

## SUBLEASE AGREEMENT

**THIS SUBLEASE AGREEMENT** is made by and between **LIQUID ENTERPRISES CORP.**, a Colorado corporation, with an address of 4770 Forest Street, Unit C, Denver, Colorado 80216 (“Lessee”), and the **CITY AND COUNTY OF DENVER**, a municipal corporation and home rule city of the State of Colorado (“City” or “Lessor”) (“Lease”).

### W I T N E S S E T H:

**WHEREAS**, the City is Master Lessee of real property and improvements located at 3821 – 3851 Steele Street, Denver, Colorado 80205, pursuant to a Assignment and Assumption of Lease dated August 15, 2007 between Inner-City Community Development Corporation and Industrial Plus, LLC (collectively “ICDC”) and the City and County of Denver recorded in the records of the Denver Clerk and Recorder at Reception No. 2007133138, which property is not needed for municipal purposes (“Master Lease Property”); and

**WHEREAS**, the terms of the acquired leasehold interest are contained in the Lease Agreement dated July 7, 1998, attached hereto as **Exhibit A**, between North Denver Industrial, LLC (the “Landlord”) and Inner-City Community Development Corporation (“the Master Lease Agreement”); and

**WHEREAS**, a portion of the Master Lease Property is located at 3821 Steele Street, Denver, Colorado 80205 (“Property”); and

**WHEREAS**, certain common areas are available for use by all tenants of the Master Lease Property as set forth in a Declaration of Easements dated July 7, 1998, and recorded in the records of the Denver Clerk and Recorder at Reception No. 9800108333 (“Easements”); and

**WHEREAS**, the City desires to sublease approximately 12,298 square feet of the Property (“Premises”) to Lessee for warehouse and office use.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements hereinafter contained, the City and the Lessee agree as follows:

1. **LEASED PREMISES**: Subject to the terms of this Lease, City grants to the Lessee, and the Lessee accepts from City, the exclusive use and occupancy of the Premises, containing approximately 12,298 square feet of space, including a bathroom, located within the Property located at 3821 Steele Street, Denver, CO 80205, as more particularly depicted on **Exhibit B**, attached hereto and incorporated herein by reference, together with all improvements

and appurtenances located thereon, ingress and egress, and use of the common areas of the Master Lease Property, including the Easements. City represents to Lessee that Lessee's permitted use hereunder shall not be a violation of the Easements. Lessee understands that this Lease is subject to the terms of the Master Lease Agreement and Lessee agrees to abide by such terms as they may apply to Lessee. However, City shall use its commercially reasonable efforts to provide Lessee with a non-disturbance agreement from Landlord in a form acceptable to Lessee, stating Landlord shall not disturb Lessee's rights under this Lease in the event of a termination of the Master Lease Agreement due to City's default thereunder.

2. **TERM:** The term of this Lease shall begin on or about April 1, 2013 and terminate on March 31, 2018, unless sooner terminated pursuant to the terms of this Lease. As long as Lessee is not in breach of any provision of this Lease, Lessee shall be entitled to extend the Lease term for an additional five (5) year period by giving the City written notice, of such intent, no less than six (6) months prior to the expiration of the initial term ("Option Period").

3. **RENT:**

(a) The Lessee shall pay to the City, or its agent, for the rent of the Premises for the term of this Lease, on or before the first day of each month during the term of the Lease the sum of rent due per month, for the Lease term ("Rent"), as set forth below. In the event any installment of Rent is due for a period of less than a full month, such Rent shall be prorated.

(i) Years 1 and 2 - Two Thousand Three Hundred Five and 86/100 Dollars (\$2,305.86) monthly rent, with the annual total for each year being \$27,670.32.

(ii) Year 3 – Two Thousand Three Hundred Seventy-Five and 5/100 Dollars (\$2,375.05) monthly rent, with the annual total being \$28,500.60.

(iii) Year 4 – Two Thousand Four Hundred Forty-Six and 30/100 Dollars (\$2,446.30).

(iv) Year 5 – Two Thousand Five Hundred Nineteen and 69/100 Dollars (\$2,519.69).

(b) In the event Lessee exercises its option to extend the Lease term for the Option Period, rental rates for the Option Period shall be at market rates at the time such option is exercised, as determined by the Director, Division of Real Estate ("Director") on behalf of the City.

(c) Lessee shall pay the City its proportionate share of expenses incurred by the City as Common Area Maintenance Expenses (“CAM Expenses”. “Additional Rent” shall mean CAM Expenses plus any other amount due pursuant to this Lease. Lessee’s percentage (9.46%) shall be based upon the 12,298 square feet of the Premises as the numerator, and the denominator shall be the total square footage of rentable property within the Master Lease Property, which is currently 130,000 square feet. CAM Expenses, at the City’s discretion, may include some or all of the following items: third party management fees, exterior lighting, electricity, snow plowing of parking and driveway areas, security services, storm water and drainage fees, sanitary to other drainage system costs and sprinklers and other fire protection systems. CAM charges shall be paid by Lessee to Lessor within ten (10) calendar days of receiving an invoice for such charges from the City or its management agent.

(d) **Late Payments.** Any payment of Rent or Additional Rent, which is not received within five days after it is due will be subject to a late charge equal to 5% of the unpaid payment, or \$100.00, whichever is greater. This amount is compensation of City’s additional cost of processing late payments. In addition, any Rent or Additional Rent which is not paid when due, will accrue interest at the rate of four percent (4%) per annum compounded monthly from the date on which it was due until the date on which it is paid in full with accrued interest.

(e) **Security Deposit.** Lessee shall deposit a security deposit with City for the initial amount of one month’s rent (“Security Deposit”) as security for the full, faithful and timely performance of every provision of this Lease to be performed by Lessee. If Lessee defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of Rent or Additional Rent, City may use, apply or retain all or any part of the Security Deposit for the payment of any Rent or Additional Rent, or any other sum in default, or for the payment of any other amount which City may spend or become obligated spend by reason of Lessee’s default, or to compensate City for any other loss or damage which City may suffer by reason of Lessee’s default. If any portion of the Security Deposit is so used, applied, or retained, Lessee will within five days after written demand deposit cash with City in an amount sufficient to restore the Security Deposit to its original amount. City will not be required to keep the Security Deposit separate from its general funds and Lessee will not be entitled to interest on the Security Deposit. The Security deposit will not be deemed a limitation

on City's damages or a payment of liquidated damages or a payment of the Rent or Additional Rent due for the last month of the Term. If Lessee fully, faithfully and timely performs every provision of this Lease to be performed by it, the Security Deposit or any balance of the Security Deposit will be returned to Lessee within 60 days after the expiration of the Term. Upon any sale or assignment of the Premises during the Term, City will deliver the Security Deposit to the purchaser, and after such delivery, City will have no further liability to Lessee with respect to the Security Deposit.

4. **USE:** The Lessee shall use the Premises for general warehouse and office space, consistent with Lessee's business of liquidating grocery stores. In the event Lessee wants to utilize the Premises for any other lawful purpose allowed under the Master Lease, it must first obtain the permission, in writing, of the Director, or his authorized representative. The Lessee shall use the Premises in a careful, safe, and proper manner and it shall not use or permit said Premises to be used for any purpose prohibited by the laws of the United States of America, the State of Colorado, or the Charter or Ordinances of the City and County of Denver. Lessee may place appropriate signage on the Premises and Property as long as such signs are in accordance with the City's zoning code and the Master Lease. The Lessee shall follow all rules and regulations, if any, relating to the use of the Premises and Property

5. **QUIET ENJOYMENT:** Lessee shall and may peacefully have, hold and enjoy the Premises, subject to the other terms hereof. In addition, City represents to Lessee that to the best of City's knowledge, City is not in breach or default of the Master Lease Agreement, and that City has no knowledge of any existing or anticipated litigation concerning the Master Lease Agreement and Landlord.

6. **"AS IS" CONDITION, TENANT IMPROVEMENTS AND UTILITIES:**

(a) The Premises are accepted by Lessee in an "AS IS" "WHERE IS" condition, with all faults and defects. The City does not make and expressly disclaims any warranty or representation whatsoever, express or implied, and shall have no obligation or liability whatsoever, express or implied, as to condition of or any other matter or circumstance affecting the Premises. Lessee shall be responsible for installing, constructing and maintaining all tenant improvements and finishes at its sole cost and expense. Lessee expressly agrees to accept all mechanical facilities "AS IS" "WHERE IS" and shall be responsible for all

maintenance, repair and replacement of such systems and utilities required for use of the Premises. Lessee agrees to separately meter and pay all costs associated with utilities which are provided to the Premises for electricity, gas, water, sewer or other utility services. Lessee shall also be responsible for providing janitorial and trash pickup services for the Premises. The foregoing notwithstanding, City represents that all mechanical, electrical and HVAC equipment will be in good working order as of the date of this Lease.

(b) **Mechanics' Liens.** Lessee will not permit any mechanic's lien or other lien to be filed against the Premises, or any portion thereof including the Property or the Premises, by reason of any Lessee's work or other work performed by or for, or material furnished to, Lessee. If any such lien is filed at any time against the Premises, or any portion thereof including the Property or the Premises, Lessee will cause the same to be discharged of record within 10 days after the date of filing the same. If Lessee fails to discharge any such lien within such period, then, in addition to any other right or remedy of City, after five days prior written notice to Lessee, City may, but will not be obligated to, discharge the same by paying to the claimant the amount claimed to be due or by procuring the discharge of such lien as to the Premises by deposit in the court having jurisdiction of such lien, the foreclosure thereof or other proceedings with such court sufficient in form, content and amount to procure the discharge of such lien, or in such other manner as is now or may in the future be provided by present or future laws for the discharge of such lien as a lien against the Premises, or any portion thereof, including the Property or the Premises. Any amount paid by City, or the value of any deposit so made by City, together with all costs, fees and expenses in connection therewith (including reasonable attorney's fees of City), together with interest thereon at the interest rate set forth above, will be repaid by Lessee to City on demand by City and if unpaid may be treated as Additional Rent. Notwithstanding the foregoing, if Lessee desires to contest any such lien, Lessee may do so provided that, within thirty (30) days after Lessee's receipt of notice of the filing thereof, Lessee notifies City of Lessee's intention to do so and, until such time as Lessee causes such lien to be removed by the payment thereof or by bonding over such lien in the manner provided by laws, posting with City such security as City may reasonably request to provide funds with which City may discharge such lien in the event Lessee is unsuccessful in its contest and then fails to discharge such lien. Lessee will indemnify and defend City against and

save City and the Premises, or any portion thereof, including the Property or the Premises, harmless from all losses, costs, damages, expenses, liabilities, suits, penalties, claims, demands and obligations, including, without limitation, reasonable attorney's fees resulting from the assertion, filing, foreclosure or other legal proceedings with respect to any such mechanic's lien or other lien.

7. **ENTRY BY LESSOR:** The Lessee shall permit representatives of the Lessor to enter into and upon the Premises at all reasonable hours to inspect the same, and make any repairs deemed necessary by Lessor; however, except in the case of an emergency, Lessor shall provide the Lessee with twenty-four (24) hours' advance written notice.

8. **CARE AND SURRENDER OF THE LEASED PREMISES:** At the termination of this Lease, the Lessee shall deliver the Premises to the Lessor in the same condition, plus any fixtures or improvements installed by the Lessee, unless the City permits or requests the removal of such fixtures or improvements, as the Premises were in at the beginning of occupancy by Lessee, ordinary wear and tear excepted.

All improvements to the Premises made by Lessee, including but not limited to mechanical systems, light fixtures, floor coverings and partitions and any items installed or constructed by Lessee, but excluding removable trade fixtures and signs, shall become the property of City upon expiration or earlier termination of this Lease. Lessee shall have no obligation to remove floor or wall coverings.

9. **INDEMNITY:**

(a) Lessee hereby agrees to defend, indemnify, reimburse and hold harmless City, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the Premises or work performed by Lessee under this Lease ("Claims"), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Lessee or its subcontractors either passive or active, irrespective of fault, including City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

(b) Lessee's duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether claimant has filed suit on the Claim. Lessee's duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/or claimant alleges that City's negligence or willful misconduct was the sole cause of claimant's damages.

(c) Lessee will defend any and all Claims which have been brought against City for the reasons stated in Section 9(a) and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City's exclusive remedy.

(d) Insurance coverage requirements specified in this Lease shall in no way lessen or limit the liability of the Lessee under the terms of this indemnification obligation. Lessee shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

(e) This defense and indemnification obligation shall survive the expiration or termination of this Lease.

10. **LOSS OR DAMAGE:** The City shall not be liable or responsible to Lessee for any loss or damage to any property or person occasioned by theft, fire, Act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of any governmental entity other than the City. If the Premises, through no fault or neglect of the City, its agents, its employees, invitees, or visitors, shall be partially destroyed or rendered useless by fire or other casualty, and the City elects to repair the same, the rent herein shall abate until such time as the Premises are made useable by the City. In the event such repairs cannot be made within 90 days, the Lessee may elect to terminate this Lease. In the event of the total destruction of the Premises without fault or neglect of the Lessee, its agents, employees, invitees, or visitors, or if from any cause the Premises shall be so damaged that Lessor shall decide not to render it

useful, then all rent owed up to the time of such destruction or termination shall be paid by the Lessee and this Lease shall cease and come to an end.

11. **HAZARDOUS SUBSTANCES:**

(a) Lessee shall not cause or permit the storage, use, generation or disposition of any Hazardous Substances (as hereinafter defined) in the Leased Premises.

(b) As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Colorado, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substance", pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and petroleum. Upon notice to Lessor, Lessee shall have the right to perform at Lessee's own cost any environmental study or test that it deems necessary.

12. **HOLDING OVER:** If, after the expiration of the term of this Lease, the Lessee shall remain in possession of the Leased Premises or any part thereof, and continue to pay rent, without any express agreement as to such holding, then such holding over shall be deemed and taken to be a periodic tenancy from month-to-month, subject to all the terms and conditions of this Lease, except for the provisions relating to the period of the Lessee's occupancy, and at a rent equivalent to 150% of the most recent monthly installment of rent due hereunder, payable in advance on the first day of each calendar month thereafter. Such holding over may be terminated by City or Lessee upon ten (10) days' notice.

