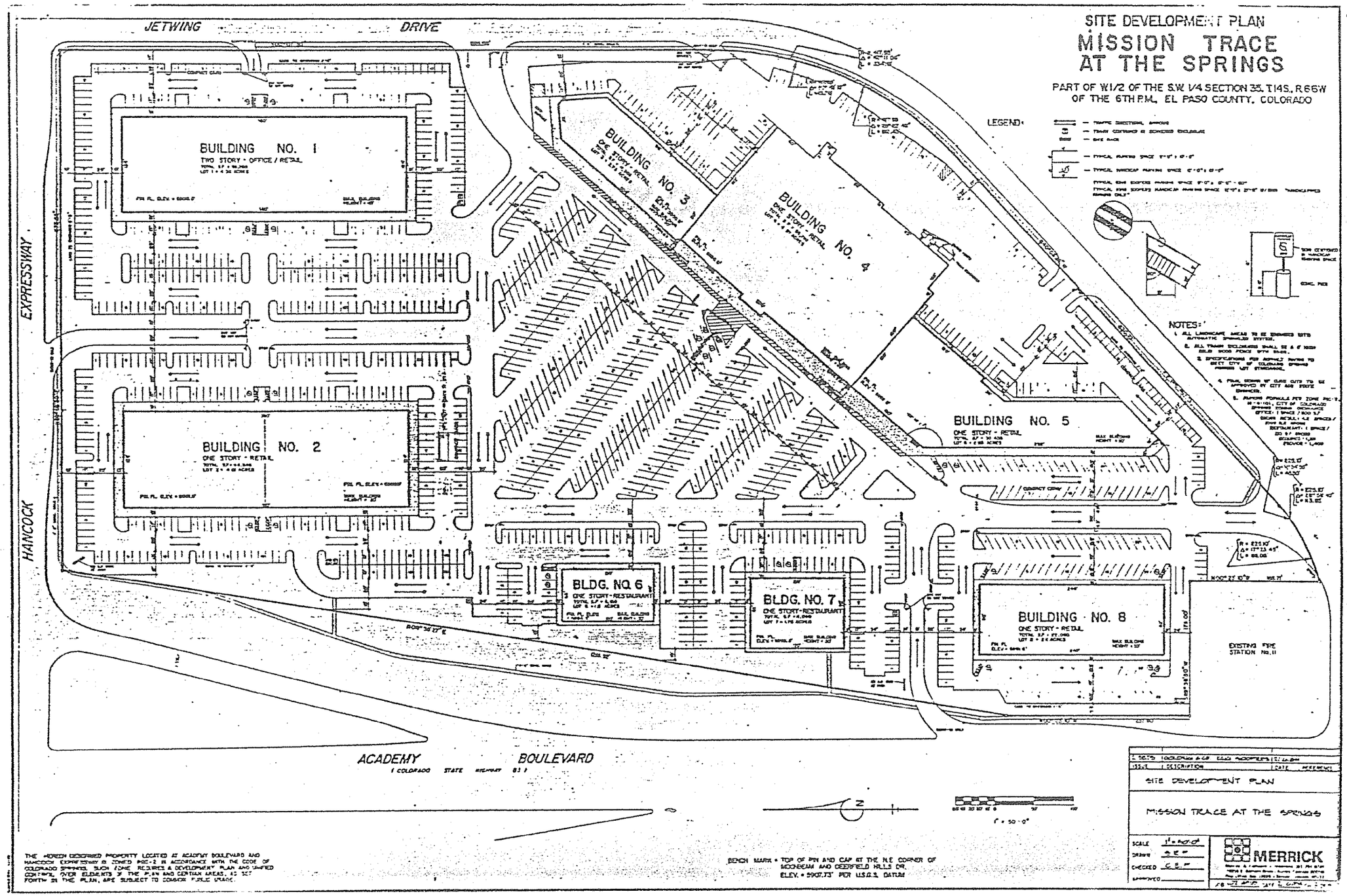
Tenant _____

Landlord _____

GL-100735

EXHIBIT C

DESCRIPTION OF DEMISED PREMISES



NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

INITIAL _____

GL-100736

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

INITIAL

30

DEVELOPERS STIPULATIONS

This project is a retail, restaurant, office and health club complex consisting of four (4) single-story retail buildings, two (2) single-story restaurant buildings, one (1) retail building (King Soopers), and (1) two-story retail/office building.

PERMITTED USES

1. This tract is designed to specifically allow for the following uses
   a. Post offices and general offices.
   b. Service establishments such as barber shops, beauty parlors, watch repair, jewelry, tailors, and etc.
   c. Private nursery/child care facilities.
   d. Community buildings, galleries, museums, concerts and art galleries.
   e. Art, photographic, dance, music, radio and television studios.
   f. Stores for retail trade, including women, except:
      1. New or used motor vehicle or trailer sales, repair and/or lots and trailer trailer parks.
      2. Feed and feed stores.
      3. Lumber yards.
   g. Assembly or convention halls, theaters, bowling alleys, pool/billiard parlors, separation halls (no live entertainment), tennis courts, swimming pools, racquet ball courts, gymnasium, massage parlors, health halls and health studios.
   h. Banks, savings and loan associations with drive-thru facilities.
   i. Restaurant drive-in facilities allowed wherever use is necessary to promote "at-desk" banking.
2. Parking shall be provided in the following ratios

Restaurant uses	-	1 space per 150 GFA
Retail uses	-	4.5 spaces per 1,000 GFA
Office Uses	-	1 space per 400 GFA
Health Club uses	-	2.5 spaces per 1,000 GFA

3. Building Height shall be limited to 45', including rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveways. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows

25 feet from PBC District boundary.

50 feet from planned street (buildings No. 6 and 7 setbacks approved due to additional parking).

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the elements for the Planned Development. External materials may be wood, brick, tile, stucco, stone, precast concrete and glass. Colors shall be limited to white with other complementary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of the Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are discovered during construction. Non-evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new trees shall be in 5 gallon containers. Landscaping shall also include the use of drought systems.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportionate exposure for all tenants. Further signs shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.
2. Permitted Contents: Identification by letter, numerical, symbol or image of a logo when stating the name, services offered or products located upon the premises.
3. Wall Signs/ Fascia Signs
   a. Location: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 2'-0" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be closer than 6" from the top or the bottom of the panel upon which it is located.
   b. Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the sign of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings (or corner stores) shall be limited to area not to exceed 1.50 s.f. times the length and shall meet Section 16-8-102.E of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 6 (King Soopers) shall be permitted two (2) 8'-0" ht. x 12'-0" wide signs of their standard design.
   c. Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.
4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd, and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

All new utilities located on the property shall be located underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking aisle shall be designed to allow aisle to overlap adjacent spaces by an width of 3 feet. Adjacent driveways to parking shall be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of the development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the outer E.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assigns in conformity with the descriptions, depictions and signations of the Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the content and intent of the Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and intended to achieve residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by the development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at the site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking aisles for the safety and security of the public. All lighting shall be non-glare and directional in as not to trail over to adjacent properties. Pole height for parking lot lights shall be limited to 25 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be screened from view by the use of permanent roof screening devices in a manner complementary to the buildings. All meters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court of competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four ours ewo on Jetway Drive, two ours ewo on Lexington Drive, one ours ewo on Hancock Expressway, and one ours ewo on Academy Blvd. Utilize Highway Sec. 521. Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives onto the property as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to insure the construction of said improvements.

DRAINAGE

The store drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and store drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be enclosed in screened enclosures and shall be placed up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of the project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1976 State of Colorado Energy Conservation Performance Code for Commercial Buildings will be adequate with.

VEGETATION

The existing site contains natural and grasses. A separate landscaping program as shown on the Site Plan will replace the natural vegetation.

WILDLIFE

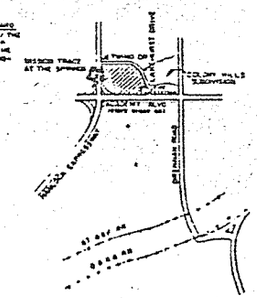
The surrounding area is either developed or in the process of being developed and either, if any, wildlife exists on the site. The development will have a minor impact on the site.

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

THE HEREON DESCRIBED PROPERTY LOCATED AT ACADEMY BOULEVARD AND HANCOCK EXPRESSWAY IS ZONED PBC / H IN ACCORDANCE W/ THE CODE OF THE CITY OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND IMPOSES CONTROL OVER ELEMENTS OF THE PLAN AND CERTAIN AREAS AS SET FORTH ON THE PLAN, AND SUBJECT TO COMMON PUBLIC USAGE



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 16.841 Acres, 1,847,373.3 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	66,648 sq. ft.	187.5
Office	26,616 sq. ft.	73.8
Total	93,264 sq. ft.	
Building No. 2 - One Story		
Retail	66,648 sq. ft.	187.5
Total	66,648 sq. ft.	
Building No. 3 - One Story		
Retail	27,264 sq. ft.	72.9
Total	27,264 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	52,231 sq. ft.	144.7
Total	52,231 sq. ft.	
Building No. 5 - One Story		
Retail	46,128 sq. ft.	127.8
Total	46,128 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,160 sq. ft.	54.4
Total	8,160 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,640 sq. ft.	77.6
Total	11,640 sq. ft.	
Building No. 8 - One Story		
Retail	25,000 sq. ft.	92.7
Total	25,000 sq. ft.	
	Required =	1,116
	Provided =	1,308

Gross Building Area = 281,284

Building Ground Coverage = 128,616 = 15.6%

Landscape Area = Excluding Easement E.O.W. = 150,993 sq. ft. = 15%

Parking Lot, Drives = 433,317 sq. ft. = 42%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest Quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE S85°52'34"E along the northerly line of said W1/2 of the SW1/4, 571.64 feet;
THENCE S00°07'26"E, 54.88 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'26"E, 833.35 feet;
THENCE along the arc of a curve to the right which has a central angle of 27°11'56", a radius of 617.35 feet and an arc distance of 244.19 feet;
THENCE S47°55'30"E, 624.73 feet to a point on the northwesterly right-of-way line of Lexington Drive, as platted in County Wide Subdivision, as recorded in Plat Book H-1, Page 77 of the records of the El Paso County;
THENCE along said northwesterly right-of-way line and along the arc of a curve to the right which has a central angle of 23°15'40", a radius of 222.10 feet and an arc distance of 112.33 feet to the southeast corner of Fire Station No. 14, as recorded in Plat Book T-2 at Page 29 of said records of El Paso County;

The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 14:

(1) THENCE N00°27'18"W, 164.71 feet;
(2) THENCE S88°38'58"W, 175.96 feet to a point on the easterly right-of-way line of Academy Boulevard as described in Book 3278 of Page 146

The following two (2) courses are along said easterly right-of-way line:

(1) THENCE N00°31'27"W, 237.20 feet;
(2) THENCE N00°31'27"W, 1218.87 feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N85°52'34"E along said southerly right-of-way line, 672.81 feet to the POINT OF BEGINNING, containing 16.841 acres, more or less.

DATE	DESCRIPTION	DATE	APPROVED

SITE PLAN - FINAL SITE DATA
MISSION TRACE AT THE SPRINGS

SCALE
DRAWN
CHECKED
APPROVED

MERRICK

EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

GL-100737

EXHIBIT "Q-3"

DESCRIPTION OF

DEMISED PREMISES

Suite Number NA

Street Address or Demised Premises

3121 N. ACADEMY BLVD

COLORADO SPRINGS

COLORADO 80916

Floor Area: 1,197 Square Feet

INITIAL

GL-100738

EXHIBIT D-1

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two, (2) copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed and installed at Tenant's expense.

All Tenant's are obligated to have a sign (corner Tenant's must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to indivisual letters mounted on an exposed 7" high and 7" deep raceway center mounted within 7 1/2" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the facia panel. (see Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inched (5") in depth. Sign Letter size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter, style will not be restricted; letter style should, however, be compatible with the design character of the Center.

Rev. 3/1/85

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed non-conforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the landlord. Tenants may not install this sign without prior consent from the Landlord.

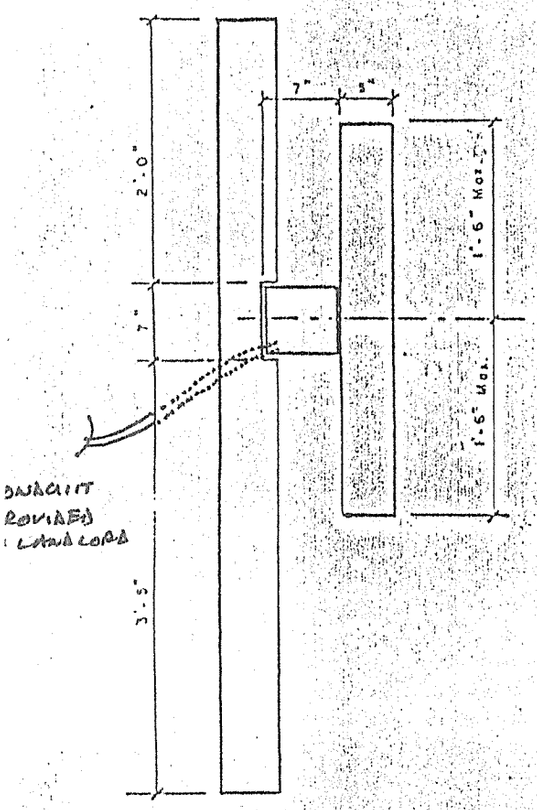
Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenants expense within 10 days after Landlords notification of same.

Rev. 3/1/85

EXHIBIT D-2

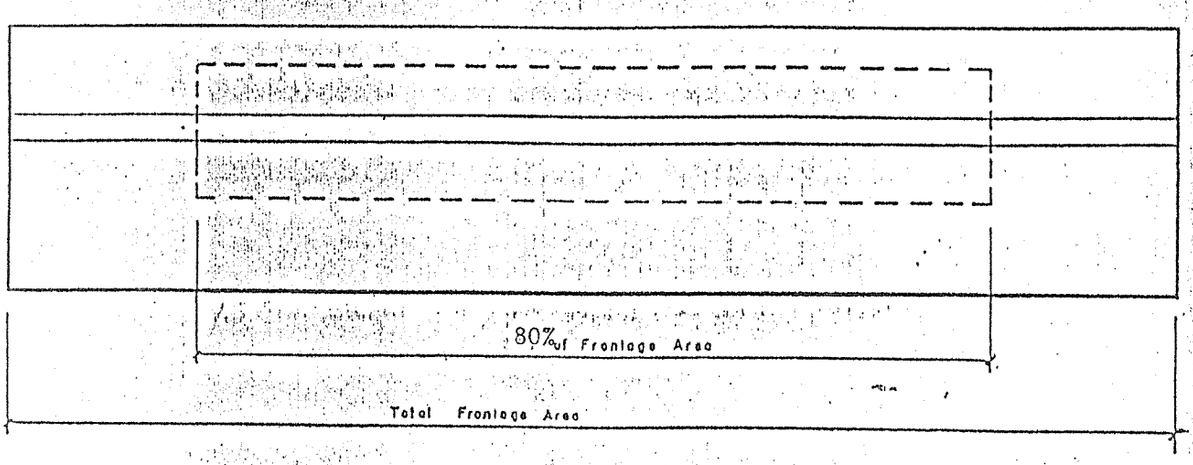
MISSION TRACE

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

EXHIBIT D-3



Tenant _____

Landlord _____

Rev. 3/1/85

GL-100741

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

INITIAL Ea

CW

GL-100742

6. The toilet rooms,wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein at the expense of any breakage, stoppage or damage resulting from the violation that this role shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will now be responsible for loss of or damage to any moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or kept any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvass any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT F

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water heater recessed in ceiling, one watercloset and one wall hung lavatory. Flooring shall be 12" x 12" VAT color as chosen by landlord. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service: one 2 x 4 (4 tube) recessed fluorescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 lineal feet of demising wall only;
**one phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grilles are included.*

7. Glass store front which includes one 3-0 x 6-8 single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense

1. Provide an adequate number of tenant construction drawings to Landlord showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three weeks of date of execution of this Lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up "into the buildings Central Signage Circuit as outlined in Exhibit B, Sign Lode."

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

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7. Any extra HVAC units or duct work, diffusers and air grilles.

8. Exterior tenant identification sign.

9. General decorating and installation of fixtures of subject space.

10. Any and all other items not mentioned in "A" above shall be paid for by tenant.

*HVAC as laid out by Golding & Co.; extra needs will be at Tenant's expense.

**Mountain Bell runs service to Building. It is the Tenant's responsibility to coordinate with the phone company of their choice to hook up and install phone system.

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EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and E & T Enterprises, therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns

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of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this ____ day of _____ 1984.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

Earlin Cleaveland

Earl Cleaveland

Address: 1545 Rockridge Rd
Colo Spgs Colo 80907

GUARANTOR NUMBER 2.

Thomas W Clyde

Thomas W. Clyde

Address: 6110 Briandiff
CSC 80907

GUARANTOR NUMBER 3.

_____

Address: _____

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EXHIBIT H

ESTIMATE OF COMMON AREA CHARGES
MISSION TRACE SHOPPING CENTER
COLORADO SPRINGS, COLORADO

Period 1/1/85-12/31/85

Taxes	$ .47
Insurance	.05
Parking Lot Sweeping	.12
Parking Lot Repairs	.05
Landscape Maintenance	.13
Parking Lot Light Repairs	.02
Parking Lot Light Utilities	.12
Water & Sewer	.09
Building Repairs	.05
Snow Removal	.08
Trash Removal	.08
Common Area Signage	.02
Miscellaneous	.09
Administrative Fee	.13
Total Estimated CAM Expense	$1.50

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#158 MISSION TRACE SHOPPING CENTER
MILITARY SALES CO. LEASE

GL-100750

Guardian Copy

STANDARD LEASE

LIBERTY MILITARY SALES, INC.,
d/b/a MILITARY SALES COMPANY

TENANT

NET LEASE

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NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 11th day of April, 19 89 by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and Liberty Military Sales Inc., d/b/a Military Sales Company hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 4,308 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for Full service television, stereo and furniture store with all related products and service.

3. TERM.

(a) The term of this Lease shall be for three (3) years commencing May 1, 1989 and ending on April 30, 1992 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights of liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Four Thousand Four Hundred Eighty-Seven and 50/100 Dollars ($ 4487.50). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

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Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of $ 4,487.50 as ~~rent for the month(s) of~~ Security Deposit transferred from previous Lease dated February 6, 1986.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

WOA ~~6. PERCENTAGE PAYMENTS AS ADDITIONAL RENT.~~ WOA

1. Percentage Rents:

a. TENANT agrees to pay OWNER as additional rent for the premises, over and above the annual base rental, a sum equal to the percentage rental rate specified Paragraph 4, below, on the amount of the annual gross sales in excess of the gross sales excluded from percentage rent as set forth in Paragraph 5, below.

b. The percentage rent shall be computed and paid within thirty (30) days after the end of the calendar year in which such gross sales were made.

c. If TENANT had possession of the premises for a fractional part of the calendar year, the total percentage rent shall be computed on the gross sales during such fractional part of said calendar year by prorating the annual gross sales excluded from percentage rent, based on the percentage of the calendar year in possession.

2. Definition of Gross Sales:

a. The term "gross sales" shall refer to the selling price of all services performed or goods, wares and merchandise sold in, upon or from any part of the premises, and shall include sales and charges for cash or credit, regardless of collections in the case of the latter, but shall exclude returns and refunds and the amount of any sales tax or excise tax or similar WOA ~~tax charged by TENANT to customers as a separate item.~~

3. Accounting and Statements of Tenant:

WOA ~~a. Accounting for these purposes shall be on a calendar year~~ WOA basis. TENANT shall keep books of account and records in which shall be entered a full, true and correct record of all gross sales. TENANT further agrees to deliver to OWNER on or before the 10th day of each month during the term hereof, sworn written statements showing total gross sales for the preceding month.

b. OWNER or its designated representative shall have the right to examine all pertinent books and records of TENANT and TENANT agrees to make same available at managing agent's address. All expenses of such examination shall be borne by OWNER, unless such examination discloses additional rental liability of two percent (2%) or more of the additional percentage rents originally due for the preceding calendar year or pro-rata part thereof, in which case the expenses of such examination, including attorney's fees, shall be borne by TENANT.

c. TENANT will, upon request of OWNER, furnish a true copy of the sales tax reports, insofar as the same are applicable to the Premises, filed by TENANT with the applicable Federal, State, County or Local taxing authorities, covering the period for which the statement of additional rent has been furnished by TENANT to OWNER.

4. The percentage which shall be applied to the gross sales for calculation of additional rent due under this provision shall be: _____ _____ (_____%).

5. The amount of gross sales which shall be excluded from the calculation purposes for determining the amount of additional rent shall be WOA _____ ($ _____).

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6. LATE CHARGES.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than one for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held.

7. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of property management fees; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and adjacent walks, malls, landscaped area, parking area, common areas and improvements and facilities thereon including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding

persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; and rental expenses and a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

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(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leasable square feet in the Center in which the Premises are located, which for this Lease is agreed to be 1.60 %.

(c) Computation. Tenant shall pay Tenant's share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonable practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, the date on which such statement is delivered to Tenant shall be herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that Tenant's share of the operating costs of the common facilities shall be $ 6,677.40 per year. Therefore, Tenant shall pay Landlord the sum of ($ 556.45) per month as the estimated cost of Tenant's share. At the Statement Delivery Date, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year is less than $ 6,677.40 , Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar year's estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

8. TAXES

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenants equipment, fixtures and other personal property located on the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

9. SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of security deposit transferred from previous Lease dated February 6, 1986 Dollars ($ 4,487.50). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payment of any other amount which Landlord may spend or incur by reason of Tenant's default or to compensate Landlord for any other loss or damage with Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material

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breach of this Lease. Landlord shall not be required to keep this security deposit separate for its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

10. COMPLETION

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

11. USE

(a) The Premises shall be used and occupied by Tenant for full service television, stereo and furniture store * and for no other purpose without prior written consent of Landlord.

*with all related products and services.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability of either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such acts), or cause a cancellation of any insurance policy covering said Center or any party thereof or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or in which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, satutes, ordinances and governmental rules, the requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules, the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

12. UTILITIES.

Utility Charges

(a) Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air conditioning, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall

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contract for the same in Tenant's own name, and shall protect Landlord and the lease premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated to furnish any utilities or services. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of the Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the water consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay Landlord promptly upon demand by Tenant and Tenant agrees to pay Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

13. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Center that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any said means or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

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Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

14. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the structural components of the Building and perform Common Area Maintenance, the components of which are identified in Article 6. (b) (2) above.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article 139a) hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls, and fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of the Tenant. Tenant shall repair, at Tenant's sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord'a reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the leased Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten (10) percent per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the premises in good order, condition and repair.

15. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is reserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the time during which it is accomplished and the requirement that upon written request of Landlord, Tenant will remove and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expense, and all movable partitions, counters, personal property, fixtures, and furniture at Tenant's expense.

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(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14 (b) above.

(d) All articles or personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

16. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities, stairways, passageways, hallways and parking areas, the use of which Tenant may have in conjunction with other tenants of the Center, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinkler, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

17. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the

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Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premise. Such insurance at all time shall be in an amount of not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less than TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

18. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

19. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or

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engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of the Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

20. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason or taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to give Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for the unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the area of the Premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area within the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

21. LIENS.

Tenant shall keep the Premises and the Center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have the right in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanic's and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

22. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) Closure or cessation of business for thirty (30) calendar days.

(c) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder within five (5) days after same has become due and payable.

(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) days period and thereafter diligently prosecute such cure to completion.

Then in any of said cases Landlord may give to Tenant a notice terminating this Lease and upon the giving of said notice of termination this Lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Section 23A.

23. RE-ENTRY BY LANDLORD.

(a) If this Lease shall terminate as provided in Paragraph 22, Landlord or Landlord's against and employees may immediately or at any time thereafter re-enter the Premises, or any part thereof, either by summary dispossess proceedings or by any suitable action or proceeding by law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any person therefrom, to the end that

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Landlord may have, hold and enjoy the Premises. The word "re-enter," as used herein, is not restricted to its technical legal meaning. If this lease is terminated under the provisions of Paragraph 22, or if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the termination of this lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the rent and any other payments due hereunder up to the time of such termination of this lease, or of such recovery of possession of the Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Section 23A.

(b) In the event of a breach or threatened breach by Tenant of any of its obligations under this lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

(c) If this Lease shall terminate under the provisions of Section 22, or if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant. Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such monies shall be credited by Landlord against any rent or other payments due hereunder from Tenant at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under Section 23A pursuant to law.

23A. **DAMAGES.**

(a) If this Lease is terminated under the provisions of Section 22, or if Landlord shall re-enter the Premises under the provisions of Section 23, or in the event of the termination of this Lease, or of re-entry by or under summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord, either:

(i) a sum which at the time of such termination of this Lease or at the time of such re-entry by Landlord, as the case may be, represents the then excess, if any, of (i) the aggregate amount of the rent and other payments due hereunder which would have been payable by Tenant for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the date contemplated as the Expiration Date of this Lease had not so terminated or if Landlord had not so re-entered the Premises, over (ii) the aggregate rental value of the Premises for the same period, or

(ii) sums equal to the rent and other payments due hereunder which would have been payable by Tenant had this Lease not been so terminated, or had Landlord not so re-entered the Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the date contemplated as the Expiration Date if this Lease had not so terminated or if Landlord had not so re-entered the Premises provided, however, that if Landlord shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this lease or in re-entering the Premises and in securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Premises for new tenants, brokers' commissions, legal fees, and all other expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such reletting may be for a period shorter or longer than the remaining term of this lease; but in no event shall Tenant entitled in any suit for the collection of damages pursuant to this subdivision to a credit in respect of any net rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be relet in combination with other space,

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then proper apportionment on a square foot basis shall be made of the rent received from such reletting and of the expenses of reletting.

