SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report: October 27, 2004

LIFELINE THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Colorado	000-30489	84-1097796
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6400 South Fiddler's Green Circle, Englewood, CO 80111
(New address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (720) 488-1711

YAAK RIVER RESOURCES, INC.
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

Lifeline Therapeutics, Inc. (the "Company") has entered into employment agreements to be with new management as approved by the Company's existing board of directors. The employment agreements will provide for a term of two years, will be terminable for cause or upon a change of control, and will provide for base salaries as follows:

William Driscoll -- $180,000 per year

Paul Myhill -- $120,000 per year

Daniel W. Streets -- $120,000 per year

Following the completion of the reorganization, the Company expects to obtain normal employee benefits (such as health insurance and life insurance), and may provide its executives and other employees additional benefits.

Item 1.02 Termination of a Material Definitive Agreement

None

Item 1.03 Bankruptcy or Receivership

None

Section 2 - Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets

On October 26, 2004, the Company has completed the reorganization by which it acquired approximately 81% of the outstanding capital stock of Lifeline Nutraceuticals Corporation ("Lifeline Nutraceuticals") pursuant to a Plan of Reorganization that was previously announced. The Company also assumed $240,000 of convertible indebtedness and $559,000 of bridge capital financing that had previously been issued by Lifeline Nutraceuticals.

The following table sets forth (and as adjusted for the issuance of shares to shareholders of Lifeline Nutraceuticals holding 81% of the outstanding Lifeline Nutraceuticals common stock), certain information with respect to the common stock beneficially owned by: (i) each Director, nominee and executive officer of the Company; (ii) each person who owns beneficially more than 5% of the common stock; and (iii) all Directors, nominees and executive officers as a group. If the Company acquires more than 80% of the outstanding shares, the ownership interests of each of the named persons will be diluted.

(i) each Director, nominee and executive officer of the Company:

Name and Address of Beneficial Owner	Pre-Transaction Amount and nature of Number of Beneficial Ownership Shares	Post Transaction	Post Transaction % of Class
Blaize N. Kaduru (1) 423 Baybridge Drive Sugarland, TX 77478	0	0	0%
Robert Pike (1) 423 Baybridge Drive Sugarland, TX 77478	10,000	10,000	.06%
William Driscoll (2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	5,623,800	34.34%
Paul Myhill (2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	4,699,890	28.70%
Daniel W. Streets (2)(3) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	2,008,500	12.27%
Christopher J. Micklatcher (2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	562,380	3.43%

(1) Resigning Director
(2) New Director
(3) Does not includes shares that may be acquired by Mr. Streets' wife's Roth IRA if she should chose to convert the $82,000 she has invested through Bridge Loan financing into the Private Placement or exercise the warrants attached to the Private Placement or the warrants attached to the Bridge Loan financing. Conversion price and the exercise price of the attached warrants cannot be determined until the Private Placement share price is determined.
All of the above disclaim any beneficial ownership in shares of the Company owned by other family members.

(ii) each person who owns beneficially more than 5% of the common stock (based on the Company acquiring approximately 81% of the outstanding common stock of Lifeline Nutraceuticals as described above):

Name and Address of Beneficial Owner	Pre-Transaction Amount and and nature of Number of Beneficial Ownership Shares (post-reverse split)	Post Transaction	Post Transaction % of Class
Eric Sunsvold 423 Baybridge Drive Sugarland, TX 77478	98,450	98,450	.60%
Donald J. Smith 2501 E. Third Street Casper, WY 82609	405,617 (1)	456,618	2.80%
Darrell Benjamin 6658 S. Starlight Rd. Morrison, CO 80465	63,603	63,603	.39%
William Driscoll (2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	5,623,800	34.34%
Paul Myhill (2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	4,699,890	28.70%
Daniel Streets(2) 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	2,008,500	12.27%
Joseph McCord 6400 South Fiddler's Green Circle, Suite 1750 Englewood, CO 80111	0	1,928,160	11.78%

(1) The figure shown includes 147 shares held in the name of Suvo Corp. Mr. Smith is the beneficial owner of Suvo Corp.
(2) New Director

As a result of the completion of the reorganization, the Company will be engaged in the business of marketing unique antioxidant therapies involving the body's first line of defense against oxidative stress - its three primary antioxidant enzymes: Superoxide Dismutase (SOD), Catalase (CAT) and Glutathione Peroxidase (GPX.) The Company is in the process of developing, testing and acquiring technologies that target these three enzymes.

Item 2.02 Results of Operations and Financial Condition

None

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant

None

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation Under and Off-Balance Sheet Arrangement

None

Item 2.05 Costs Associated with Exit or Disposal Activities

None

Item 2.06 Material Impairments

None

Section 3 - Securities Trading Markets

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

None

Item 3.02 - Unregistered Sales of Equity Securities

(a)(1) On October 26, 2004, the Company completed a Plan and Agreement with Lifeline Nutraceuticals Corporation whereby the shareholders holding approximately 81% of the outstanding stock of Lifeline Nutraceuticals exchanged their stock in Lifeline Nutraceuticals for 15,385,110 shares of newly issued stock in the Company. The newly issued shares represent approximately 94% of the outstanding stock of the Company.