13. **REMEDIES UPON BREACH:** In the event of a breach of this Lease by Lessee, the City may be entitled to all of the rights and remedies provided at law or in equity. Additionally, the City may, upon its election:

(a) terminate this Lease and the Term created hereby, in which event City forthwith may repossess the Premises (including, without limitation, changing the locks, expelling Lessee and others therein, and removing all property therefrom) and Lessee shall pay at once to City a sum of money equal to all Rent and Additional Rent then past due and owing to City; or



(b) elect to terminate Lessee's right of possession without termination of this Lease, in which event Lessee agrees to surrender possession and vacate the Premises immediately and deliver possession thereof to City, and Lessee hereby grants to City full and free license without notice to enter into and upon the Premises, in whole or in part, with or without process of law, by force or otherwise, and to change the locks, repossess, the Premises or any part thereof, and to expel or remove Lessee and any other person, firm or corporation who may be occupying or within the Premises or any part thereof and remove any and all property therefrom without terminating this Lease or releasing Lessee in whole or in part from Lessee's obligation to pay all Rent and Additional Rent and perform any of the covenants, conditions and agreements to be performed by Lessee as provided in this Lease and without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom.

(c) Upon and after entry into possession without terminating this Lease, City may, but shall not be obligated to, re-let all or any part of the Premises for the account of Lessee for such Rent and Additional Rent and upon such terms and to such person, firm or corporation and for such period or periods as City in City's sole discretion shall determine, and City shall not be required to accept any lessee offered by Lessee, to observe any instruction given by Lessee about such re-letting or to do any act or exercise any care of diligence with respect to such re-letting or to the mitigation of damages of Lessee. For the purpose of such re-letting, City may decorate and make repairs, changes, alterations, improvements and/or additions in or to Premises to the extent deemed by City desirable or convenient. If the consideration collected by City upon any such re-letting for Lessee's account is not sufficient to pay the Rent and Additional Rent reserved in this Lease, together with all costs to remove Lessee and its property and to re-let the Premises (including, without limitation, attorneys' fees and disbursements, commissions, and finder's fees), and the cost of repairs, changes, alterations, improvements, additions, decorations and City's other expenses, Lessee agrees to pay to City the deficiency upon demand.

In the event Lessee causes Lessor to be in breach of the Master Lease Agreement, Lessor, at its sole discretion, may cure such breach and assess such costs against Lessee.

14. **TERMINATION**: Upon thirty (30) days written notice, either party may terminate this Lease upon any default of the other party, unless the default specified in the notice

is cured within the thirty (30) days. If notice is so given, the parties shall not be relieved of their duties to perform their obligations up to the date of termination.

15. **NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Lease, Lessee agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and further agrees to insert the foregoing provision in all subcontracts hereunder.

16. **LESSEE'S INSURANCE:**

(1) **General Conditions:** Lessee agrees to secure, at or before the time of execution of this Lease, the following insurance covering all operations, goods or services provided pursuant to this Lease. Lessee shall keep the required insurance coverage in force at all times during the term of the Lease, or any extension thereof, during any warranty period, and for three (3) years after termination of the Lease. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better. Each policy shall contain a valid provision or endorsement requiring notification to the City in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Lease. Such notice shall reference the City contract number listed on the signature page of this Lease. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, Lessee shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s) and referencing the City's contract number. If any policy is in excess of a deductible or self-insured retention, the City must be notified by the Lessee. Lessee shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Lease are the minimum requirements, and these requirements do not lessen or limit the liability of the Lessee. The Lessee shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover

its obligations and liabilities under this Lease.

(2) **Proof of Insurance:** Lessee shall provide a copy of this Lease to its insurance agent or broker. Lessee may not commence services or work relating to the Lease prior to placement of coverage. Lessee certifies that the certificate of insurance attached as **Exhibit C**, preferably an ACORD certificate, complies with all insurance requirements of this Lease. The City requests that the City's contract number be referenced on the Certificate. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Lease shall not act as a waiver of Lessee's breach of this Lease or of any of the City's rights or remedies under this Lease. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

(3) **Additional Insureds:** For Commercial General Liability, Auto Liability and Excess Liability/Umbrella, Lessee and subcontractor's insurer(s) shall name the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

(4) **Waiver of Subrogation:** For all coverages, Lessee's insurer shall waive subrogation rights against the City.

(5) **Subcontractors and Subconsultants:** All subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Lease) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Lessee. Lessee shall include all such subcontractors as additional insured under its policies (with the exception of Workers' Compensation) or shall ensure that all such subcontractors and subconsultants maintain the required coverages. Lessee agrees to provide proof of insurance for all such subcontractors and subconsultants upon request by the City.

(6) **Workers' Compensation/Employer's Liability Insurance:** Lessee shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. Lessee expressly represents to the

City, as a material representation upon which the City is relying in entering into this Lease, that none of the Lessee's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Lease, and that any such rejections previously effected, have been revoked as of the date Lessor executes this Lease.

(7) **Commercial General Liability:** Lessee shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

(8) **Business Automobile Liability:** Lessee shall maintain Business Automobile Liability with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Lease

(9) **Excess/Umbrella Liability:** Lessee shall maintain the liability limits set forth above. If utilized, excess/umbrella coverage must be written on a "follow form" or broader basis. Any combination of primary and excess coverage may be used to achieve required limits.

(10) **Real Property Insurance:** Lessee shall maintain All-Risk/Special Cause of Loss Form Property Insurance on a replacement cost basis in an amount not less than the value of the Premises subject to this agreement. The City and County of Denver shall insure (or self-insure) the building and other improvements on the Property.

(11) **Additional Provisions:**

(a) For Commercial General Liability and Excess Liability, the policies must provide the following:

- (i) That this Lease is an Insured Contract under the policy;
- (ii) Defense costs are in excess of policy limits;
- (iii) A severability of interests or separation of insureds provision (no insured vs. insured exclusion); and
- (iv) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.

(b) For claims-made coverage:

(i) The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier

(c) Lessee shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Lessee will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

17. **VENUE, GOVERNING LAW:** This Lease shall be construed and enforced in accordance with the laws of the State of Colorado, without regard to the choice of law thereof, and the Charter and Revised Municipal Code of the City and County of Denver. Venue for any legal action relating to this Lease shall lie in the State District Court in and for the City and County of Denver, Colorado.

18. **ASSIGNMENT AND RIGHT TO SUBLEASE:** Lessee shall not assign or transfer its rights under this Lease, or sublet the Premises, without first obtaining the written consent of the City through the Director. However, Lessee may assign or sublease this Lease to an Affiliate without City's prior approval. As used herein, "Affiliate" shall mean any parent or any entity jointly owned or controlled by or with Lessee.

19. **TRANSFER OF CITY'S INTEREST.** City shall have the absolute right at any time and from time to time to assign, convey or otherwise transfer its interest in the Premises and/or the Property and this Lease, without consent of Lessee. Upon any sale, conveyance or other transfer of the Premises or Property by City, the City automatically shall be relieved of liability for any obligation or liability thereafter accruing.

20. **SUBORDINATION AND ATTORNMENT.** City and Lessee agree that this Lease and all of Lessee's rights hereunder be and hereby are made subject and subordinate at all times to any and all ground and underlying leases and to any and all mortgages in any amounts and all advances thereon which may now exist or hereafter be placed upon the Property and to any and all renewals, modifications, consolidations, participations, replacements and extensions thereof. The term "mortgage" as used herein shall be deemed to include a bond, mortgage, trust indenture, and deed of trust. The aforesaid provisions shall be deemed to include instrument of

subordination shall be required to effectuate any such subordination desires confirmation of such subordination, Lessee shall execute promptly and without charge therefor any certificate that may be requested. Such certificate shall also contain, at the election of City or any lessor, mortgagee, trustee, beneficiary or other party benefited by such subordination, an agreement whereby Lessee will attorn to said lessor, mortgagee, trustee, beneficiary or other benefited party as City in the event of a foreclosure or termination of such ground or underlying lease, or to any party taking title through said party in such event, so long as Lessee's rights hereunder are not disturbed. Notwithstanding the provisions hereof, should any lessor, mortgagee, trustee, beneficiary or other party require that this Lease be prior rather than subordinate to its lease or mortgage, or require that Lessee attorn to said lessor, mortgagee, trustee, beneficiary or other party as City in the event of a foreclosure of such mortgage or termination of such ground or underlying lease, or to any party taking title through said party in such event, then this Lease shall become prior and superior to mortgagee, trustee, beneficiary or other party. The aforesaid superiority of this Lease to any mortgage or lease, and the attornment by Lessee to such lessor, mortgagee, trustee, beneficiary or other party, shall be self-operative upon the giving of such notice and no further documentation other than such written notice shall be required to effectuate such superiority or attornment. In the event City or such lessor, mortgagee, trustee, beneficiary or other party desires confirmation of such superiority or attornment, Lessee shall promptly upon request therefor by City or acknowledging such priority or attornment obligation to the lessor, mortgagee, trustee, beneficiary or other party (or a party acquiring title through such party) as City in the event of foreclosure or deed in lieu thereof or termination of Lease.

21. **ESTOPPEL CERTIFICATE.** Lessee shall at any time and from time to time, upon not less than twenty (20) days written notice from City, duly complete, execute, acknowledge and deliver to and for the benefit of City or such other person as City may designate an estoppel certificate in such other form as City may reasonably request. In completing such certificate, Lessee may indicate thereon any exception which exists at that time and to which City shall have no objection. Any such statement may be relied upon by any prospective purchaser or lender upon the security of the real property of which the Property and the Premises are a part. Such estoppel certificate shall be deemed conclusive and binding upon Lessee.

22. **BROKERAGE COMMISSIONS.** Lessee represents and warrants that there are and shall be no claims for brokerage commissions or finder's fees in connection with the making of this Lease, and Lessee agrees to indemnify, defend and hold harmless City from and against any liabilities arising from any claim for such a commission or fee, including attorneys' fees incurred in connection therewith, whether such claim arises before or after the expiration or termination of this Lease.

23. **RECOVERY BY PREVAILING PARTY.** In the event that at any time after the date hereof either City or Lessee shall institute any action or proceeding against the other to enforce or interpret the provisions of this Lease (including without limitation unlawful entry or detainer of the Premises or for the recovery of any Rent or Additional Rent due hereunder), then and in that event, the prevailing party in such action or proceeding shall be entitled to recover from the other party hereto the reasonable attorneys' fees and all costs and disbursements incurred therein. If City shall employ the services of an attorney by reason of any default or failure of timely performance by Lessee and suit is not brought by reason thereof, Lessee shall pay to City, as Additional Rents, all reasonable attorneys' fees and disbursements so incurred by City. For purposes of this Lease, a prevailing party shall include, without limitation, a party who brings an action against the other party by reason of the other party's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment.

24. **EXAMINATION OF RECORDS:** The Lessor agrees that any duly authorized representative of the City shall, until the expiration of three (3) years after final payment under this Lease, have access to and the right to examine any directly pertinent books, documents, and records of the Lessee involving matters directly related to this Lease.

25. **AMENDMENT:** No alteration, amendment or modification of this Lease shall be valid unless evidenced by a written instrument executed by the parties hereto with the same formality as this Lease; however, the Director shall have the authority to execute agreements which make technical, minor, or non-substantive changes to this Lease. The failure of either party hereto to insist in any one or more instances upon the strict compliance or performance of any of the covenants, agreements, terms, provisions or conditions of this Lease, shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision or condition, but the same shall remain in full force and effect.

26. **SEVERABILITY**: If any portion of this Lease is determined by a court to be unenforceable for any reason, the remainder of the Lease remains in full force and effect.

27. **BINDING EFFECT**: This Lease, when executed and when effective, shall inure to the benefit of and be binding upon the successors in interest or the legal representative of the respective parties hereto, subject to assignment or sublease in accordance with paragraph 18 above.

28. **THIRD PARTIES**: This Lease does not, and shall not be deemed or construed to, confer upon or grant to any third party or parties any right to claim damages or to bring any suit, action or other proceeding against the parties hereto because of any breach hereof or because of any of the terms, covenants, agreements and conditions herein.

29. **NOTICES**: All notices hereunder shall be given to the following by hand delivery or by certified mail, return receipt requested:

To the City: Mayor's Office  
City and County Building  
1437 Bannock Street, Room 350  
Denver, CO 80202

With copies to: Denver City Attorney  
Denver City Attorney's Office  
1437 Bannock Street, Room 353  
Denver, CO 80202

Director of Real Estate  
201 West Colfax Avenue, Dept. 1010  
Denver, CO 80202

To Lessee: Liquid Enterprises Corp.  
3821 Steele Street  
Denver, CO 80205  
Attention: Philip Greenberg

With copies to: Moyer White LLP  
1400 16<sup>th</sup> Street, Suite 600  
Denver, CO 80202  
Attention: David J. Katalinas

Either party hereto may designate in writing from time to time the address of substitute or supplementary persons to receive such notices. The effective date of service of any such notice shall be the date such notice is deposited in the mail or hand-delivered to the party.



30. **ENTIRE AGREEMENT:** The parties acknowledge and agree that the provisions contained herein constitute the entire agreement and that all representations made by any officer, agent or employee of the respective parties unless included herein are null and void and of no effect.

31. **WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event shall any performance hereunder constitute or be construed to be a waiver by any party of any breach of covenant or condition or of any default which may then exist. The rendering of any such performance when any breach or default exists shall in no way impair or prejudice any right or remedy available with respect to such breach or default. Further, no assent, expressed or implied, to any breach of any one or more covenants, provisions, or conditions of this Lease shall be deemed or taken to be a waiver of any other default or breach.

32. **NO PERSONAL LIABILITY:** No elected official, director, officer, agent or employee of the City, nor any director, officer, employee or personal representative of the City shall be charged personally or held contractually liable by or to the other party under any term or provision of this Lease or because of any breach thereof or because of its or their execution, approval or attempted execution of this Lease.

33. **CONFLICT OF INTEREST BY CITY OFFICER:** Lessee represents that to the best of its information and belief, no officer or employee of the City is either directly or indirectly a party or in any manner interested in this Lease, except as such interest may arise as a result of the lawful discharge of the responsibilities of such elected official or employee.

34. **APPROPRIATION:** The obligations of the City pursuant to this Lease, if any, or any renewal or holdover shall extend only to monies appropriated for the purpose of this Lease by the City Council, paid into the City Treasury, and encumbered for the purposes of this Lease. Lessee acknowledges that this Lease is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City. The City shall not pay or be liable for any claimed interest, late charges, fees, taxes or penalties of any matters, except as required by the City's Revised Municipal Code.

35. **AUTHORITY TO EXECUTE:** The parties represent that the persons who have affixed their signatures hereto have all necessary and sufficient authority to bind each respective party.