If the Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Premises, or part thereof, so relet during the term of the reletting. Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises or any part thereof, or if the Premises are relet, for its failure to collect the rent under such reletting, and no such refusal or failure to relet or failure to collect rent shall release or affect Tenant's liability for damages or otherwise under this lease.

23B. **SUIT FOR RECOVERY.**

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of Section 22, or under any provision of law, or had Landlord not re-entered the Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as damages by reason of the termination of this Lease or re-entry on the Premises for the default of Tenant under this Lease an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 23A.

23C. **LANDLORD'S LIEN ON PERSONALITY.**

In addition to any statutory landlord's lien, Landlord is hereby granted a valid security interest to secure payment of all rent and other payments becoming due hereunder and to secure payment of any loss or damage which Landlord may sustain because of any default in the performance of any provisions of this Lease to be kept, the performance of any provisions of this Lease to be kept, performed or observed by Tenant, upon all of Tenant's property and any other personal property of Tenant which may now or hereafter be installed or placed in the Premises and all proceeds thereof. The property subject to such security interest shall not be removed from the Premises without Landlord's consent so long as there shall be any default in the payment of rent or other payments due hereunder or in the performance of any provisions of this Lease which are to be kept, performed or observed by Tenant. If Tenant shall be in default in the performance of any of the provisions of this Lease to be kept, performed or observed by Tenant beyond the applicable grace period, if any, Landlord may, in addition to any other rights or remedies provided in this Lease or by law (including, without limitation, Landlord's statutory lien for rent), enter upon the Premises and take possession of Tenant's property and any other personal property of Tenant installed or placed in the Premises, without liability for trespass or conversion and sell the same at public or private sale. Upon request by Landlord, Tenant shall execute and deliver to Landlord any financing statement required to perfect the security interest of Landlord in the property subject to such security interest and the proceeds thereof. Landlord is hereby authorized to execute any such statement on behalf of Tenant.

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~~and for the account of Tenant. In the event any such relatting occurs, this~~ Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specififed in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of The Federal Reserve Bank in Denver at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals to be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any mortgagees and/or trust deed holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any mortgagee and/or trust deed holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure, in which event this Lease shall not be terminated while such remedies are being so pursued.

(e) In addition to the remedies set forth hereinabove, Landlord expressly reserves such additional rights or remedies as may be available at ~~law or equity.~~

24. COST OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the

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Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgement.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under of using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgement rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

25. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18 of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration of termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

26. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases of subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenacies.

27. TRANSFER OF LANDLORD'S LEASE.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations of and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

28. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof,

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without the prior written consent of Landlord, which will not be unreasonably withheld.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumbrance assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for an assignment, sublease or encumbrance under this Article, Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of any attorney to review said application, all attorney's fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord'a option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

29. INVOLUNTARY ASSIGNMENT.

No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered in involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit or creditors;

(b) If a writ of attachment or execution is levied on the Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

30. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the poser of sale under any mortgage or deed or trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchase upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

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31. SUBORDINATION

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any first mortgages or deeds or trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of it's first mortgage, first deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such first mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

32. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenants knowledge any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of Tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be used only for the purposes herein set forth.

33. SUBSTITUTED PREMISES.

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of leasable square feet in the Premises before substitution.

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34. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this lease shall not be recorded by Tenant.

35. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

36. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgement of any court of by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable monthly in an amount equal to 200% of the monthly rent payable during the last month of the lease term, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

37. RULES AND REGULATIONS.

The Rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Center, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Center of any of said rules and regulations.

38. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy for payment of sums due under this paragraph the same remedies as in the case of default by Tenant in the payment of the rent.

39. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationary or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reseves the right at any time to change said name without in any manner being liable to Tenant therefore.

40. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States Mail, duly registered or certified with

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postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may be written notice similarly give designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

41. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

42. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

43. MISCELLANEOUS.

(a) MERCHANT'S ASSOCIATION/PROMOTIONAL FUND. In the event that the Development has either a Merchant's Association or a Promotional Fund for the promotion of the Development and the businesses located in the Development, TENANT agrees to pay dues to the Promotional Fund in the amount of _____ * Dollars (_____) per month and to participate in the promotional activities it sponsors. Said dues shall be subject to adjustments, approved by the owner and/or the Board of the Promotional Fund/Association, increasing the dues to the extent required by increases in the costs of promotion, public relations, advertising and other services. In the event that the Development does not, as of the date of execution of this lease, have such an Association/Fund, but in the future the owner elects to establish such an Association/Fund, TENANT agrees to subscribe to and participate faithfully in such Association/Fund.

*amount to be determined at such time fund is established.

(b) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes

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effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(c) No partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(d) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(e) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Center the parking facilities of the Center, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of construction and/or operating commercial building, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropropriate for the parking areas.

(e) CAPTIONS AND ATTACHMENTS.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

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(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

(k) Tenant acknowledges that the Center and the premises occupied by Tenant hereunder are subject to easements and benefits, burdens, and certain Declarations of Restrictions as set forth in certain declarations of covenants, conditions and restrictions for Mission Trace at the Springs, entered into by and between Charles Golding Jr., and Dillon Real Estate Co., Inc. of Kansas, recorded in Book 3893 at Page 1222 in the Records of El Paso County, State of Colorado, Tenant further acknowledges that Landlord is the owner of only a portion of the Center, which portion is described in Exhibit C-4 hereto.

44. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease Premises any sign, awning or canopy, or advertising matter or other thing of lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the Premises. Signs shall be in strict accordance with Exhibit B.

45. INCORPORATION OR PRIOR AGREEMENTS: AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:

The Guardian Life Insurance Company of America

By: _____

ADDRESS:

201 Park Avenue South

New York, New York 10014

TENANT:

By: _____ V P
Liberty Military Sales, Inc.,
d/b/a Military Sales Company

By: _____

By: _____

ADDRESS:

10550 Rockley Road

Houston, Texas 77099

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

ADDENDUM TO LEASE

This Addendum, made and entered into this 11th day of April, 198 9 by and between THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA (hereinafter "Landlord"), and Liberty Military Sales, Inc., d/b/a Military Sales Company (hereinafter "Tenant"), and executed concurrent with the same parties.

The parties agree to the following amendments and agreements as part of the Lease:

No changes to the body of the Lease.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: _____ DATE: _____

TENANT:

_____

By: _____ DATE: _____

By: _____ DATE: _____

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EXHIBIT "A"

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire April 30, 1994 (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * ($) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *

_____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

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EXHIBIT "B"

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for additional term of three (3) years to commence concurrently with the expiration of the term thereof and expire April 30, 1998 (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of the Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will excalate to * _____ ($ _____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * _____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

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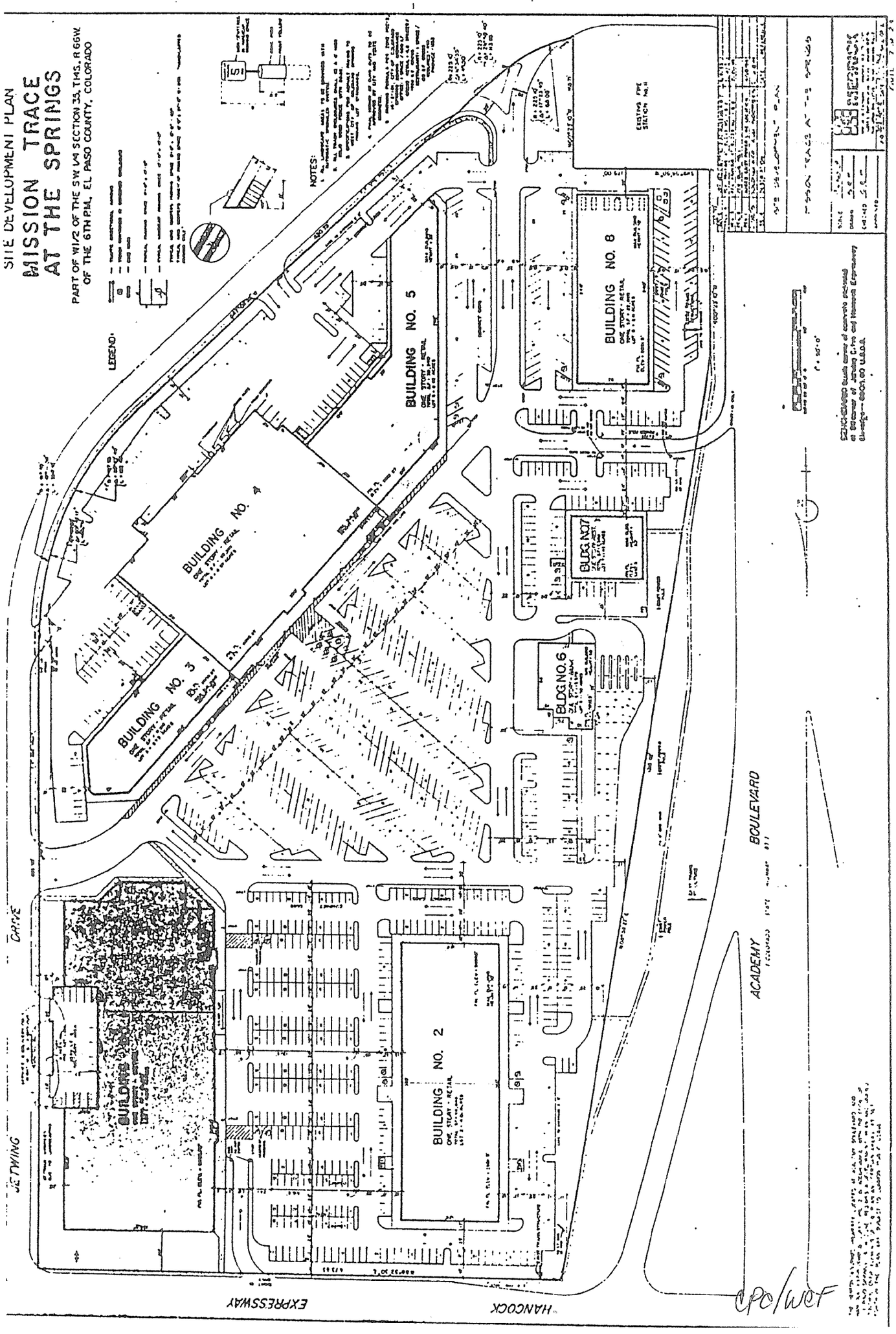
GL-100778

EXHIBIT "C-1"

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.



CPC/WCF

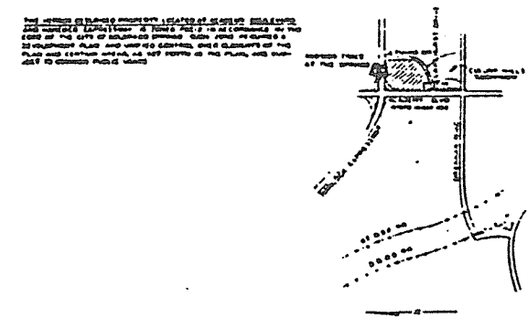
EXHIBIT "C-2"

DESCRIPTION OF DEMISED PREMISES

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 34.000 acres, 1,007,200.0 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	44,640 sq. ft.	107.5
Office	51,840 sq. ft.	72.0
Total	80,200 sq. ft.	
Building No. 2 - One Story		
Retail	44,640 sq. ft.	107.3
Total	44,640 sq. ft.	
Building No. 3 - One Story		
Retail	17,200 sq. ft.	72.0
Total	17,200 sq. ft.	
Building No. 4 - Fast Supports - One Story		
Retail	10,250 sq. ft.	204.7
Total	10,250 sq. ft.	
Building No. 5 - One Story		
Retail	20,420 sq. ft.	117.0
Total	20,420 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,100 sq. ft.	30.0
Total	8,100 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,000 sq. ft.	73.0
Total	11,000 sq. ft.	
Building No. 8 - One Story		
Retail	12,000 sq. ft.	40.7
Total	12,000 sq. ft.	
	Required -	1,110
	Provided -	1,000

Gross Building Area = 204,200

Building Ground Coverage = 120,000 = 12.0 %

Landscape Area - Excluding Roadway G.U.W. = 150,000 sq. ft. = 15%

Parking Lot, Drives = 650,317 sq. ft. = 60%

LEGAL DESCRIPTION

This portion of the West One-half of the Southeast Quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE N00°52'30"E along the northerly line of said W1/2 of the SW1/4, 923.04 feet;
THENCE S00°07'30"E, 50.00 feet to a point on the southerly right-of-way line of Hanover Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'30"E, 200.30 feet;
THENCE along the arc of a curve to the right which has a central angle of 07°15'00", a radius of 117.00 feet and an arc distance of 144.19 feet;
THENCE S00°52'30"W, 600.75 feet to a point on the northeasterly right-of-way line of Lakeshore Drive, as platted in Colony Ship Subdivision, as recorded in Plat Book W-2, Page 77 of the records of said El Paso County;
THENCE along said northeasterly right-of-way line and along the arc of a curve to the right which has a central angle of 10°30'00", a radius of 115.00 feet and an arc distance of 113.00 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book V-2 at Page 20 of said records of El Paso County;

The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11:

(1) THENCE N00°37'10"W, 100.75 feet;
(2) THENCE S00°30'30"W, 115.00 feet to a point on the easterly right-of-way line of Academy Boulevard as described in Book 3378 at Page 100;

(The following two (2) courses are along said easterly right-of-way line:

(1) THENCE N00°37'10"W, 237.00 feet;
(2) THENCE N00°38'37"E, 1110.00 feet to a point on the southerly right-of-way line of Hanover Expressway;

THENCE N00°52'30"E along said southerly right-of-way line, 673.00 feet to the POINT OF BEGINNING, containing 34.000 acres, more or less.

SYM	DESCRIPTION	DATE	REFERENCE

MERRICK

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

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GL-100780

EXHIBIT "C-3"

DESCRIPTION OF DEMISED PREMISES

Suite Number 3265

Street Address or Demised Premises

Mission Trace Shopping Center

3265 South Academy Blvd.

Colorado springs, Colorado

Floor Area: 4,308 Square Feet

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GL-100781

EXHIBIT "C-4"

PROPERTY DESCRIPTION

Lots 1, 2, 3, 5 and 8, Block 1 Mission Trace at the Springs Filing No. 2, according to the plat record on August 26, 1985 in Plat Book Z3 at Page 8, in the Records of El Paso County, Colorado.

Together with non-exclusive easements, including but not limited to, passage and parking of vehicles, pedestrian traffic and acces easements as covered in Declaration of Covenants, Conditions and Restrictions for Mission Trace Shopping Center recorded July 12, 1984, in Book 3893 at Page 1221.

CPC/WCF

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specification. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed and installed at Tenant's expense.

All Tenants are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Landlord's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 8" deep raceway center mounted within 7 ½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the fascia panel (see Exhibit D-2). The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the Center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exced 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center as determined by Landlord.

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manfacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

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Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlord's approval shall be removed at Tenant's expense within ten (10) days after Landlord's notification of same.

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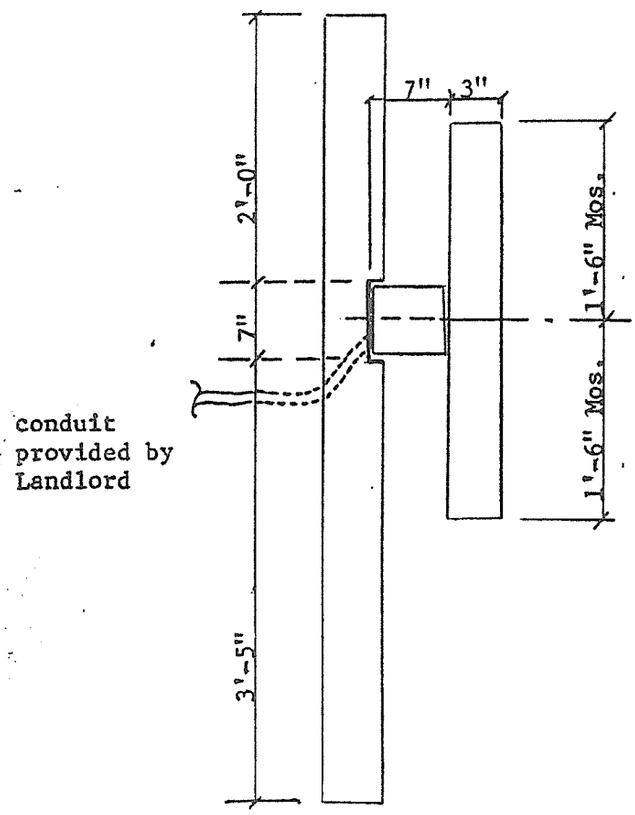
GL-100784

EXHIBIT "D-2"

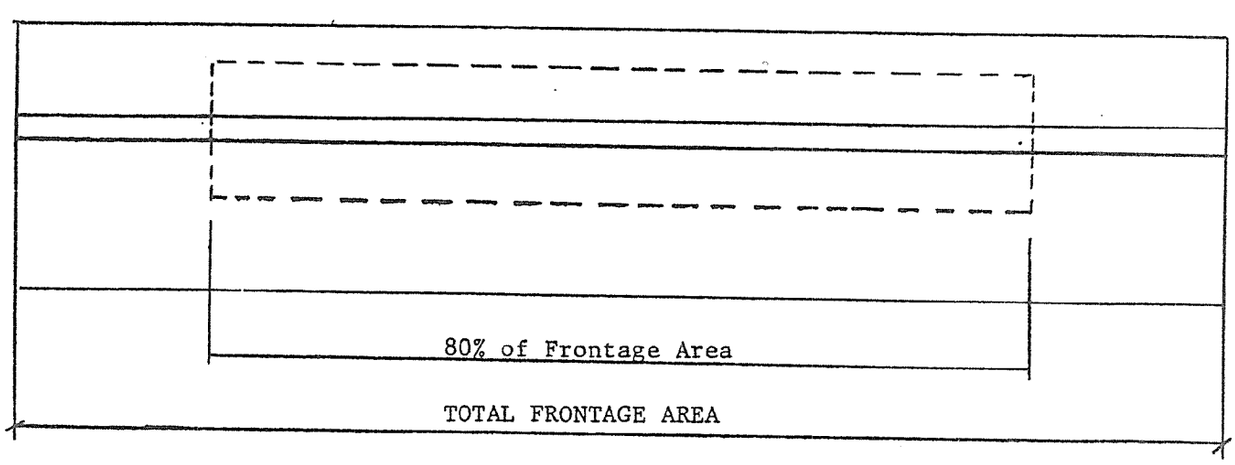
MISSION TRACE SIGN CRITERIA



All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with of letters to be 5".

Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163-60.

EXHIBIT "D-3"



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Revised 3/1/85

GL-100785

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

A. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had an obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudical to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

6. The toilet rooms, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

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GL-100786

16. Tenant shall not disturb or canvas any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlords.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter Premises or Center or waive any rule or regulation at any time prescribed for the Premises or Center when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 ½ BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled celing at 8' - 0" above finished floor.

4. Provide one ½ bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water heater recessed in ceiling, one water closet and one wall hung lavatory. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service; one 2 x 4 (4 tube) recessed fluorescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 linear feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3' - 0" x 6' - 8" single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense.

1. Provide an adequate number of Tenant construction drawing to Landlord showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three (3) weeks of date of execution of this Lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up into the building's Central Signage Circuit as outlined in Exhibit "D", "Sign Criteria".

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

8. Exterior Tenant Identification Sign.

9. General decorating and installation of fixtures in subject space.

10. Any an all other items not mentioned in "A". Specifications and Improvements by Landlord at Landlord's Expense" above shall be paid for by Tenant.

*HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

**Mountain Bell runs service to Building. It is the Tenant's responsibility to coordinate with the phone company of their choice to hook up and install phone system.

dpc/WCF

GL-100788

EXHIBIT "G"

GUARANTEE OF LEASE

~~WHEREAS, a certain lease of even date herewith has been, or will be,~~ executed by and between The Guardian Life Insurance Company of America, a New York corporation therein and herein referred to as "Landlord," and _____, therein referred to as "Tenant", covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the libility of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorney's fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease agains the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be ~~executed this _____ day of _____, 19___.~~

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GL-100789

~~If Guarantor shall be a CORPORATION, the authorized officers must sign~~ on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

~~GUARANTOR NUMBER 1.~~

_____

Address: _____

_____

GUARANTOR NUMBER 2.

_____

Address: _____

_____

GUARANTOR NUMBER 3.

_____

Address: _____

CPC/WCF

Name of
Tenant LIBERTY MILITARY SALES INC.
dba: MILITARY SALES CO.

NET LEASE

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INITIAL _____

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GL-100792

NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 6th day of February 1986 by and between GOLDING & COMPANY hereinafter "Landlord" and Liberty Military Sales, Inc. dba: Military Sales Co. hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit A attached hereto containing approximately 4,308 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, and more particularly described as Mission Trace at the Springs. Tenant shall have the right to use the lease premises only for a full service television, stereo and furniture store, with all related products and services.

3. TERM.

(a) The terms of this Lease shall be for three (3) years commencing June 1, 1986 and ending on May 31, 1989 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease of the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

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4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Four Thousand, Four Hundred Eighty-Seven & 50¢ Dollars ($ 4,487.50). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of $4,487.50 as rent for the month(s) of June 1986.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may substract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

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(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are not customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses. JE

(2) All reasonable costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and the adjacent walks, malls, landscaped areas, parking areas, common areas and improvements and facilities thereon, including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; costs reasonably incurred by Lessor for management of the Center but not in excess of center management charges which would be incurred if a professional management firm were employed; and rental expenses or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leaseable square feet in the Center in which the Premises are located, which for this Lease is agreed to be 2.49 %.

(c) Computation. Tenant shall pay Tenant's Share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonably practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, and Tenant is herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that tenants share of the operating costs of the common facilities shall be $ 6,462.00 per year. ~~Therefore, tenant shall pay Landlord the sum of~~

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~~per year.~~ Therefore, tenant shall pay Landlord the sum of $ 538.50 per month as the estimated cost of Tenant's share. At the end of each calendar year, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $ 6,462.00, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $ 6,462.00, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar years estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date. *

(3) If this Lease expires prior to the Statement Delivery Date of the last calendar year of the term of this Lease, Tenant hereby agrees to pay within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES.

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenant's equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

8. SECURITY DEPOSIT.

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of Four Thousand, Four Hundred Eighty-Seven and 50/100---------- dollars ($ 4,487.50). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payable of any other amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant

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~~* Notwithstanding the foregoing, the Common Area Maintenance Expense shall not be increased from one calendar year to the next by an amount in excess of the percentage increase in the Consumer Price Index for the prior year.~~

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shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

10. USE.

(a) The Premises shall be used and occupied by Tenant for * and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability or either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition, subject to certain punchlist items and latent defects.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such or acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, not shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be

* a full service television, stereo and furniture store, with all related products and services associated

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used for any unlawful or objectionable purpose, not shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges.

Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air condition, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Lessor and the leased premises from any such charges. Tenant shall pay Landlord for any utilities of services furnished by Landlord, but Landlord shall not be obligated fo furnish any utilities or services, pursuant to Article 6b. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charges for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

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12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Building that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means or otherwise, shall not under any circumstances by construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby; *

~~Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section~~.

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises, pursuant to Article 6b.

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* provided, however, in the event Tenant cannot occupy the Premises for a period of 5 consecutive business days, Tenant shall thereafter be entitled to an abatement in rent until such time as Tenant is able to re-occupy the Premises.

(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article II hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls and floors, all doors, interior windows, all plumbing pipes, fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of Tenant. Tenant shall repair, at tenants sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the leased Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partition or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the lease Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performning any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligation as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair.

14. <u>ALTERATIONS AND ADDITIONS.</u>

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord * Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is rerserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its reasonable discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the times during which it is accomplished and the requirement that upon written request of Landlord prior to 30

* which consent shall not be unreasonably withheld.

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days following the expiration or earlier termination of the Lease, Tenant will remove any and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expenses, and all movable partitions, counters, personal property, equipment, fixtures and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14(b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

the common areas, including (

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities", stairways, passageways, hallways and parking areas), the use of which Tenant may have in conjunction with other tenants of the Building, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same by Tenant, its agents, contractors, or employees. ~~or invitees.~~ Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

~~Tenant, as material part of the consideration to~~ Landlord, hereby assumes all risk of damage ~~to property~~ or injury to persons in, upon or ~~about the~~ Premises from any cause and Tenant ~~hereby waives~~ all claims in respect thereof against ~~Landlord~~.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other

Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, unless occassioned by the negligence or intentional acts of Landlord or latent defects in the building or common areas.

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sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less the ONE MILLION DOLLARS ($1,000,000) for injury to persons in one accident, not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less then TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is

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not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the given of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

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(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any panelings, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking of appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area adjacent to the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder. *

20. LIENS.

Tenant shall keep the Premises and any center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, ~~as and when due~~ within 5 days of the date upon which payment is due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

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* Notwithstanding the foregoing, in the event of any partial or complete taking of the parking area, Landlord shall provide Tenant with adequate substitute parking.

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(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal ~~and~~ property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) the worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonably been avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in this sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of U.S. Federal Reserve Bank (Prime Rate) at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such

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thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any Mortgagees and/or Trust Deed Holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such Mortgagees and/or Trust Deed Holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagees and/or Trust Deed Holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any Mortgagee and/or Trust Deed Holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation; *

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18; of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration or termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to

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* provided, however, in the event any final judgment is rendered against Landord in which Landlord is held to be liable to any third party, Tenant shall not be liable for the costs and expenses of Landlord.

retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord which consent shall not be unreasonable withheld and any attempt to do so without such consent being first had and obtained and shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumber. Landlord shall not be obligated to consent to the proposed assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for assignment, sublease or encumbrance under this Article,

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Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorneys' fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer. Notwithstanding the foregoing, in the event that the subtenant or assignee of Tenant is of the same or greater financial strength of Tenant, Tenant shall have the right to be released from this Lease.