(2) In addition the Company exchanged $240,000 in new promissory notes for a like amount of convertible debt obligations of Lifeline Nutraceuticals. The new promissory notes contain the same privilege as the original notes to convert to shares of stock in the Company at the rate of fifty cents per share. These notes bear a 10% rate of interest and mature December 15, 2005, if not earlier converted.

(3) The Company also exchanged $559,000 in new promissory notes for a like amount of bridge note obligations of Lifeline Nutraceuticals. The bridge notes bear interest at 10% per annum and are due the earlier of six months from the date of the exchange or the closing of the first $1,000,000 of the Company's proposed private placement offering. The bridge note holder shall also receive warrants to purchase common stock to be issued in the private placement equal to the principal amount divided by the per-share offering price, with an exercise price equal to the offering pricing. The warrants shall be exercisable for a period of one year after the closing of the offering. By way of example, if the bridge note is for $100,000 and the private placement offering occurs at $2.00 per share (of which there can be no assurance), then the bridge note holder would have a warrant allowing for the purchase of 50,000 shares of Lifeline Therapeutics, Inc. common stock at $2.00.

(b) The Company used no underwriter to complete this transaction. No finders' fee, commission, or other compensation was paid. The persons who received the Company's securities are all persons who represented to the Company that they were accredited investors and who were previously securities holders associated with Lifeline Nutraceuticals.

(c) None of the securities were sold for cash, but were issued in exchange for other securities in the reorganization described above.

(d) The Company relied on the exemption from registration provided by Sections 4(2) and 4(6) under the Securities Act of 1933 for this transaction. The Company did not engage in any public advertising or general solicitation in connection with this transaction. The Company provided the accredited investor with disclosure of all aspects of our business, including providing the accredited investor with the Company's reports filed with the Securities and Exchange Commission, press releases, access to the Company's auditors, and other financial, business, and corporate information. Based on the Company's investigation, the Company believes that the accredited investors obtained all information regarding the Company they requested, received answers to all questions the posed, and otherwise understood the risks of accepting the Company's securities for investment purposes.

(e) The common stock issued is not convertible or exchangeable. The notes issued by the Company are convertible into common stock on the terms described above in paragraphs (a)(2) and (a)(3).

(f) Since the Company received no cash proceeds from the issuance of the securities, there is no use of proceeds to report.

Item 3.03 Material Modification to Rights of Security Holders

None

Section 4 - Matters Related to Accountants and Financial Statements

Item 4.01 Changes in Registrant's Certifying Accountants

None

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

None.

Section 5 - Corporate Governance and Management

Item 5.01 Changes in Control of Registrant

Subject to compliance with Section 14(f) of the Securities and Exchange Act of 1934, Blaize N. Kaduru and Robert Pike acknowledged their intention to submit their resignations from the Board of Directors of the Company. Notice to Shareholders pursuant to Section 14(f) was mailed on October 20, 2004. The Company anticipates that the resignations will be executed and shall be effective ten days after the Schedule 14(f) notification was mailed to shareholders. Upon the closing of the plan of reorganization, Mr. Kaduru and Mr. Pike expanded the Company's board of directors to four persons and they appointed William Driscoll and Paul Myhill. Upon the effectiveness of the resignations, Messrs. Driscoll and Myhill will appoint Daniel W. Streets and Christopher J. Micklatcher to fill the two vacancies created by Messrs. Kaduru's and Pike's resignation.

Stock ownership of New Directors:

William Driscoll	5,623,800	34.34%
Paul Myhill	4,699,890	28.70%
Daniel W. Streets	2,008,500	12.27%
Christopher J. Micklatcher	562,380	3.43%

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

The following sets forth the names and ages of the current Directors, nominees for directors and executive officers of the Company, the principal positions with the Company held by such persons and the date such persons became a Director or executive officer. The Directors serve one year terms or until their successors are elected. The Company has not had standing audit, nominating or compensation committees of the Board of Directors or committees performing similar functions. All such applicable functions have been by the Board of Directors as a whole. During the fiscal year ended December 31, 2003, the Board of Directors held no formal meeting. There are no family relationships among any of the Directors, nominees or executive officers.

BLAIZE N. KADURU. Mr. Kaduru is an Adjunct Professor, teaching economics and business related college courses at Wharton Junior College in Sugarland, Texas, since January 2003. Previously, he was Executive Vice President of Business Development for Wireless Communications Technology, Inc., a spin-off of Prodigy

Communications Inc. in Houston, Texas. Mr. Kaduru will resign as CEO, President and Secretary/Treasurer of Yaak River Resources, Inc. at the completion of the transactions contemplated in the Plan and Agreement of Reorganization and will resign as Director effective 10 days after the Notice to Shareholders is mailed, in compliance with Section 14f of the Securities Exchange Act of 1934.