36. **PERSONAL GUARANTY OF LEASE:** Lessee shall cause a personal guaranty of all Lessee's obligations pursuant to the Lease to be executed by Philip Greenberg ("Guarantor"). Upon Lessee's execution of this Lease, Lessee will cause Guarantor to execute a Guaranty of Lease in the form attached hereto as Exhibit "D" (the "Guaranty") and will then cause Guarantor to deliver such Guaranty to City simultaneously with Lessee's delivery of this Lease. Guarantor will be jointly and severally liable with Lessee under this Lease.

37. **PARAGRAPH HEADINGS:** The paragraph headings are inserted only as a matter of convenience and for reference and in no way are intended to be a part of this Lease or to define, limit or describe the scope or intent of this Lease or the particular paragraphs to which they refer.

38. **CITY'S EXECUTION OF LEASE:** This Lease is expressly subject to, and shall not be or become binding on the City until there is full execution by all signatories set forth below.

39. **ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Lessee consents to the use of electronic signatures by the City. The Lease, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Lease solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Lease in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

40. **CITY PERMITS, FEES AND TAXES:** Lessee, because it operates a business in the City, is subject to certain City permits, fees and taxes. Lessee agrees that it will obtain any and all applicable City permits in a timely manner. Lessee acknowledges that as of the time it signed this Lease Agreement, Lessee was in arrears in filing tax returns and paying applicable taxes to the Treasurer of the City, which include but are not limited to sales tax, use tax and occupational privilege tax. Lessee agrees to cooperate fully with the City's Department of Finance in resolving all such issues, and agrees to have these issues resolved no later than May 1, 2013. Nothing herein shall preclude Lessee from filing a protest with the City challenging the

taxes. Lessee waives any confidentiality provision provided by City Ordinance to the Department of Finance, so that information regarding Lessee's or Lessee's Affiliates tax accounts may be shared with the Division of Real Estate of the City. In the event that all such issues are not resolved by May 1, 2013, this shall constitute an event of default under the Lease. Further, in the future, if Lessee does not keep current with all applicable permits, fees, and taxes, and if such obligations are not brought current within thirty (30) days of written notice sent by the City to Lessee, such event shall constitute an event of default under the Lease.

**[The Remainder of the Page is intentionally left blank]**

**Contract Control Number:**

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

**CITY AND COUNTY OF DENVER**

ATTEST:

By \_\_\_\_\_

\_\_\_\_\_

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By \_\_\_\_\_

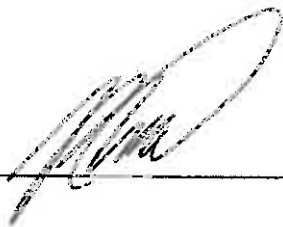
By \_\_\_\_\_

By \_\_\_\_\_



Contract Control Number: FINAN-201208736-00

Contractor Name: Liquid Enterprises Corp

By:  \_\_\_\_\_

Name: Philip Greenberg  
(please print)

Title: President  
(please print)

ATTEST: [if required]

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)




to recover its costs and the reasonable fees, disbursements and expenses of its attorneys, as well as the costs court, of the action, or of the proceeding, as applicable.

9. The execution of this Guaranty prior to or following execution of the Lease shall not invalidate this Guaranty or lessen the obligations of Guarantor hereunder. This Guaranty may be attached to the Lease and designated as an Exhibit thereto, and the execution by Guarantor of this Guaranty as so designated and the delivery hereof as an attachment to the Lease shall constitute the due execution and delivery of this Guaranty.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty this 15 day of March, 2013.

GUARANTOR

  
\_\_\_\_\_  
Philip Greenberg



## **EXHIBITS**

**Exhibit A** - Master Lease Agreement

**Exhibit B** - Depiction of the Premises

**Exhibit C** - Certificate of Insurance

**Exhibit D** - Guaranty

**Exhibit A**

**Master Lease Agreement**



LEASE AGREEMENT

DATED JULY 7, 1998

BETWEEN

NORTH DENVER INDUSTRIAL, LLC  
AS LANDLORD

AND

INNER-CITY COMMUNITY DEVELOPMENT CORPORATION  
AS TENANT

FOR PROPERTY LOCATED AT  
3821-3851 STEELE ST., DENVER, COLORADO

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## LEASE AGREEMENT

This Lease Agreement (this "Lease") made July 7, 1998 between

NORTH DENVER INDUSTRIAL, LLC, a Colorado limited liability company, having an office at 2400 Industrial Lane, Unit #1520, Broomfield, Colorado 80020, referred to in this Lease as "Landlord",

-and-

INNER-CITY COMMUNITY DEVELOPMENT CORPORATION, a Colorado nonprofit corporation, having an office at 3356 Franklin Street, Denver, Colorado 80205, referred to in this Lease as "Tenant".

1. **Leased Premises.** Landlord Leases to Tenant and Tenant hires from Landlord, in accordance with the provisions of this Lease, the land, including the building and improvements thereon, located at 3821-3851 Steele St., Denver, Colorado, more particularly described in Schedule A annexed to and made part of this Lease, together with: (i) forty seven percent (47%) of all water tap credits hereafter made available to Landlord pursuant to the terms of a certain Amended and Restated Project Agreement of even date herewith; and (ii) a continuing easement for access, parking and utilities over and across Landlord's adjacent land to the same extent as if the land subject to this Lease were part of the "ICDC Property" as that term is defined in that certain Declaration of Easements of even date herewith between Landlord and Tenant. The land, buildings and improvements, water tap credits and easement rights subject to this Lease are referred to in this Lease as the "Premises". This Lease is made subject to such facts as an accurate survey may disclose, and easements, rights of way and restrictions of record.

2. **Term.** The initial term of this Lease shall be for twenty-three (23) years, commencing August 7, 1998 and ending midnight, August 6, 2021 unless such Term is earlier terminated as hereinafter provided. Tenant shall have the right to renew the initial term of this lease for one additional twenty-five (25) year renewal term, commencing upon expiration of the initial term and ending at midnight on August 6, 2046, as set forth below. References in this Lease to the term shall mean the initial term and, if Tenant exercises its renewal right, the renewal term. If Tenant desires to exercise its renewal right, it must give written notice of exercise to Landlord no later than December 31, 2020. Any renewal shall be upon all of the terms and conditions set forth in this Lease, except that fixed annual rent for the first lease year of the renewal term shall be the product of the fixed annual rent in effect in the last lease year of the initial term times the sum of one hundred percent (100%) plus the increase, if any, in the Consumer Price Index (as described below) and fixed annual rent shall be similarly increased in every succeeding year of the renewal term based on the increase, if any, in the Consumer Price Index from the immediately preceding year. For purposes hereof, a lease year shall be a period commencing on August 7<sup>th</sup> of any year and ending on August 6<sup>th</sup> of the next succeeding year. For purposes hereof, the "Consumer Price Index" shall mean the All Urban Consumer Price Index (Base Year 1982-84 equals 100) published by Bureau of Labor Statistics of the United States Department of Labor for the Denver, Colorado SMSA (or if such is no longer published, a substantially similar publication of a governmental agency or other reputable source.) The increase, if any, in the Consumer Price Index for any lease year shall be measured by

comparing the most recently available Consumer Price Index at the beginning of such year to the most recently available Consumer Price Index at the beginning of the immediately preceding lease year. In no event shall fixed annual rent be decreased as a result of a decrease in the Consumer Price Index.

3. Tenant's Use of the Premises.

(a) Use by Tenant and Certificate of Occupancy.

Tenant shall use and occupy the Premises only as and for office, retail or light industrial use consistent with applicable zoning. The parties acknowledge that Tenant intends to sublet all or a substantial portion of the Premises for the permitted uses. Tenant shall, at Tenant's own expense, apply for and obtain a Certificate of Occupancy with respect to the Premises, based upon the use set forth above, from the appropriate authority, prior to any occupancy of the Premises, other than for construction and related purposes, by Tenant or any other party.

(b) Prohibited Use. Tenant shall not occupy nor use all or any part of the Premises nor permit or suffer the Premises to be occupied or used for any purpose other than as provided for in this Lease, nor for any unlawful or disreputable purpose, nor for any extra hazardous purpose on account of fire or other casualty, nor in violation or breach of that certain Redevelopment Agreement dated as of November 1, 1997 by and among Landlord, Tenant and the Denver Urban Renewal Authority.

4. Fixed Annual Rent, Additional Rent and Other Sums to be Paid by Tenant.

1/1 - 1/31 ←  
(a) Fixed Annual Rent. During the first lease year of the initial term of this Lease, Tenant shall pay to Landlord fixed annual rent as follows: during the first three (3) months, there shall be no fixed annual rent payable; during the next three (3) months fixed annual rent shall be payable at the annualized rate of Forty-One Thousand Seven Hundred Fifty Dollars and No Cents (\$41,750.00) or Three Thousand Four Hundred Seventy-Nine Dollars and Seventeen Cents (\$3,479.17) per month; during the next three (3) months fixed annual rent shall be payable at the annualized rate of Sixty-Two Thousand Six Hundred Twenty-Five Dollars and No Cents (\$62,625.00) or Five Thousand Two Hundred Eighteen Dollars and Seventy-Five Cents (\$5,218.17) → 5/1 - 7/31 per month; and during the last three (3) months fixed annual rent shall be payable at the annualized rate of Eighty-Three Thousand Five Hundred Dollars and No Cents (\$83,500.00) or Six Thousand Nine Hundred Fifty-Eight Dollars and Thirty-Three Cents (\$6,958.33). Thereafter during the initial term of the Lease until the tenth anniversary of the Commencement Date, Tenant shall pay Landlord the fixed annual rent of Eighty-Three Thousand Five Hundred Dollars and No Cents (\$83,500.00), which annual fixed rent shall be payable in twelve (12) equal consecutive monthly installments of Six Thousand Nine Hundred Fifty-Eight Dollars and Thirty-Three Cents (\$6,958.33) each. After the tenth anniversary of the Commencement Date throughout the balance of the initial term of the Lease, fixed annual rent shall be increased annually based on increases, if any, in the Consumer Price Index utilizing the calculations and method described in Paragraph 2 above. Fixed annual rent during the renewal term shall be payable in twelve (12) equal consecutive monthly installments, based on the calculations and method described in Paragraph 2 above. Monthly installments of fixed annual rent shall be due and payable on the first day of each month, in advance.

(b) Additional Rent Based upon Real Estate Taxes. As additional rent, Tenant shall pay Landlord the annual real estate taxes and assessments assessed and levied against the Premises, on the first (1st) day of each month, in advance, in a sum equal to 1/12th of the estimated annual real estate taxes and assessments to be due and payable for the then calendar year. Upon ascertaining the actual real estate taxes and assessments for the current calendar year, Tenant shall pay Landlord any difference upon demand, or if Tenant shall be entitled to a credit, Landlord shall credit the excess against the next monthly installment(s) of additional rent falling due. Additional rent based upon real estate taxes and assessments payable for the first and last years of the lease term shall be adjusted and pro rated, so that Landlord shall be responsible for Landlord's pro rated share for the period prior to and subsequent to the lease term and Tenant shall pay Landlord its pro rated share for the lease term. Provided this Lease is not previously canceled or terminated, and there shall be no Event of Default, or an event which with the giving of notice or the lapse of time, or both, would constitute an Event of Default, then Tenant shall have the right to contest the amount or validity of any real estate tax or assessment assessed and levied against the Premises in excess of \$.43 per square foot in calendar year 1998 (escalating .01 per year commencing in 1999 up to a maximum of \$.53 per square foot), or to seek a reduction in the valuation of the building on the Premises assessed for real estate tax purposes, by appropriate proceedings diligently conducted in good faith (the "Tax Appeal"). Except as set forth below, Landlord shall not be required to join in any Tax Appeal. If required by law, Landlord shall, upon written request of Tenant, join in the Tax Appeal or permit the Tax Appeal to be brought in Landlord's name, and Landlord shall reasonably cooperate with Tenant, at the cost and expense of Tenant. Tenant shall pay any increase that may result in real estate taxes or assessments as a consequence of the Tax Appeal, which payment obligations shall survive the expiration or earlier termination of this Lease.

\* (c) Additional Rent Based Upon Assessments for Public Improvements. As additional rent, upon demand, Tenant shall pay Landlord all assessments for public improvements assessed and levied against the Premises. If any assessment for public improvements shall be payable in installments, Landlord shall pay such assessment in the maximum number of installments permitted by law, and Tenant's obligation to pay additional rent shall be limited to each installment or pro rated share thereof due and payable during the Lease term.

\* (d) Additional Rent Based Upon Other Sums. Tenant shall pay Landlord, as additional rent, all other sums of money on Tenant's part to be paid pursuant to the terms, covenants and conditions of this Lease.

\* (e) Additional Rent Based Upon Reimbursement to Landlord. If Tenant shall fail to comply with or to perform any of the terms, conditions and covenants of this Lease, Landlord may (but with no obligation to do so) carry out and perform such terms, conditions and covenants, at the expense of Tenant, which expense shall be payable by Tenant, as additional rent, upon the demand of Landlord, together with interest at the rate of twelve percent (%12) per annum, which interest shall accrue from the date of Landlord's demand.

\* (f) Additional Rent Based Upon Late Payment. If Tenant defaults, for more than fifteen (15) days in the payment of any monthly installment of fixed annual rent, additional rent or any of the sums required of Tenant under the Lease, or if Tenant, within fifteen (15) days after demand from Landlord, fails to reimburse Landlord for any expenses incurred by Landlord pursuant

to the Lease, together with interest, then Tenant shall pay Landlord, as additional rent, a late charge of five (5%) percent of the monthly rent or expense.

(g) Additional Rent Based Upon Landlord's Legal Expenses in Enforcing Lease. As additional rent, Tenant shall pay Landlord, all reasonable attorney's fees which may be incurred by Landlord in enforcing Tenant's obligations under this Lease; provided, however, that in the event Landlord commences a suit against Tenant to enforce Tenant's obligations under this Lease, and such suit is tried to conclusion and judgment is entered substantially in favor of Tenant, then in that event Tenant shall not be under any obligation to pay Landlord the attorneys' fees which Landlord may have incurred.

\* (h) Additional Rent Based Upon Taxes Based on Rent. If at any time during the term of this Lease a tax or charge shall be imposed by the State of Colorado or the county or municipality in which the Premises is located, pursuant to any future law, which tax or charge shall be based upon the rent due or paid by Tenant to Landlord, then Tenant shall pay Landlord, as additional rent, such tax or charge. The foregoing shall not require payment by Tenant of any income taxes assessed against Landlord or of any capital levy, franchise, estate, succession, inheritance or transfer tax due from Landlord.

(i) Net Lease. No Setoff and Application.