(e) Landlord's Option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

28. INVOLUNTARY ASSIGNMENT.

No interest of tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on this Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale

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and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION.

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any Mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge any uncurred defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as maybe represented by Landlord, (ii) that there are no uncurred defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of

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tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by Landlord in confidence and shall be used only for the purposes herein set forth.

32. SUBSTITUTED PREMISES.

~~Landlord reserves the right, upon not less than thirty (30)~~ days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of ~~leaseable square feet in the Premises before substitution~~.

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease ~~and upon recognizing purchaser as Landlord pursuant hereto~~, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Building, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations and the violation of any of them shall prevail. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any of said rules and regulations.

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37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment of sums due under this paragraph as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly given designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall

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constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

~~Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease~~.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by

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Landlord at any timeor from time to time during the term hereof. DRE CWS

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; * to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of constructing and /or operating commercial buildings, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas. DRE CWS

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extend permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. ~~The parties hereto~~ agree that all the provisions hereof are to be ~~construed as~~ both covenants and conditions as the ~~words~~ importing such covenants and conditions ~~were used~~ in each separate hereof; subject to any ~~provisions~~ hereof restricting assignment, ~~subletting, or~~ encumbrance by Tenant and subject to Article 26 of ~~this Lease~~, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado. DRE CWS

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation

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* (provided at all times Landlord provides Tenant with adequate parking)

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represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-law of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the lease premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the lease premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:

Golding & Company

3/11/86

ADDRESS:

3055 S. Academy Boulevard

Colorado Springs, CO 80916

TENANT:
LIBERTY MILITARY SALES, INC.
dba: Military Sales Co.
By:
Norman V. Emerson, President

ADDRESS:

10550 Rockley Road, Suite 120

Houston, Texas 77099

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

Signature Page

GL-100815

ADDENDUM TO LEASE

This Addendum, made and entered into this 6th day of February, 1986 by and between GOLDING & COMPANY (hereinafter "Landlord"), and Liberty Military Sales, Inc. dba: Military Sales, CC (hereinafter "Tenant"), and executed concurrent with Lease between the same parties.

The parties agree to the following clarifications, amendments, and agreements as a part of the Lease:

1.) During Phase I, II, III of the development, Tenant's ratio of the development shall be 4,308/172,842 or 2.49%. As more buildings are added to the development, the denominator shall increase commensurately by the area of the additional buildings.

2.) Landlord shall provide Tenant with a "turn-key" finish to Tenant's premises as per plans, provided such costs are considered normal for such usage. Landlord shall provide said plans at Landlord's expense.

3.) This lease shall be contingent upon Landlord's approval of Tenant's finances. Landlord shall have 24 hours from Tenant's signing of this lease to approve said finances. Landlord's failure to notify Tenant of same within 24 hours will constitute a removal of this contingency.

4.) Landlord hereby waives any and all contractual, statutory and constitutional landlord's liens which Landlord may have for the payment of rent against any of Tenant's property located on the Leased Premises.

Landlord 3/5/86
Golding & Company

BY: _____ Date: 3/11/86

Tenant
LIBERTY MILITARY SALES, INC. dba:
MILITARY SALES CO. Date: 2/17/86

BY: _____
Norman V. Emerson, President

INITIAL _____

GL-100816

EXHIBIT A

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to sixty-five thousand, nine hundred twelve dollars and 40/100---------- ($65,912.40) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of five thousand, four hundred ninety-two dollars and 70/100---------- ($5,492.70) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

~~*. RENT ADJUSTMENT: Beginning in June 1989 and each and every subsequent~~ year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, (the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall ~~not be less than that provided in paragraph 3.1 of this Agreement~~.

Tenant _____

Landlord _____

GL-100817

EXHIBIT B

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to eighty thousand, six hundred eighty-eight and 84/100 ($80,688.84) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of six thousand, seven hundred twenty-four and 07/100 ($6,724.07) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

~~RENT ADJUSTMENT: Beginning in _____ and each and every subsequent~~ year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, (the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall ~~not be less than that provided in paragraph 3.1 of this Agreement~~.

Tenant _____

Landlord _____

GL-100818

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

INITIAL

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T.14S., R.66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

This project is a retail, restaurant, office and health club complex consisting of four (4) single-story retail buildings, two (2) single story restaurant buildings, one (1) retail building (King Soopers), one (1) two story retail office building.

PERMITTED USES

1. The tract is designed to specifically allow for the following uses:
   - a. Post offices and general offices.
   - b. Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and etc.
   - c. Private schools/child care facilities.
   - d. Community buildings, libraries, museums, aquariums and art galleries.
   - e. Art, photographic, dance, music, radio and television studios.
   - f. Stores for retail trade, including liquor, except:
     1. New or used motor vehicle or trailer sales, repair and/or lots and travel trailer parks.
     2. Fuel and feed stores.
     3. Lumber yards.
   - g. Assembly or convention halls, theaters, skating rinks, dance halls, bowling alleys, pool/billiard parlors, exposition halls (no live animals), tennis courts, swimming pools, racquet ball courts, gymnasium, massage parlors, turkish baths and health studios.
   - h. Banks, savings and loan associations with drive-thru facilities. Restaurant (drive-in facilities allowed wherein use is secondary to principal "sit-down" dining.)

2. Parking shall be provided in the following ratios:

Restaurant uses	1 space per 150 G.F.A.
Retail uses	4.3 spaces per 1,000 G.F.A.
Office Uses	1 space per 300 GFA
Health Club uses	3.5 spaces per 1,000 GFA

3. Building height shall be limited to 45', including rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveway. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

10 feet from public street (Buildings No. 4 and 7 setbacks approved due to additional parking.

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for this Planned Development. External materials may be wood, brick, tile, stucco, block, precast concrete and glass. Colors shall be limited to white with other complimentary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of this Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are discovered during construction. New evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include sod and sprinkler system.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportional exposure for all tenants. Performance shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.

2. Permitted Contents. Identification by letter, numeral, symbol or design of a legal use stating the name, service offered or products located upon the premise.

3. Wall Signs/ Fascia Signs

   a. Locations: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 1'-6" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be closer than 6" from the top or the bottom of the panel upon which it is located.

   b. Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 s.f. times the length and shall meet Section 14-9-202:B of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 4 (King Soopers) shall be permitted two (2) 6'-0" ht. x 12'-0" wide signs of their standard design.

   Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.

4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

All new utilities located on this property shall be located underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking lots shall be designed to allow auto to overhang adjacent sidewalk by as much as 2 feet. Adjacent sidewalks to parking must be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of this development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the public R.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the depictions, descriptions and stipulations of this Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the context and intent of this Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and impacts on adjacent residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by this development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at this site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 30 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be shielded from view by the use of permanent roof screening devices in colors complimentary to the buildings. All meters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court or competent jurisdiction, such decision shall not effect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four curb cuts on Jetwing Drive, two curb cuts on Lakehurst Drive, one curb cut on Hancock Expressway, and one curb cut on Academy Blvd. (State Highway No. 83). Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives onto the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to insure the construction of said improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in screened enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

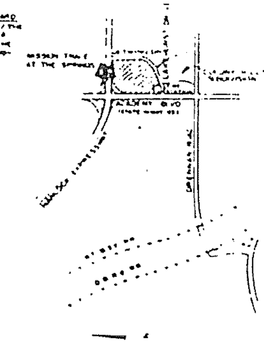
Energy conservation will be a primary requirement of the design and construction of this project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1978 State of Colorado Energy Conservation Performance Code for Nonresidential Buildings will be complied with.

VEGETATION

The existing site contains natural wild grasses. A complete landscaping program as noted on the Site Plan will replace the natural vegetation.

WILDLIFE

The surrounding area is either developed or in the process of being developed and little, if any, wildlife exists on the site. The development will have a minor impact on the site.



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 24.041 Acres, 1,047,223.0 square feet

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	44,640 sq. ft.	187.5
Office	44,640 sq. ft.	75.0
Total	89,280 sq. ft.	
Building No. 2 - One Story		
Retail	44,640 sq. ft.	187.5
Total	44,640 sq. ft.	
Building No. 3 - One Story		
Retail	17,368 sq. ft.	72.9
Total	17,368 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	58,258 sq. ft.	244.7
Total	58,258 sq. ft.	
Building No. 5 - One Story		
Retail	30,438 sq. ft.	127.8
Total	30,438 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,166 sq. ft.	54.4
Total	8,166 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,040 sq. ft.	73.6
Total	11,040 sq. ft.	
Building No. 8 - One Story		
Retail	12,080 sq. ft.	50.7
Total	12,080 sq. ft.	
	Required =	1,114
	Provided =	1,109

Gross Building Area = 261,[illegible]

Building Ground Coverage = 216,614 = 22.6%

Landscape Area - Excluding Roadway R.O.W. = 138,833 sq. ft. = 13%

Parking Lot, Drives = 655,317 sq. ft. = 63%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest One-quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE N89°52'30"E along the northerly line of said W1/2 of the SW1/4, 923.84 feet;
THENCE S00°07'30"E, 50.00 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'30"E, 835.58 feet;
THENCE along the arc of a curve to the right which has a central angle of 47°11'04", a radius of 417.95 feet and an arc distance of 344.19 feet;
THENCE S47°03'34"W, 820.73 feet to a point on the northwesterly right-of-way line of Lakehurst Drive, as platted in Colony Hills Subdivision, as recorded in Plat Book W-2, Page 77 of the records of said El Paso County;
THENCE along said northwesterly right-of-way line and along the arc of a curve to the right which has a central angle of 24°38'40", a radius of 325.10 feet and an arc distance of 113.85 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book T-2 at Page 38 of said records of El Paso County;

The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11:

1. THENCE N00°22'10"W, 168.72 feet;
2. THENCE S89°34'50"W, 175.00 feet to a point on the easterly right-of-way line of Academy Boulevard as described in deed recorded in Book 2378 at Page 169;

The following two (2) courses are along said easterly right-of-way lines:

1. THENCE N00°22'10"W, 237.00 feet;
2. THENCE N00°33'37"E, 1210.93 feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N89°52'30"E along said southerly right-of-way line, 473.83 feet to the POINT OF BEGINNING, containing 24.041 acres, more or less.

ISSUE	DESCRIPTION	DATE	REFERENCE

SCALE
DRAWN
CHECKED
APPROVED

MERRICK

EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

GL-100819

EXHIBIT "C-3"

DESCRIPTION OF

DEMISED PREMISES

Suite Number Building #8

Street Address or Demised Premises

3265 S. Academy Boulevard

Colorado Springs, CO 80916

Floor Area: 4,308 Square Feet

INITIAL

GL-100820

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed ans installed at Tenant's expense.

All Tenant's are obligated to have a sign (corner Tenant's must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 7" deep raceway center mounted within 7½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Shisper Shite with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the facia panel. (See Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occuped. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter, style will not be restricted; letter style should, however, be compatible with the design character of the Center.

INITIAL _____

GL-100821

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand n names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expence of the Tenant.

Rear and service door standardized indentification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenant's expense within ten (10) days after Landlords notification of same.

INITIAL _____

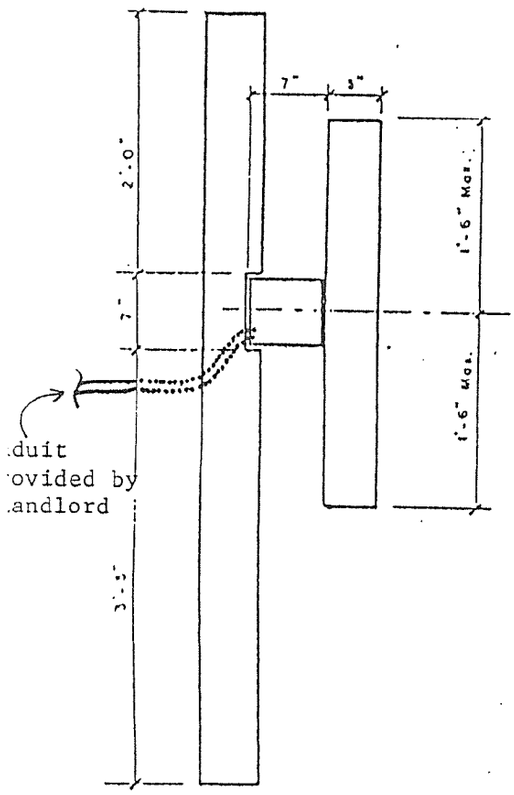
_____

GL-100822

EXHIBIT D-2

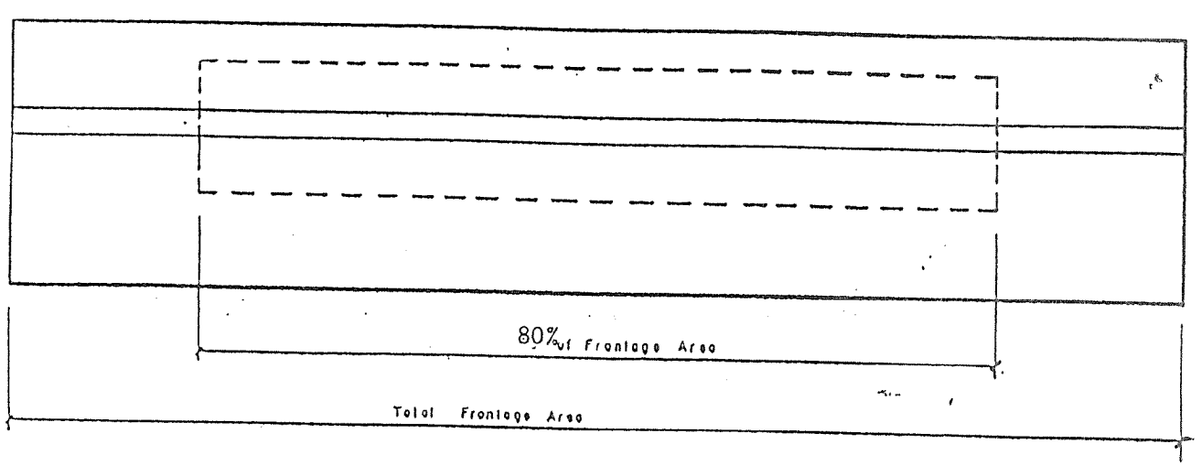
MISSION TRACE

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

EXHIBIT D-3



Tenant NE

Landlord CW

Rev. 3/1/85

GL-100823

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

INITIAL NE

GL-100824

6. The toilet rooms,wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein at the expense of any breakage, stoppage or damage resulting from the violation that this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or kept any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvass any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water equal heater recessed in ceiling, one watercloset and one wall hung lavatory. Flooring shall be 12" x 12" VAT color as chosen by Landlord. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service: one 2 x 4 (4 tube) recessed flourescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 lineal feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3-0 x 6-8 single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

B. Description of Tenant's Work at Tenant's Expense.

1. Provide an adequate number of Tenant construction drawings to Landlord showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three weeks of date of execution of this lease.

2. All wall covering whether it be paint, paper or paneling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up "into the buildings Central Signage Circuit as outlined in Exhibit D, Sign Criteria."

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

8. Exterior Tenant indentification sign.

9. General decorating and installation of fixtures of subject space.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS CONTINUED

B. Description of Tenant's Work at Tenant's Expense Continued.

10. Any and all other items not mentioned in "A. Specifications and Improvements by Landlord at Landlord's Expense" above shall be paid for by Tenant.

* HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

** Mountain Bell runs service to Building. It is the Tenant's responsiblity to coordinate with the phone company of their choice to hook up and install phone system.

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EXHIBIT "G"
GUARANTEE OF LEASE

~~WHEREAS, a certain lease of even date herewith has been, or~~ will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and Liberty Military Sales, Inc. dba: Military Sales, Co therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon ~~and inure to the benefit of the respective successors and assigns~~

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~~of the parties herein named~~.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 6th day of February 198..

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

_____

Norman O. Emerson, President
Liberty Military Sales, Inc.
Address: 10550 Rockley Road, Suite 120
Houston, Texas 77099

GUARANTOR NUMBER 2.

_____

Authorized Officer
Liberty Military Sales, Inc.
Address: 10550 Rockley Road, Suite 120
Houston, Texas 77099

GUARANTOR NUMBER 3.

_____

Address: _____

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#158 MISSION TRACE SHOPPING CENTER
BIG KIDS, LITTLE KIDS LEASE

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Name of Tenant CREATIVE PLAY CENTERS, INC.

NET LEASE

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NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 29th day of April, 19 6 by and between GOLDING & COMPANY hereinafter "Landlord" and Zan Smith Inc. dba: Creative Play Centers, Inc. hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 3,978 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, and more particularly described as Mission Trace at the Springs. Tenant shall have the right to use the lease premises only for A full service child care facility and all related activities associated with said business.

3. TERM.

(a) The terms of this Lease shall be for three (3) years commencing September 1, 1986 and ending on August 31, 1989 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease of the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

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4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Three Thousand, Four Hundred Twenty-Seven & 94¢Dollars ($ 3,427.94). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

[redacted], Tenant shall pay the Landlord the sum of $3,427.94 as rent for the month(s) of March /987.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within ~~five (5)~~ ten (10) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may substract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

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(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are not customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and the adjacent walks, malls, landscaped areas, parking areas, common areas and improvements and facilities thereon, including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; costs reasonably incurred by Lessor for management of the Center but not in excess of center management charges which would be incurred if a professional management firm were employed; and rental expenses or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leaseable square feet in the Center in which the Premises are located, which for this Lease is agreed to be 1.43%.

(c) Computation. Tenant shall pay Tenant's Share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonably practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, and Tenant is herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that tenants share of the operating costs of the common facilities shall be $ 5,967.00 per year. Therefore, tenant shall pay Landlord the sum of

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per year. Therefore, tenant shall pay Landlord the sum of $ 497.25 per month as the estimated cost of Tenant's share. At the end of each calendar year, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $ 5,967.00, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $ 5,967.00, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar years estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date.

(3) If this Lease expires prior to the Statement Delivery Date of the last calendar year of the term of this Lease, Tenant hereby agrees to pay within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES.

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenant's equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

~~8. SECURITY DEPOSIT.~~

~~Concurrently with Tenant's execution of this Lease, Tenant~~ shall deposit with Landlord the sum of _____ dollars ($ _____). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payable of any other amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any

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[redacted], deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such [redacted].

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's plans [redacted] cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and [redacted].

10. USE.

(a) The Premises shall be used and occupied by Tenant for * and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability or either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such or acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, not shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be

* A full service child care facility and all related activities associated with said business.

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used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges.

Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air condition, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Lessor and the leased premises from any such charges. Tenant shall pay Landlord for any utilities of services furnished by Landlord, but Landlord shall not be obligated fo furnish any utilities or services, pursuant to Article 6b. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charges for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

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12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Building that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means or otherwise, shall not under any circumstances by construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises, pursuant to Article 6b.

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(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article II hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls and floors, all doors, interior windows, all plumbing pipes, fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of Tenant. Tenant shall repair, at tenants sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the leased Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partition or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the lease Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performning any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligation as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair, unless Landlord does not respond in a reasonable time frame.

14. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is rerserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the times during which it is accomplished and the requirement that upon written request of Landlord prior to 30

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days following the expiration or earlier termination of the Lease, Tenant will remove any and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expenses, and all movable partitions, counters, personal property, equipment, fixtures and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14(b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities", stairways, passageways, hallways and parking areas), the use of which Tenant may have in conjunction with other tenants of the Building, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same by Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other

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sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than A~~AA~~ in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanke policies expressly afford coverage to the Premises and to Tenant as required by this Lease. At all times, insurance shall be limited to the availability of insurance caps per child care center.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less the* [redacted] for injury to persons in one accident, not less than [redacted] for injury to any one person and not less then TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is

* FOUR HUNDRED THOUSAND DOLLARS ($400,000)

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not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the given of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

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(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any panelings, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration. Landlord shall be responsible for any leaks in roof during the lease term.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking of appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area adjacent to the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

20. LIENS.

Tenant shall keep the Premises and any center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

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21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

If, because of any act or omission of Landlord, any lien, charge, or other for the payment o money shall be filed against the demised premises, Landlord shall, at its own expense, cause the same to be discharge of record or bonded within ninety (90) days after written notice fr Tenant to Landlord of the filing thereof, and Landlord shall indemnify and save Tenant again and from costs, liabilities, suits, penalties, claims and demands. If Landlord shall fail t cause such liens to be discharged or bonded within the aforesaid ninety (90) day period, or if prior to the expiration of such ninety (90) day period Tenant's quiet enjoyment of the demised premises shall be affected or threatened as a result thereof, Tenant shall have the right to cause the same to be discharged. All amounts paid by Tenant may be deducted from subsequent installments of the rent payable hereunder.

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(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) the worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonably been avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of U.S. Federal Reserve Bank (Prime Rate) at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such

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thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any Mortgagees and/or Trust Deed Holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such Mortgagees and/or Trust Deed Holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagees and/or Trust Deed Holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any Mortgagee and/or Trust Deed Holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person. Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18; of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration or termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to

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retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained and shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumber. Landlord shall not be obligated to consent to the proposed assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for assignment, sublease or encumbrance under this Article,

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Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorneys' fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord's option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

28. INVOLUNTARY ASSIGNMENT.

No interest of tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on this Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale

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and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION.

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any Mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge any uncurred defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as maybe represented by Landlord, (ii) that there are no uncurred defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of

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tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by Landlord in confidence and shall be used only for the purposes herein set forth.

[redacted]

[redacted] days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of [redacted].

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Building, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations and the violation of any of them shall prevail. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any of said rules and regulations.

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37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment of sums due under this paragraph as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly given designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct Landlord, including, without limitation, the acceptance of the keys to the Premises, shall

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constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by

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Landlord at any tim or from time to time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of constructing and /or operating commercial buildings, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extend permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as the words importing such covenants and conditions were used in each separate hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation

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represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-law of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the lease premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the lease premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:

Golding & Company

ADDRESS:

3055 S. Academy Boulevard

Colorado Springs, CO 80916

TENANT:

By: Zan Smith

Zan Smith Inc., President dba:
CREATIVE PLAY CENTERS, INC.

ADDRESS:

2590 Vickers Drive

Colorado Springs, CO 80918

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

Verdawna Sue Bruchy-Smith

Verdawna Sue Bruchy-Smith,
Secretary/Treasurer

Signature Page

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ADDENDUM TO LEASE

This Addendum, made and entered into this 29 th day of April, 1986 by and between GOLDING & COMPANY (hereinafter "Landlord"), and Zan Smith Inc. dba: Creative Play Centers, Inc. (hereinafter "Tenant"), and executed concurrent with Lease between the same parties.

The parties agree to the following clarifications, amendments, and agreements as a part of the Lease:

1.) During Phase I, II, III & IV of the development comprised of buildings 1, 2, 3, 4, 5, 7 & 8, Tenant's ratio of common area maintenance shall be 3,978/276,654 or 1.43%. As more buildings are added to the development, the denominator shall increase commensurately by the area of the additional buildings.

2.) Landlord shall grant Tenant six (6) months "free rent" from the commencement date (September 1, 1986) of this lease agreement. However, Tenant shall be responsible for all common area maintenance costs associated to said space during this "free rent" period.

3.) Landlord shall turn-key said space and playground with equipment according to attached plans. Tenant has acknowledged approval of said plans (by signature on same).

4.) Landlord shall grant Tenant one (1) panel of signage on Academy Boulevard at Tenant's expense. (Exhibit H)

5.) Landlord shall grant Tenant the right to cancel this lease agreement after Tenant has operated said facility for a period of eighteen (18) months. In the event Tenant elects to cancel said lease agreement, such decision must be submitted to Landlord in wrting one hundred twenty (120) days prior to the end of the eighteenth month. If such cancellation takes place after eighteen months of operation, Tenant shall pay Landlord Seventeen Thousand, Three Hundred Thirty-Three and 36/100 ($17,333.36) for interior finish completed by Landlord.

6.) Landlord shall pay Tenant Nine Thousand, Three Hundred Thirty-Three Dollars and 36 cents ($9,333.36) upon Commencement Date (September 1, 1986) of this lease agreement.

Landlord
Golding & Company

BY: _____ Date: 5/31/86

Tenant

Zan Smith Inc. dba: Creative Play Centers, Inc. Date: 5/2/86

BY: _____
Zan Smith, President

BY: Verdawna Sue Bruchy-Smith 5/2/86
Verdawna Sue Bruchy-Smith DATE

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EXHIBIT A

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * Forty-One Thousand, Five Hundred Thirty and 32/100 ($ 41,530.32) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * Three Thousand, Four Hundred Sixty and 86/100 ($ 3,460.86) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ~~ninety (90) days~~ 120 days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

~~* RENT ADJUSTMENT. Beginning in _____ and each and every subsequent~~ year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, (the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall ~~not be less than that provided in paragraph 3.1 of this Agreement~~.