ROBERT PIKE. Mr. Pike has been Vice President and a Director of the Company since December 21, 1999. Mr. Pike is a retired banker. For more than the past five years, he has been an investor. Also for more than the past five years, Mr. Pike has been President and sole owner of Bob Pike Associates, Inc., a real estate consulting and inspection firm, based in Englewood, Colorado, that serves financial institutions. Mr. Pike will resign as Vice President of Yaak River Resources, Inc. at the completion of the transactions contemplated in the Plan and Agreement of Reorganization and will resign as Director effective 10 days after the Notice to Shareholders is mailed, in compliance with Section 14f of the Securities Exchange Act of 1934.

WILLIAM J. DRISCOLL, will become PRESIDENT AND a DIRECTOR. Mr. William Driscoll has a background in management and marketing. At 25 he was the plant manager or United Solder Wrap and became the President of Union Petroleum in 1987. He entered the financial industry in 1988 and within three years was promoted to branch manager, regional manager and finally national sales manager of L. F. Thomson.

Mr. Driscoll has worked at such nationally-respected firms as Dean Witter and Merrill Lynch. Mr. Driscoll has held speaking engagements at several Fortune 500 companies including American Airlines, Alcatel, E Systems, 3M and Rockwell International. From 1998 until 2003 he was President of Destiny Advisors, a "Strategic Management" consulting firm who assisted companies with writing business plans and news releases, in addition to recruiting key personnel for client companies, including CEO's, CFO's, directors and qualified marketing persons.

PAUL R. MYHILL, will become VICE PRESIDENT and a DIRECTOR. Paul Myhill received his MBA from the University of Texas at Austin in 1990, in Marketing Brand Management). As a self-employed entrepreneur and consultant since 1989, he has been involved in planning, funding, and launching business ventures. During that period, he has led six different business ventures which all required significant capital investment and bottom-line management. Mr. Myhill's specialization is in the area of business and product marketing. He is the former owner of an advertising and media placement agency, USAboards, Inc., co-owner of a financial public relations firm, Fair Market Value, LLC, and founder and President of NABO, Inc., a specialty distribution business with multiple warehouse operations. Mr. Myhill has developed and overseen many marketing and product distribution plans. Mr. Myhill filed for personal bankruptcy in Texas in November 1997, and received a discharge in April 1998. The personal bankruptcy resulted from the failure of a business he was managing where personal and business funds and expenses were co-mingled.

Mr. Myhill has served on numerous corporate boards (for-profit and non-profit) and presently sits on the board of directors for Brookstone Christian Academy of Colorado as an organizational and promotional advisor. From December of 1998 to April of 2002 Mr. Myhill was Director of Missions at Bent Tree Bible Fellowship

and then from April of 2002 to November of 2002 he became Director of Projects at Chinese Children's Charities. In November of 2002 he was Pastor of Missions and Membership at Faith Baptist Church until September of 2003.

CHRISTOPHER J. MICKLATCHER, will become a DIRECTOR. Mr. Micklatcher has been a certified public accountant and attorney practicing in the state of Michigan since 1990. Mr. Micklatcher graduated from the University of Michigan in 1980 with a BBA in Finance and Accounting, and (in 1984) from Wayne State Law School with a J.D. specializing in Tax Law. He is currently licensed as both a certified Public Accountant and Attorney. Mr. Micklatcher has specialized in implementing accounting, compliance and tax systems for clients ranging from Fortune 100 companies to small start up operations. He is the President of Alternative Tax Solutions, a full service legal, accounting, tax preparation and consulting practice specializing in assisting small businesses and individuals. Mr. Micklatcher is a member of the American Institute of Certified Public Accountants as well as the Michigan Bar Association. Mr. Micklatcher was Director of Triad Innovations, Inc. (2001-2002) and President in 2002.

DANIEL W. STREETS, will become SECRETARY, TREASURER and a DIRECTOR. Mr. Streets was a Manager of KPMG Peat Marwick (from June 1975 to June 1983) and has served as the CFO of six corporations, including high-volume companies with annual revenues in excess of $400,000,000. A few of these companies include Vista Travel Ventures from May of 1999 to February of 2001 and Sopris Development Group from May 2001 to December of 2003. Mr. Streets graduated from The Ohio State University in 1975 with a bachelor's degree in business administration.

The Company does not have an audit committee, nominating committee, or other committees of the board. Since the Company has not historically had a nominating committee, all directors participated in determining who the nominees to the board of directors would be. All directors review the financial statements and interact with the Company's auditors. The new board of directors believes that at this current stage of development and financial capability, it would be cost prohibitive to establish a nominating committee or an audit committee. Consequently the entire board of directors will continue to perform those functions.

The board of directors has established a process to communicate with the directors. All communications should be sent to one of the named directors at the Company's address, Lifeline Therapeutics, Inc., Suite 1750, 6400 South Fiddler's Green Circle, Englewood, CO 80111.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The Board has approved amended and restated articles of incorporation which will be presented to the shareholders for approval at a meeting expected to be held in January or February 2005.

The Board has also approved amended and restated bylaws that became effective on approval.