(i) Net Lease. It is the intention of the parties that this Lease is a "triple net lease" and Landlord shall receive the fixed annual rent, additional rent and other sums required of Tenant under the Lease, undiminished from all costs, expenses and obligations of every kind relating to the Premises, which shall arise or become due during the Lease term, all of which shall be paid by Tenant.

(ii) No Setoff. Tenant shall pay Landlord all fixed annual rent, additional rent and other sums required of Tenant under the Lease, without abatement, deduction or setoff, and irrespective of any claim Tenant may have against Landlord of any kind or nature whatsoever; and this covenant shall be deemed independent of any other terms, conditions or covenants of this Lease.

(iii) Application. No payment by Tenant or receipt by Landlord of an amount less than the full fixed annual rent, additional rent, or other sums required of Tenant under the Lease, shall be deemed anything other than a payment on account of the earliest fixed annual rent, additional rent, or other sum due from Tenant under the Lease. No endorsements or statements on any check or any letter accompanying any check or payment of fixed annual rent, additional rent, or other sum due from Tenant under the Lease, shall be deemed an accord and satisfaction of Landlord. Landlord may accept any check for payment from Tenant without prejudice to Landlord's right to recover the balance of fixed annual rent, additional rent, or other sum due from Tenant under the Lease, or to pursue any other right or remedy provided under this Lease or by Requirements.

(j) Place of Payment of Rent. The fixed annual rent, additional rent and other sums required of Tenant under this Lease, shall be paid by Tenant to Landlord at Landlord's address from time to time for the giving of notices under this Lease, or to such other place as Landlord may notify Tenant in writing.

5. Condition, Repair, Replacement and Maintenance of the Premises.

(a) Condition of the Premises. Tenant acknowledges examining the Premises prior to the commencement of the Lease term, that Tenant is fully familiar with the condition of the Premises and that Tenant accepts the Premises "As-Is". Without limiting the foregoing, Tenant acknowledges that a portion of the Premises have been substantially damaged by fire and that the Premises are subject to certain hazardous material contamination as hereafter described in this Lease. Tenant enters into the Lease without any representations or warranties on the part of Landlord, express or implied, as to the condition or any other aspect of the Premises, including, but not limited to, the cost of operations, the condition of its fixtures, improvements and systems, applicable zoning and permitted uses or availability of utilities.

(b) Tenant's Obligations.

(i) Tenant's Maintenance. Tenant shall, at Tenant's own expense, maintain, keep in good condition, repair and make replacements, foreseen and unforeseen, ordinary structural and non-structural, to the exterior of the building on the Premises (including, but not limited to, the roof, roof system, windows and doors) and interior of the building on the Premises (including the plumbing system, the sprinkler system, if any, the heating system, the air conditioning system, if any, the electric system and any other system of the building on the Premises), and the driveways, parking areas, shrubbery and lawn, on the Premises, and at the expiration or other sooner termination of the Lease term, deliver them up in good order and condition and broom clean.

(ii) Damage Caused by Tenant. Notwithstanding any contrary provisions set forth in this Lease, any damage to the Premises, including, but not limited to, the building or its systems, or the improvements, caused by Tenant or a "Tenant Representative" (as defined below), shall be promptly repaired or replaced to its former condition by Tenant, as required by Landlord, at Tenant's own expense. The term "Tenant Representative" shall mean any shareholder, officer, director, member, partner, employee, agent, licensee, assignee, sublessee or invitee of Tenant, or any third party other than Landlord.

(iii) Tenant to Keep Premises Clean. In addition to the foregoing, and not in limitation of it, Tenant shall also, at Tenant's own expense, undertake all replacement of all plate glass and light bulbs, fluorescent tubes and ballasts, and decorating, redecorating and cleaning of the interior of the Premises, and shall keep and maintain the Premises in a clean condition, free from debris, trash, refuse, snow and ice.

(iv) Tenant's Negative Covenants. Tenant shall not injure, deface, permit waste nor otherwise harm any part of the Premises, permit any nuisance at the Premises, permit the emission of any objectionable noise or odor from the Premises, place a load on the floor on the Premises exceeding the floor load per square foot the floor was designed to carry, or install, operate or maintain any electrical equipment in the Premises which shall not bear an underwriters approval.

(v) Maintenance/Service Contract. Tenant shall, at Tenant's own expense, enter into a maintenance/service contract with a maintenance contractor, which shall provide for regularly scheduled servicing of all hot water, heating, ventilation and air conditioning systems and equipment in the Premises.



6. Insurance.

(a) Fire and Liability Insurance. Tenant shall, at Tenant's own expense, during the term of this Lease, keep the Premises insured against loss or damage by fire, with extended coverage, if obtainable, to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke in the aggregate amounts of not less than the full fair insurable value thereof. Such policy or policies of insurance shall name both Landlord and Tenant as a named insured and, subject to the rights of any mortgagee, shall be used or otherwise made available to Tenant for repair and restoration purposes. Tenant, at its own expense, also shall provide and maintain in force during the term of this Lease, liability and property damage insurance in the amount of One Million Dollars and No Cents (\$1,000,000.00) per occurrence and Two Million Dollars and No Cents (\$2,000,000.00) in the aggregate, covering Landlord as well as Tenant with one or more responsible insurance companies duly authorized to transact business in the State of Colorado. Tenant shall furnish Landlord with certificates of all insurance required by this paragraph.

(b) Waiver of Subrogation. To the extent that the parties may legally so agree, neither Landlord nor Tenant shall be liable (by way of subrogation or otherwise) to the other party (or to any insurance company insuring the other party) for any loss or damage to any of the property of Landlord or Tenant, as the case may be, which loss or damage is covered by any insurance policies carried by the parties and in force at the time of any such damage, even though such loss or damage might have been occasioned by the negligence of Landlord or Tenant, and the party hereto sustaining such loss or damage so protected by insurance waives its rights, if any, of recovery against the other party hereto to the extent and amount that such loss is covered by such insurance. This release shall be in effect only so long as the applicable insurance policies shall contain a clause or endorsement to the effect that the aforementioned waiver shall not affect the right of the insured to recover under such policies.

7. Compliance with Laws and Insurance Requirements.

(a) General Compliance with Laws and Requirements. Tenant shall, at Tenant's own expense, promptly comply with: (i) each and every federal, State of Colorado, county and municipal statute, ordinance, code, rule, regulation, order, directive or requirement, currently or hereafter existing, including, but not limited to, the Americans with Disabilities Act of 1990 and, except as set forth below, all environmental laws, together with all amending and successor federal, State of Colorado, county and municipal statutes, ordinances, codes, rules, regulations, orders, directives or requirements, and the common law, regardless of whether such laws are foreseen or unforeseen, ordinary or extraordinary, applicable to the Premises, Tenant, Tenant's use of or operations at the Premises, or all of them, (the "Requirements"); (ii) the requirements of any regulatory insurance body; or (iii) the requirements of any insurance carrier insuring the Premises; regardless of whether compliance (X) results from any condition, event or circumstance existing on or after the commencement of the Lease term; (Y) interferes with Tenant's use or enjoyment of the Premises; or (Z) requires structural or non-structural repairs or replacements. The failure to mention any specific statute, ordinance, rule, code, regulation, order, directive or requirement shall not be construed to mean that Tenant was not intended to comply with such statute, ordinance, rule, code, regulation, order, directive or requirement.

(b) Environmental Law.

(i) Tenant Compliance. Except as set forth in subparagraph (iv) below, Tenant shall, at Tenant's own expense, comply with each and every federal, State of Colorado, county and municipal statute, ordinance, code, rule, regulation, order, directive or requirement, currently or hereafter existing and relating to the care or protection of the environment (including, without limitation, a law whose applicability is triggered upon sale of the Premises, a cessation of operations at the Premises, a corporate reorganization, or other commercial transaction) (collectively, the "Cleanup Law"). Tenant shall, at Tenant's own expense, make all submissions to, provide all information to and comply with all requirements of, the applicable environmental protection or conservation agency enforcing the Cleanup Law. Tenant's obligations under this subparagraph shall arise if any action or omission by Landlord or Tenant triggers the applicability of the Cleanup Law.

(ii) Information to Landlord. At no expense to Landlord, Tenant shall promptly provide all information and sign all documents reasonably requested by Landlord with respect to compliance with Requirements; however, this shall not in any way be deemed to impose upon Landlord any obligation to comply with any Requirements.

(iii) Landlord Audit. Tenant shall permit Landlord and its representatives access to the Premises, from time to time, to conduct an environmental assessment, investigation and sampling of the Premises, at Landlord's expense.

(iv) Existing Government Contamination. Notwithstanding the foregoing subparagraph (i) or anything else in this Lease to the contrary, Landlord and Tenant acknowledge that the Premises are contaminated by various contaminants (collectively, the "Existing Government Contamination") as described in either that certain letter dated June 22, 1998 from the Environmental Protection Agency to the Denver Urban Renewal Authority ("DURA"), the Offer to Purchase relating to the Premises dated February 3, 1998 from DURA or the Deed of the Premises to DURA of even date herewith; and nothing contained herein shall obligate Tenant to remediate, clean up or otherwise deal with any Existing Government Contamination except as specifically set forth in or required by the terms of such letter, unless Tenant is specifically ordered to do so by a government agency with jurisdiction over the Premises and Tenant and Landlord have exhausted all possible appeals of such order.

(v) No Installation of Tanks. Tenant shall not install any underground storage tanks ("Tanks") at the Premises without the prior written consent of Landlord, and upon demand of Landlord, shall, prior to the expiration or sooner termination of the Lease term, remove, at Tenant's own expense, all Tanks installed at the Premises during the Lease term, and in so doing, Tenant shall comply with all closure requirements and other requirements of Requirements.

(vi) Tenant Remediation. Should any assessment, investigation or sampling reveal the existence of any Contaminants in, on, under, or about, or migrating from or onto the Premises as a result of a Discharge during the Lease term, then, in addition to such event constituting an Event of Default under this Lease, and Landlord having all rights available to Landlord under this Lease and by law by reason of such Event of Default, Tenant shall, at Tenant's own expense, in accordance with all Requirements, undertake all action required by Landlord and any "Governmental Authority" (as defined below), including, but not limited to: i.) maintaining all

existing concrete caps containing PCB contamination as described in the Deed of the Premises to DURA of even date herewith; and ii.) promptly obtaining and delivering to Landlord an unconditional written determination by the applicable environmental protection or conservation agency that, other than the Existing Government Contamination, there are no Discharged Contaminants present at the Premises or at any other site to which a Discharge originating at the Premises migrated, or that any Discharged Contaminants present at the Premises or that have migrated from the Premises, have been remediated in accordance with all applicable requirements ("No Further Action Letter").

(vii) Hold-Over Tenancy. If prior to the expiration or earlier termination of the Lease term, Tenant fails to remediate all Contaminants pursuant to subparagraph (vi) above, and deliver to Landlord an unconditional No Further Action Letter (the "Environmental Clearance"); then upon the expiration or earlier termination of the Lease term, Landlord shall have the option either to consider the Lease as having ended or treat Tenant as a hold-over tenant in possession of the Premises. If Landlord considers the Lease as having ended, then Tenant shall nevertheless be obligated to promptly obtain and deliver to Landlord the Environmental Clearance, and otherwise fulfill all of the obligations of Tenant set forth in this paragraph 7. If Landlord treats Tenant as a hold-over tenant in possession of the Premises, then Tenant shall pay, monthly to Landlord, on the first day of each month, in advance, double the fixed annual rent which Tenant would otherwise have paid under the Lease, until such time as Tenant delivers to Landlord the Environmental Clearance, and otherwise fulfills its obligations to Landlord under this paragraph 7, and during the hold-over period, all other terms of this Lease shall remain in full force and effect.

(viii) Permits. Tenant shall not commence or alter any operations at the Premises prior to obtaining all permits, registrations, licenses, certificates and approvals from all Governmental Authorities required pursuant to any Requirements.

(ix) Environmental Documents. The term "Environmental Documents" shall mean all environmental documentation concerning the Premises, or its environs, in the possession or under the control of Tenant, including but not limited to, plans, reports, correspondence and submissions. During the term of this Lease, promptly upon receipt by Tenant or a Tenant Representative, Tenant shall deliver to Landlord all Environmental Documents concerning or generated by or on behalf of Tenant with respect to the Premises. In addition, Tenant shall promptly notify Landlord of any environmental condition of which Tenant has knowledge, which may exist in, on, under or about, or may be migrating from or onto the Premises.

(x) Attendance at Meetings. Tenant shall notify Landlord in advance of all meetings scheduled between Tenant or Tenant's Representatives and any Governmental Authority pertaining to the Premises, and Landlord and Landlord's agents, representatives and employees, including, but not limited to, legal counsel and environmental consultants and engineers, shall have the right, without the obligation, to attend and participate in all such meetings.

(xi) Landlord's Right to Perform Tenant's Obligations. Notwithstanding anything to the contrary set forth in this Lease, in the event, pursuant to this Lease, Tenant is required to undertake any sampling, assessment, investigation or remediation with respect to the Premises, then, at Landlord's discretion, Landlord shall have the right (but without any obligation to do so), upon notice to Tenant, from time to time, to perform such activities at Tenant's

expense, and all sums incurred by Landlord shall be paid by Tenant, as additional rent, upon demand, together with interest at the Prime Rate, accruing from the date of Landlord's demand.

(xii) Interpretation and Definitions.

(A) Interpretation. The obligations imposed upon Tenant under this subparagraph (b) are in addition to and are not intended to limit, but to expand upon, the obligations imposed upon Tenant under subparagraph (a).

(B) Contaminants. The term "Contaminants" shall include, without limitation, any regulated substance, toxic substance, hazardous substance, hazardous waste, pollution, pollutant or contaminant, as defined or referred to in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 *et seq.*; the Water Pollution and Control Act, 33 U.S.C. §1251 *et seq.* or any other "Environmental Laws" (as that term is defined in the Redevelopment Agreement dated as of November 1, 1997 among DURA, Landlord and Tenant); analogous state laws; together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, as well as words of similar purport or meaning referred to in any other federal, State of Colorado, county or municipal environmental statute, ordinance, code, rule, regulation, order, directive or requirement, including, without limitation, radon, asbestos, polychlorinated biphenyls, urea formaldehyde and petroleum products and petroleum based derivatives. Where a statute, ordinance, code, rule, regulation, order, directive or requirement defines any of these terms more broadly than another, the broader definition shall apply.

(C) Discharge. The term "Discharge" shall mean the releasing, spilling, leaking, leaching, disposing, pumping, pouring, emitting, emptying or dumping of Contaminants at, into, onto or migrating from or onto the Premises, regardless of whether the result of an intentional or unintentional action or omission.