Tenant _____

Landlord _____

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EXHIBIT B

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to

* Forty-One Thousand, Nine Hundred Twenty-Eight and 12/100

($ 41,928.12) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of

* Three Thousand, Four Hundred Ninety-Four and 01/100

($ 3,494.01) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ~~ninety (90)~~ 120 days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

~~* RENT ADJUSTMENT. Beginning in _____ and each and every subsequent year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, (the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall [illegible].~~

Tenant _____

Landlord _____

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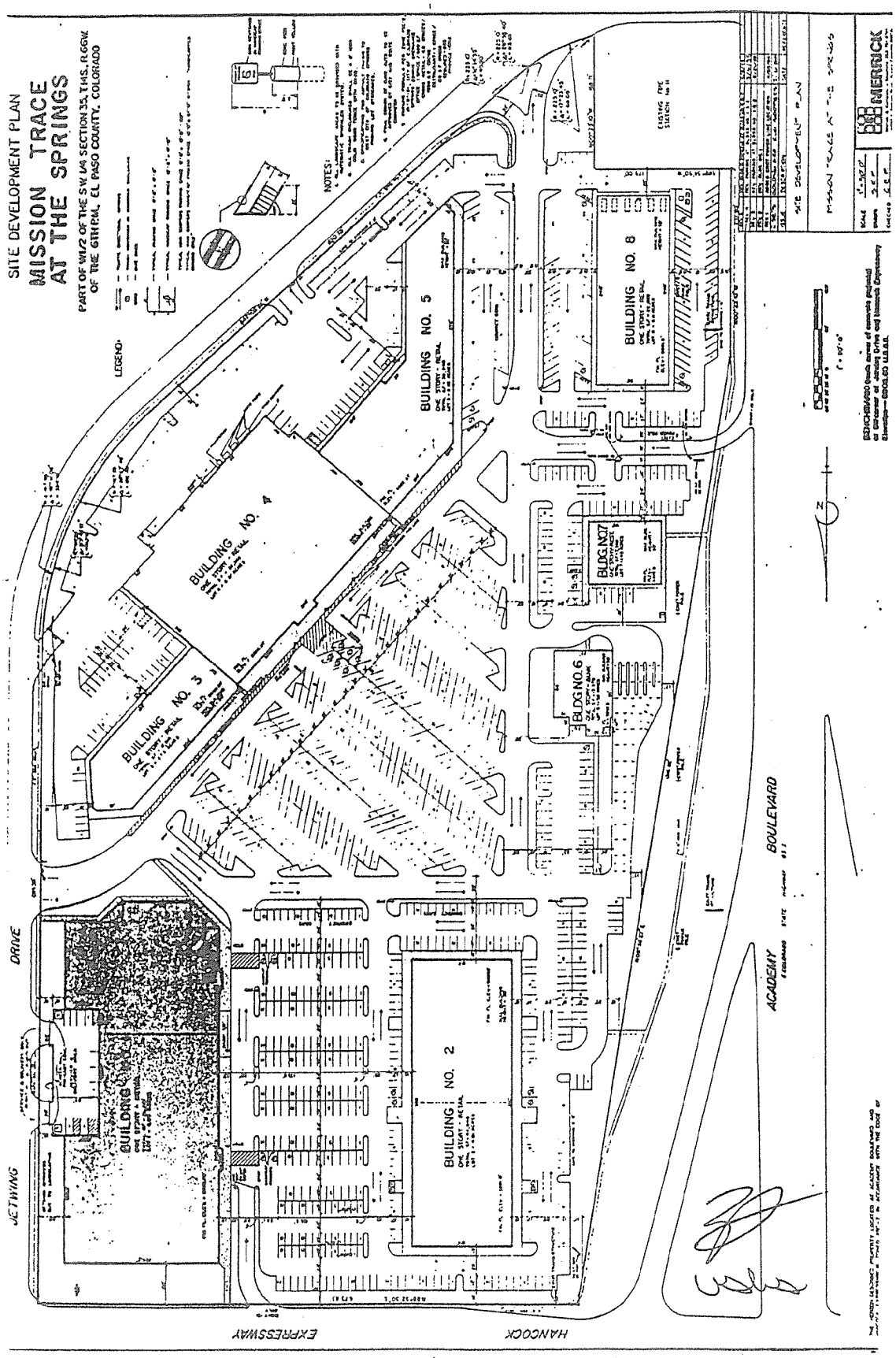
EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.



NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct th buildings in the exact place, size, or configuration set forth hereon.

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DESCRIPTIONS/DEFINITIONS

This project is a retail, restaurant, office and health club complex consisting of four (4), long primary retail buildings, two (2) single story restaurant buildings, one (1) retail building along Bogusch, one (1) two story retail/office building.

PERMITTED USES

1. The tract is designed to specifically allow for the following uses:
   - Post offices and general offices.
   - Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and dry.
   - Private school/child care facilities.
   - Community buildings, libraries, museums, auditoriums and art galleries.
   - Art, photographic, dance, music, voice and instrument studios.
   - Stores for retail trade, including food, except:
     - New or used motor vehicle or trailer sales, repair shop or lots and travel trailer parks.
     - Fuel and feed stores.
     - Lumber yards.
   - Summer or convention hotel, theaters, eating rooms, dance halls, bowling alleys, pool/billiard parlors, repair/club halls for the private, lodge, fraternal, secondary parks, racquet ball courts, gymnasium, museum parlors, bar/cocktails and health stations.
   - Banks, savings and loan associations with drive-thru facilities.
   - Restaurant/drive-in facilities allowed wherever are a necessary to provide "convenience" dining.
2. Parking shall be provided at the following ratios:

Restaurant uses	-	1 space per 100 GFA
Retail uses	-	4.5 spaces per 1,000 GFA
Offices Uses	-	1 space per 300 GFA
Health Club uses	-	3.5 spaces per 1,000 GFA

3. Building height shall be limited to 45', excluding rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into right areas, including ground coverage as represented by the gross floor area of the ground floor of each structure, the parking area including the parking stalls and circulation, the open space area including all landscape areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

10 feet from public street (Buildings No. 6 and 7 setbacks approved due to additional parking).

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for the Planned Development. External materials may be wood, brick, tile, stucco, block, ground concrete and glass. Colors shall be limited to triple one other complementary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of the Site Development Plan. Locations of specific plants may be modified a few feet if special field conditions are discovered during construction. Tree overgrown trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include and sod/sprinkler systems.

SIGNS

1. General: The purpose of the criteria is to establish minimum sign standards to ensure coordinated and proportionate signage for all tenants. Performance must be strictly enforced and any unauthorized nonconforming signs shall be removed by the lessee or by sign contractor at lessee expense.
2. Permanent Locations: Identification by letter, numeral, symbol and weight of a legal use making this lease, contract offered or products located upon the premises.
3. Sub Sign Force Sign:
   - Location: Wall mount frame mounted on building overhang. Sign shall not be mounted higher than 6'-0" above roof line when mounted on a frame panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or frame panel upon which it is mounted. Frame sign shall not be closer than 6" from the top or the bottom of the panel upon which it is located.
   - Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 85% of the store front occupied. Signs on the ends of the buildings for corner stores shall be limited in area not to exceed 1.50 s.f. times the length and shall meet Section 11-9-2010 of the Zoning Ordinance. All wall and fascia signs shall be limited to 24 inches in height. Building No. 6 (Bing Drugs) shall be permitted one (1) 6'-0" ht. x 12'-0" wide sign of their standard design.
   - Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door identification/identification sign will be provided by the landlord. Building No. 6 shall be permitted two (2) signs.
4. Free Standing Signs: Two (2) free standing signs - project and tenant identification sign shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Bogusch Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

UTILITIES

All such utilities located on the property shall be located underground or under the buildings or on the exterior of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone services shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 18 feet long and shall be paved with asphalt. Parking lots shall be designed to allow back up space for the designated parking by no more as 5 feet. Adequate maneuver for parking must be a minimum of 5 feet.

MAINTENANCE

Proper maintenance of the development shall be provided by the owner and or their successors and assigns. All maintenance areas and permanent improvements within this site and on the points 1 & 2 of exhibit be one lot, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the conditions, stipulations and signatures of the Official Development Plan and all approved amendments, exclusive of other useful requirements.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent or may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the content and intent of the Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall inure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings and the delivery and shipment on adjacent residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollutions from dust during construction will be small and temporary in duration. The amount of traffic generated by this development will not significantly increase the issues of pollution.

SOILS AND GEOLOGY

Existing soils conditions of the site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the exterior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 30 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be screened from view by the use of parapwall roof screening devices in colors complementary to the buildings. All vents and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court or competent jurisdiction, such decision shall not affect the validity or enforceability of the remaining provisions of these regulations, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four ports one on Academy Drive, two ports one on Lawrence Drive, one port out on Bogusch Expressway, and one port out on Academy Blvd. (from Highway No. 84). Internal circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide adequate drives onto the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to ensure the construction of said improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the permissibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in environmental enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of this project. Passive conservation through landscaping will be designed wherever possible to minimize energy requirements. The 1979 State of Colorado Energy Conservation Performance Code for Nonresidential Buildings will be adequate work.

VEGETATION

The existing site contains natural wild growth. A complete landscaping program is based on the Site Plan and meets the Zoning regulations.

WILDLIFE

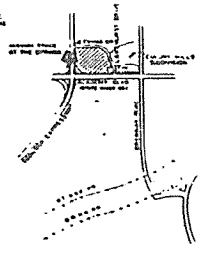
The surrounding area is earlier developed or in the process of being developed and while, if any, wildlife exists on the site. The development will have a minor impact on the site.

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

THE HEREIN DESCRIBED PROPERTY LOCATED OF BUILDING BUILDING AND SURFACE IMPROVEMENTS, IS ZONED PBC IS IN ACCORDANCE WITH THE LAWS OF THE CITY OF COLORADO SPRINGS. THIS PLAN IS PRESENTED AS DEVELOPMENT PLAN AND SHOULD CONTAIN, WHEN ELEMENTS OF THE PLAN ARE CONTINUED AND ARE NOT PARTS OF THE PLAN, AND SHOULD BE CONSIDERED PUBLIC USAGE.



SITE DATA

SITE AREA = 34.041 Acres, 1,347,331.8 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story Retail	44,640 sq. ft.	167.5
Offices	11,160 sq. ft.	37.0
Total	55,800 sq. ft.	
Building No. 2 - One Story Retail	44,640 sq. ft.	167.5
Total	44,640 sq. ft.	
Building No. 3 - One Story Retail	17,860 sq. ft.	71.5
Total	17,860 sq. ft.	
Building No. 4 (Bing Drugs) - One Story Retail	38,116 sq. ft.	266.7
Total	38,116 sq. ft.	
Building No. 5 - One Story Retail	38,436 sq. ft.	157.5
Total	38,436 sq. ft.	
Building No. 6 - One Story Restaurant	6,160 sq. ft.	34.5
Total	6,160 sq. ft.	
Building No. 7 - One Story Restaurant	11,040 sq. ft.	73.6
Total	11,040 sq. ft.	
Building No. 8 - One Story Retail	22,000 sq. ft.	41.7
Total	22,000 sq. ft.	
	Required -	1,010
	Provided -	1,009

Gross Building Area = 293,264

Building Ground Coverage = 236,816 = 17.6%

Landscape Area = Landscaping Greenway 8.0 AC. = 348,472 sq. ft. = 25%

Parking Lot, Drives = 663,215 sq. ft. = 49%

LEGAL DESCRIPTION

That portion of the West One-Half of the Southwest Quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE S00°12'20"E, along the westerly line of said W1/2 of the SW1/4, 93.24 feet;
THENCE S89°47'40"E, 60.00 feet to a point on the southerly right-of-way line of Bogusch Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S89°47'40"E, 633.34 feet;
THENCE along the arc of a curve to the right which has a central angle of 43°15'00", a radius of 417.35 feet and an arc distance of 314.19 feet;
THENCE S46°32'40"E, 616.11 feet to a point on the northwesterly right-of-way line of Lawrence Drive, as platted in Century Ridge Subdivision, as recorded in Plat Book B-2, Page 77 of the records of said El Paso County;
THENCE along said northwesterly right-of-way line and along the arc of a curve to the right which has a central angle of 14°56'40", a radius of 515.00 feet and an arc distance of 133.03 feet to the southeast corner of Tract Section No. 11, as recorded in Plat Book B-3 at Page 20 of said records of El Paso County;

The following two (2) courses are along the easterly and northerly boundary of said Tract Section No. 11:

(1) THENCE N00°12'20"W, 241.71 feet;
(2) THENCE S89°36'20"W, 133.40 feet to a point on the northerly right-of-way line of Academy Boulevard as dedicated as deed recorded at Book 5271 at Page 1131;

The following two (2) courses are along said northerly right-of-way line:

(1) THENCE N00°12'20"W, 217.00 feet;
(2) THENCE N89°36'20"E, 1114.15 feet to a point on the northerly right-of-way line of Bogusch Expressway;

THENCE N00°12'20"E along said northerly right-of-way line, 672.65 feet to the POINT OF BEGINNING, containing 34.041 acres, more or less.

SYM.	DESCRIPTION	DATE	REFERENCE
	[illegible]		

SCALE
DRAWN
CHECKED

MERRICK

EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

EXHIBIT "C-3"

DESCRIPTION OF

DEMISED PREMISES

Suite Number Building #5

Street Address or Demised Premises

3227 S. Academy Boulevard

Colorado Springs, CO 80916

Floor Area: 3,978 Square Feet

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EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed ans installed at Tenant's expense.

All Tenant's are obligated to have a sign (corner Tenant's must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 6" deep raceway center mounted within 7½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Shisper Shite with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the facia panel. (See Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The house of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occuped. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter, style will not be restricted; letter style should, however, be compatible with the design character of the Center.

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Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand n names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expence of the Tenant.

Rear and service door standardized indentification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenant's expense within ten (10) days after Landlords notification of same.

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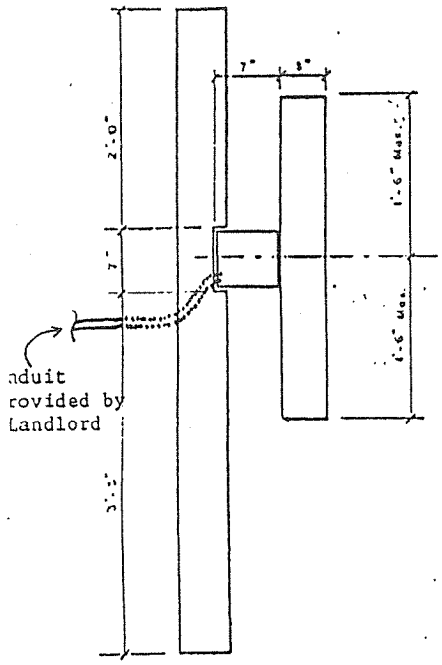
EXHIBIT D-2

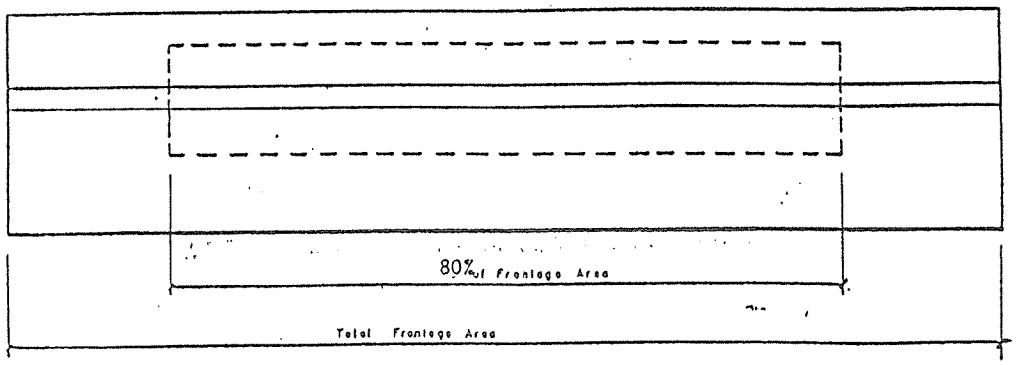
MISSION TRACE

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

EXHIBIT D-3



Tenant _____

Landlord _____

Rev. 3/1/85

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EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

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6. The toilet rooms,wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein at the expense of any breakage, stoppage or damage resulting from the violation that this role shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will now be responsible for loss of or damage to any moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or kept any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvass any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water equal heater recessed in ceiling, one watercloset and one wall hung lavatory. Flooring shall be 12" x 12" VAT color as chosen by Landlord. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service: one 2 x 4 (4 tube) recessed flourescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 lineal feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3-0 x 6-8 single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

[redacted]

[redacted] showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three weeks of date of execution of this lease.

2. All wall covering whether it be paint, paper or panelling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up "into the buildings Central Signage Circuit as outlined in Exhibit D, Sign Criteria."

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

8. Exterior Tenant indentification sign.

[redacted].

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS CONTINUED

[redacted]

* HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

** Mountain Bell runs service to Building. It is the Tenant's responsiblity to coordinate with the phone company of their choice to hook up and install phone system.

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EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and Zan Smith Inc. dba: Creative Play Centers Inc. therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns

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of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 29th day of April 1986.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

Zan Smith

Zan Smith, President

Address: 2590 Vickers
C.S. Colo 80918

GUARANTOR NUMBER 2.

Verdawna Sue Bruchy-Smith

Verdawna Sue Bruchy-Smith, Secretary/Treasurer

Address: 2590 Vickers Dr.
Colorado Springs, Co. 80918

GUARANTOR NUMBER 3.

_____

Address: _____

INITIAL _____

GL-100872

EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and Zan Smith Inc. dba: Creative Play Centers Inc. therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns

EXHIBIT
2

INITIAL

of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 29th day of April 1986.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

Zan Smith

Zan Smith, President

Address: 2590 Vickers
C.S. COLO 80918

GUARANTOR NUMBER 2.

Verdawna Sue Bruchy-Smith

Verdawna Sue Bruchy-Smith, Secretary/Treasurer

Address: 2590 Vickers Dr.
Colorado Springs, Co. 80918

GUARANTOR NUMBER 3.

_____

Address: _____

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LEASE ADDENDUM

DATED:

WHEREAS, Golding & Company, as landlord, and Zan Smith, Inc. dba: Creative Play Centers, Inc., as tenant, (hereinafter referred to as "Tenant") entered into a Lease Agreement, dated April 29, 1986, covering certain premises in Mission Trace Shopping Center, Colorado Springs, Colorado, (hereinafter referred to as the "Lease");

WHEREAS, the landlord's position under said Lease was assigned to The Guardian Life Insurance Company of America, (hereinafter referred to as "Landlord") effective as of June 5, 1986;

WHEREAS, Landlord and Tenant desire to amend said Lease;

NOW THEREFORE, in consideration of $10.00 and other good and valuable consideration each to the other in hand paid, Landlord and Tenant agree as follows:

1.) Page 1, paragraph 1 - the Tenant is changed to Zan Smith, Inc., Jerranette Miller and Larry C. Miller dba: Big Kids, Little Kids.

Except as hereinabove modified, all terms and conditions of said Lease shall remain the same.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By _____

James M. McCarthy, Asst. Vice President

TENANT:

ZAN SMITH, INC.

By _____

_____
JERRANETTE MILLER

_____
LARRY C. MILLER

ADDRESS:
201 Park Avenue South

New York, New York 10003

ADDRESS:
4117 Goldenrod Drive

Colorado Springs, CO 80907

EXHIBIT

3

EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between The Guardian Life Insurance Company of America, a New York corporation therein and herein referred to as "Landlord," and Zan Smith, Inc., Jerranette Miller and *, therein referred to as "Tenant," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

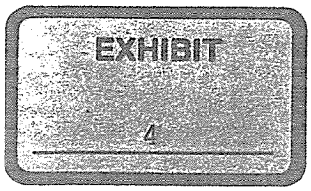
4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon

* Larry C. Miller dba: Big Kids, Little Kids



INITIALS Zan Tam

and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this ___ day of _____, 19___.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

Zan Smith

Zan Smith
Address: 2590 Vickers Drive
Colorado Springs, CO 80918

GUARANTOR NUMBER 2.

Verdawna Sue Bruchy-Smith

Verdawna Sue Bruchy-Smith
Address: 2590 Vickers Drive
Colorado Springs, CO 80918

GUARANTOR NUMBER 3.

Jerranette Miller

Jerranette Miller
Address: 4117 Goldenrod Drive
Colorado Springs, CO 80907

GUARANTOR NUMBER 4.

Larry C. Miller

Larry C. Miller
Address: 4117 Goldenrod Drive
Colorado Springs, CO 80907

GL-100877

AMENDMENT TO LEASE

DATED: February __, 1987

WHEREAS, Golding & Company, as landlord, (hereinafter referred to as "Landlord") and Zan Smith, Inc. dba: Creative Play Centers, Inc., as tenant, (hereinafter referred to as "Tenant") entered into a Lease Agreement, dated April 29, 1986, covering certain premises in Mission Trace Shopping Center, Colorado Springs, Colorado, (hereinafter referred to as the "Lease");

WHEREAS, the Landlord's position under said Lease was assigned to The Guardian Life Insurance Company of America, effective as of June 5, 1986;

WHEREAS, said Lease was amended by that certain undated Lease Addendum which changed the Tenant to Zan Smith, Inc., Jerranette Miller and Larry C. Miller dba: Big Kids, Little Kids;

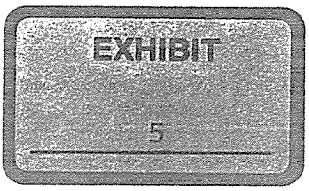
WHEREAS, Landlord and Tenant desire to further amend said Lease;

NOW THEREFORE, in consideration of $10.00 and other good and valuable consideration each to the other in hand paid, Landlord and Tenant agree as follows:

1. The monthly base rent payable by Tenant to Landlord as seth forth in paragraph 4 of the Lease is hereby changed to $1,713.97 per month for the months of March, 1987 through and including May, 1987;

   $3,427.94 per month for the months of June, 1987 through and including February, 1988; and

   $3,713.60 per month for each month commencing on March 1, 1988 and continuing to and including August 31, 1989.



2. The fee payable by Tenant upon early termination as set forth in paragraph 5 of the Addendum to Lease, dated April 29, 1986 is hereby increased from $17,333.36 to $22,475.27.

LANDLORD:
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By _____
James M. McCarthy
Assistant Vice President
Real Estate 5/8/87

TENANT:
ZAN SMITH, INC.

By _____

_____
JERRANETTE MILLER

_____
LARRY C. MILLER

ADDRESS:
201 Park Avenue South
New York, New York 10003

ADDRESS:
4117 Goldenrod Drive
Colorado Springs, CO 80907

NET LEASE TERMINATION AGREEMENT

made this ~~9th~~ 1st day of ~~January~~ February, 1989, by and between THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, a New York corporation, whose address is 201 Park Avenue South, New York, New York 10003 (the "Landlord"), and ZAN SMITH, INC., JERRANETTE MILLER and LARRY C. MILLER, d/b/a BIG KIDS, LITTLE KIDS, whose address is 3227 S. Academy Boulevard, Colorado Springs, Colorado 80916 (the "Tenant").

W I T N E S S E T H:

WHEREAS, landlord's predecessor-in-interest, Charles Golding, Jr., d/b/a/ Golding and Company, and Tenant entered into a Net Lease dated the 29th day of April, 1986, by which Landlord demised to Tenant for the period from September 1, 1986 to and including August 31, 1989, approximately 3,978 square feet of commercial space located in Building no 5, Mission Trace at the Springs Shopping Center, City of Colorado Springs, County of El Paso, State of Colorado, also known as 3227 S. Academy Boulevard, Colorado Springs, Colorado 80916 (the "premises"); and

WHEREAS, said Net Lease was modified by various Amendments dated October 8, 1986 and May 8, 1987; and

WHEREAS, Tenant has defaulted under the Lease and has requested that Landlord relet the entire premises; and

WHEREAS, Landlord has agreed to relet the premises and to terminate the Net Lease according to the terms and conditions contained herein; and

WHEREAS, Tenant has agreed to surrender and relinquish its leasehold interest in the premises according to the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Subject to a Lease being executed by and between Landlord and International Learning Centers, Inc., formerly known as Tutor Time International, Inc., on terms acceptable to Landlord and the payment of the amount of FIFTEEN THOUSAND and 00/100 ($15,000.00) DOLLARS to Landlord by ~~International Learning Centers, Inc.~~ the Net Lease, as amended, will be terminated, and, except as otherwise provided herein, Landlord shall release Tenant from any and all obligations to pay rent or other monetary obligations owed by tenant to Landlord under the Net Lease and the parties agree that the Net Lease shall be terminated, said termination release to be effective upon execution of said Lease with ~~International Learning Centers, Inc.~~ ~~and payment of said sum.~~

January 31, 1990

Tutor Time International, Inc.

EXHIBIT 6

2. Tenant hereby waives and releases any and all right, title, interest, or claim or any kind or nature heretofore and hereafter arising under or by virtue of the Net Lease and forever discharges Landlord from any and all liability arising under the Net Lease or in connection therewith.

3. All of the terms and conditions contained herein shall be binding upon and shall inure to the benefit of the parties, and their respective heirs, administrators, executors, successors and assigns.

4. The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

5. This Agreement shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, a New York corporation

By: _____
Its: WILLIAM C. FRENTZ
VICE PRESIDENT, REAL ESTATE

TENANT:

Zan Smith, Inc, President
~~Zan~~ Smith, Inc.

Jerranette M Miller
Jerranette Miller, individually, and d/b/a Big Kids, Little Kids

Larry C. Miller
Larry C. Miller, individually, and d/b/a Big Kids, Little Kids

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 25th day of ~~January~~ May, 1989, by William C. Fuentes, V.P. of The Guardian Life Insurance Company of America, a New York corporation.

Witness my hand and official seal.

Patricia Macari
Notary Public

My commisson expires:

PATRICIA MACARI
Notary Public, State of New York
No. 41-4815923 - Queens County
Term Expires January 31, 1991

(S E A L)

STATE OF COLORADO)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 3 day of ~~January~~ February, 1989, by Jerranette Miller, individually, and d/b/a Big Kids, Little Kids.

Witness my hand and official seal.

Clyde A. Elkins
Notary Public

My Commission expires: 04/07/92

(S E A L)

STATE OF COLORADO)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of January, 1989, by _____, individually, and d/b/a Big Kids, Little Kids.