Item 5.04 Temporary Suspension of Trading Under Registrant's Employee Benefit Plans

None

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

None

Section 6 - [Reserved]

Section 7 - Reulation FD

Item 7.01 Regulation FD Disclosure

None

Section 8 - Other Events

Item 8.01 Other Events

None

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired. (b) Pro Forma financial information.

Audited Financial Statements for Lifeline Nutraceuticals Corporation as of and for the year ended June 30, 2004 as well as unaudited proforma combined financials for Lifeline Nutraceuticals Corporation and Lifeline Therapeutics, Inc. as of and for the year ended June 30, 2004 will be filed within 71 days by amendment to this Form 8-K.

(c) Exhibits

The following exhibits are included with this filing.

3.01 Amended and restated articles of incorporation (not yet effective, subject to shareholder approval)

3.02 Amended and restated bylaws of Lifeline Therapeutics, Inc.

10.01 Employment contract between William Driscoll and Lifeline Therapeutics, Inc.

10.02 Employment contract between Paul Myhill and Lifeline Therapeutics, Inc.

10.03 Employment contract between Dan Streets and Lifeline Therapeutics, Inc.

10.04 Agreement and Plan of Reorganization Among Yaak River Resources, Inc. (A Colorado Corporation) and Lifeline Nutraceuticals Corporation (A Colorado Corporation) As Of September 21, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: October 27, 2004

LIFELINE THERAPEUTICS, INC.

By: /s/ William J. Driscoll

William J. Driscoll,
CEO/President

Exhibit 3.01

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF LIFELINE THERAPEUTICS CORPORATION

Pursuant to the provisions of the Colorado Business Corporation Act, the Articles of Incorporation of Lifeline Therapeutics Corporation (the "Corporation") are hereby amended and restated in their entirety.

The amendment was recommended by a Statement of Consent approved by the Corporation's Board of Directors on October 25, 2004 and by its shareholders on _____, 2005. The number of votes for approval was sufficient.

The following sets forth the amended and restated articles of incorporation of Lifeline Therapeutics Corporation and shall be effective from the time that these amended and restated articles of incorporation are accepted for filing by the Secretary of State of Colorado:

Article I Corporate Name

The name of this Corporation is: Lifeline Therapeutics Corporation

Article II Period of Duration

The duration of this Corporation shall be perpetual.

Article III Principal Office and Registered Agent

The address of the Corporation's principal office is: 7609 Ralston Road, Arvada, CO 80002

The registered agent of the Corporation is Michael A. Littman at the Corporation's principal office as set forth above.

Article IV Corporate Powers

The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the laws of Colorado. Article V

Capital Stock

Section 1. Capital Stock. The authorized capital stock of the Corporation is two hundred, fifty million (250,000,000) shares of Series A Common Stock at a par value of $.001 per share and shall be voting stock; two hundred fifty million (250,000,000) shares of Series B Common Stock at a par value of $.0001 per share and shall be non-voting shares; and fifty million (50,000,000) shares of preferred stock at a par value of $.0001, which shall be non-voting shares, and which may, at the discretion of the Board of Directors, be issued in alphanumerical series with the rights and preference designated at the time of issue by the board of Directors.

Section 2. Share Options and Other Rights. The Corporation may create and issue share options and other rights, as that term is defined in Section 7-106-205 of the Colorado Business Corporation Act, and shall determine the rights, form and content, and the consideration, if any, for which shares or fractions of shares, assets, debts or other obligations of the Corporation are to be issued pursuant to such share options and other rights.

Section 3. Share Transfer Restrictions. The Board of Directors may impose transfer restrictions on the Corporation's outstanding securities, and may require that certificates be issued to reflect that the shares bear an appropriate legend. These restrictions may include, but are not limited to any restrictions required by federal or applicable state securities laws.

Section 4. Quorum Requirements. The quorum for any meeting of shareholders of the Corporation shall be one-third of the total number of shares entitled to vote at such meeting, or if there are separate voting groups, one-third of the total number of shares entitled to vote in each voting group shall constitute a quorum.

Article VI No Cumulative Voting

Cumulative voting of shares of stock is not authorized.

Article VII No Preemptive Rights

No shareholder of any stock in the Corporation shall be entitled, as a matter of right, to purchase, subscribe for or otherwise acquire any new or additional shares of stock of the Corporation of any class, or any options or warrants to purchase, subscribe for or otherwise acquire any such new or additional shares, bonds, debentures or other securities convertible into or carrying options or warrants to purchase, subscribe for or otherwise acquire any new or additional shares.

Article VIII Board of Directors

Section 1. Board of Directors. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors authorized to serve on the Board of Directors shall be established by the Board of Directors, but will be no fewer than one person.

Section 2. Staggered Terms. When there are more than five members of the Board of Directors, the Board of Directors shall divide the membership into three groups of directors, each group containing one-third of the total, as near as may be possible and shall propose the directors for election to those groups by the shareholders. In that case, the term of the first group expires at the next annual meeting following the annual meeting at which the shareholders elected the first group; the term of the second group expires at the second annual meeting after their election by the shareholders; and the term of the third group expires at the third annual meeting after their election by the shareholders. Upon the expiration of the initial staggered terms, directors shall be elected for terms of three years to succeed those whose terms expire.