(D) Governmental Authority/Governmental Authorities. The term "Governmental Authority" or "Governmental Authorities" shall mean the federal, State of Colorado, county or municipal government, or any department, agency, bureau or other similar type body obtaining authority therefrom, or created pursuant to any Requirements.

8. Alterations, Additions and Improvements. Except for non-structural changes and tenant improvements, Tenant shall not make any alterations, additions or improvements to the building and improvements on the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All alterations, additions or improvements erected by Tenant shall be and remain the property of Tenant during the term of this Lease and Tenant may, at its option remove all or any portion of such alterations, additions or improvements erected by Tenant prior to the date of termination of this Lease. Notwithstanding anything herein to the contrary, at the end of the Term Tenant agrees that it will not remove from the Premises any fixtures used by the last occupant thereof that constitute electrical, plumbing, mechanical or other improvements (but excluding trade fixtures.) Tenant shall promptly repair and restore any damage done to the Premises occasioned by the removal of any trade fixtures at the end of the Lease term.

9. Fire and Other Casualty Affecting the Premises.

(a) Notice of Casualty by Tenant. If the improvements situated upon the Premises shall be damaged or destroyed by any peril, including, but not limited to, fire, windstorm or any other casualty, (each such occurrence, a "Casualty"), at any time, whether covered by the insurance to be provided by Tenant under this Lease, or not, Tenant shall give prompt notice thereof to Landlord and this Lease shall continue in full force and effect.

(b) Restoration by Tenant. If at any time any Casualty occurs, Tenant shall proceed in good faith and with due diligence to restore, replace, rebuild and repair the improvements damaged or destroyed by such Casualty to substantially the same condition such improvements were in immediately prior to such damage or destruction. Landlord shall not be required to rebuild any improvements on the Premises or make any repairs or replacements of any nature or description to the demised premises or any structure or improvement thereon, whether ordinary or extraordinary, or to make any expenditure whatsoever, except as provided herein. The fixed annual rent and additional rent payable hereunder shall not be abated or reduced during any period of casualty damage, restoration, rebuilding, repairs or replacements of any kind, nor shall Tenant be entitled to surrender possession of the Premises by reason thereof. In the event the insurance proceeds are insufficient to repair, replace, restore or rebuild such improvements on the Premises, Tenant shall be responsible for any deficiency with respect thereto. In the event the insurance proceeds plus all interest are greater than needed, the excess shall be the property of Tenant and shall be retained and/or paid to Tenant.

(c) Restoration Fund. Tenant shall have the sole right to adjust any losses or claims with any insurance carrier. If the insurance proceeds of a casualty, other than from rent insurance, ( the "Restoration Fund"), is Four Hundred Thousand Dollars and No Cents (\$400,000.00) or less, the whole thereof shall be paid to Tenant and deposited in trust in a segregated account by Tenant in an interest bearing escrow account (if possible) in a financial institution designated by Tenant and approved by Landlord. If the Restoration Fund shall exceed Four Hundred Thousand Dollars and No Cents (\$400,000.00), all of such proceeds shall be deposited in trust in a joint account with Landlord and Tenant in an interest bearing escrow account (if possible) in a financial institution designated and approved by Landlord and Tenant which account shall require signatures by Landlord and Tenant for withdrawals. Landlord and Tenant shall cooperate with one another and shall execute such documents as may be necessary, to effect the collection of the Restoration Fund. Provided there is compliance with the provisions hereafter, Landlord and Tenant shall pay over to Tenant from time to time, in the manner and to the extent hereinafter provided, the Restoration Fund. The Restoration Fund shall be used only for the purpose of the restoration to be made by Tenant to restore the Premises at least to the extent of the value, and as nearly as possible to the character, existing immediately prior to such fire or other casualty (the "Restoration").

(d) Payment of Restoration Fund.

(i) Requisitions for Payment. The Restoration Fund received by Landlord and Tenant shall be paid by Landlord and Tenant to Tenant from time to time in installments as the Restoration progresses, upon requisitions to be submitted by Tenant to Landlord showing the cost of labor and material incorporated in the Restoration, or incorporated therein since the last previous requisition. If any vendor's, mechanic's, laborer's, or materialman's lien is filed

against the Premises, Tenant shall not be entitled to receive any further installment until such lien is satisfied or otherwise discharged.

(ii) Amount of Payment. The amount of any installment to be paid to Tenant shall be such proportion of the total Restoration Fund received as the cost of labor and materials theretofore incorporated by Tenant in the Restoration bears to the total estimated cost of the Restoration by Tenant, less all payments theretofore made to Tenant out of Restoration Funds.

(iii) Deficiency and Completion. Upon completion of and payment for the Restoration by Landlord and Tenant, the balance of the Restoration Fund shall be paid over to Tenant (together with interest, if any, thereon). In the event that the Restoration Fund is insufficient for the purpose of paying for the Restoration, Tenant shall nevertheless be required to make the Restoration and pay any additional sums required for the Restoration. For purposes hereof, "Completion" or "Completed" shall mean completion substantially in accordance with the plans and specifications therefor (subject only to punch list items), as determined by a joint inspection made by Landlord and Tenant (or its designated agents or professionals) and the issuance of a certificate of occupancy allowing the improvements to be used and operated for their intended purposes.

(iv) Conditions to Payment. The following shall be conditions precedent to each such installment payment to Tenant of the Restoration Fund:

(A) Architect or Contractor Certificate. There shall be submitted to Landlord the certificate of Tenant's architect or Tenant's contractor stating that (1) the sum then requested to be withdrawn either has been paid by Tenant or is justly due to contractors, subcontractors, materialmen, engineers or architects who have rendered or furnished certain services or materials for the Restoration and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of said persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of said certificate; (2) the sum then requested does not exceed the value of the services and materials described in the certificate; and (3) the balance of the Restoration Fund shall be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail the estimate of the cost of such completion;

(B) Completion. With respect only to the final payment, at the time of making such payment, Tenant shall have Completed Restoration.

(e) Commencement of Restoration. If Tenant shall fail to commence the Restoration for four (4) months after the liability of the insurance company or companies in connection with such loss shall have been adjusted and paid to Landlord and Tenant, or to Tenant in case of liability of less than Four Hundred Thousand Dollars and No Cents (\$400,000.00), or having commenced the Restoration, Tenant shall fail to continue same with reasonable diligence, then, unless such delay shall have been due to causes beyond the reasonable control of Tenant, Landlord shall have the right, without the obligation, after thirty (30) days prior notice to Tenant, to perform the Restoration using the Restoration Fund and to receive or retain the Restoration Fund, and in addition, Landlord shall have all other rights available to Landlord under this Lease and by Requirements when an Event of Default shall occur. Landlord shall in no event be obligated to disburse for or contribute towards the cost of Restoration, except to the extent of the Restoration

Fund, and Landlord shall be entitled to a five (5%) percent supervisory fee being first deducted from the Restoration Fund.

(f) Rights of Mortgagee. Anything contained in this paragraph or elsewhere in this Lease to the contrary notwithstanding, any different procedure for the distribution of the Restoration Fund or the Restoration which may be required by Tenant's mortgagee which is commercially reasonable and customary at the time shall take precedence over and be in lieu of any contrary procedure provided for in this Lease; provided, however, that Landlord shall use good faith efforts to obtain such mortgagee's consent to such use of the Restoration Fund. If required, Landlord shall agree to accept such reasonable conditions that such mortgagee may require to allow use of the Restoration Fund for the Restoration.

(g) Right to Terminate. Anything contained in this paragraph to the contrary notwithstanding, in the event that all or a substantial part of the improvements are rendered unusable in the last three (3) years of the term, or if during said three (3) year period Restoration of the improvements substantially to their prior use and character is prohibited by Requirements, then Tenant may elect to terminate this Lease, by a notice to Landlord given not later than sixty (60) days following such casualty, and Tenant shall assign to Landlord the entire amount of insurance proceeds payable by reason of such casualty with respect to the improvements on the Premises. If Tenant makes such election, Tenant shall assign such insurance proceeds to Landlord, and the term shall expire on the sixtieth (60th) day after notice of such election and Tenant shall vacate the Premises and surrender the same to Landlord.

10. Assignment and Subletting. Tenant shall have the right to assign this Lease or further sublet all or any part of the Premises, subject to the consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall have the right to assign the Lease and sublet the Premises to any affiliate of Tenant, successor by merger or consolidation, or acquirer of substantially all of the assets of Tenant (the foregoing hereinafter known as an "Affiliate"), without the consent of Landlord. Tenant shall, however, give notice to Landlord of an assignment or subletting to an Affiliate at least ten (10) days prior to the effective date of such assignment or subletting. In the event Landlord consents to an assignment, Tenant shall not be released from this Lease except with the specific written consent of Landlord, which shall not be unreasonably withheld or delayed.

11. Landlord's Right to Inspect and Repair. Landlord or Landlord's agents, employees or representatives, shall have the right to enter into and upon all or any part of the Premises during the Lease term at all reasonable hours, for the purpose of: (a) examination; (b) determination whether Tenant is in compliance with its obligations under this Lease; or (c) making repairs, alterations, additions or improvements to the Premises, as may be necessary by reason of Tenant's failure to make same after notice to Tenant to do so, except in an emergency. This paragraph shall not be deemed nor construed to create an obligation on the part of Landlord to make any inspection of the Premises or to make any repairs, alterations, additions or improvements to the Premises for its safety or preservation.

12. Landlord's Right to Exhibit Premises. Landlord or Landlord's agents, employees or representatives shall have the right to show the Premises during the Lease term to persons wishing to purchase or grant fee mortgages on the Premises. Landlord or Landlord's agents, employees or

other representatives shall have the right within the last six (6) months of the Lease term to place notices on any parts of the Premises, offering the Premises for lease and at any time during the Lease term, offering the Premises for sale, and Tenant shall permit the signs to remain without hindrance or molestation.

13. Signs. Tenant may (and may permit its subtenants to) cause any signs to be placed at the Premises in accordance with this paragraph. If Landlord or Landlord's agents, employees or other representatives wish to remove any such signs in order to make any repairs, alterations, additions or improvements to the Premises, such signs may be removed, but shall be replaced, at Landlord's expense, when the repairs, additions, alterations or improvements shall be completed; however, such provision shall not create an obligation on the part of Landlord to make any repairs, alterations, additions or improvements to the Premises. All signs of Tenant at the Premises shall conform with all municipal ordinances or other laws and regulations applicable to such signs.

14. Landlord not Liable. Landlord shall not be liable for any damage or injury to any person or any property for any reason whatsoever, including without limitation as a consequence of the failure, breakage, leakage or obstruction of water, well, plumbing, septic tank, sewer, waste or soil pipes, roof, drains, leaders, gutters, down spouts or the like, or of the electrical system, gas system, air conditioning system or other system, or by reason of the elements, or resulting from any act or failure to act on the part of Landlord, or Landlord's agents, employees, invitees or representatives, assignees or successors, or attributable to any interference with, interruption of or failure beyond the control of Landlord.

15. Force Majeure. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant, as the case may be, Landlord or Tenant, as the case may be, shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to strikes, lockouts, riots, acts of God, shortages of labor or materials, war, civil commotion, fire or other casualty, catastrophic weather conditions, a court order which causes a delay, governmental laws, regulations, or restrictions, or any other cause whatsoever beyond the control of Landlord (any of the foregoing being referred to as an "Unavoidable Delay"). Landlord and Tenant shall use reasonable efforts to notify the other party not later than ten (10) business days after such party knows of the occurrence of an Unavoidable Delay; provided, however, that such party's failure to notify the other of the occurrence of an event constituting an Unavoidable Delay shall not alter, detract from, or negate its character as an Unavoidable Delay or otherwise result in the loss of any benefit or right granted to such party under this Lease. In no event shall any party's financial condition or inability to fund or obtain financing constitute an Unavoidable Delay with respect to such party.

16. Indemnification and Waiver of Liability. Neither Landlord nor Landlord's Indemnitees shall be liable for and Tenant agrees to indemnify and save harmless Landlord and Landlord's Indemnitees, from and against any and all liabilities, damages, claims, suits, costs (including costs of suit, attorneys' fees and costs of investigation) and actions of any kind arising or alleged to arise by reason of injury to or death of any person or damage to or loss of property occurring on, in, or about the Premises or by reason of any other claim whatsoever of any person or party occasioned by any act or omission on the part of Tenant or any Tenant Representative, or by any breach, violation or non-performance of any covenant of Tenant under this Lease. Tenant shall not be liable for and Landlord agrees to indemnify and save harmless Tenant and its affiliates and



their agents, servants, directors, officers and employees (collectively "Tenant Parties") from and against any and all liabilities, damages, claims, suits, costs (including costs of suit, attorneys' fees and costs of investigation) and actions of any kind arising or alleged to arise by reason of injury to or death of any person or damage to or loss of property occurring on, in, or about the Premises or by reason of any other claim whatsoever of any person or party occasioned by any act or omission on the part of Landlord or any licensee, employee, director, officer, agent, servant, contractor or subcontractor of Landlord (collectively "Landlord Parties"), or on the part of any person entering the Premises under the expressed or implied invitation of Landlord (excluding, however, any of Landlord's tenants or any licensee, employee, director, officer, agent, servant, contractor or subcontractor of any of such tenants) or by any breach, violation or non-performance of any covenant of Landlord under this Lease. If any action or proceeding shall be brought by or against any party ("Indemnified Party") in connection with any such liability or claim, the other party ("Indemnifying Party") on notice from the Indemnified Party shall defend such action or proceeding, at the Indemnifying Party's expense, by or through attorneys reasonably satisfactory to the Indemnified Party.

17. Subordination: Attornment

(a) Subordination. Subject to Tenant receiving an SNDA (as defined below), this Lease shall be subject and subordinate to any mortgage, deed of trust, trust indenture, assignment of leases or rents or both, or other instrument evidencing a security interest, which may now or hereafter affect any portion of the Premises, or be created as security for the repayment of any loan or any advance made pursuant to such an instrument or in connection with any sale-leaseback or other form of financing transaction and all renewals, extensions, supplements, consolidations, and other amendments, modifications, and replacements of any of the foregoing instruments ("Mortgage"), and to any ground lease or underlying lease of the Premises or any portion of the Premises whether presently or hereafter existing and all renewals, extensions, supplements, amendments, modifications, and replacements of any of such leases ("Superior Lease"). Tenant shall, at the request of any successor-in-interest to Landlord claiming by, through, or under any Mortgage or Superior Lease, attorn to such person or entity as described below. The foregoing provisions of this subparagraph (a) shall be self-operative and no further instrument of subordination shall be required to make the interest of any lessor under a Superior Lease (a "Superior Lessor") or any mortgagee, trustee or other holder of or beneficiary under a Mortgage (a "Mortgagee") superior to the interest of Tenant hereunder; provided, however, Tenant shall execute and deliver promptly any certificate or instrument, in recordable form, that Landlord, any Superior Lessor or Mortgagee may reasonably request in confirmation of such subordination.