Witness my hand and official seal.

_____
Notary Public

My Commission expires:

(S E A L)

STATE OF COLORADO)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 3 day of ~~January~~ February, 1989, by Lori E. Miller, individually, and d/b/a Big Kids, Little Kids.

Witness my hand and official seal.

Angela A. Elkins
Notary Public

My Commission expires: 04/07/92

(S E A L)

STATE OF COLORADO)

County of Denver)

The foregoing instrument was acknowledged before me this first day of February, 1989, by Zan Smith in his capacity as President of Zan Smith, Inc., a Colorado corporation.

Witness my hand and official seal.

Carol E. Hayes

Notary Public

My commission expires

My Commission Expires
September 28, 1992
6463 E. Floyd Ave.
Denver, CO 80222

(SEAL)

To Lease

Name of Tenant CREATIVE PLAY CENTERS, INC.
dba Zan Smith

NET LEASE

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NET LEASE

1. PARTIES.

THIS LEASE is made and entered into this 29th day of April, 19 6 by and between GOLDING & COMPANY hereinafter "Landlord" and Zan Smith Inc. dba: Creative Play Centers, Inc. hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 3,978 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, and more particularly described as Mission Trace at the Springs. Tenant shall have the right to use the lease premises only for A full service child care facility and all related activities associated with said business.

3. TERM.

(a) The terms of this Lease shall be for three (3) years commencing September 1, 1986 and ending on August 31, 1989 unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease of the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights or liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

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4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of Three Thousand, Four Hundred Twenty-Seven & 71¢ Dollars ($ 3,427.71). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

[redacted], Tenant shall pay the Landlord the sum of $3,427.71 as rent for the month(s) of March 1987.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

5. LATE CHARGES.

Tenant hereby releases and waives any right to power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within ~~five (5)~~ ten (10) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than once for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may substract any such amount so unpaid from any security deposit held.

6. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's "Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

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(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are not customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and the adjacent walks, malls, landscaped areas, parking areas, common areas and improvements and facilities thereon, including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; costs reasonably incurred by Lessor for management of the Center but not in excess of center management charges which would be incurred if a professional management firm were employed; and rental expenses or a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leaseable square feet in the Center in which the Premises are located, which for this Lease is agreed to be 1.43%.

(c) Computation. Tenant shall pay Tenant's Share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonably practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, and Tenant is herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that tenants share of the operating costs of the common facilities shall be $5,967.00 per year. Therefore, tenant shall pay Landlord the sum of

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per year. Therefore, tenant shall pay Landlord the sum of $ 497.25 per month as the estimated cost of Tenant's share. At the end of each calendar year, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year exceeds $ 5,967.00, Tenant shall reimburse Landlord for the amount of the excess. If Tenant's share for any calendar year is less than $ 5,967.00, Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar years estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's Share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date.

(3) If this Lease expires prior to the Statement Delivery Date of the last calendar year of the term of this Lease, Tenant hereby agrees to pay within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

7. TAXES.

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenant's equipment, fixtures and other personal property located in the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

~~8. SECURITY DEPOSIT.~~

~~Concurrently with Tenant's execution of this Lease, Tenant~~ shall deposit with Landlord the sum of _____ _____ dollars ($ _____). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payable of any other amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any [illegible]

INITIAL _____

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[redacted] deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such [redacted].

9. COMPLETION.

The Premises shall be completed by Landlord substantially in accordance with the Landlord's [redacted] plans cost and expense. Promptly following the tendering of possession of the Premises to Tenant by Landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and [redacted].

10. USE.

(a) The Premises shall be used and occupied by Tenant for * and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability or either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such or acts), or cause a cancellation of any insurance policy covering said Center or any part thereof or any of its contents, not shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(2) Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Center or injure or annoy them or use or allow the Premises to be

* A full service child care facility and all related activities associated with said business.

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used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

11. UTILITIES.

Utility Charges.

Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air condition, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall contract for the same in Tenant's own name, and shall protect Lessor and the leased premises from any such charges. Tenant shall pay Landlord for any utilities of services furnished by Landlord, but Landlord shall not be obligated fo furnish any utilities or services, pursuant to Article 6b. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay to Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charges for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

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12. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Building that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means or otherwise, shall not under any circumstances by construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

13. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises, pursuant to Article 6b.

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(b) Tenant's Obligation.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article II hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls and floors, all doors, interior windows, all plumbing pipes, fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of Tenant. Tenant shall repair, at tenants sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the leased Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partition or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the lease Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten percent (10%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performning any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligation as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the Premises in good order, condition and repair, unless Landlord does not respond in a reasonable time frame.

14. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is rerserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the times during which it is accomplished and the requirement that upon written request of Landlord prior to 30

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days following the expiration or earlier termination of the Lease, Tenant will remove any and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expenses, and all movable partitions, counters, personal property, equipment, fixtures and furniture at Tenant's expense.

(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14(b) above.

(d) All articles of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

15. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities", stairways, passageways, hallways and parking areas), the use of which Tenant may have in conjunction with other tenants of the Building, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same by Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other

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sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

16. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanke policies expressly afford coverage to the Premises and to Tenant as required by this Lease. At all times, insurance shall be limited to the availability of insurance caps per child care center.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less the* [redacted] for injury to persons in one accident, not less than [redacted] for injury to any one person and not less then TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is

* FOUR HUNDRED THOUSAND DOLLARS ($400,000)

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not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

17. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

18. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the given of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

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(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any panelings, decorations, partitions, ceilings, floor coverings, office fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration. Landlord shall be responsible for any leaks in roof during the lease term.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

19. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking of appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for Tenant's unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area adjacent to the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

20. LIENS.

Tenant shall keep the Premises and any center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.
*

21. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder, as and when due.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, however, that if the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.

22. REMEDIES.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

* If, because of any act or omission of Landlord, any lien, charge, or other for the payment of money shall be filed against the demised premises, Landlord shall, at its own expense, cause the same to be discharge of record or bonded within ninety (90) days after written notice from Tenant to Landlord of the filing thereof, and Landlord shall indemnify and save Tenant against and from costs, liabilities, suits, penalties, claims and demands. If Landlord shall fail to cause such liens to be discharged or bonded within the aforesaid ninety (90) day period, or if prior to the expiration of such ninety (90) day period Tenant's quiet enjoyment of the demised premises shall be affected or threatened as a result thereof, Tenant shall have the right to cause the same to be discharged. All amounts paid by Tenant may be deducted from subsequent installments of the rent payable hereunder.

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(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specified in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) the worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have reasonably been avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment approximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of U.S. Federal Reserve Bank (Prime Rate) at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any Addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such

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thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any Mortgagees and/or Trust Deed Holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such Mortgagees and/or Trust Deed Holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagees and/or Trust Deed Holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any Mortgagee and/or Trust Deed Holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so pursued.

23. COSTS OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person. Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

24. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18; of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant. Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration or termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to

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retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

27. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained and shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumber. Landlord shall not be obligated to consent to the proposed assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for assignment, sublease or encumbrance under this Article,

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Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of an attorney to review said application, all attorneys' fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord's option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

28. INVOLUNTARY ASSIGNMENT.

No interest of tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the bankrupt; or, if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit of creditors;

(b) If a writ of attachment or execution is levied on this Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

29. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale

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and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

30. SUBORDINATION.

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against the Landlord's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any Mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

31. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge any uncurred defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as maybe represented by Landlord, (ii) that there are no uncurred defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of

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tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by Landlord in confidence and shall be used only for the purposes herein set forth.

[redacted]

[redacted] days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of [redacted].

33. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this Lease shall not be recorded by Tenant.

34. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

35. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in this Lease, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

36. RULES AND REGULATIONS.

The rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Building, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations and the violation of any of them shall prevail. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any of said rules and regulations.

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37. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant, make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the non-payment of sums due under this paragraph as in the case of default by Tenant in the payment of the rent.

38. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationery or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

39. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States mails, duly registered or certified with postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may by written notice similarly given designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

40. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct Landlord, including, without limitation, the acceptance of the keys to the Premises, shall

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constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

41. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

42. MISCELLANEOUS.

(a) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(b) No Partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(c) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(d) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Building the parking facilities of the Building, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by

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Landlord at any tim or from time to time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of constructing and /or operating commercial buildings, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropriate for the parking areas.

(e) Captions and Attachments.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extend permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as the words importing such covenants and conditions were used in each separate hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation

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represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-law of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

43. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the lease premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the lease premises. Signs shall be in strict accordance with Exhibit B.

44. INCORPORATION OR PRIOR AGREEMENTS; AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:	TENANT:
Golding & Company	By: Zan Smith Zan Smith Inc., President dba: CREATIVE PLAY CENTERS, INC.
ADDRESS:	ADDRESS:
3055 S. Academy Boulevard	2590 Vickers Drive
Colorado Springs, CO 80916	Colorado Springs, CO 80918

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

Verdawna Sue Bruchy-Smith
Verdawna Sue Bruchy-Smith,
Secretary/Treasurer

Signature Page

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ADDENDUM TO LEASE

This Addendum, made and entered into this 29 th day of April, 1986 by and between GOLDING & COMPANY (hereinafter "Landlord"), and Zan Smith Inc. dba: Creative Play Centers, Inc. (hereinafter "Tenant"), and executed concurrent with Lease between the same parties.

The parties agree to the following clarifications, amendments, and agreements as a part of the Lease:

1.) During Phase I, II, III & IV of the development comprised of buildings 1, 2, 3, 4, 5, 7 & 8, Tenant's ratio of common area maintenance shall be 3,978/276,654 or 1.43%. As more buildings are added to the development, the denominator shall increase commensurately by the area of the additional buildings.

2.) Landlord shall grant Tenant six (6) months "free rent" from the commencement date (September 1, 1986) of this lease agreement. However, Tenant shall be responsible for all common area maintenance costs associated to said space during this "free rent" period.

3.) Landlord shall turn-key said space and playground with equipment according to attached plans, Tenant has acknowledged approval of said plans (by signature on same).

4.) Landlord shall grant Tenant one (1) panel of signage on Academy Boulevard at Tenant's expense. (Exhibit H)

5.) Landlord shall grant Tenant the right to cancel this lease agreement after Tenant has operated said facility for a period of eighteen (18) months. In the event Tenant elects to cancel said lease agreement, such decision must be submitted to Landlord in wrting one hundred twenty (120) days prior to the end of the eighteenth month. If such cancellation takes place after eighteen months of operation, Tenant shall pay Landlord Seventeen Thousand, Three Hundred Thirty-Three and 36/100 ($17,333.36) for interior finish completed by Landlord.

6.) Landlord shall pay Tenant Nine Thousand, Three Hundred Thirty-Three Dollars and 36 cents ($9,333.36) upon Commencement Date (September 1, 1986) of this lease agreement.

Landlord
Golding & Company

BY: _____ Date: 5/30/86

Tenant

Zan Smith Inc. dba: Creative Play Centers, Inc. Date: 5/2/86

BY: _____
Zan Smith, President

BY: Verdawna Sue Bruchy-Smith 5/2/86
Verdawna Sue Bruchy-Smith DATE

INITIAL _____

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EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

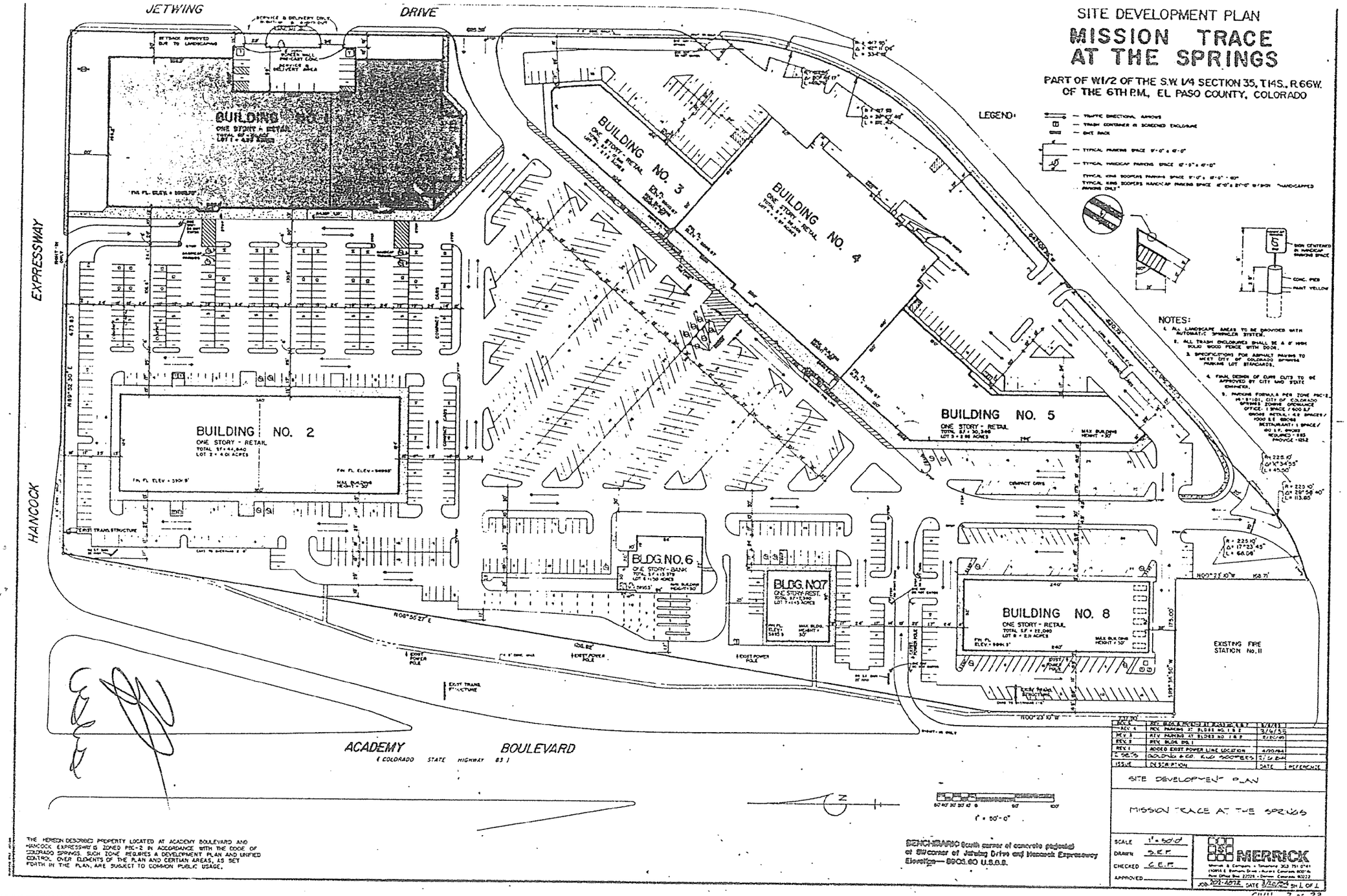

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EXHIBIT A

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * Forty-One Thousand, Five Hundred Thirty and 32/100 ($ 41,530.32) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * Three Thousand, Four Hundred Sixty and 86/100 ($ 3,460.86) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises [redacted] 120 days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

[redacted] year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, [redacted] numerator of which shall be the Consumer Price Index for the month [redacted] _____ and each subsequent year thereafter and the denominator [redacted] which shall be the Consumer Price Index for the month of _____. [redacted] the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100[redacted]. If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall [redacted].

Tenant _____

Landlord _____

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EXHIBIT B

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of three (3) years to commence concurrently with the expiration of the term thereof and to expire three (3) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * Forty-One Thousand, Nine Hundred Twenty-Eight and 12/100 ($ 41,928.12) dollars per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * Three Thousand, Four Hundred Ninety-Four and 01/100 ($ 3,494.01) dollars per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ~~ninety (90)~~ 120 days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

~~* RENT ADJUSTMENT. Beginning in _____ and each and every subsequent year thereafter, the rent shall be adjusted in accordance with the Consumer Price Index as hereinafter provided. The adjustment shall be made by multiplying the monthly rent of $_____ by a fraction, the numerator of which shall be the Consumer Price Index for the month of _____ and each subsequent year thereafter and the denominator of which shall be the Consumer Price Index for the month of _____. If the fraction is less than One Dollar ($1.00), then the rent as adjusted for the prior year shall remain in effect. Said Consumer Price Index is hereby defined to be the index now known as "The Consumer Price Index; All urban consumers; U.S. City average; All items; 1967 = 100.0". If such index shall be discontinued, then the successor Consumer Price Index prepared by the U.S. Bureau of Labor Statistics or successor agency thereto which most clearly approximates the defined index shall be used. Notwithstanding the foregoing, the minimum rental shall not be less than that provided in paragraph 3.1 of this Agreement.~~

Tenant _____

Landlord _____

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NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

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DEVELOPERS STIPULATIONS

This project is a retail, restaurant, office and health club complex consisting of four (4), single-story retail buildings, two (2) single-story restaurant buildings, one (1) retail building (King Soopers), one (1) two story retail/office building.

PERMITTED USES

1. This tract is designed to specifically allow for the following uses:
   a. Post offices and general offices.
   b. Service establishments such as barber shops, beauty parlors, watch repair, pharmacy, laundry, and etc.
   c. Private schools/child care facilities.
   d. Community buildings, libraries, museums, aquariums and art galleries.
   e. Art, photographic, dance, music, radio and television studios.
   f. Stores for retail trade, including liquor, except:
      1. New or used motor vehicle or trailer sales, repair and/or lots and travel trailer parks.
      2. Fuel and feed stores.
      3. Lumber yards.
   g. Assembly or convention halls, theaters, skating rinks, dance halls, bowling alleys, pool/billiard parlors, exposition halls (no live animals), tennis courts, swimming pools, racquet ball courts, gymnasium, massage parlors, turkish baths and health studios.
   h. Banks, savings and loan associations with drive-thru facilities.
   i. Restaurant (drive-in facilities allowed wherein use is secondary to principal "sit-down" dining.)

2. Parking shall be provided in the following ratios:

Restaurant uses	-	1 space per 150 GFA
Retail uses	-	4.2 spaces per 1,000 GFA
Office Uses	-	1 space per 400 GFA
Health Club uses	-	2.5 spaces per 1,000 GFA

3. Building Height shall be limited to 45', including rooftop mechanical structures.

SITE COVERAGE

Site coverage shall be divided into eight areas. Building ground coverage is represented by the gross floor area of the ground floor of each structure. The parking area includes the parking stalls and driveway. The open space area includes all landscaped areas and pedestrian walkways.

SETBACKS

Setbacks shall conform to the dimensions as indicated on the site plan of the planned development - minimum distances as follows:

25 feet from PBC District boundary.

50 feet from public street (Buildings No. 4 and 7 setbacks approved due to additional parking.

ARCHITECTURAL CHARACTER

The architectural character of the buildings shall be as generally illustrated in the concept elevations which are a part of the documents for this Planned Development. External materials may be wood, brick, tile, stucco, block, precast concrete and glass. Colors shall be limited to white with other complimentary earthen tones.

LANDSCAPING

The landscaping for the project shall generally conform to the Landscaping Plan shown as a part of this Site Development Plan. Location of specific plants may be modified a few feet if special field conditions are discovered during construction. New evergreen trees shall be a minimum of 5 feet in height, deciduous trees shall be a minimum of 2" caliper and new shrubs shall be in 5 gallon containers. Landscaping shall also include sod and sprinkler system.

SIGNS

1. General: The purpose of this criteria is to establish minimum sign standards to insure coordinated and proportional exposure for all tenants. Performance shall be strictly enforced and any installed nonconforming signs shall be removed by the tenant or by sign contractor at their expense.

2. Permitted Contents: Identification by letter, numeral, symbol or design of a legal use stating the name, service offered or products located upon the premise.

3. Wall Signs/ Fascia Signs:
   a. Location: Wall and/or fascia mounted on building overhang. Signs shall not be mounted higher than 4'-0" above roof line when located on a fascia panel or parapet wall. In no case shall the height of the sign exceed the height of the wall or fascia panel upon which it is mounted. Fascia signs shall not be closer than 8" from the top or the bottom of the panel upon which it is located.
   b. Size: The overall size of the sign may not exceed 1.50 s.f. times the width of the store front occupied by the specific tenant. In no case, however, may the length of the sign exceed 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 s.f. times the length and shall meet Section 14-9-202:8 of the Zoning Ordinance. All wall and fascia signs shall be limited to 36 inches in height. Building No. 4 (King Soopers) shall be permitted two (2) 8'-9" ht. x 12'-0" wide signs of their standard design.
   c. Maximum Number: Each tenant shall be allowed one (1) fascia sign in the area described above. Tenants in corner stores shall be allowed two (2) signs provided, however, that the gross area of the two signs added together does not exceed the allowable area described above. Rear and service door standardized identification signs will be provided by the landlord. Building No. 4 shall be permitted two (2) signs.

4. Free Standing Signs: Two (2) free standing signs - project and tenant identification signs shall be allowed. Each sign shall not exceed 150 square feet in area and shall not exceed 25 feet in height. One (1) to be located at Academy Blvd. and one (1) to be located at Hancock Expressway. Both signs shall be illuminated from a concealed light source and shall contain no moving parts.

UTILITIES

All new utilities located on this property shall be located underground or inside the buildings or on the exteriors of the buildings. Water, sewer, electricity and fire protection shall be provided by the City of Colorado Springs. Telephone service shall be provided by Mountain Bell.

PARKING

Off-street spaces shall be a minimum of 9 feet wide and 19 feet long and shall be paved with asphalt. Parking lots shall be designed to allow auto to overhang adjacent sidewalk by as much as 2 feet. Adjacent sidewalks to parking must be a minimum of 6 feet wide.

MAINTENANCE

Proper maintenance of this development shall be provided by the owner and/or their successors and assigns. All landscaped areas and pedestrian walkways within the site and on the public R.O.W. adjacent to the site, together with all buildings, parking areas, and other portions of the property shall be maintained by the owners, their successors, heirs and assignees in conformity with the depictions, descriptions and stipulations of this Official Development Plan and all applicable ordinances, statutes or other lawful regulations.

PLAN MODIFICATION

Minor modifications of the plan may be made to the extent as may be required by the City of Colorado Springs in order to meet new subdivision regulations or other engineering criteria, but, in any case, shall be consistent with the context and intent of this Official Development Plan if it is approved by the City of Colorado Springs.

ENFORCEMENT

The conditions, restrictions, provisions, agreements, and regulations shall insure to the benefit of and be binding upon the owner, their successors and/or the developers of said development.

NOISE

Noise generated from the buildings will be minimal and impacts on adjacent residential areas will be minimal due to the separation of the project from residential areas by streets.

AIR

Pollution from dust during construction will be small and temporary in duration. The amount of traffic generated by this development will not significantly increase the levels of pollution.

SOILS AND GEOLOGY

Existing soils conditions at this site appear to be relatively stable. Extensive excavation and grading is not necessary. Detailed foundation soils investigation will be prepared prior to building permit.

LIGHTING

Lighting shall be provided for the interior drives, walkways, entrances and parking lots for the safety and security of the public. All lighting shall be non-glare and directional so as not to spill over to adjacent properties. Pole height for parking lot lights shall be limited to 30 feet in height. Specific illumination information will be submitted to support pole height.

MECHANICAL EQUIPMENT SCREENING

All rooftop mechanical equipment shall be shielded from view by the use of permanent roof screening devices in colors complimentary to the buildings. All meters and other equipment on the ground shall also be permanently screened.

SEVERABILITY

Should any part of these regulations be declared invalid or unenforceable by the court or competent jurisdiction, such decision shall not effect the validity or enforceability of the remaining provisions of these restrictions, unless to give effect to such remaining provisions would be inconsistent with the spirit and intent of the plan and the Zoning Ordinance of the City of Colorado Springs.

PLATTING

This property shall be platted in accordance with the Subdivision Regulations of the City of Colorado Springs. All platting shall occur prior to the issuance of any building permit.

ACCESS

Traffic access to the project shall be through four curb cuts on Jetwing Drive, two curb cuts on Lakehurst Drive, one curb cut on Hancock Expressway, and one curb cut on Academy Blvd. (State Highway No. 83). Interior circulation for private and emergency vehicles shall be along drives as noted on the plan. Easements shall be provided as a part of the subdivision platting process.

PUBLIC IMPROVEMENTS

The developer shall provide entrance drives onto the project as shown on the site plan. A construction agreement will be entered into at the time of platting by the developer of this project and the City of Colorado Springs to insure the construction of said improvements.

DRAINAGE

The storm drain system will be designed in accordance with the Colorado Springs Drainage Criteria, with the possibility of some on site detention. A detailed drainage report and storm drain construction plans will be submitted to the Department of Public Works for approval.

SOLID WASTE DISPOSAL

All trash shall be collected in screened enclosures and shall be picked up on a regular basis by private contractor.

ENERGY

Energy conservation will be a primary requirement of the design and construction of this project. Passive conservation design techniques will be employed wherever possible to minimize energy requirements. The 1978 State of Colorado Energy Conservation Performance Code for Nonresidential Buildings will be complied with.

VEGETATION

The existing site contains natural wild grasses. A complete landscaping program as noted on the Site Plan will replace the natural vegetation.

WILDLIFE

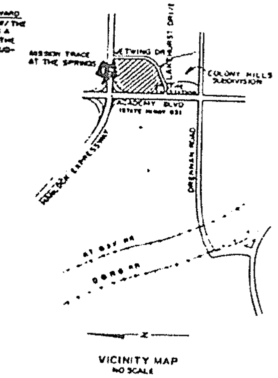
The surrounding area is either developed or in the process of being developed and little, if any, wildlife exists on the site. This development will have a minor impact on the site.

SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T.14S., R.66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO

THE HEREIN DESCRIBED PROPERTY LOCATED AT ACADEMY BOULEVARD AND HANCOCK EXPRESSWAY, IS ZONED PBC-2 IN ACCORDANCE W/ THE CODE OF THE CITY OF COLORADO SPRINGS. SUCH ZONE REQUIRES A DEVELOPMENT PLAN AND UNIFIED CONTROL OVER ELEMENTS OF THE PLAN AND CERTAIN AREAS, AS SET FORTH IN THE PLAN, ARE SUBJECT TO COMMON PUBLIC USAGE



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 24.041 Acres, 1,047,225.0 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	44,640 sq. ft.	187.5
Office	44,640 sq. ft.	75.0
Total	89,280 sq. ft.	
Building No. 2 - One Story		
Retail	44,640 sq. ft.	187.5
Total	44,640 sq. ft.	
Building No. 3 - One Story		
Retail	17,360 sq. ft.	72.9
Total	17,360 sq. ft.	
Building No. 4 (King Soopers) - One Story		
Retail	58,258 sq. ft.	244.7
Total	58,258 sq. ft.	
Building No. 5 - One Story		
Retail	30,438 sq. ft.	127.8
Total	30,438 sq. ft.	
Building No. 6 - One Story		
Restaurant	8,160 sq. ft.	54.4
Total	8,160 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,048 sq. ft.	73.6
Total	11,048 sq. ft.	
Building No. 8 - One Story		
Retail	22,080 sq. ft.	92.7
Total	22,080 sq. ft.	
	Required -	1,116
	Provided -	1,409

Gross Building Area = 281,264

Building Ground Coverage = 236,624 = 22.6%

Landscape Area - Excluding Roadway R.O.W. = 156,893 sq. ft. = 15%

Parking Lot, Drives = 655,317 sq. ft. = 63%

LEGAL DESCRIPTION

That portion of the West One-half of the Southwest One-quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

COMMENCING at the northwest corner of said W1/2 of the SW1/4;
THENCE N89°52'30"E along the northerly line of said W1/2 of the SW1/4, 925.84 feet;
THENCE S00°07'30"E, 50.00 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;
THENCE continue S00°07'30"E, 825.56 feet;
THENCE along the arc of a curve to the right which has a central angle of 47°11'06", a radius of 417.35 feet and an arc distance of 344.19 feet;
THENCE S47°03'36"W, 820.73 feet to a point on the northwesterly right-of-way line of Lakehurst Drive, as platted in Colony Hills Subdivision, as recorded in Plat Book M-2, Page 77 of the records of said El Paso County;
THENCE along said northwesterly right-of-way line and along the arc of a curve to the right which has a central angle of 28°58'40", a radius of 225.10 feet and an arc distance of 113.85 feet to the southeast corner of Fire Station No. 11, as recorded in Plat Book Y-3 at Page 39 of said records of El Paso County;

(The following two (2) courses are along the easterly and northerly boundary of said Fire Station No. 11):

(1) THENCE N00°23'10"W, 168.71 feet;
(2) THENCE S89°36'50"W, 175.08 feet to a point on the easterly right-of-way line of Academy Boulevard as described in Deed recorded in Book 2378 at Page 169;

(The following two (2) courses are along said easterly right-of-way line):

(1) THENCE N00°23'18"W, 237.80 feet;
(2) THENCE N06°55'27"E, 1216.92 feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N89°52'30"E along said southerly right-of-way line, 473.82 feet to the POINT OF BEGINNING, containing 24.041 acres, more or less.

ISSUE	DESCRIPTION	DATE	REFERENCE
[illegible]	[illegible]	[illegible]	

VICINITY MAP, LEGAL, SITE DATA [illegible]

MISSION TRACE AT THE SPRINGS

SCALE ____
DRAWN [illegible]
CHECKED [illegible]
APPROVED ____

MERRICK
Merrick & Company • Telephone 303 751 0741
[illegible] • Aurora Colorado [illegible]
Post Office Box 22026 • Denver Colorado 80222

JOB [illegible] DATE [illegible] SH [illegible] OF [illegible]

EXHIBIT C

DESCRIPTION OF DEMISED PREMISES

EXHIBIT "C-3"

DESCRIPTION OF

DEMISED PREMISES

Suite Number Building #5

Street Address or Demised Premises

3227 S. Academy Boulevard

Colorado Springs, CO 80916

Floor Area: 3,978 Square Feet

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EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specifications. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed ans installed at Tenant's expense.

All Tenant's are obligated to have a sign (corner Tenant's must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Golding's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and &" deep raceway center mounted within 7½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Shisper Shite with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the facia panel. (See Exhibit D-2) The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the center. The circuit shall come on with a photo cell and turn off with a timer. The house of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exceed 80% of the store front occuped. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter, style will not be restricted; letter style should, however, be compatible with the design character of the Center.

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Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manufacturers' brand n names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expence of the Tenant.

Rear and service door standardized indentification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlords approval shall be removed at Tenant's expense within ten (10) days after Landlords notification of same.

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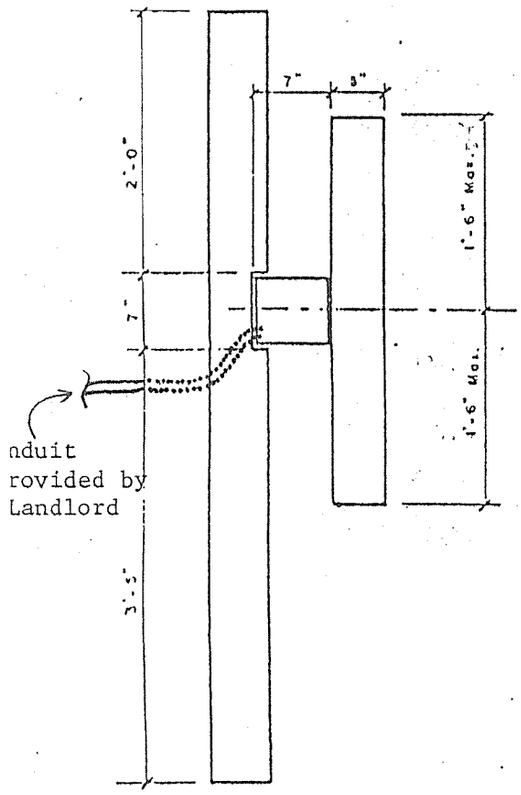
EXHIBIT D-2

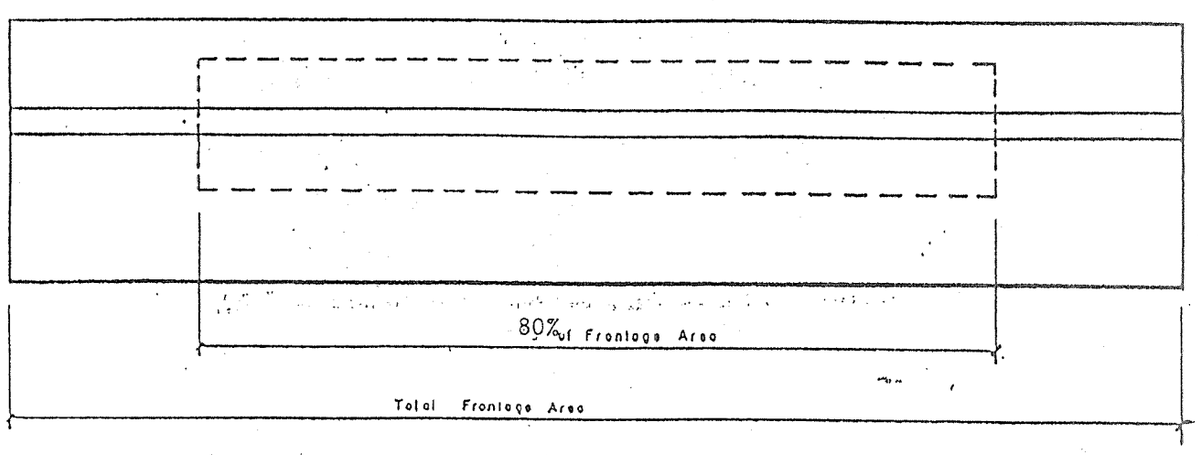
MISSION TRACE

All signs must be U.L. Approved; 60 M.A. Transformers on all Mercury (Argon Gas) Tubing - 30 M.A. Transformers may be used on red neon tubing. Raceway to be painted Fuller O'Brien Whisper White textured finish. Height of raceway to be precisely 7" & depth to 7" with depth of letters to be 5".



Letter returns must be painted Benjamin Moore Iron Clad Bronze Tone #163 -60.

EXHIBIT D-3



Tenant _____

Landlord _____

Rev. 3/1/85

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EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

a. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

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6. The toilet rooms,wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein at the expense of any breakage, stoppage or damage resulting from the violation that this role shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will now be responsible for loss of or damage to any moving or maintaining any such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or kept any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building(s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost

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of replacing same or of changing the lock or locks opened by such lost key if Landlord deems if necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

16. Tenant shall not disturb or canvass any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlord.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter or waive any rule or regulation at any time prescribed for the Building when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS

A. Specifications and Improvements by Landlord at Landlord's Expense.

1. Provide building shell, concrete floor, painted exterior walls.

2. Provide insulated (3 1/2 BATT) taped demising walls.

3. Provide a 2 x 4 grid and acoustical-tiled ceiling at 8'-0" above finished floor.

4. Provide one 1/2 bath with door, walls taped and prepared for paint to include adequate domestic hot water equal to one six gallon hot water equal heater recessed in ceiling, one watercloset and one wall hung lavatory. Flooring shall be 12" x 12" VAT color as chosen by Landlord. One light switch, one fan, one incandescent light located above lavatory, and one set of handicapped grab bars. No mirrors, paper holders, or vanities are included.

5. Electrical Service including (120/208v) 100 amps of service: one 2 x 4 (4 tube) recessed flourescent light fixture for every 125 sq. ft. of floor area, and one duplex receptacle at 15" above finished floor, for every 16 lineal feet of demising wall only. **One phone location (conduit and electrical box only).

6. Forced air duct-type heating and air conditioning equipment and one thermostat. Flex duct, supply air diffusers and return air grills are included.*

7. Glass store front which includes one 3-0 x 6-8 single action glass door.

8. One rear door where applicable.

9. Parking lot paving and striping and exterior lighting poles and landscaping.

[redacted]

[redacted] showing all of Tenant's interior improvements in subject space. Said drawings will be done by a draftsman or architect approved by Landlord. Subject plans will be delivered to Landlord within three weeks of date of execution of this lease.

2. All wall covering whether it be paint, paper or panelling.

3. All floor covering whether it be carpet, tile or baseboard.

4. All interior partitions, doors and hardware, shelving and miscellaneous carpentry.

5. Any extra electrical needed to service space including cost for extra outlets, switches, lighting, increased service size, exterior sign hook-up "into the buildings Central Signage Circuit as outlined in Exhibit D, Sign Criteria."

6. Any extra plumbing including extra bathrooms, sinks, water outlets, floor drains and grease traps.

7. Any extra HVAC units or duct work, diffusers and air grills.

8. Exterior Tenant indentification sign.

[redacted].

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EXHIBIT "F"

RESPONSIBILITY OF IMPROVEMENTS CONTINUED

[redacted].

[redacted].

* HVAC as laid out by The Charles Golding Company; extra needs will be at Tenant's expense.

** Mountain Bell runs service to Building. It is the Tenant's responsiblity to coordinate with the phone company of their choice to hook up and install phone system.

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EXHIBIT "G"
GUARANTEE OF LEASE

WHEREAS a certain lease of even date herewith has been, or will be, executed by and between Golding & Company therein and herein referred to as "LANDLORD," and Zan Smith Inc. dba: Creative Play Centers, Inc. therein referred to as "TENANT," covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the liability of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgement against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease against the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns

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of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 29th day of April 1986.

If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1.

Zan Smith

Zan Smith, President

Address: 2590 Vickers
C.S. CO 80918

GUARANTOR NUMBER 2.

Verdawna Sue Bruchy-Smith

Verdawna Sue Bruchy-Smith, Secretary/Treasurer

Address: 2590 Vickers Dr.
Colorado Springs, Co. 80918

GUARANTOR NUMBER 3.

_____

Address: _____

INITIAL _____

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① 10,000
− 2600
$7,400 cash up front
in parts of $444 for 6 mo.
Refund $7400 if cancel lease after
18 mo.

② 12,000 cash refinishing
allowance in yr #4
if exercise option

3 10^{34}

3 10^{44}

3 10^{54}

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#158 MISSION TRACE SHOPPING CENTER
TUTOR TIME INTERNATIONAL LEASE

GL-100927

The Guardian copy.

STANDARD LEASE

Tutor Time International, Inc.
TENANT

NET LEASE

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NET LEASE

1. PARTIES.

February ~~August~~, 19 89 THIS LEASE is made and entered into this 1st ~~8th~~ day of by and between The Guardian Life Insurance Company of America, hereinafter "Landlord", and Tutor Time International hereinafter "Tenant". For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by the Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES.

(a) Description. Landlord hereby leases to Tenant and Tenant hereby rents from Landlord those certain Premises (hereinafter the "Premises") described and/or cross-hatched on Exhibit C attached hereto containing approximately 5128 square feet of that certain building (hereinafter the "Building") located in the City of Colorado Springs, County of El Paso, Colorado, within Mission Trace at the Springs (hereinafter sometimes referred to as "Center"), which center is shown on the site plan attached hereto as Exhibit C. Tenant shall have the right to use the Premises only for Day Care Center.

3. TERM.

(a) The term of this Lease shall be for Five (5) years commencing ~~January~~ Feb 1, 1989 WCF/CPC and ending on ~~December 31, 1993~~ January 31, 1994 WCF/CPC unless sooner terminated pursuant to this Lease.

(b) Delay in Commencement. Tenant agrees that in the event of the inability of Landlord for any reason to deliver possession of the Premises to Tenant on the commencement date set forth in Section 3 (a) of the Lease, Landlord shall not be liable for any damage thereby nor shall such liability affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent or other monetary sums until possession of the Premises is tendered to Tenant; provided that if the delay in delivery of possession exceeds sixty (60) days, then the expiration date of the term of the Lease shall be extended by the period of time computed from the scheduled commencement date to the date possession is tendered. In the event Landlord shall not have delivered possession of the Premises within six (6) months from the scheduled commencement date, then Tenant, at its option to be exercised within thirty (30) days after end of said six (6) month period, may terminate this Lease and upon Landlord's return of any monies previously deposited by Tenant the parties shall have no further rights of liabilities toward each other.

(c) Acknowledgement of Commencement Date. In the event the commencement date of the term of the Lease is other than as provided in Section 3 (a) of this Lease, then Landlord and Tenant shall execute a written acknowledgement of the date of commencement and shall attach it to this Lease.

4. RENT.

Tenant shall pay to Landlord as rent for the Premises, monthly in advance on the first day of each calendar month during the term of this Lease, without deduction, offset, prior notice or demand, in lawful money of the United States, the sum of *See Addendum Dollars ($). If the commencement date is not the first day of a month or if the Lease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Lease commences and/or terminates. Said rent shall be payable at the office maintained by Landlord in the building in which the Premises are located or at such other place as Landlord may from time to time designate in writing.

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Concurrently with Tenant's execution of this Lease, Tenant shall pay the Landlord the sum of $4,871.60 as rent for the month(s) of Security Deposit.

Tenant hereby releases and waives any right or power, now or hereafter existing, whether created or allowed by statute, ordinance or otherwise, to deduct or off-set any sums whatsoever from the rental reserved hereunder, whether such claims or off-set arises from Landlord's breach or failure hereunder or from any cause whatsoever.

~~5. PERCENTAGE PAYMENTS AS ADDITIONAL RENT.~~

1. Percentage Rents:

a. TENANT agrees to pay OWNER as additional rent for the premises, over and above the annual base rental, a sum equal to the percentage rental rate specified Paragraph 4, below, on the amount of the annual gross sales in excess of the gross sales excluded from percentage rent as set forth in Paragraph 5, below.

b. The percentage rent shall be computed and paid within thirty (30) days after the end of the calendar year in which such gross sales were made.

c. If TENANT had possession of the premises for a fractional part of the calendar year, the total percentage rent shall be computed on the gross sales during such fractional part of said calendar year by prorating the annual gross sales excluded from percentage rent, based on the percentage of the calendar year in possession.

2. Definition of Gross Sales:

a. The term "gross sales" shall refer to the selling price of all services performed or goods, wares and merchandise sold in, upon or from any part of the premises, and shall include sales and charges for cash or credit, regardless of collections in the case of the latter, but shall exclude returns and refunds and the amount of any sales tax or excise tax or similar tax charged by TENANT to customers as a separate item.

3. Accounting and Statements of Tenant:

a. Accounting for these purposes shall be on a calendar year basis. TENANT shall keep books of account and records in which shall be entered a full, true and correct record of all gross sales. TENANT further agrees to deliver to OWNER on or before the 10th day of each month during the term hereof, sworn written statements showing total gross sales for the preceding month.

b. OWNER or its designated representative shall have the right to examine all pertinent books and records of TENANT and TENANT agrees to make same available at managing agent's address. All expenses of such examination shall be borne by OWNER, unless such examination discloses additional rental liability of two percent (2%) or more of the additional percentage rents originally due for the preceding calendar year or pro-rata part thereof, in which case the expenses of such examination, including attorney's fees, shall be borne by TENANT.

c. TENANT will, upon request of OWNER, furnish a true copy of the sales tax reports, insofar as the same are applicable to the Premises, filed by TENANT with the applicable Federal, State, County or Local taxing authorities, covering the period for which the statement of additional rent has been furnished by TENANT to OWNER.

4. The percentage which shall be applied to the gross sales for calculation of additional rent due under this provision shall be: _____ (_____%).

5. The amount of gross sales which shall be excluded from the calculation purposes for determining the amount of additional rent shall be _____ ($ _____).

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6. LATE CHARGES.

Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. No late charge may be imposed more than one for the same late rental payment. The parties hereby agree that such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held.

7. ADJUSTMENT FOR COMMON AREA MAINTENANCE EXPENSE.

(a) It is understood that the rent specified in Article 4 of this Lease does not include the Landlord's "Common Area Maintenance Expense". Therefore, in order that the rental payable throughout the term of this Lease shall reflect such costs Tenant agrees to pay, as additional rental at the times set forth herein, Tenant's pro rata share of the Landlord's Common Area Maintenance Expense".

(b) "Common Area Maintenance Expense": The sum of the following:

(1) All taxes and assessments and other governmental charges, including general and special assessments and ad valorem real property taxes levied on or attributable to the Center and its operation, and to the land on which the Center is located, and to the adjacent parking and common areas, including the improvements and facilities located thereon, such taxes and assessments shall be so included within Common Area Maintenance Expenses whether or not they are customary or within the contemplation of the parties or whether in the future substituted in lieu of some present tax. Taxes shall further specifically include (1) any tax upon, allocable to, or measured by the area of the Premises or on the rental payable hereunder, including without limitation any gross receipts tax or excise tax levied by any governmental entity, and (2) any tax upon or levied with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Net income, franchise, capital stock, estate or inheritance taxes imposed on Landlord by any governmental entity shall not be included as Common Area Maintenance Expenses.

(2) All costs and expenses incurred by Landlord in maintaining and operating the Center, including, without limiting the generality of the foregoing, the costs of supplying all utilities to the common areas of the center; fire and public liability insurance and such other insurance as deemed reasonable by Landlord; any deductible amounts as specified in applicable insurance policies, and deducted from an insurance company's settlement check; cost of property management fees; cost of services of independent contractors; cost of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation, maintenance, repair and overhaul of the Center and common areas; its equipment and adjacent walks, malls, landscaped area, parking area, common areas and improvements and facilities thereon including without limitation, engineers, foremen, window washers, watchmen and gardeners (but excluding

persons performing services not uniformly available to or performed for substantially all Center tenants); trash removal; water; and rental expenses and a reasonable allowance for depreciation of personal property used in the maintenance, operation and repair of the Center.

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(3) "Tenant's Share": The percentage that the total number of square feet in the premises bears to the total number of leasable square feet in the Center in which the Premises are located, which for this Lease is agreed to be .02

(c) Computation. Tenant shall pay Tenant's share of Common Area Maintenance Expenses, which shall be calculated as follows:

(d) Presentation of Statement. As soon as is reasonable practicable after the end of the calendar year, Landlord shall deliver to Tenant a statement (hereinafter the "Statement") setting forth the Common Area Maintenance Expenses, the date on which such statement is delivered to Tenant shall be herein called the "Statement Delivery Date".

(e) Payment.

(1) It is estimated that Tenant's share of the operating costs of the common facilities shall be $ 7,692.00 per year. Therefore, Tenant shall pay Landlord the sum of ($ 641.00) per month as the estimated cost of Tenant's share. At the Statement Delivery Date, the actual costs shall be reported by Landlord to Tenant. If Tenant's share of the actual costs for any calendar year is less than $ 7,692.00 , Landlord shall refund the difference to Tenant. At the end of each calendar year, the monthly payment to be made by Tenant shall be adjusted for the next calendar year's estimated Common Area Maintenance Expenses.

(2) For the calendar year in which the Statement is delivered to Tenant, Tenant shall pay to Landlord, commencing retroactively as of January 1 of such year and continuing on the first day of each month thereafter until the next Statement Delivery Date, payments equal to one-twelfth (1/12) of the amount of Tenant's share of the Common Area Maintenance Expenses for the year.

By reason of the fact that the increases in Common Area Maintenance Expenses, if any, cannot be determined on the first day of the calendar year in which the Statement is delivered, the total of such monthly payments accruing from January 1st to the Statement Delivery Date shall be paid by Tenant in cash in one lump sum within thirty (30) days from the Statement Delivery Date all sums which will be due and payable as hereinabove provided.

8. TAXES

In addition to rental and other charges to be paid by Tenant hereunder, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed and which may become payable during the term hereof upon Tenants equipment, fixtures and other personal property located on the Premises. If at any time during the term of this Lease any of the aforesaid taxes are assessed as part of the taxes for the Center, Tenant shall pay to Landlord the amount of such additional taxes attributable thereto, which determination shall be deemed conclusive if based on figures supplied by the County Assessor.

9. SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum of
Four Thousand Eight Hundred Seventy One and 60/100 Dollars.
Dollars ($ 4871.60). Said sum shall be held by Landlord as a security deposit for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease, including but not limited to the provisions relating to the payment of rent and payment of any other amount which Landlord may spend or incur by reason of Tenant's default or to compensate Landlord for any other loss or damage with Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount; Tenant's failure to do so shall be a material

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breach of this Lease. Landlord shall not be required to keep this security deposit separate for its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or at Landlord's option, to the last assignee of Tenant's interests hereunder) at the expiration of the Lease term and after Tenant has vacated the Premises. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of such deposit or the accounting therefor.

10. COMPLETION

The Premises shall be completed by Landlord substantially in accordance with the Landlord's standard work. Any additional charges or improvements to the Premises shall be at Tenant's sole cost and expense. Promptly following the tendering of possession of the Premises to Tenant by landlord, Tenant agrees to proceed with all due diligence with the installation of its fixtures and equipment.

11. USE

(a) The Premises shall be used and occupied by Tenant for Day Care Center and for no other purpose without prior written consent of Landlord.

(b) Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Center or with respect to the suitability of either for the conduct of Tenant's business, nor has Landlord agreed to undertake any modification, alteration or improvement to the Premises except as provided in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Center were at the time of such taking in satisfactory condition.

(c) Uses Prohibited.

(1) Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Center or any of its contents (unless Tenant shall pay any increased premium as a result of such acts), or cause a cancellation of any insurance policy covering said Center or any party thereof or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any article which may be prohibited by a standard form policy of insurance.

(3) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with law, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or in which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all laws, satutes, ordinances and governmental rules, the requirements now in force or which may hereafter be in force and with all laws, statutes, ordinances and governmental rules, the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

12. UTILITIES.

Utility Charges

(a) Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat, air conditioning, power, telephone or other service used, rendered or supplied in connection with the leased premises, and shall

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contract for the same in Tenant's own name, and shall protect Landlord and the lease premises from any such charges. Tenant shall pay Landlord for any utilities or services furnished by Landlord, but Landlord shall not be obligated to furnish any utilities or services. If Tenant shall require water or electric current in excess of that usually furnished or supplied for the use of the Premises, Tenant shall first procure the written consent of the Landlord, which Landlord may refuse, to the use thereof and Landlord may cause a water meter to be installed in the Premises, so as to measure the water consumed for any such use or require separate meters to be installed. The cost of any such meters and of installation, maintenance and repair thereof shall be paid for by Tenant and Tenant agrees to pay Landlord promptly upon demand by Tenant and Tenant agrees to pay Landlord promptly upon demand therefor by Landlord for all such water consumed as shown by said meter, at the rates charged for such services by the local public utility furnishing the same, plus any additional expense incurred in keeping account of the water so consumed. If a separate meter is not installed, such excess cost for such water and electric current will be established by an estimate made by a utility company or engineer.

(b) Tenant's Obligation. Tenant shall pay for, prior to delinquency, all telephone and all other materials and services not expressly required to be paid by Landlord, which may be furnished to or used in, on or about the Premises during the term of this Lease. Tenant shall also pay, prior to delinquency, all charges and fees required to be paid by Tenant by the Rules and Regulations described in Article 36 of this Lease.

13. ENTRY BY LANDLORD.

Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Center that Landlord has the right or obligation to perform;

(c) To serve, post, or keep posted any notices required or allowed under the provisions of this Lease;

(d) To post "for sale" signs at any time during the terms, to post "for rent" or "for lease" signs; during the last three (3) months of the term, or during any period while Tenant is in default;

(e) To show the Premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term;

(f) To shore the foundations, footings, and walls of the Center and to erect scaffolding and protective barricades around and about the Center or the Premises, but not so as to prevent entry into the Premises, and to do any other act or thing necessary for the safety or preservation of the Premises or the Center if any excavation or other construction is undertaken or is about to be undertaken on any adjacent or nearby street. Landlord's right under this provision extends to any owner of adjacent property on which excavation or construction is to take place, and any authorized representative of such owner.