Article IX Amendment of Bylaws

In furtherance and not in limitation of the powers conferred by the Colorado Business Corporation Act, the Board of Directors is expressly authorized to make, alter or repeal the Bylaws of the Corporation.

Article X Indemnification of Directors, Officers, Employees, Fiduciaries and Agents

Section 1. Mandatory Indemnification. The Corporation shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person, and the estate and personal representative of any such person, against all liability and expense (including attorneys' fees) incurred by reason of the fact that he/she is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation as a director, officer, trustee, employee, fiduciary, or agent of or in any similar managerial or fiduciary position of another domestic or foreign Corporation or other individual or entity or of an employee benefit plan.

Section 2. Indemnification by Resolution or Contract. The Corporation also shall indemnify any person who is serving or has served the Corporation as a director, officer, employee, fiduciary, or agent and that person's estate and personal representative, to the extent and in the manner provided in any bylaw, resolution of the shareholders or directors, contract or otherwise, so long as such provision is legally permissible.

Section 3. Indemnification Rights Not Exclusive. The foregoing rights of indemnification shall not be exclusive of other rights to which he/she may be entitled to under applicable state law.

Section 4. Effect of Repeal or Modification. Any repeal or modification of this Article X by the shareholders of the Corporation shall not adversely affect any right or protection of any person entitled to indemnification under this Article X as in effect immediately prior to the repeal or modification, with respect to any liability that would have accrued, but for this Article X, prior to the repeal or modification.

Article XI Limitations of Liability

Section 1. Limitation of Liability. A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director; except that this provision shall not eliminate or limit the liability of a director to the Corporation or its shareholders for monetary damages otherwise existing for:

(a) any breach of the director's duty of loyalty to the Corporation to its shareholders;

(b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(c) acts specified in Section 7-108-403 of the Colorado Business Corporation Act; or

(d) any transaction from which the director directly or indirectly derived any improper personal benefit.

Section 2. Further Amendment. If the Colorado Business Corporation Act is hereafter amended to eliminate or limit further the liability of a director, then, in addition to the elimination and limitation of liability provided by the preceding sentence, the liability of each director shall be eliminated or limited to the fullest extent permitted by the Colorado Business Corporation Act as so amended.

Section 3. Effect of Repeal or Modification. Any repeal or modification of this Article XI by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation under this Article XI as in effect immediately prior to the repeal or modification, with respect to any liability that would have accrued, but for this Article XI, prior to the repeal or modification.

AMENDED AND RESTATED BYLAWS
OF
LIFELINE THERAPUTICS CORPORATION

Article I
SHAREHOLDERS

1. ANNUAL SHAREHOLDERS' MEETING. The annual shareholders' meeting shall be held on the date and at the time and place fixed from time to time by the board of directors.

2. SPECIAL SHAREHOLDERS' MEETING. A special shareholders' meeting for any purpose or purposes, may be called by the board of directors or the president. The Corporation shall also hold a special shareholders' meeting in the event it receives, in the manner specified in Article VII, Section 3, one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by the holders of shares representing not less than one-tenth of all of the votes entitled to be cast on any issue at the meeting. Special meetings shall be held at the principal office of the Corporation or at such other place as the board of directors or the president may determine.

3. RECORD DATE FOR DETERMINATION OF SHAREHOLDERS.

(a) In order to make a determination of shareholders (1) entitled to notice of or to vote at any shareholders' meeting or at any adjournment of a shareholders' meeting, (2) entitled to demand a special shareholders' meeting, (3) entitled to take any other action, (4) entitled to receive payment of a share dividend or a distribution, or (5) for any other purpose, the board of directors may fix a future date as the record date for such determination of shareholders. The record date may be fixed not more than seventy days before the date of the proposed action.

(b) Unless otherwise specified when the record date is fixed, the time of day for determination of shareholders shall be as of the Corporation's close of business on the record date.

(c) A determination of shareholders entitled to be given notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date, which the board shall do if the meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting.

(d) If no record date is otherwise fixed, the record date for determining shareholders entitled to be given notice of and to vote at an annual or special shareholders' meeting is the day before the first notice is given to shareholders.

(e) The record date for determining shareholders entitled to take action without a meeting pursuant to Article I, Section 10 is the date a writing upon which the action is taken is first received by the Corporation.

4. VOTING LIST.

(a) After a record date is fixed for a shareholders' meeting, the secretary shall prepare a list of the names of all its shareholders who are entitled to be given notice of the meeting. The list shall be arranged by voting groups and within each voting group by class or series of shares, shall be alphabetical within each class or series, and shall show the address of, and the number of shares of each such class and series that are held by, each shareholder.