(b) Rights of Superior Lessor or Mortgagee. Any Superior Lessor or Mortgagee may elect that this Lease shall have priority over the Superior Lease or Mortgage that it holds and, upon notification to Tenant by such Superior Lessor or Mortgagee, this Lease shall be deemed to have priority over such Superior Lease or Mortgage, whether this Lease is dated prior to or subsequent to the date of such Superior Lease or Mortgage. If, in connection with the financing of the Premises or with respect to any Superior Lease, any Mortgagee or Superior Lessor shall request reasonable modifications of this Lease that do not increase the monetary obligations of Tenant under this Lease, materially increase Tenant's other obligations, or materially and adversely affect the rights of Tenant under this Lease, then Tenant shall make such modifications.

(c) Attornment. If at any time prior to the expiration of the term of this Lease, any Superior Lease shall terminate or be terminated by reason of a default by Landlord as tenant thereunder or any Mortgagee comes into possession of the Premises or the estate created by any Superior Lease by receiver or otherwise, Tenant shall, at the election and upon the demand of any owner of the Premises, or of the Superior Lessor, or of any Mortgagee-in-possession of the Premises, attorn, from time to time, to any such owner, Superior Lessor or Mortgagee, or any person or entity acquiring the interest of Landlord as a result of any such termination, or as a result of a foreclosure of the Mortgage or the granting of a deed in lieu of foreclosure, upon the then-executory terms and conditions of this Lease, for the remainder of the term. In addition, in no event shall any such owner, Superior Lessor or Mortgagee, or any person or entity acquiring the interest of Landlord be bound by (i) any payment of rent or additional rent for more than one (1) month in advance, or (ii) any security deposit or the like not actually received by such successor, or (iii) any amendment or modification in this Lease made without the consent of the applicable Superior Lessor or Mortgagee, or (iv) any construction obligation, free rent, or other concession or monetary allowance, or (v) any set-off, counterclaim, or the like otherwise available against any prior landlord (including Landlord), or (vi) any act or omission of any prior landlord (including Landlord).

(d) Rights Accruing Automatically. The provisions of this paragraph 17 shall inure to the benefit of any such successor-in-interest to Landlord, shall apply notwithstanding that, as a matter of law, this Lease may terminate upon the termination of any such Superior Lease, and shall be self-operative upon any such demand, and no further instrument shall be required to give effect to such provisions. Tenant, however, upon demand of any such successor-in-interest to Landlord, shall execute, from time to time, instruments in confirmation of the foregoing provisions of this paragraph, reasonably satisfactory to any such successor-in-interest to Landlord, acknowledging such attornment and setting forth the terms and conditions of its tenancy.

(e) Limitation on Rights of Tenant. As long as any Superior Lease or Mortgage shall exist, Tenant shall not seek to terminate this Lease by reason of any act or omission of Landlord until Tenant shall have given written notice of such act or omission to all Superior Lessors and Mortgagees at such addresses as shall have been furnished to Tenant by such Superior Lessors and Mortgagees and, if any such Superior Lessor or Mortgagee, as the case may be, shall have notified Tenant within ten (10) business days following receipt of such notice of its intention to remedy such act or omission, until a reasonable period of time shall have elapsed following the giving of such notice (but not to exceed thirty (30) days), during which period such Superior Lessors and Mortgagees shall have the right, but not the obligation, to remedy such act or omission.

(f) SNDA. Notwithstanding anything to the contrary contained in this paragraph, as a condition to the effectiveness of this Lease, Landlord shall obtain, for the benefit of Tenant, a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") from each and every Mortgagee and Superior Lessor existing as of the date of this Lease, such SNDA to be in form and content reasonably acceptable to Tenant and the applicable Mortgagee and Superior Lessor. Landlord represents and warrants to Tenant that, as of the date of this Lease, it is the fee simple owner of the Premises, and that, as of the date hereof, there are no Mortgages or Superior Leases with respect to the Premises other than in connection with Mortgagees and Superior Lessors providing such SNDAs to Tenant. In addition, the items set forth in subparagraph (c)(i) through (vi) of this paragraph shall be subject to reasonable negotiation by Tenant and the applicable Mortgagee and Superior Lessor as part of the applicable SNDA.

18. Condemnation.

(a) Total Taking. If a portion of the Premises is taken so that ingress to and egress from the Premises is materially reduced, or the whole or any substantial portion of the Premises is taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of the Premises shall occur.

(b) Partial Taking. If less than a substantial part of the Premises is taken, or a portion of the Premises is taken so that ingress to and egress from the Premises is materially reduced, for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, and in Tenant's reasonable opinion the Premises are still suitable for Tenant's business purposes, the Lease term shall not terminate, but the fixed annual rent and additional rent payable hereunder during the unexpired portion of the Lease term shall be reduced to such extent as may be fair and reasonable under all of the circumstances.

(c) Right to Proceeds. In the event of any such taking or private purchase in lieu thereof, Landlord and Tenant shall each be entitled to receive and retain such separate awards and/or portion of lump sum awards as may be allocated to their respective interests in any condemnation proceeding, and, in addition, Tenant shall be entitled to the unamortized value of any fixtures and leasehold improvements not capable of removal.

19. Bankruptcy or Insolvency of Tenant.

(a) No Default. If Tenant shall file a voluntary petition for relief under Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") or if an Order for Relief is entered with respect to the Tenant in an involuntary case under the Bankruptcy Code, Tenant shall not be in default or in breach of this Lease unless and until the earliest of the following shall have occurred:

(i) Lease Rejection by Law. The Lease shall have been rejected by the passage of time or by operation of law under the Bankruptcy Code;

(ii) Lease Rejection by Order. The Lease shall have been rejected by entry of a final order of the Bankruptcy Court upon motion of the representative of the Tenant's bankruptcy estate or another party in interest;

(iii) Expiration of Lease. The Lease, or any extension thereof, shall have expired by its own terms, after giving effect to any applicable tolling period established by the Bankruptcy Code; or

(iv) Failure to Perform. The Tenant shall have failed to perform a material condition to the assumption of the Lease after having received fifteen (15) days' written notice of default from the Landlord.

(b) Adequate Assurances. Adequate Assurance of future performance of the Lease by the Tenant or any proposed assignee of the Tenant shall be measured by the financial condition and operating performance of the Tenant at any time during the term of the Lease when the Lease was not in default.

(c) No Right to Compel Assumption or Rejection. So long as the representative of Tenant's bankruptcy estate is performing all of the obligations of the Tenant under the Lease arising from and after the Order for Relief in Tenant's bankruptcy case, except those obligations specified in Section 365(b)(2) of the Bankruptcy Code, the Landlord shall not be entitled to compel the Tenant to either assume or reject the Lease.

20. Landlord's Right to Re-Enter. If Tenant shall default in any of the terms, conditions or covenants of this Lease, then it shall be lawful for Landlord to re-enter the Premises and to again possess and enjoy the Premises.

21. Default by Tenant and Landlord's Remedies.

(a) Event of Default. If any one or more of the following events shall occur and be continuing beyond the period set forth in any default notice provided to be given, an Event or Events of Default shall have occurred under this Lease:

(i) Non-Payment. If Tenant shall fail to pay any installment of fixed annual rent, additional rent or other sums due from Tenant to Landlord under this Lease within fifteen (15) days after delivery of notice from Landlord to Tenant that the same is past due and payable; or

(ii) Non-Performance. If Tenant shall fail to comply with any of the other terms, covenants, conditions or obligations of this Lease and such failure in compliance shall continue for forty-five (45) days after delivery of notice from Landlord to Tenant specifying the failure, or, if such failure cannot with due diligence be remedied within forty-five (45) days, Tenant shall not, in good faith have commenced within said forty-five (45) day period to remedy such failure and continued diligently and continuously thereafter to prosecute the same to completion; or

(iii) Vacation or Abandonment. If Tenant shall vacate or abandon the Premises.

(b) Right to Terminate Lease and Re-Enter. Landlord may, in addition to any other remedy available to Landlord under this Lease or available under Requirements, at Landlord's option, on 10 days' notice to Tenant, declare this Lease terminated at the expiration of such 10 day period and Tenant shall quit and surrender possession of the Premises, but Tenant shall remain liable to Landlord as hereinafter provided, and upon Tenant's failure to surrender of possession, Landlord may re-enter the Premises by summary proceeding or otherwise free from any estate or interest of Tenant therein.

(c) Landlord's Right to Restore and Re-Let, and Tenant's Liability for Expenses. In the event that Landlord shall obtain possession by re-entry, legal or equitable actions or proceedings or other lawful means as a result of an Event of Default by Tenant, Landlord shall

have the right, without the obligation, to make reasonable renovations, alterations and repairs to the Premises required to restore them to the condition the same should be during the term of the Lease, and to re-let the Premises or any part thereof for a term or terms which may be less or more than the full term of the Lease had Landlord not re-entered and re-possessed or terminated the Lease, and Landlord may grant reasonable concessions in the re-renting to a new tenant, without affecting the liability of Tenant under the Lease. Any of the foregoing action taken or not taken by Landlord shall be without waiving any rights which Landlord may otherwise have under Requirements or pursuant to the terms of this Lease. Tenant shall pay Landlord all legal and other expenses reasonably incurred by Landlord in terminating this Lease by reason of an Event of Default, in obtaining possession of the Premises, in making all alterations, renovations and repairs and in paying the usual and ordinary commissions for re-letting the same.

(d) Survival Covenant - Liability of Tenant after Re-Entry and Possession or Termination

(i) Survival of Obligations. If any Event of Default occurs (whether or not this Lease shall be terminated as a result of an Event of Default), Tenant shall remain liable to Landlord for all of Tenant's obligations under paragraph 16 above as well as all fixed annual rent and additional rent herein reserved (including, but not limited to, the expenses to be paid by Tenant pursuant to the provisions of this Lease), less the net amount of rent, if any, which shall be collected and received by Landlord from the Premises, for and during the remainder of the term of this Lease. In addition, Landlord may, from time to time, without terminating this Lease, as agent for Tenant, re-let the Premises or any part thereof for such term or terms, at such rental or rentals, and upon such other terms and conditions as Landlord may deem advisable, in accordance with the provisions of subparagraph (c) above. Landlord shall have the right, without the obligation, following re-entry and possession or termination, to apply any rentals received by Landlord in the following order: (i) to the payment of indebtedness or costs other than rent or damages; (ii) to the payment of any cost of re-letting; (iii) to the payment of any cost of altering or repairing the Premises; (iv) to the payment of fixed annual rent and additional rent, or damages, as the case may be, due and unpaid hereunder; and (v) the residue, if any, shall be held by Landlord and applied for the payment of future fixed annual rent and additional rent, or damages, as the case may be, as the same may become due and payable hereunder. Landlord may sue periodically for and collect the amount which may be due pursuant to the provisions of this paragraph, and Tenant expressly agrees that any such suit shall not bar or in any way prejudice the rights of Landlord to enforce the collection of the amount due at the end of any subsequent period by a like or similar proceeding. The words "re-entry" and "re-enter", as used herein, shall not be construed as limited to their strict legal meaning.

(ii) Rights on Termination. Should Landlord terminate this Lease by reason of an Event of Default, then Landlord shall thereupon have the right, without the obligation, as an alternative to suing Tenant periodically pursuant to the provisions of subparagraph (i) above, to recover from Tenant the difference, if any, at the time of such termination, between the amount of fixed annual rent and additional rent reserved herein for the remainder of the term over the then reasonable rental value of the Premises for the same period both discounted to present value at the Prime Rate. Landlord shall not, by any re-entry or other act, be deemed to have terminated this Lease, unless Landlord shall notify Tenant in writing, that Landlord has elected to terminate the same.

(iii) Remedies Cumulative. The remedies of Landlord specified herein shall be cumulative as to each other and as to all such allowed by Requirements.

22. Tenant's Trade Fixtures and Removal. Any trade equipment, trade fixtures, goods or other property of Tenant shall be removed by Tenant on or before the expiration of the Lease term or sooner termination of the Lease term. Any trade equipment, trade fixtures, goods or other property of Tenant not removed by Tenant on the expiration of the Lease term or sooner termination of the Lease term, or upon any deserting, vacating or abandonment of the Premises by Tenant, or upon Tenant's eviction, shall, at Landlord's discretion, be considered as abandoned and Landlord shall have the right (without any obligation to do so), without notice to Tenant, to sell or otherwise dispose of Tenant's property, at the expense of Tenant, and Landlord shall not be accountable to Tenant for any proceeds of the sale, or for any damage or loss to Tenant's property.

23. Estoppel Certificate. Within ten (10) days of request from Landlord, Tenant shall execute, acknowledge and deliver to Landlord, a written instrument certifying (i) that this Lease has not been modified and is in full force and effect, or if there has been a modification, that the Lease is in full force and effect as modified, stating the modification; (ii) specifying the dates to which rent and other sums due from Tenant under this Lease have been paid; (iii) stating whether or not to the knowledge of Tenant, Landlord is in default, and if so, the reasons for the default; (iv) stating the commencement date of the Lease term; and (v) stating such other information reasonably requested by Landlord.

24. Limitations on Landlord's Liability. Notwithstanding any provision of this Lease to the contrary, Tenant agrees that it shall look only to the Premises (which includes all of Landlord's equity or interest therein, including proceeds of sale, insurance and condemnation) in seeking to enforce any obligations or liabilities whatsoever of Landlord under this Lease or to satisfy a judgment (or any other charge, directive or order) of any kind against Landlord; and Tenant shall not look to the property or assets of any of the any officers, directors, shareholders (or principal or partner of any non-corporate Landlord), employees, agents, or legal representatives of Landlord in seeking to enforce any obligations or liabilities whatsoever of Landlord under this Lease or to satisfy a judgment (or any other charge, directive or order) of any kind against Landlord, and in no event shall any deficiency judgment be sought or obtained against Landlord. No person who is an officer, director, shareholder (or principal or partner of any non-corporate Landlord), employee, agent, or legal representative of Landlord shall be personally liable for any obligations or liabilities of Landlord under this Lease.

Notwithstanding the foregoing, if Tenant has received a final, non-appealable judgment for damages against Landlord as a result of an uncured default by Landlord under this Lease, and, despite Tenant's use of all reasonable efforts to levy against Landlord's interest in the Premises, such judgment has nonetheless not been satisfied within sixty (60) days after the date that the judgment became final and non-appealable, then Tenant shall have the right to deduct the unpaid amount of such judgment against the fixed annual rent, additional rent and all other sums to become due under this Lease until fully credited.