For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any said means or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Tenant hereby waives any claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

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Tenant shall not be entitled to an abatement or a reduction of rent if Landlord exercises any rights reserved in this Section.

14. MAINTENANCE AND REPAIRS.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the structural components of the Building and perform Common Area Maintenance, the components of which are identified in Article 6. (b) (2) above.

(1) Tenant at Tenant's sole cost and expense, except for services furnished by Landlord pursuant to Article 139a) hereof, shall maintain the leased Premises in good order, condition and repair including the interior surfaces of the ceilings, walls, and fixtures, electrical wiring, switches, fixtures, special items in excess of building standard furnishings, and equipment installed by or at the expense of the Tenant. Tenant shall repair, at Tenant's sole expense, all damage to the glass doors and windows within ten (10) days of breaking or cracking of same.

(2) Tenant agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery, equipment, cabinet work, furniture, movable partitions or permanent improvements or additions, including without limitation thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord'a reasonable satisfaction, all at the Tenant's sole cost and expense. Tenant shall indemnify the Landlord against any loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation any claims made by any succeeding tenant founded on such delay.

(3) In the event Tenant fails to maintain the leased Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amounts so expended by Landlord shall be paid by Tenant promptly after demand with interest at ten (10) percent per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(d) Waiver by Tenant. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this lease because of Landlord's failure to keep the premises in good order, condition and repair.

15. ALTERATIONS AND ADDITIONS.

(a) Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without obtaining the prior written consent of Landlord. Tenant shall present to the Landlord plans and specifications of such work at the time approval is requested. Use of roof is reserved to Landlord.

(b) Landlord may impose as a condition to the aforesaid consent such requirements as Landlord may deem necessary in its sole discretion, including without limitation thereto, the manner in which the work is done, the contractor by whom it is performed, the time during which it is accomplished and the requirement that upon written request of Landlord, Tenant will remove and all permanent improvements or additions to the Premises installed by Tenant, at Tenant's expense, and all movable partitions, counters, personal property, fixtures, and furniture at Tenant's expense.

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(c) All such alterations, additions or improvements shall at the expiration or earlier termination of the Lease become the property of Landlord and remain upon the Premises, unless specified pursuant to Section 14 (b) above.

(d) All articles or personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of the Tenant and may be removed by Tenant at any time during the Lease term when Tenant is not in default hereunder.

16. INDEMNITY.

(a) Tenant shall indemnify and hold Landlord harmless from and defend Landlord against any and all claims or liability for any injury or damage to any person or property whatsoever; (1) occurring in, on or about the Premises or any part thereof, and (2) occurring in, on or about any facilities, stairways, passageways, hallways and parking areas, the use of which Tenant may have in conjunction with other tenants of the Center, when such injury or damage is caused in part or in whole by the act, neglect, fault of or omission of any duty with respect to the same Tenant, its agents, contractors, employees or invitees. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, employees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord, provided, however, that Tenant shall not be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and its designated agents or employees unless covered by insurance Tenant is required to provide.

Tenant, as material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Exemption of Landlord from Liability. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinkler, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Center of which the Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Center.

17. INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Colorado, having a rating the equivalent of not less than AAA in "Best's Insurance Guide" and acceptable to Landlord. Each policy shall name Landlord and at Landlord's request any mortgagee of Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance, shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's opening for business in the Premises. No such policy shall be cancellable except after ten (10) days written notice to Landlord. Tenant shall, at least ten (10) days prior to the expiration of any such policy, furnish Landlord with renewals or "binders" thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the

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Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

(b) Tenant shall at all times during the term hereof maintain in effect policies of casualty insurance covering (i) its leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 14 hereof), trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than eighty percent (80%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included with the classification "Fire and Extended Coverage", together with insurance against water damage, vandalism and malicious mischief and (ii) all plate glass on the Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used for the repair or replacement of the property so insured. Upon termination of this Lease, the proceeds under (i) above, shall be paid to Tenant, and the proceeds under (ii) above, shall be paid to Landlord.

(c) Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force worker's compensation insurance and bodily injury liability and property damage liability insurance adequate to protect Landlord against liability for injury to or death of any person in connection with the construction of improvements on the Premises or with the use, operation or condition of the Premise. Such insurance at all time shall be in an amount of not less than ONE MILLION DOLLARS ($1,000,000) for injury to any one person and not less than TWO HUNDRED THOUSAND DOLLARS ($200,000) with respect to damage to property.

(d) Increase in Amount of Insurance. Not more frequently than each two (2) years, if, in the opinion of Landlord's lender or insurance broker retained by Landlord, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance broker.

18. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive any and all rights of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

19. DAMAGE AND DESTRUCTION.

(a) Partial Damage - Insured. In the event the Premises or the Center are damaged by any casualty which is covered under fire and extended coverage insurance carried by Landlord, then Landlord shall restore such damage provided insurance proceeds are available to pay eighty percent (80%) or more of the cost of restoration and provided such restoration can be completed within sixty (60) days after the commencement of the work in the opinion of a registered architect or engineer appointed by Landlord. In such event that Lease shall continue in full force and effect, except that Tenant shall be entitled to proportionate reduction of rent while such restoration takes place, such proportionate reduction to be based on the extent to which the restoration efforts interfere with Tenant's business in the Premises.

(b) Partial Damage - Uninsured. In the event the Premises or the Center are damaged by a risk not covered by Landlord's policy or the proceeds of available insurance are less than eighty percent (80%) of the cost of restoration, or if the restoration cannot be completed within sixty (60) days after the commencement of work in the opinion of the registered architect or

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engineer appointed by Landlord, then Landlord shall have the option either to (1) repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately abated as hereinabove provided, or (2) give notice to Tenant at any time within thirty days (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Premises shall terminate on such date so specified in such notice and the rent, reduced by any proportionate reduction based upon the extent, if any, to which said damage interfered with the use and occupancy of Tenant, shall be paid to the date of such termination; Landlord agrees to refund to the Tenant any rent theretofore paid in advance for any period of time subsequent to such date.

(c) Total Destruction. In the event the Premises are totally destroyed and the Premises cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

(d) Damage Near End of the Term. Notwithstanding anything to the contrary contained in this Section 18, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Section 18 occurs during the last twelve (12) months of the term of this Lease or any extension thereof.

(e) Landlord's Obligations. The Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, fixtures or any other improvements or property installed in the Premises by Tenant or at the direct or indirect expense of the Tenant. Tenant shall be required to restore or replace same in the event of damage. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

(f) Waiver by Tenant. Tenant shall have no right to terminate this Lease as a result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Center, except as expressly provided herein.

20. CONDEMNATION AND OTHER TAKINGS.

(a) If all or any part of the Premises shall be taken or appropriated for public or quasi-public use by the right of eminent domain, with or without litigation or transferred by agreement in connection with such public or quasi-public use, either party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority, provided, however, that before Tenant may terminate this Lease by reason or taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. If any part of the Center other than the Premises shall be so taken or appropriated, Landlord shall have the right at its option to terminate this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to give Landlord any award made to Tenant for taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business and/or for the unamortized cost of leasehold improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the area of the Premises immediately prior to the taking. A sale by Landlord under threat of condemnation shall constitute a "taking" for the purposes of this Article.

(b) No temporary taking of the Premises or any part of the Premises by military or other public authority, or any other temporary taking, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

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(c) No taking of any part of the parking area within the Center, and no condemnation of such parking area, shall terminate this Lease or give Tenant any right to any abatement of rent thereunder.

21. LIENS.

Tenant shall keep the Premises and the Center of which the Premises are a part free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. In the event that Tenant shall not, within twenty (20) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have the right in addition to all other remedies provided herein and by law, but no obligation, to cause the same to be released by such means as it shall deem proper including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of ten percent (10%) per annum. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having any interest therein, from mechanic's and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

22. DEFAULT.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

(a) The abandonment of the Premises by Tenant (absence from the Premises for ten (10) days after default in payment of rent shall constitute an event of abandonment).

(b) Closure or cessation of business for thirty (30) calendar days.

(c) The failure by Tenant to make any payment of rent or any other payment of charge required to be made by Tenant hereunder ~~as and when due.~~ within five (5) days after same has become due and payable.

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(d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease hereinafter to be served or performed by Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant, provided, However, that the nature of Tenant's default is such that it cannot be cured solely by payment of money and that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion.*

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~~23. REMEDIES.~~

~~In the event of any such material default or breach by Tenant,~~ Landlord may at any time thereafter, with or without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such terms, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all personal property from the Premises; such property ~~may be removed and stored in a public warehouse or elsewhere at the cost of~~

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*See Pages 11A, 11B, 11C attached hereto and made a part hereof.

*Then in any of said cases Landlord may give to Tenant a notice terminating this Lease and upon the giving of said notice of termination this Lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Section 23A.

23. Re-Entry by Landlord

(a) If this Lease shall terminate as provided in Paragraph 22, Landlord or Landlord's against and employees may immediately or at any time thereafter re-enter the Premises, or any part thereof, either by summary dispossess proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any person therefrom, to the end that Landlord may have, hold and enjoy the Premises. The word "re-enter," as used herein, is not restricted to its technical legal meaning. If this lease is terminated under the provisions of Paragraph 22, or if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the termination of this lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the rent and any other payments due hereunder up to the time of such termination of this lease, or of such recovery of possession of the Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Section 23A.

(b) In the event of a breach or threatened breach by Tenant of any of its obligations under this lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

(c) If this Lease shall terminate under the provisions of Section 22, of if Landlord shall re-enter the Premises under the provisions of this Section, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant. Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such monies shall be credited by Landlord against any rent or other payments due hereunder from Tenant at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under Section 23A pursuant to law.

23A. Damages

(a) If this Lease is terminated under the provisions of Section 22, or if Landlord shall re-enter the Premises under the provisions of Section 23, or in the event of the termination of this Lease, or of re-entry by or under summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord, either:

(i) a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then excess, if any, of (i) the aggregate amount of the rent and other payments due hereunder which would have been payable by Tenant for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the date contemplated as the Expiration Date if this Lease had not so terminated or if Landlord had not so re-entered the Premises, over (ii) the aggregate rental value of the Premises for the same period, or

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(ii) sums equal to the rent and other payments due hereunder which would have been payable by Tenant had this Lease not been so terminated, or had Landlord not so re-entered the Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the date contemplated as the Expiration Date if this Lease had not so terminated or if Landlord had not so re-entered the Premises provided, however, that if Landlord shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this lease or in re-entering the Premises and in securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Premises for new tenants, brokers' commissions, legal fees, and all other expenses properly chargeable against the Premises and the rental therefrom, it being understood that any such reletting may be for a period shorter or longer than the remaining term of this lease; but in no event shall Tenant be entitled in any suit for the collection of damages pursuant to this subdivision to a credit in respect of any net rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis shall be made of the rent received from such reletting and of the expenses of reletting.

If the Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Premises, or part thereof, so relet during the term of the reletting. Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises or any part thereof, or if the Premises are relet, for its failure to collect the rent under such reletting, and no such refusal or failure to relet or failure to collect rent shall release or affect Tenant's liability for damages or otherwise under this lease.

23B. Suit for Recovery

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of Section 22, or under any provision of law, or had Landlord not re-entered the Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as damages by reason of the termination of this Lease or re-entry on the Premises for the default of Tenant under this Lease an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 23A.

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23C. Landlord's Lien on Personalty

In addition to any statutory landlord's lien, Landlord is hereby granted a valid security interest to secure payment of all rent and other payments becoming due hereunder and to secure payment of any loss or damage which Landlord may sustain because of any default in the performance of any provisions of this Lease to be kept, performed or observed by Tenant, upon all of Tenant's property and any other personal property of Tenant which may now or hereafter be installed or placed in the Premises and all proceeds thereof. The property subject to such security interest shall not be removed form the Premises without Landlord's consent so long as there shall be any default in the payment of rent or other payments due hereunder or in the performance of any provisions of this Lease which are to be kept, performed or observed by Tenant. If Tenant shall be in default in the performance of any of the provisions of this Lease to be kept, performed or observed by Tenant beyond the applicable grace period, if any, Landlord may, in addition to any other rights or remedies provided in this Lease or by law (including, without limitation, Landlord's statutory lien for rent), enter upon the Premises and take possession of Tenant's property and any other personal property of Tenant installed or placed in the Premises, without liability for trespass or conversion and sell the same at public or private sale. Upon request by Landlord, Tenant shall execute and deliver to Landlord any financing statement required to perfect the security interest of Landlord in the property subject to such security interest and the proceeds thereof. Landlord is hereby authorized to execute any such statement on behalf of Tenant.

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~~and for the account of Tenant. In the event any such reletting occurs, this~~ Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may, at any time during the term of this Lease, elect to terminate this Lease by virtue of such previous default by Tenant. In the event of such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default as specififed in the following paragraph.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of the award of any unpaid rent which had been earned at the time of such termination plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable State Law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in sub-paragraph, the "worth at the time of award" is computed by discounting such amount at the discount rate of The Federal Reserve Bank in Denver at the time of award plus one percent (1%). The term "rent", as used in this Article, shall be deemed to be and to mean all rentals to be paid by Tenant pursuant to the terms of this Lease.

(c) Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease, or under any addenda executed in connection herewith, unless and until it has failed to perform such obligation within thirty (30) days after receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.

(d) Tenant agrees to give any mortgagees and/or trust deed holders, by Registered Mail, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Lease, or otherwise), of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default on the part of the Landlord or if such default cannot be cured within that time, then such additional time as may be necessary if within thirty (30) days, any mortgagee and/or trust deed holder has commenced and is pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure, in which event this Lease shall not be terminated while such remedies are being so pursued.

(e) In addition to the remedies set forth hereinabove, Landlord expressly reserves such additional rights or remedies as may be available at ~~law or equity.~~

24. COST OF SUIT.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the

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Premises, the losing party shall pay the successful party for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgement.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or any third party against Tenant, or by or against any person holding under of using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgement rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including attorney's fees, incurred by Landlord in or in connection with such litigation.

25. SURRENDER OF PREMISES BY TENANT.

On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations in good condition (except for ordinary wear and tear occurring after the last necessary (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 18 of this Lease, and except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 9 of this Lease). Tenant shall remove all personal property prior to the expiration of the term, including any signs, notices and displays placed by Tenant shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property prior to the expiration of the term.

Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the premises on expiration of termination of the term as allowed or required by this Lease. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the term shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing and disposing of any alterations or Tenant's personal property.

If Tenant fails to surrender the Premises to Landlord on expiration of term as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

26. SURRENDER OF LEASE.

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger and shall, at the option of the Landlord, terminate all or any existing subleases of subtenancies, or may, at the option of the Landlord, operate as an assignment to it of any or all such subleases or subtenacies.

27. TRANSFER OF LANDLORD'S LEASE.

In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer all obligations of and liabilities accruing thereafter on the part of the Landlord provided that any funds in the hands of the Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

28. ASSIGNMENT, SUBLETTING AND ENCUMBRANCE.

(a) Landlord's Consent Required. Tenant shall not assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof,

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without the prior written consent of Landlord any attempt to do so without such consent being first had and obtained shall be voidable and, at Landlord's election, shall constitute a default under this Lease.

(b) Tenant's Application. In the event that Tenant intends to attempt an assignment, transfer, mortgage, pledge, hypothecation or encumbrance of this Lease or any interest therein, or any sublet of the Premises or any part thereof, Tenant shall submit in writing to Landlord, at least sixty (60) days prior, an application containing: (i) the name and legal composition of the proposed subtenant or assignee: (ii) the terms and provisions of the proposed transaction: and (iii) such reasonable financial information as Landlord may request concerning the proposed assignee, subtenant or encumbrance assignment, sublease or encumbrance by reason of Tenant's submittal of said application.

(c) Fees for Review. In the event that Tenant shall apply for an assignment, sublease or encumbrance under this Article, Tenant shall pay to Landlord the sum of $175.00 as a non-refundable fee for Landlord's time and processing incurred in connection with reviewing such application. In addition to said fees, Tenant shall pay to Landlord, in the event that Landlord retains the services of any attorney to review said application, all attorney's fees incurred by Landlord in connection with such review.

(d) No Release of Tenant. No consent by Landlord to any assignment or subletting by Tenant shall relieve Tenant of any obligation to be performed by the Tenant under this Lease, whether occurring before or after such consent, assignment or subletting. The consent by Landlord to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's express written consent to any other assignment or subletting. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment, subletting or other transfer. Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent to any subsequent assignment, subletting or other transfer.

(e) Landlord'a option to Terminate. Landlord shall have the right, to be exercised by giving notice to Tenant within thirty (30) days after receipt of Tenant's above-described notice, to terminate this Lease and recapture the Premises. If such notice of termination is given by Landlord, it shall serve to cancel and terminate this Lease with respect to the Premises.

29. INVOLUNTARY ASSIGNMENT.

No interest of Tenant in this Lease shall be assignable by operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered in involuntary assignment:

(a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which Tenant is the one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment of the benefit or creditors;

(b) If a writ of attachment or execution is levied on the Lease;

(c) If, in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises.

An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

30. ATTORNMENT.

In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure or the exercise of the poser of sale under any mortgage or deed or trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchase upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

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31. SUBORDINATION

(a) This Lease at Landlord's option shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises or the land upon which the Premises are situated or both, and to the lien or any first mortgages or deeds or trust in any amount or amounts whatsoever now or hereafter placed on or against the land or improvements or either thereof, of which the Premises are a part, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of it's first mortgage, first deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such first mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of the recording thereof.

(b) Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instrument evidencing such subordination of this Lease to such ground or underlying leases and to the lien of any such mortgages or deed of trust as may be required by Landlord. Tenant hereby appoints Landlord as Tenant's attorney-in-fact, irrevocably, to execute and deliver any such agreements, instruments, releases, or other documents.

32. ESTOPPEL CERTIFICATE.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenants knowledge any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If the Tenant fails to deliver such statement within such time, Tenant irrevocably constitutes and appoints the Landlord as its special attorney-in-fact to execute and deliver such statement to any third party.

(d) If Landlord desires to finance or refinance said Premises, or any part thereof, Tenant hereby agrees to deliver to any lender designated by Landlord such financial statements of Tenant as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be used only for the purposes herein set forth.

33. SUBSTITUTED PREMISES.

Landlord reserves the right, upon not less than thirty (30) days prior written notice to Tenant, and upon the prior written consent of Tenant to substitute for the Premises, comparable net rentable area within the Center, having substantially equivalent net rentable area as the Premises, provided that Landlord shall pay all expenses reasonably incurred in removing Tenant's property to such new location, and upon the expiration of said written notice of not less than thirty (30) days, said new Premises shall be substituted for the Premises as the Premises as they existed before the substitution, rent specified in Article 4 of this Lease shall be reduced to a sum computed by multiplying said rent by a fraction, the numerator of which shall be the total number of square feet in the substituted Premises and the denominator of which shall be the total number of leasable square feet in the Premises before substitution.

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34. NONRECORDABILITY OF LEASE.

Landlord and Tenant agree that in any and all events this lease shall not be recorded by Tenant.

35. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying rent and other monetary sums due under the Lease, performing its covenants and conditions under the Lease and upon recognizing purchaser as Landlord pursuant hereto, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the term, subject, however, to the terms of the Lease.

36. WAIVER OF REDEMPTION BY TENANT; HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgement of any court of by any legal process or writ, Tenant's right of occupancy of the lease Premises after any termination of this Lease. If Tenant holds over the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof or an extension for any further term, and in such case rent shall be payable monthly in an amount equal to 200% of the monthly rent payable during the last month of the lease term, and such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

37. RULES AND REGULATIONS.

The Rules and Regulations attached to this Lease as Exhibit C, as well as such reasonable rules and regulations as may be hereafter adopted by Landlord for the safety, care, utilization and cleanliness of the Premises and the Center, and the preservation of good order thereon, are hereby expressly made a part hereof, and Tenant agrees to comply with such rules and regulations. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Center of any of said rules and regulations.

38. RIGHT TO PERFORMANCE.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligation of Tenant make any such payment and perform any other act on Tenant's part to be made or performed as provided to this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorney's fees), together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord shall be payable by Tenant on demand, and Tenant hereby covenants to pay any and all such sums. Landlord shall have in addition to any other right or remedy for payment of sums due under this paragraph the same remedies as in the case of default by Tenant in the payment of the rent.

39. NAME OF CENTER.

Tenant shall not use the name of the Center for any purpose other than the address of the business to be conducted by Tenant in the Premises. Tenant shall not use any picture of the Center in its advertising, stationary or in any other manner implying that the entire Center is leased by Tenant. Landlord expressly reseves the right at any time to change said name without in any manner being liable to Tenant therefore.

40. NOTICES.

Any notice required or permitted to be given hereunder by Tenant shall be deposited in the United States Mail, duly registered or certified with

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postage fully prepaid thereon, to Landlord at Landlord's address set forth after Landlord's signature at the end of this Lease, or to such other address to which Tenant last forwarded rent, and to such other parties as Landlord may from time to time designate. Any notice required or permitted to be given hereunder by Landlord may be mailed as above stated or delivered personally to Tenant at the address of the Premises. Either party may be written notice similarly give designate a different address for notice purposes, except that Landlord may in any event use the Premises as Tenant's address for notice purposes. Notice shall be effective when mailed or delivered as above specified.

41. WAIVER

No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.

The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, it shall constitute only a waiver of timely payment for the particular rent payment involved.

No act or conduct of Landlord, including without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

42. DEFINITIONS.

(a) The definitions contained in this Lease shall be used to interpret this Lease.

(b) As used in this Lease, the words "LANDLORD" and "TENANT" shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and the word in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord and Tenant shall be joint and several; as to a tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "LANDLORD" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

43. MISCELLANEOUS.

(a) MERCHANT'S ASSOCIATION/PROMOTIONAL FUND. In the event that the Development has either a Merchant's Association or a Promotional Fund for the promotion of the Development and the businesses located in the Development, TENANT agrees to pay dues to the Promotional Fund in the amount of *See below Dollars (_____) per month and to participate in the promotional activities it sponsors. Said dues shall be subject to adjustments, approved by the owner and/or the Board of the Promotional Fund/Association, increasing the dues to the extent required by increases in the costs of promotion, public relations, advertising and other services. In the event that the Development does not, as of the date of execution of this lease, have such an Association/Fund, but in the future the owner elects to establish such an Association/Fund, TENANT agrees to subscribe to and participate faithfully in such Association/Fund.

(b) Execution by Landlord. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises; and this document becomes

* Amount to be determined at time an association is formed

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effective and binding only upon execution and delivery hereof by Tenant and by Landlord. No act or omission of any employee or agent of Landlord or of Landlord's broker shall alter, change or modify any of the provisions hereof.

(c) No partnership. Landlord shall not become or be deemed a partner of or joint venturer with Tenant by reason of the provision of this Lease.

(d) Signs. Tenant shall not place or permit to be placed in or upon the Premises, where visible from outside the Premises, or outside the Premises or any part of the Building any signs, notices, drapes, shutters, blinds or displays of any type without written consent of Landlord. See Article 43.

(e) Parking. Tenant shall have the right to use in common with other tenants or occupants of the Center the parking facilities of the Center, if any subject to the monthly rates, rules and regulations, and any other charges of Landlord for such parking facilities which may be established or altered by Landlord at any time or from time during the term hereof.

Furthermore, Landlord shall have certain other rights and authority relative to the use and control of the parking areas, including, without limitations, the right to increase or decrease the size of the parking areas; to rearrange the parking spaces and improvements on the parking areas; to take all or any portion of the parking areas for the purpose of maintaining, repairing or restoring same, or for the purpose of construction and/or operating commercial building, structures or areas thereon or adjacent thereto; to have ingress and egress in connection with any such construction and/or operation; and to do and perform such other acts in, to, and with respect to the parking areas as in the use of good business judgement Landlord shall determine to be appropropriate for the parking areas.

(e) CAPTIONS AND ATTACHMENTS.

(1) The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or construction of any section of this Lease.

(2) The exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease, and are incorporated herein.

(f) Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

(g) Interest. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at ten percent (10%) per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(h) Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof; subject to any provisions hereof restricting assignment, subletting, or encumbrance by Tenant and subject to Article 26 of this Lease, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Colorado.

(i) Time, Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

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(j) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation Tenant shall, within thirty (30) days after execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

(k) Tenant acknowledges that the Center and the premises occupied by Tenant hereunder are subject to easements and benefits, burdens, and certain Declarations of Restrictions as set forth in certain declarations of covenants, conditions and restrictions for Mission Trace at the Springs, entered into by and between Charles Golding Jr., and Dillon Real Estate Co., Inc. of Kansas, recorded in Book 3893 at Page 1222 in the Records of El Paso County, State of Colorado, Tenant further acknowledges that Landlord is the owner of only a portion of the Center, which portion is described in Exhibit C-4 hereto.

44. SIGN.

Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the lease Premises any sign, awning or canopy, or advertising matter or other thing of lettering or advertising matter on the glass of any window or door of the leased Premises without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all time. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the building on the Premises. Signs shall be in strict accordance with Exhibit B.

45. INCORPORATION OR PRIOR AGREEMENTS: AMENDMENTS.

This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

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

LANDLORD:	TENANT:
The Guardian Life Insurance Company of America	By:
By:	C.C. Hight, Chairman of the Board
ADDRESS: WILLIAM C. FRENTZ VICE PRESIDENT, REAL ESTATE	ADDRESS:
The Guardian Life Insurance Company of America 201 Park Avenue South, New York, New York 10003	346 South Fifth East
The Guardian Life Insurance Company of America 201 Park Avenue South, New York, New York 10003	Salt Lake City, Utah 84102

(If Tenant is a corporation, the corporate seal must be affixed and the authorized officers must sign on behalf of the corporation.)