(b) The shareholders' list shall be available for inspection by any shareholder, beginning the earlier of ten days before the meeting for which the list was prepared or two business days after notice of the meeting is given and continuing through the meeting, and any adjournment thereof, at the Corporation's principal office or at a place identified in the notice of the meeting in the city where the meeting will be held.

(c) The secretary shall make the shareholders' list available at the meeting, and any shareholder or agent or attorney of a shareholder is entitled to inspect the list at any time during the meeting or any adjournment.

5. NOTICE TO SHAREHOLDERS.

(a) The secretary shall give notice to shareholders of the date, time, and place of each annual and special shareholders' meeting no fewer than ten nor more than sixty days before the date of the meeting; except that, if the articles of incorporation are to be amended to increase the number of authorized shares, at least thirty days' notice shall be given. Except as otherwise required by the Colorado Business Corporation Act, the secretary shall be required to give such notice only to shareholders entitled to vote at the meeting.

(b) Notice of an annual shareholders' meeting need not include a description of the purpose or purposes for which the meeting is called unless a purpose of the meeting is to consider an amendment to the articles of incorporation, a restatement of the articles of incorporation, a plan of merger or share exchange, disposition of substantially all of the property of the Corporation, consent by the Corporation to the disposition of property by another entity, or dissolution of the Corporation.

(c) Notice of a special shareholders' meeting shall include a description of the purpose or purposes for which the meeting is called.

(d) Notice of a shareholders' meeting shall be in writing and shall be given

(1) by deposit in the United States mail, properly addressed to the shareholder's address shown in the Corporation's current record of shareholders, first class postage prepaid, and, if so given, shall be effective when mailed; or

(2) by telegraph, teletype, electronically transmitted facsimile, electronic mail, mail, or private carrier or by personal delivery to the shareholder, and, if so given, shall be effective when actually received by the shareholder.

(e) If an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment; provided, however, that, if a new record date for the adjourned meeting is fixed pursuant to Article I, Section 3(c), notice of the adjourned meeting shall be given to persons who are shareholders as of the new record date.

(f) If three successive notices are given by the Corporation, whether with respect to a shareholders' meeting or otherwise, to a shareholder and are returned as undeliverable, no further notices to such shareholder shall be necessary until another address for the shareholder is made known to the Corporation.

6. QUORUM. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. One-third of the votes entitled to be cast on the matter by the voting group shall constitute a quorum of that voting group for action on the matter. If a quorum does not exist with respect to any voting group, the president or any shareholder or proxy that is present at the meeting, whether or not a member of that voting group, may adjourn the meeting to a different date, time, or place, and (subject to the next sentence) notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed pursuant to Article I, Section 3(c), notice of the adjourned meeting shall be given pursuant to Article I, Section 5 to persons who are shareholders as of the new record date. At any adjourned meeting at which a quorum exists, any matter may be acted upon that could have been acted upon at the meeting originally called; provided, however, that, if new notice is given of the adjourned meeting, then such notice shall state the purpose or purposes of the adjourned meeting sufficiently to permit action on such matters. Once a share is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting.

7. VOTING ENTITLEMENT OF SHARES. Except as stated in the articles of incorporation, each outstanding share, regardless of class, is entitled to one vote, and each fractional share is entitled to a corresponding fractional vote, on each matter voted on at a shareholders' meeting.

8. PROXIES; ACCEPTANCE OF VOTES AND CONSENTS.

(a) A shareholder may vote either in person or by proxy.

(b) An appointment of a proxy is not effective against the Corporation until the appointment is received by the Corporation. An appointment is valid for eleven months unless a different period is expressly provided in the appointment form.

(c) The Corporation may accept or reject any appointment of a proxy, revocation of appointment of a proxy, vote, consent, waiver, or other writing purportedly signed by or for a shareholder, if such acceptance or rejection is in accordance with the provisions of the Colorado Business Corporation Act.

9. WAIVER OF NOTICE.

(a) A shareholder may waive any notice required by the Colorado Business Corporation Act, the articles of incorporation or these bylaws, whether before or after the date or time stated in the notice as the date or time when any action will occur or has occurred. The waiver shall be in writing, be signed by the shareholder entitled to the notice, and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice, and waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

10. ACTION BY SHAREHOLDERS WITHOUT A MEETING. Any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting if all of the shareholders entitled to vote thereon consent to such action in writing. Action taken pursuant to this section shall be effective when the Corporation has received writings that describe and consent to the action, signed by all of the shareholders entitled to vote thereon. Action taken pursuant to this section shall be effective as of the date the last writing necessary to effect the action is received by the Corporation, unless all of the writings necessary to effect the action specify another date, which may be before or after the date the writings are received by the Corporation. Such action shall have the same effect as action taken at a meeting of shareholders and may be described as such in any document. Any shareholder who has signed a writing describing and consenting to action taken pursuant to this section may revoke such consent by a writing signed by the shareholder describing the action and stating that the shareholder's prior consent thereto is revoked, if such writing is received by the Corporation before the effectiveness of the action.