25. Services and Utilities. Tenant shall, at Tenant's own expense, obtain all utility services supplying the Premises, including but not limited to electricity, water, sewer, standby water for sprinkler, gas, telephone and all other utilities and other communication services, in its own

name, effective as of the commencement of the Lease, and shall pay the cost directly to the applicable utility, including any fine, penalty, interest or cost which may be added thereto for non-payment thereof.

26. Security. Upon execution and delivery of this Lease, Tenant shall deposit with Landlord, in lieu of any security deposit, an irrevocable letter of credit in the amount of Three Hundred Thousand Dollars and No Cents (\$300,000.00) as security for the payment by Tenant of all lease payments due from Tenant on or prior to February 1, 2003. Provided there shall not then be an Event of Default or an event which with the giving of notice or the lapse of time, or both, shall constitute an Event of Default, within thirty (30) days after each of the first four anniversaries of the Commencement Date Landlord shall deliver to Tenant a certificate that all annual fixed rent payable by Tenant during the preceding year has been paid, whereupon the amount available to be drawn under the letter of credit shall be reduced by the amount of all such payments. The letter of credit shall expire by its terms on February 6, 2003, shall be in form reasonably acceptable to Landlord, and shall be issued by a lending institution selected by Tenant and reasonably acceptable to Landlord. Landlord shall have the right (but not the obligation), to draw upon the letter of credit to cure an Event of Default by Tenant comprised of non-payment of fixed annual rent hereunder.

27. Qualification in Colorado. Tenant represents and warrants to Landlord that it has qualified with the Secretary of State of Colorado to do business in the State of Colorado.

28. Notices. All notices, consents, demands, communications or approvals required or permitted by this Lease shall be in writing and shall be delivered personally or delivered by certified or registered mail, return receipt requested, addressed as follows:

If to Landlord:       North Denver Industrial, LLC  
                              2400 Industrial Lane, Unit 1520  
                              Broomfield, CO 80020  
                              Attn: Mr. Stephen Russell

If to Tenant:         Inner-City Community Development Corp.  
                              3356 Franklin Street  
                              Denver, CO 80205  
                              Attn: Executive Director

Landlord and Tenant may, by notice given in the same manner set forth above, designate a different address to which subsequent notices shall be sent. Notice shall be deemed given when delivered, if delivered personally or by reputable overnight delivery service which provides proof of delivery, or when mailed if sent by certified or registered mail, return receipt requested.

29. Broker. Each party represents and warrants to the other no real estate broker was instrumental in effecting this Lease. Tenant shall indemnify and defend Landlord from the claim of any broker, that such broker was authorized on behalf of Tenant to make an offer to Landlord with respect to this transaction.

30. Tenant's Right to Quiet Enjoyment. Upon paying the rents and other sums required of Tenant under the Lease and faithfully and fully performing the terms, conditions and

covenants of the Lease on Tenant's part to be performed, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Lease term.

31. Miscellaneous.

(a) Validity of Lease. The provisions of this Lease are severable. If any provision of the Lease is adjudged to be invalid or unenforceable by a court of competent jurisdiction, it shall not affect the validity of any other provision of this Lease.

(b) Non-Waiver by Landlord. The rights, remedies, options or elections of Landlord in this Lease are cumulative, and the failure of Landlord to enforce performance by Tenant of any provision of this Lease applicable to Tenant, or to exercise any right, remedy, option or election, or the acceptance by Landlord of the annual fixed rent or additional rent from Tenant after any default by Tenant, in any one or more instances, shall not act as a waiver or a relinquishment at the time or in the future, of Landlord of such provisions of this Lease, or of such rights, remedies, options or elections, and they shall continue in full force and effect.

(c) Entire Agreement. This Lease contains the entire agreement between the parties. No representative, agent or employee of Landlord has been authorized to make any representations, warranties or promises with respect to the letting, or to vary, alter or modify the provisions of this Lease. No additions, changes, modifications, renewals or extensions of this Lease, shall be binding unless reduced to writing and signed by both parties.

(d) Effective Law. This Lease shall be governed by, construed and enforced in accordance with the laws of the State of Colorado without giving effect to its principles of conflicts of law. Landlord and Tenant waive their right to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other, or with respect to any issue or defense raised therein, on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Premises, including summary proceedings and possession actions, and any emergency statutory or other statutory remedy.

(e) Commercial Lease. This Lease shall be construed as a commercial Lease.

(f) Captions. The captions of the paragraphs in this Lease and the Table of Contents are for reference purposes only and shall not in any way affect the meaning or interpretation of this Lease.

(g) Obligations Joint and Several. If there is more than one party tenant, their obligations under this Lease are joint and several. If Tenant is a partnership, the obligations of Tenant under this Lease are joint and several obligations of each of the partners and of the partnership.

(h) Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original, and all of which constitutes one and the same Lease.



(i) Landlord's Performance of Tenant's Obligations. The performance by Landlord of any obligation required of Tenant under this Lease shall not be construed to modify this Lease, nor shall it create any obligation on the part of Landlord with respect to any performance required of Tenant under this Lease, whether Landlord's performance was undertaken with the knowledge that Tenant was obligated to perform, or whether Landlord's performance was undertaken as a result of mistake or inadvertence.

(j) Remedies and Rights Not Exclusive. No right or remedy conferred upon Landlord shall be considered exclusive of any other right or remedy, but shall be in addition to every other right or remedy available to Landlord under this Lease or by law. Any right or remedy of Landlord, may be exercised from time to time, and as often as the occasion may arise. The granting of any right, remedy, option or election to Landlord under this Lease shall not impose any obligation on Landlord to exercise the right, remedy, option or election.

(k) Signature and Delivery by Landlord. This Lease is of no force and effect unless it is signed by Landlord and Tenant, and a signed copy of this Lease delivered by Landlord to Tenant. The mailing, delivery or negotiation of this Lease by Landlord or Tenant or any agent or attorney of Landlord or Tenant prior to the execution and delivery of this Lease as set forth in this subparagraph shall not be deemed an offer by Landlord or Tenant to enter into this Lease, whether on the terms contained in this Lease or on any other terms. Until the execution and delivery of this Lease as set forth in this subparagraph, Landlord or Tenant may terminate all negotiations and discussions of the subject matter of this Lease, without cause and for any reason, without recourse or liability.

(l) Inspection. Length of Time of Tenant's Default. Nothing in this Lease requires Landlord at any time, to inspect the Premises to determine whether Tenant is in default of Tenant's obligations under this Lease. Any default by Tenant of the provisions of this Lease for any length of time, and whether Landlord has direct or indirect knowledge or notice of the default, is not a waiver of Tenant's default by Landlord, and Landlord has the right to declare Tenant in default, notwithstanding the length of time the default exists.

(m) No Offer. The submission of the Lease to Tenant shall not be deemed an offer by Landlord to rent the Premises to Tenant, such an offer only being made by the delivery to Tenant of a Lease signed by Landlord.

(n) Surrender. Neither the acceptance of keys to the Premises nor any other act or thing done by Landlord or any agent, employee or representative of Landlord shall be deemed to be an acceptance of a surrender of the Premises, excepting only an agreement in writing, signed by Landlord, accepting or agreeing to accept a surrender of the Premises.

(o) Drafting Ambiguities: Interpretation. In interpreting any provision of this Lease, no weight shall be given to nor shall any construction or interpretation be influenced by the fact that counsel for one of the parties drafted this Lease, each party recognizing that it and its counsel have had an opportunity to review this Lease and have contributed to the final form of this Lease. Unless otherwise specified, the words "include" and "including" and words of similar import shall be deemed to be followed by the words "but not limited to" and the word "or" shall be "and/or".

(p) References. In all references to any persons, entities or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of this Lease may require.

(q) Binding Effect. This Lease is binding upon and shall inure to the benefit of the parties, their legal representatives, successors and permitted assigns.

(r) Landlord Defined. The term "Landlord" in this Lease means and includes only the owner at the time in question of the Premises and, in the event of the sale or transfer of the Premises, Landlord shall be released and discharged from the provisions of this Lease thereafter accruing, but such provisions shall be binding upon each new owner of the Premises while such party is an owner.

(s) Time of the Essence. Time is of the essence of this Lease.

(t) Recordation. Upon request of Tenant a written memorandum of this Lease shall be recorded in the real property records of the City and County of Denver, Colorado. Such memorandum shall be in form reasonably acceptable to both Landlord and Tenant.

(u) Survival. All representations contained in this Lease and all of Tenant's obligations under paragraph 7 above shall survive the expiration or earlier termination of this Lease. Without limiting any other remedy available to Landlord under this Lease or by Requirements, Tenant's failure to abide by the terms of paragraph 7 shall be restrainable or enforceable, as the case may be, by injunction.

\* 32. Option to Purchase.

(a) Grant. Landlord hereby grants Tenant the option to purchase the Premises (specifically including all aspects thereof described in paragraph 1 above) at any time during the term of this Lease after the tenth anniversary of the Commencement Date. Tenant must exercise this option, if at all, by written notice. The notice must state a closing date no less than thirty (30) days after the date of Tenant's notice and no more than one hundred twenty (120) days after the date of Tenant's notice (but in any event no later than the scheduled termination date of this Lease as the same may be extended.)

(b) No Assignment. This option may not be assigned apart from this Lease.

(c) Conditions. This option is conditioned upon there being no uncured Event of Default by Tenant at either the time of its exercise of this option or the time of closing of this option.

(d) Purchase Price. The purchase price will be payable in cash or certified funds, as directed by Landlord, and shall be an amount equal to the product of: i.) Eight Hundred Thirty-Five Thousand Dollars and No Cents (\$835,000.00); times ii.) the sum of one hundred percent (100%) plus the percentage increase in the Consumer Price Index (as defined in Paragraph 2 above) between the Commencement Date of this Lease and the date of the option closing under this Paragraph 32, based on the latest information available on such dates. If Tenant has made any lease

payments for the year in which the option closing occurs, they shall be appropriately prorated for such year, and the portion allocable to any period after the option closing shall be credited against the purchase price due Landlord.

(e) Option Closing. At option closing Landlord will convey the Premises to Tenant by special warranty deed in "AS-IS" condition, subject to those exceptions or matters of record stated on the deed pursuant to which Landlord acquired the Premises, any matters caused by Tenant or its actions (including any subleases of the Premises or any portion thereof), any matters consented to by Tenant, and taxes and assessments for the then current and any subsequent years not due and payable (which will be prorated between Landlord and Tenant at the option closing.) Landlord and Tenant will each pay fifty percent (50%) of the cost of a title insurance policy, and any documentary, transfer, and recording fees and charges. At closing, Landlord will deliver the special warranty deed, Tenant will pay the purchase price to Landlord, and Tenant will assume all obligations for real estate taxes and assessments applicable to the Premises for the then current and subsequent years.

(f) Insurance. Landlord will provide a title insurance policy on an ALTA Form B with standard printed exceptions 1 through 4 deleted. As soon as practicable after Tenant's election to purchase the Premises, Landlord will cause the title insurance company to issue a commitment for title insurance and will deliver a copy of it to Tenant for Tenant's review. Tenant will notify Landlord of its objections to exceptions to title, except that Tenant may not object to any exceptions to title described in subparagraph (e) above, and Landlord will exercise reasonable efforts to cause such objections to be deleted within thirty (30) days after the date on which Landlord receives notification from Tenant. If Landlord is unable to secure deletion of those exceptions, or secure, at its expense, title insurance against them, then Tenant will have the option to rescind its agreement to purchase, to proceed with the purchase and waive any such exception, or to exercise any remedies available at law or in equity.

Signed and sealed by the parties.

NORTH DENVER INDUSTRIAL, LLC, a  
Colorado limited liability company

By: Sharon K Eshima  
Name: Sharon K Eshima  
Its: Manager

INNER-CITY COMMUNITY DEVELOPMENT  
CORPORATION, a Colorado nonprofit  
corporation