ADDENDUM TO LEASE

This Addendum, made and entered into this ~~8th~~ 1st day of ~~August,~~ February 9, 1988 by and between THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA (hereinafter "Landlord"), and TUTOR TIME INTERNATIONAL, INC. (hereinafter "Tenant"), and executed concurrent with the same parties.

The parties agree to the following amendments and agreements as part of the Lease:

1. Term The Lease term shall commence on February 1, 1989 and continue for five (5) consecutive years.

2. Base Effective February 1, 1989, the minimum annual base rent payable in monthly installments of FOUR THOUSAND FIFTY-NINE AND 67/100 DOLLARS ($4,059.67). 9.50

Effective February 1, 1990, the minimum annual base rent payable in monthly installments of FOUR THOUSAND THREE HUNDRED EIGHTY AND 17/100 DOLLARS ($4,380.17). 10.25

Effective February 1, 1991, the minimum annual base rent, payable in monthly installments of FOUR THOUSAND FIVE HUNDRED NINETY-THREE AND 83/100 DOLLARS ($4,593.83). 10.75

Effective February 1, 1992, the minimum annual base rent, payable in monthly installments of FOUR THOUSAND SEVEN HUNDRED THIRTY AND 58/100 DOLLARS ($4,730.58). 11.07

Effective February 1, 1993, the minimum annual base rent, payable in monthly installments of FOUR THOUSAND EIGHT HUNDRED SEVENTY-ONE AND 60/100 DOLLARS ($4,871.60). 11.40

3. Tenant Improvements Tenant shall pay to Landlord upon execution of this Lease the difference between the contract amount and the Landlord's contribution of $60,000.00 toward Tenant Improvements in accordance with pre-approved plans that will be attached and form a part of this Lease. Tenant's payment to Landlord for difference between contract and $60,000.00 shall be either in cash or a Surety Bond from a bonding company reasonably acceptable to The Guardian at it's sole discretion. Landlord and Tenant agree that no additional changes will be made to said plans without prior written consent of Landlord. It is Landlord's intent to begin construction on or before May 1, 1989.

4. Balloon Payment Tenant shall pay Landlord for the right to take occupancy of the Premises in the following manner:

a. One single payment of FIFTEEN THOUSAND AND 00/100 DOLLARS ($15,000.00) on January 31, 1990; and

b. Monthly payments of interest only shall be due and payable in the fixed amount of ONE HUNDRED FIFTY AND 00/100 DOLLARS ($150.00) each commencing on February 1, 1989 to and including January 1, 1990.

LANDLORD:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: _____ Date: 16 May 1989

WILLIAM C. FRENTZ
VICE PRESIDENT, REAL ESTATE

TENANT:

TUTOT TIME INTERNATIONAL, INC.

By: _____ Date: 4/25/89

C.C. High, Chairman

By: _____ Date: _____

WCF/CPC 4-29-89

EXHIBIT "A"

FIRST OPTION

First Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for an additional term of Five (5) years to commence concurrently with the expiration of the term thereof and to expire Five (5) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of this Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will escalate to * ($) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of *

_____ (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

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EXHIBIT "B"

SECOND OPTION

Second Option to Renew Lease. Tenant shall have and is hereby given the option to renew and extend this Lease for additional term of Five (5) years to commence concurrently with the expiration of the term thereof and expire Five (5) years after the commencement date of said renewal term, or until renewal term shall sooner cease and expire under the provisions of the Lease, upon the same terms and conditions as those herein contained, except that the minimum rental will excalate to * ($ _____) per year, payable on the first day of each month in advance, without notice, at such place as the Landlord may from time to time, specify in writing, in equal monthly installments of * (_____) per month.

Tenant shall give Landlord written notice of his decision to exercise this option on said premises ninety (90) days prior to the conclusion of any lease term presently in effect, or forfeit such right to exercise this option.

*The monthly rental payable by Tenant under Article 4 "RENT" of this Lease shall be increased upon the commencement of the first renewal term and upon the expiration of each twelve (12) month period thereafter according to the increase in the "Consumer Price Index" shall mean the United States Cost of Living Index, published by the Bureau of Labor Statistics (Denver, all Items Index, New Base). The amount of such increase in the monthly rental shall be determined by multiplying the monthly rental by a fraction, the denominator of which shall be the most recent Consumer Price Index figure published prior to the original commencement date of the term of this Lease, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the date of such adjustment; provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month. Should Landlord lack sufficient data to determine the adjusted monthly rental on the date of any such adjustment, Tenant shall continue to pay the monthly rental payable immediately prior to such adjustment date. As soon as Landlord obtains the necessary data, it shall determine the monthly rental payable from and after such adjustment date and shall notify Tenant of the adjustment in writing. Should the monthly rental for the period following such adjustment date exceed the amount previously paid by Tenant for such period, Tenant shall forthwith pay the difference to Landlord. If the Consumer Price Index is discontinued or revised during the term, as extended, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Consumer Price Index had not been discontinued or revised. If Tenant exercises its second renewal option, the monthly rental payable to Tenant for the month immediately preceding the commencement of the second renewal term i.e., the monthly rental payable under Artice 4, as increased by the applicable CPI changes, (hereinafter the Adjusted Monthly Rental) shall be adjusted upon the commencement of the second renewal term and upon the expiration of each twelve (12) month period thereafter by multiplying the adjusted monthly rental by a fraction the denominator of which shall be the most recent consumer price index figure published prior to the original commencement date of the term of this lease and numerator of which shall be the most recent consumer price index figure published prior to the date of such adjustment provided, however, that in no event shall the monthly rental for any month be less than the monthly rental for the immediately preceding month.

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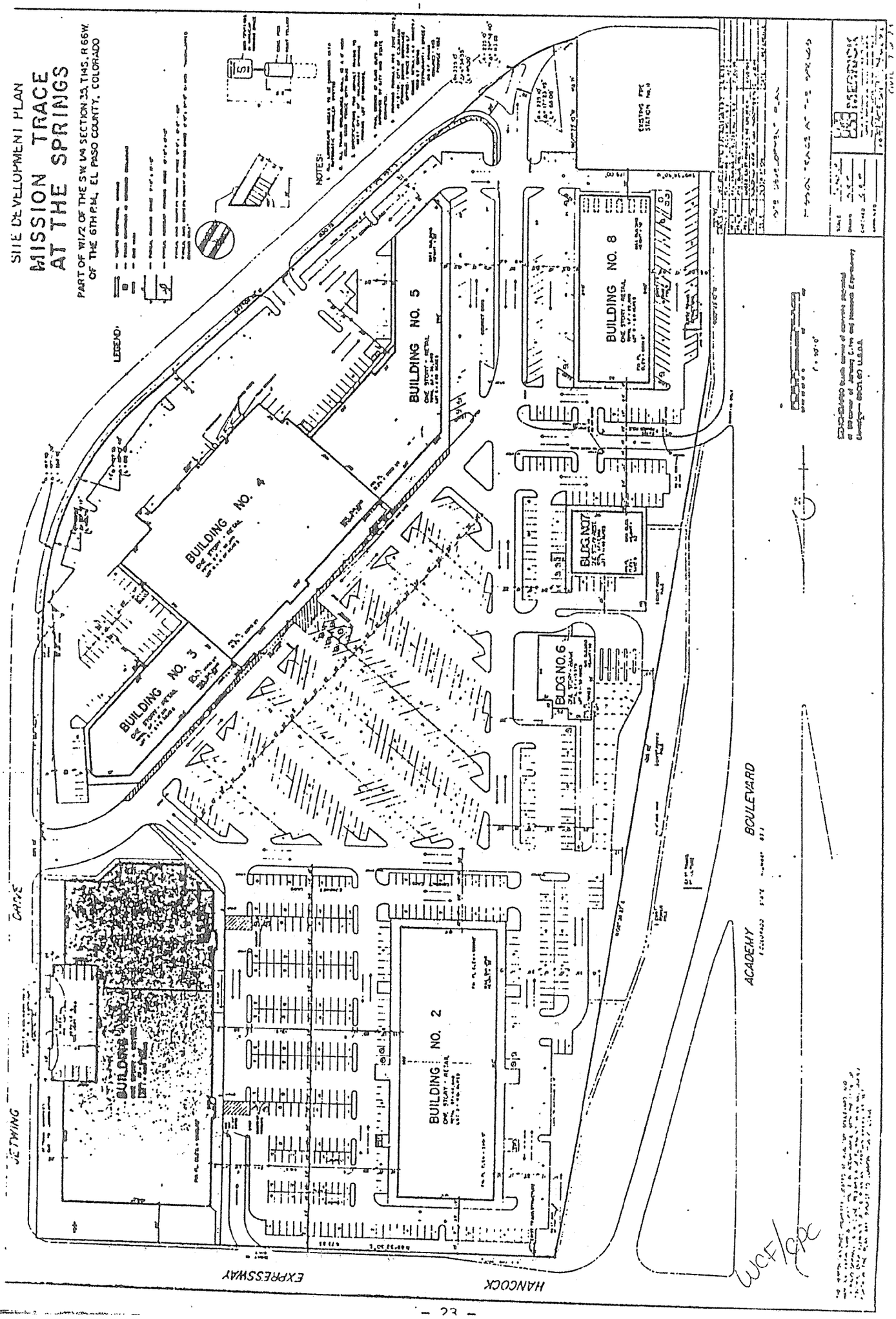
EXHIBIT "C-1"

DESCRIPTION OF DEMISED PREMISES

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.



GL-100957

NOTE: This is a preliminary site plan and Landlord is not necessarily bound to construct the buildings in the exact place, size, or configuration set forth hereon.

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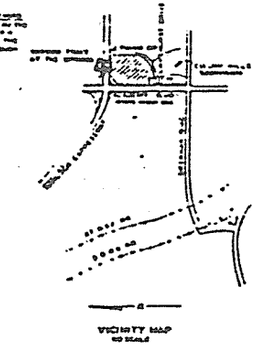
SITE DEVELOPMENT PLAN

MISSION TRACE AT THE SPRINGS

PART OF W1/2 OF THE S.W. 1/4 SECTION 35, T14S., R.66W. OF THE 6TH P.M., EL PASO COUNTY, COLORADO



VICINITY MAP
NO SCALE

SITE DATA

SITE AREA = 24.001 Acres, 1,045,755.0 square feet.

BUILDING AREA		PARKING REQUIRED
Building No. 1 - Two Story		
Retail	66,040 sq. ft.	167.3
Offices	16,545 sq. ft.	73.0
Retail	65,000 sq. ft.	
Building No. 2 - One Story		
Retail	65,000 sq. ft.	167.3
Retail	65,000 sq. ft.	
Building No. 3 - One Story		
Retail	37,200 sq. ft.	73.0
Retail	37,200 sq. ft.	
Building No. 4 (Anchor Tenants) - One Story		
Retail	19,114 sq. ft.	204.7
Retail	58,256 sq. ft.	
Building No. 5 - One Story		
Retail	20,420 sq. ft.	107.0
Retail	20,420 sq. ft.	
Building No. 6 - One Story		
Retail	6,100 sq. ft.	30.6
Retail	6,100 sq. ft.	
Building No. 7 - One Story		
Restaurant	11,000 sq. ft.	73.0
Retail	11,000 sq. ft.	
Building No. 8 - One Story		
Retail	12,000 sq. ft.	60.2
Retail	12,000 sq. ft.	
	Required =	1,110
	Provided =	1,100

Gross Building Area = 294,100

Building Lot Coverage = 28.13% = 12.0%

Landscape Area = Landscaping Greenway G.A.C. = 100,000 sq. ft. = 10%

Parking Lot, Drives = 653,767 sq. ft. = 62%

LEGAL DESCRIPTION

That portion of the West Quarter of the Southwest Quarter of Section 35, Township 14 South, Range 66 West of the Sixth Principal Meridian, El Paso County, Colorado, more particularly described as follows:

CONSIDERING as the northwest corner of said W1/2 of the SW1/4 [illegible]

THENCE [illegible] along the centerline of said [illegible] of the SW1/4, 921.64 feet;

THENCE S00°[illegible], 50.00 feet to a point on the southerly right-of-way line of Hancock Expressway and the POINT OF BEGINNING of the tract of land herein described;

THENCE continue S00°[illegible], 600.30 feet;

THENCE along the arc of a curve to the right which has a central angle of 07°[illegible], a radius of 917.95 feet and an arc distance of 104.19 feet;

THENCE S07°[illegible], 606.72 feet to a point on the centerline of Lexington Drive, as platted in Calvary Baptist Subdivision, as recorded in Plat Book [illegible], Page 73 of the records of said El Paso County;

THENCE along said centerline right-of-way line and along the arc of a curve to the right which has a central angle of 30°[illegible], a radius of 375.10 feet and an arc distance of 113.04 feet to the southeast corner of Fox Meadows Filing No. 2, as recorded in Plat Book [illegible] at Page 20 of said records of El Paso County;

The following two (2) courses are along the easterly and southerly boundary of said Fox Meadows Filing No. 2:

(1) THENCE N00°[illegible], 300.76 feet;

(2) THENCE S89°[illegible], 151.00 feet to a point on the southerly right-of-way line of Hancock Expressway as recorded in said recorded in Book [illegible] at Page [illegible];

(The following two (2) courses are along said southerly right-of-way line):

(1) THENCE N00°[illegible], 337.00 feet;

(2) THENCE N00°[illegible], 1210.00 feet to a point on the southerly right-of-way line of Hancock Expressway;

THENCE N00°[illegible] along said southerly right-of-way line, of 2.00 feet to the POINT OF BEGINNING, containing 24.001 acres, more or less.

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

MERRICK

EXHIBIT "C-2"

DESCRIPTION OF DEMISED PREMISES

EXHIBIT "C-3"

DESCRIPTION OF DEMISED PREMISES

Suite Number Building #5

Street Address or Demised Premises

Mission Trace Shopping Center

3223 + 3225 South Academy Blvd.

Colorado Springs, CO 80916

Floor Area: 5,128 Square Feet

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EXHIBIT "C-4"

PROPERTY DESCRIPTION

Lots 1, 2, 3, 5 and 8, Block 1 Mission Trace at the Springs Filing No. 2, according to the plat record on August 26, 1985 in Plat Book Z3 at Page 8, in the Records of El Paso County, Colorado.

Together with non-exclusive easements, including but not limited to, passage and parking of vehicles, pedestrian traffic and acces easements as covered in Declaration of Covenants, Conditions and Restrictions for Mission Trace Shopping Center recorded July 12, 1984, in Book 3893 at Page 1221.

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GL-100960

EXHIBIT "D-1"

MISSION TRACE SIGN CRITERIA

Each Tenant shall submit or cause to be submitted within three weeks of date of execution of this Lease, to the Landlord for approval before fabrication, at least two (2), copies of detailed drawings, indicating the location, layout, size design and color of the proposed signs, including all lettering and/or graphics.

All permits for signs and their installation shall be obtained by the Tenant or his representative and comply with all City laws.

Tenant shall be responsible for the fulfillment of all requirements and specification. Tenant is also responsible for providing Landlord a 24 hour notice prior to sign installation to allow Landlord the opportunity to assist in placement of the sign.

All signs shall be constructed and installed at Tenant's expense.

All Tenants are obligated to have a sign (corner Tenants must sign both sides of Building) and all signs shall be reviewed for conformance with this criteria and overall design quality. All signs shall be submitted to Landlord's architectural department and shall be reviewed within five (5) working days. Approval and disapproval of sign submittals based on aesthetics or design shall remain in sole right of the Landlord. All signs shall be limited to individual letters mounted on an exposed 7" high and 8" deep raceway center mounted within 7 ½" recessed portion of the fascia (See attached Exhibit D-2 and D-3). The raceway will be painted Fuller-O'Brien Whisper White with a texture finish. All bracing must be concealed within the sign. Landlord shall provide a conduit to the back of the recessed portion of the fascia panel (see Exhibit D-2). The sign manufacturer should construct the sign in such a manner that the conduit will be installed into the back of the raceway. Under no circumstances may any conduits or disconnects be visible after the sign is installed.

All sign lettering shall be internally illuminated. No blinking, flashing or animated sign letters will be permitted. All signs shall be on a central circuit that controls all the signs in the Center. The circuit shall come on with a photo cell and turn off with a timer. The hours of operation of all signs shall be controlled by the Landlord.

Wall and/or fascia mounted signs shall not be mounted higher than 4"0" above roof line when located on a fascia panel or parapet wall. No sign lettering will be allowed within six inches (6") from the top or bottom of the mansard/fascia panel. All sign lettering must be placed on fascia according to Landlord. The width of the sign lettering shall be five inches (5") in depth. Sign Letter Size shall be a maximum of 36" in height and a minimum sign lettering of fifteen inches (15") in height. All sign lettering shall have bronze Jewel Lite trim. The sign manufacturer shall install a waterproof, flush mounted, disconnect in the raceway at one end of the sign in such a manner that only the toggle switch protrudes from the raceway.

The overall size of the sign may not exceed 1.50 square feet times the width of the store front occupied by the Tenant. In no case may the length of the sign exced 80% of the store front occupied. Signs on the ends of the buildings for corner stores shall be located in areas not to exceed 1.50 square feet times the length and shall meet section 14-0-202;B of the City of Colorado Springs Zoning Ordinance.

Letter style will not be restricted; letter style should, however, be compatible with the design character of the Center as determined by Landlord.

Caution should be taken when selecting sign lettering colors so as to maximize sign visibility during daylight hours. Wording or sign lettering shall not include specific products that the Tenant might sell (manfacturers' brand names). Generic names (delicatessen, bedding, furniture) of products sold by the tenant shall be acceptable. Logos are acceptable and subject to approval of the Landlord. Cans for logos shall not exceed height of a single line of lettering.

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GL-100961

Conformance will be strictly enforced and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Tenant.

Rear and service door standardized identification signs will be provided by the Landlord. Tenants may not install this sign without prior consent from the Landlord.

Landlord has exclusive contract over free standing project signs and free standing low profile signs for the project. The number of signs is limited, and their location is vital to the coordination of Center-wide signage. Consequently, Landlord, at Landlord's sole discretion, will determine size, shape, color, configuration, location and copy for any and all free standing signage. Any such sign installed at Mission Trace without Landlord's approval shall be removed at Tenant's expense within ten (10) days after Landlord's notification of same.

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GL-100962

EXHIBIT "E"

RULES AND REGULATIONS

1. GENERAL PROVISIONS RELATING TO CONSTRUCTION

A. Tenant shall cause the work to be installed by Tenant's Contractor pursuant to the approved final plans and specifications at Tenant's sole cost expense.

b. Tenant shall cause its Contractor to perform the work and supply; new materials in compliance with the approved plans and to have such work performed diligently and in a first class workmanlike manner in compliance with applicable laws and codes and with applicable standards of the local Building Code, National Board of Fire Underwriters, the local Electric Code, the American Gas Association and the American Society of Heating, Refrigerating and Air Conditioning Engineers.

c. Tenant agrees at Tenant's expense to obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death or injury to person or damage to property caused in or about or by reason of the construction of any work which is obligation hereunder.

2. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building or the Premises without the written consent of Landlord first had an obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass or any window, door, partition or wall which may appear unsightly from outside the Premises.

3. Any directory, Center identification sign, or Common Sign used by any or all tenants in the Center is controlled exclusively by the Landlord. Landlord reserves the right to determine content, design, placement, and any other matters relating to same in the future.

4. The sidewalks, halls, passages, exits, entrances, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, exits, entrances, stairways, balconies and roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudical to the safety, character, reputation and interests of the Center and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the Tenant normally deals in the ordinary course of Tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Center.

5. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of Landlord.

6. The toilet rooms, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

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7. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

8. No furniture, freight or equipment of any kind shall be brought into the Tenants Building without the consent of Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate, Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy objects shall, if considered necessary by Landlord, stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or other property sustained during the moving or maintaining of same and any repair to such property shall be at the expense of Tenant. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

9. Tenant shall not use, keep or permit to be used or keep any food or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, photograph, unusual noise, or in any other way. No Tenant shall throw anything out of doors or down the passageways.

10. The Premises shall not be used for the manufacture or sale of liquor, narcotics, or tobacco in any form. No Tenant shall engage or pay any employees on the Premises nor advertise for laborers giving an address at the Premises. The Premises shall not be used for lodging or sleeping or for any illegal purposes.

11. Tenant shall not use or keep in the Premises or the Respective Building (s) any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

12. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wiring will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

13. The Tenant upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished, shall pay the Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord deems it necessary to make such change.

14. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall see that the doors of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the Building, and that all electricity shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Center.

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16. Tenant shall not disturb or canvas any occupant of the Center nor shall Tenant solicit in the Center, and Tenant shall cooperate to prevent any such disturbance, canvassing and/or solicitation.

17. Landlord reserves the right to exclude or expel from the Center any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor of drugs, or shall in any manner do any act in violation of any of the rules and regulations of the Center.

18. The requirements of Tenant will be attended to only upon application at the Office of the Center. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from the Landlord, and, no employee will admit any person (Tenant or otherwise) to any office without specific instructions from the Landlords.

19. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises or the Respective Building without the written consent of the Landlord.

20. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Center of which the Premises are a part. Without the written consent of Landlord, Tenant shall not use the name of the Center in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

21. Tenant agrees that it shall comply with all fire security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire of security regulations.

22. Landlord reserves the right by written notice to Tenant, to rescind, alter Premises or Center or waive any rule or regulation at any time prescribed for the Premises or Center when, in Landlord's judgement, it is necessary, desirable or proper for the best interest of the Center and its tenants.

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EXHIBIT "F-1"
TUTOR TIME - TENANT IMPROVEMENTS
3223 & 3225 South Academy Boulevard
Colorado Springs, Colorado

LANDLORD proposes to furnish all necessary labor, materials and equipment to complete the Tenant Improvements for Tutor Time, per attached plan (Exhibit "F-2") and the following scope of work:

*TENANT shall be responsible for any item not listed.
~~**LANDLORD expense not to exceed $60,000.00~~.

General Conditions

- Supervision
- Building Permit
- City Sanitary Sewer Fees also included are all water, gas, sewer and hookup fees
- Insurance to be approved by Tutor Time
- Final Cleanup

Demolition

- Remove existing partitions, ceiling, carpet, etc., as required
- Cut and patch concrete for new plumbing

Cabinets and Countertops

Finish Carpentry

Wood Doors and Frames

- Reuse existing doors subject to site inspection
- New doors to match existing

Window Frames and Glazing

Folding Partitions

- Rework existing partitions; subject to inspection
- (1) new partition

Metal Studs and Drywall

- New partitions per plan; subject to final floor plan
- Drywall on existing studs in expansion space
- Patch existing walls

Acoustical Ceiling

- Approximately 2,300 square feet of new ceiling to match existing
- Patch existing; subject to site inspection

Sheet Vinyl
Carpet
Ceramic Tile
Vinyl Base As per architectural specifications
Painting
Bathroom
Plumbing

HVAC

- New ductwork in expansion area
- Rework ductwork in existing area as required

Electric - subject to site inspection

- New 200 amp service to existing area with subfeed to expansion area
- Hook up R.T.U. in expansion area
- Add lighting and receptacles in expansion area and relocate existing as required
- Add (2) pull stations and (1) horn to existing fire alarm system
- New emergency lighting as required
- New exit lights as required

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EXHIBIT "G"

GUARANTEE OF LEASE

WHEREAS, a certain lease of even date herewith has been, or will be, executed by and between The Guardian Life Insurance Company of America, a New York corporation therein and herein referred to as "Landlord," and Tutor Time International, Inc., therein referred to as "Tenant", covering certain premises in the City of Colorado Springs, County of El Paso, State of Colorado; and

WHEREAS, the Landlord under said lease requires as a condition to its execution of said lease that the undersigned guarantee the full performance of the obligations of Tenant thereunder; and

WHEREAS, the undersigned is desirous that Landlord enter into said lease with Tenant.

NOW, THEREFORE, in consideration of the execution of said lease by Landlord, the undersigned hereby unconditionally guarantees the full performance of each and all of the terms, covenants and conditions of said lease to be kept and performed by said Tenant, including the payment of all rentals and other charges to accrue thereunder. The undersigned further agrees as follows:

1. This Covenant and agreement on its part shall constitute in favor of the Landlord notwithstanding any extension, modification, or alteration of said lease entered into by and between the parties thereto, or their successors or assigns, or notwithstanding any assignment of said lease, with or without the consent of the Landlord, and no extension, modification, alteration or assignment of the above referred to lease shall in any manner release or discharge the undersigned and it does hereby consent thereto.

2. This Guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord may, without notice, assign this Guarantee of Lease in whole or in part, and no assignment or transfer of the lease shall operate to extinguish or diminish the libility of the undersigned thereunder.

4. The liability of the undersigned under this Guarantee of Lease shall be primary; and in any right of action which shall accrue to Landlord under the lease, Landlord may, at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against the Tenant.

5. The undersigned shall pay Landlord's reasonable attorney's fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed, or in enforcing this Guarantee of Lease agains the undersigned, individually and jointly.

6. The undersigned does hereby waive notice of any demand by the Landlord, as well as any notice of default in the payment of rent of any other amount contained or reserved in the lease.

7. The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of the Guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be executed this 17 day of Nov, 1988.

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If Guarantor shall be a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This guarantee must be executed by the president or vice-president and the secretary or assistant secretary unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached hereto. Also, the appropriate corporate seal must be affixed.

GUARANTOR NUMBER 1. C.E.O.

Tutor Time International Inc.

Address: 346 South 5th East

Salt Lake City, Ut. 84102

GUARANTOR NUMBER 2.

Address:

GUARANTOR NUMBER 3.

Address:

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