11. MEETINGS BY TELECOMMUNICATIONS. To the extent provided by resolution of the Board of Directors or in the notice of the meeting, any or all of the shareholders may participate in an annual or special shareholders' meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

Article II
DIRECTORS

1. AUTHORITY OF THE BOARD OF DIRECTORS. The corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, a board of directors.

2. NUMBER. Subject to the provisions of the Articles of Incorporation, the number of directors shall be fixed by resolution of the board of directors from time to time and may be increased or decreased by resolution adopted by the board of directors from time to time, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

3. QUALIFICATION. Directors shall be natural persons at least eighteen years old but need not be residents of the State of Colorado or shareholders of the Corporation.

4. ELECTION. The board of directors shall be elected at the annual meeting of the shareholders or at a special meeting called for that purpose.

5. TERM. Each director shall be elected to hold office until the next annual meeting of shareholders and until the director's successor is elected and qualified unless the directors are appointed to staggered terms as provided in the Articles of Incorporation. In such case, the terms of the directors shall expire as set forth in the Articles of Incorporation

6. RESIGNATION. A director may resign at any time by giving written notice of his or her resignation to any other director or (if the director is not also the secretary) to the secretary. The resignation shall be effective when it is received by the other director or secretary, as the case may be, unless the notice of resignation specifies a later effective date. Acceptance of such resignation shall not be necessary to make it effective unless the notice so provides.

7. REMOVAL. Any director may be removed by the shareholders of the voting group that elected the director, with or without cause at a meeting called for that purpose. The notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is removal of the director. A director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

8. VACANCIES.

(a) If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors:

(1) The shareholders may fill the vacancy at the next annual meeting or at a special meeting called for that purpose; or

(2) The board of directors may fill the vacancy; or

(3) If the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

(b) Notwithstanding Article II, Section 8(a), if the vacant office was held by a director elected by a voting group of shareholders, then, if one or more of the remaining directors were elected by the same voting group, only such directors are entitled to vote to fill the vacancy if it is filled by directors, and they may do so by the affirmative vote of a majority of such directors remaining in office; and only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders.

(c) A vacancy that will occur at a specific later date, by reason of a resignation that will become effective at a later date under Article II, Section 6 or otherwise, may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

9. MEETINGS. The board of directors may hold regular or special meetings in or out of Colorado. A regular meeting shall be held in the principal office of the Corporation on such date or dates, and at such time, as may be established by resolution of the board of directors. If the board shall establish a date and time for a regular meeting of the board, such meeting may be held without notice of the date, time, place, or purpose of the meeting The board of directors may, by resolution, establish other dates, times and places for additional regular meetings, which may thereafter be held without further notice. Special meetings may be called by the president or by any two directors and shall be held at the principal office of the Corporation unless another place is consented to by every director. At any time when the board consists of a single director, that director may act at any time, date, or place without notice.

10. NOTICE OF SPECIAL MEETING. Notice of a special meeting shall be given to every director at least twenty four hours before the time of the meeting, stating the date, time, and place of the meeting. The notice need not describe the purpose of the meeting. Notice may be given orally to the director, personally or by telephone or other wire or wireless communication. Notice may also be given in writing by telegraph, teletype, electronically transmitted facsimile, electronic mail, mail, or private carrier. Notice shall be effective at the earliest of the time it is received; five days after it is deposited in the United States mail, properly addressed to the last address for the director shown on the records of the Corporation, first class postage prepaid; or the date shown on the return receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, in the United States mail and if the return receipt is signed by the director to which the notice is addressed.

11. QUORUM. Except as provided in Article II, Section 8, a majority of the number of directors fixed in accordance with these Bylaws shall constitute a quorum for the transaction of business at all meetings of the board of directors. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as otherwise specifically required by law.

12. WAIVER OF NOTICE.

(a) A director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by Article II, Section 12(b), the waiver shall be in writing and shall be signed by the director. Such waiver shall be delivered to the secretary for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless, at the beginning of the meeting or promptly upon his or her later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting.

13. ATTENDANCE BY TELEPHONE. One or more directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

14. DEEMED ASSENT TO ACTION. A director who is present at a meeting of the board of directors when corporate action is taken shall be deemed to have assented to all action taken at the meeting unless:

(1) The director objects at the beginning of the meeting, or promptly upon his or her arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(2) The director contemporaneously requests that his or her dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(3) The director causes written notice of his or her dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the secretary (or, if the director is the secretary, by another director) promptly after adjournment of the meeting.

The right of dissent or abstention pursuant to this Article II, Section 14 as to a specific action is not available to a director who votes in favor of the action taken.

15. ACTION BY DIRECTORS WITHOUT A MEETING. Any action required or permitted by law to be taken at a board of directors' meeting may be taken without a meeting if all members of the board consent to such action in writing. Action shall be deemed to have been so taken by the board at the time the last director signs a writing describing the action taken, unless, before such time, any director has revoked his or her consent by a writing signed by the director and received by the secretary or any other person authorized by the bylaws or the board of directors to receive such a revocation. Such action shall be effective at the time and date it is so taken unless the directors establish a different effective time or date. Such action has the same effect as action taken at a meeting of directors and may be described as such in any document.