By: Bert Weston-Lewis  
Name: BERT WESTON-LEWIS  
Its: EXECUTIVE DIRECTOR

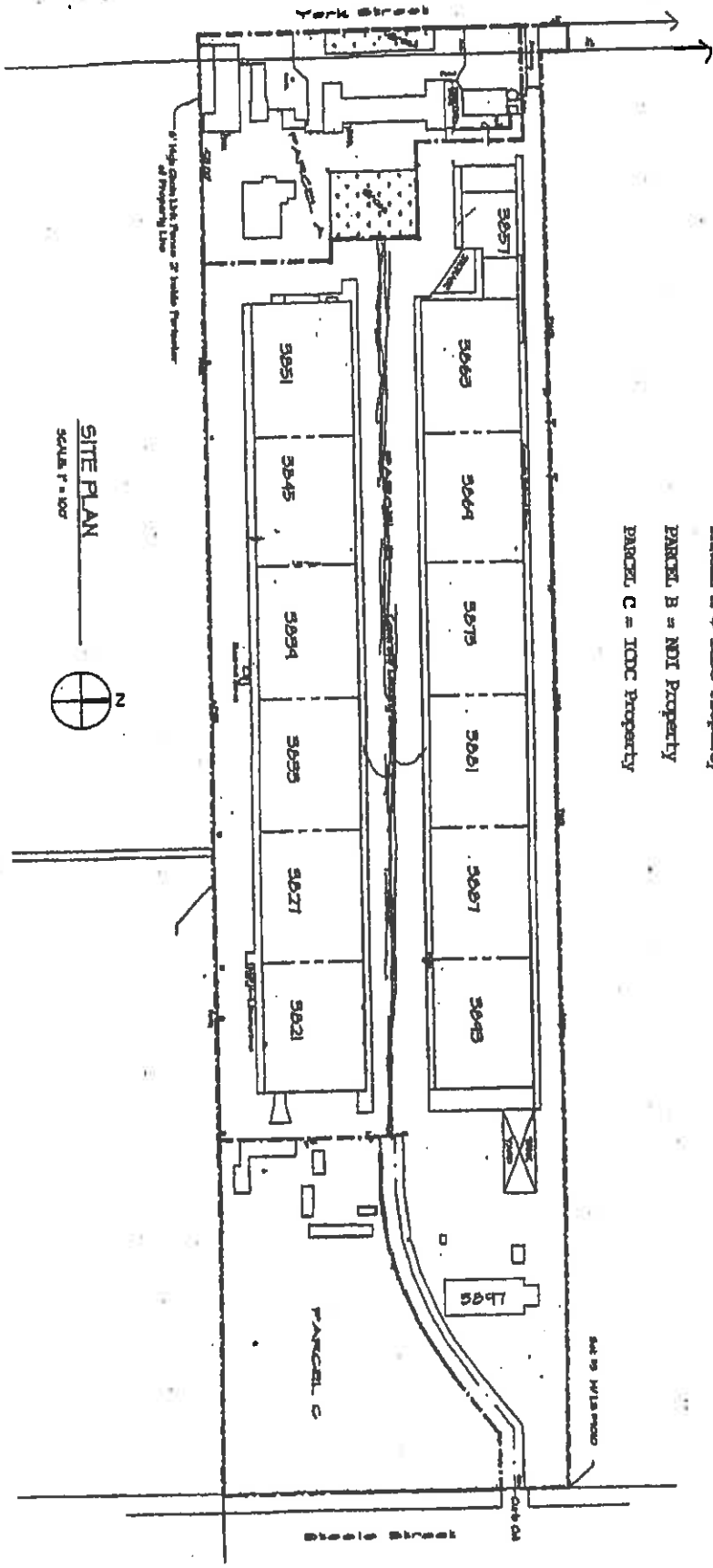
SCHEDULE A

The Premises

North Denver Industrial Park				V, TLS
Unit Sizes and Load Calculations				
Unit #	Field Verified Data			Survey
	Tenant S.F.	Ware/Commo	Rentable S.F.	
<b>Building 1</b>				
A - 3851	44,553	0	44,553	
B - 3845	43,320	0	43,320	
C - 3839	43,080	0	43,080	
D - 3833	43,200	0	43,200	
E - 3827	43,200	0	43,200	
F - 3821	43,230	0	43,230	
<b>Building 1 Total</b>	<b>260,583</b>	<b>0</b>	<b>260,583</b>	<b>263,206</b>
<b>Building 2</b>				
G - 3893	43,230	0	43,230	
H - 3887	43,140	0	43,140	
I - 3881	43,193	0	43,193	
J - 3875	43,170	0	43,170	
K - 3869	43,178	0	43,178	
L - 3869	43,301	0	43,301	
M-1 - 3857-A	4,998	0	4,998	
M-2 - 3857-B	11,116	0	11,116	
M-3 - 3857-C	4,685	0	4,685	
<b>Building 2 Total</b>	<b>279,991</b>	<b>0</b>	<b>279,991</b>	<b>278,888</b>
<b>Building 3</b>				
Garage Building - 3897	10,238	0	10,238	
<b>Building 3 Total</b>	<b>10,238</b>	<b>0</b>	<b>10,238</b>	<b>9,840</b>
<b>Project Total</b>	<b>550,812</b>	<b>-</b>	<b>550,812</b>	<b>551,934</b>
Unaccounted				<b>-1,122</b>
Percent Difference				<b>-0.20%</b>
Field verified by Terri Soderbeck on May 98				
Legal Survey by Burdick Engineering on 11-20-98				
Comments				

SITE PLAN

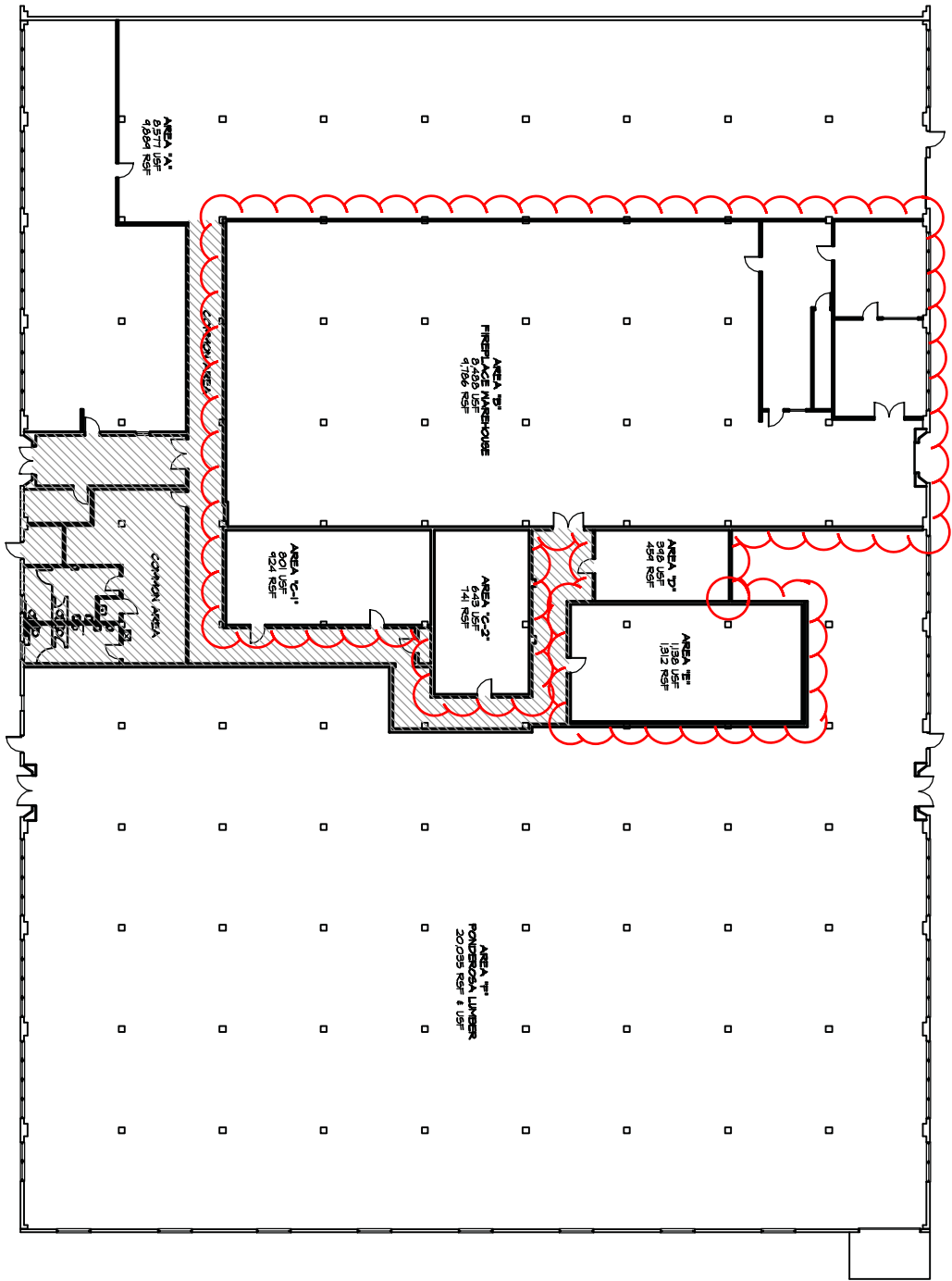
- PARCEL A \* IOOC Property
- PARCEL B = NDI Property
- PARCEL C = IOOC Property



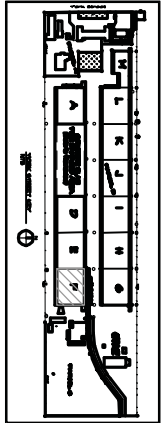
SITE PLAN  
SCALE: 1" = 100'



EXHIBIT B



UNIT 3821  
SCALE: 3/8" = 1'-0"



JOB #	
DRAWN BY	
REVISIONS	

AS-BUILT FLOOR PLAN FOR:  
**NORTH DENVER INDUSTRIAL PARK**  
9600 YORK STREET  
DENVER, COLORADO

2400 INDUSTRIAL LANE  
BROOKFIELD, COLORADO 80020  
(303) 466-2500  
Fax (303) 466-3008







# CERTIFICATE OF LIABILITY INSURANCE

CXW  
R054

DATE (MM/DD/YYYY)  
02-22-2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>		<b>CONTACT NAME:</b>	
SUPERIOR ACCESS INS SRVC INC/PHS 181840 P: (866) 467-8730 F: (877) 905-0457 PO BOX 33015 SAN ANTONIO TX 78265		PHONE: (A/C, No, Ext): (866) 467-8730 FAX (A/C, No): (877) 905-0457	
<b>INSURED</b>		<b>INSURER(S) AFFORDING COVERAGE</b>	
LIQUID ENTERPRISES 3833 STEELE ST DENVER CO 80205		INSURER A: Sentinel Ins Co LTD	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR VYR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b>			72 SBA ZB3195	11/25/2012	11/25/2013	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>General Liab</b> <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	<input checked="" type="checkbox"/>	<input type="checkbox"/>				PERSONAL & ADV INJURY \$ 1,000,000
	<b>AUTOMOBILE LIABILITY</b>						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b>						EACH OCCURRENCE \$
	<b>EXCESS LIAB</b>						AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						WC STATUS: <input type="checkbox"/> OTH-ER: <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N <input type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below
							E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Those usual to the Insured's Operations. City and County of Denver its elected and appointed officials, employees and volunteers are Additional Insured per the Business Liability Coverage Form S30008 attached to this policy

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
CITY AND COUNTY OF DENVER 201 W COLFAX AVE DENVER, CO 80202	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Joe Taylor</i>

Exhibit C

**EXHIBIT “D”**

**TO**

**SUBLEASE AGREEMENT**

**GUARANTY OF SUBLEASE**

The undersigned Philip Greenberg (“Guarantor”), in consideration of the leasing of those certain premises (the “Premises”) described in the Sublease Agreement (the “Lease”) by and between the City and County of Denver, (“City” or “Lessor”), and Liquid Enterprises Corp., (“Lessee”) does hereby covenant and agree as follows:

1. Guarantor does hereby unconditionally and irrevocably guarantee the full, faithful and timely payment and performance by Lessee and its successors and assigns of all of the covenants, terms and conditions of Lessee to be kept and performed pursuant to Lease. If Lessee shall default at any time in the payment of any rentals, charges or other sums due under the Lease or in the performance of any of the other covenants and obligations of Lessee thereunder, Guarantor shall on demand of City fully and promptly pay all such rentals, charges and other sums and otherwise perform at Guarantor’s sole cost and expense all such covenants and obligations, including (without limitation) the payment of interest on past due obligations of Lessee, if any, and all costs advanced by City, and of any and all damages and expenses (including attorneys’ fees and disbursements, court costs, and litigation/proceedings costs) that may arise in consequence of Lessee’s default. Guarantor hereby waives all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or non-performance by Lessee, including but not limited to presentment, demand, protest, notice of protest, notice of dishonor, notice of non-payment and notice of acceptance of this Guaranty.

2. Guarantor’s obligations under this guaranty are independent of the obligations of Lessee. A separate action or actions may, at City’s option, be brought and prosecuted against Guarantor, whether any action is first or subsequently brought against Lessee, any other guarantor or any other party, or whether Lessee, any other guarantor or any other party is joined in any such action, and Guarantor may be joined in any action or proceeding commenced by City relating to or arising in connection with the Lease or any transactions contemplated thereunder. Guarantor waives (i) any right to require City to proceed against Lessee, any collateral for the Lease, any other guarantor or any other party, or pursue any other remedy, right, power, or benefit available to City, (ii) any right to complain of delay in the enforcement of City’s rights, powers, benefits or remedies under the Lease at law or in equity, (iii) any right to demand by City, and (iv) any right to prior action by City of any nature whatsoever against Lessee, any collateral, or any other guarantor or party.

3. This Guaranty shall remain and continue in full force and effect for the full term of the Lease, and shall not be discharged in whole or in part by any alteration, termination, renewal, extension, modification or amendment, or by any assignment, subletting, increase or

decrease of space, hypothecation, pledge, or other transfer or disposition of the Lease, or any termination of the Lessee's right to possession of all or any part of the demised Premises. Guarantor hereby consents to and waives notice of any of the foregoing and agrees that its liability hereunder shall be based upon the obligations of Lessee set forth in the Lease as the same may be from time to time altered, renewed, extended, increased, modified, amended, assigned, sublet, hypothecated, pledged or disposed of.

4. Guarantor's obligations hereunder shall remain fully binding although Landlord may have waived one or more defaults by Lessee or extended the time of performance by Lessee or granted other indulgences to Lessee, or may have released, returned or misapplied other security for the performance of Lessee's obligations under the lease (including any other guarantees or any security therefor), or may have released Lessee from any or all of the performance of its obligations under the Lease. Guarantor hereby waives any and all rights of subrogation, reimbursement, indemnity or contribution which Guarantor may have against Lessee or any other guarantor or any other person who now or hereafter has direct or contingent liability for all or any portion of the obligations guaranteed hereby, or against any security deposit or other property which now or hereafter serves as collateral security for performance of the Lease. Any indebtedness of Lessee now or hereafter held by Guarantor is hereby subordinated to the obligations and indebtedness of Lessee to City; and any indebtedness of Lessee to Guarantor, if city so requests, shall be collected, enforced and received by Guarantor as trustee for City on account of the obligations and indebtedness of Lessee to City, without affecting the liability of Guarantor under this Guaranty.

5. This Guaranty shall remain in full force and effect notwithstanding the institution by or against Lessee of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, and notwithstanding the rejection, disaffirmation, termination, release, or abandonment of the Lease of the Premises in any such proceedings or otherwise.

6. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO FROM TIME TO TIME IN EFFECT, AND GUARANTOR HEREBY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF COLORADO IN ANY SUIT, ACTION OR OTHER PROCEEDINGS AT ANY TIME ARISING OUT OF OR RELATING TO THE LEASE OF THIS GUARANTY. Denver County, Colorado shall be the only proper place of venue for any suit, action or other proceedings at any time arising out of or relating to the Lease or this Guaranty.

7. This Guaranty shall be applicable to and binding upon the heirs, executors, administrators, representatives, successors and assigns of Guarantor and shall inure to the benefit of the heirs, executors, administrators, representatives, successors and assigns of City. City may, without notice, assign this Guaranty in whole or in part.

8. In any litigation, action or other proceeding between City and Guarantor relating to or arising in connection with this Guaranty or the Lease, the prevailing party shall be entitled

to recover its costs and the reasonable fees, disbursements and expenses of its attorneys, as well as the costs court, of the action, or of the proceeding, as applicable.

9. The execution of this Guaranty prior to or following execution of the Lease shall not invalidate this Guaranty or lessen the obligations of Guarantor hereunder. This Guaranty may be attached to the Lease and designated as an Exhibit thereto, and the execution by Guarantor of this Guaranty as so designated and the delivery hereof as an attachment to the Lease shall constitute the due execution and delivery of this Guaranty.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty this \_\_\_\_ day of \_\_\_\_\_, 2013.

GUARANTOR:

\_\_\_\_\_  
Philip Greenberg