16. NOMINATIONS OF DIRECTORS.

(a) The Board of Directors may nominate persons to stand for election to the board of directors at any time prior to a meeting of shareholders at which directors are to be elected.

(b) Any shareholder may nominate a person to stand for election to the Board of Directors provided such shareholder provides written notification of the intention to nominate such persons at the next shareholder meeting not less than 90 days in advance of such meeting, and provided further such notice is accompanied by information regarding the proposed nominee meeting the requirements of part III of SEC Regulation SB or Regulation SK and information regarding all direct and indirect business or personal relationships between the shareholder and the proposed nominee.

Article III
COMMITTEES OF THE BOARD OF DIRECTORS

1. COMMITTEES OF THE BOARD OF DIRECTORS.

(a) Subject to the provisions of the Colorado Business Corporation Act, the board of directors may create one or more committees and appoint one or more members of the board of directors to serve on them. The creation of a committee and appointment of members to it shall require the approval of a majority of all the directors in office when the action is taken, whether or not those directors constitute a quorum of the board.

(b) The provisions of these bylaws governing meetings, action without meeting, notice, waiver of notice, and quorum and voting requirements of the board of directors apply to committees and their members as well.

(c) To the extent specified by resolution adopted from time to time by a majority of all the directors in office when the resolution is adopted, whether or not those directors constitute a quorum of the board, each committee shall exercise the authority of the board of directors with respect to the corporate powers and the management of the business and affairs of the Corporation; except that a committee shall not:

(1) Authorize distributions;

(2) Approve or propose to shareholders action that the Colorado Business Corporation Act requires to be approved by shareholders;

(3) Fill vacancies on the board of directors or on any of its committees;

(4) Amend the articles of incorporation pursuant to the Colorado Business Corporation Act;

(5) Adopt, amend, or repeal bylaws;

(6) Approve a plan of merger not requiring shareholder approval;

(7) Authorize or approve reacquisition of shares, except according to a formula or method prescribed by the board of directors; or

(8) Authorize or approve the issuance or sale of shares, or a contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares; except that the board of directors may authorize a committee or an officer to do so within limits specifically prescribed by the board of directors.

(d) The creation of, delegation of authority to, or action by, a committee does not alone constitute compliance by a director with applicable standards of conduct.

Article IV
OFFICERS

1. GENERAL.

(a) The Corporation shall have as officers a president and a secretary, each of whom who shall be appointed by the board of directors. The board of directors may appoint as additional officers a chairman and other officers of the board.

(b) The board of directors, the president, and such other subordinate officers as the board of directors may authorize from time to time, acting singly, may appoint as additional officers one or more vice presidents, assistant secretaries, assistant treasurers, and such other subordinate officers as the board of directors, the president, or such other appointing officers deem necessary or appropriate.

(c) The officers of the Corporation shall hold their offices for such terms and shall exercise such authority and perform such duties as shall be determined from time to time by these Bylaws, the board of directors, or (with respect to officers whom are appointed by the president or other appointing officers) the persons appointing them; provided, however, that the board of directors may change the term of offices and the authority of any officer appointed by the president or other appointing officers.

(d) Any two or more offices may be held by the same person. The officers of the Corporation shall be natural persons at least eighteen years old.

2. TERM. Each officer shall hold office from the time of appointment until the time of removal or resignation pursuant to Article IV, Section 3 or until the officer's death.

3. REMOVAL AND RESIGNATION. Any officer appointed by the board of directors may be removed at any time by the board of directors. Any officer appointed by the president or other appointing officer may be removed at any time by the board of directors or by the person appointing the officer. Any officer may resign at any time by giving written notice of resignation to any director (or to any director other than the resigning officer if the officer is also a director), to the president, to the secretary, or to the officer who appointed the officer. Acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.

4. PRESIDENT. The president shall preside at all meetings of shareholders, and shall also preside at all meetings of the board of directors unless the board of directors has appointed a chairman, vice chairman, or other officer of the board and has authorized such person to preside at meetings of the board of directors instead of the president. Subject to the direction and control of the board of directors, the president of the Corporation shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the board of directors are carried into effect. The president may negotiate, enter into, and execute contracts, deeds, and other instruments on behalf of the Corporation as are necessary and appropriate to the conduct to the business and affairs of the Corporation or as are approved by the board of directors. The president shall have such additional authority and duties as are appropriate and customary for the office of president, except as the same may be expanded or limited by the board of directors from time to time.

5. VICE PRESIDENT. The vice president, if any, or, if there are more than one, the vice presidents in the order determined by the board of directors or the president (or, if no such determination is made, in the order of their appointment), shall be the officer or officers next in seniority after the president. Each vice president shall have such authority and duties as are prescribed by the board of directors or president. Upon the death, absence, or disability of the president, the vice president, if any, or, if there are more than one, the vice presidents in the order determined by the board of directors or the president, shall have the authority and duties of the president.

6. SECRETARY. The secretary shall be responsible for the preparation and maintenance of minutes of the meetings of the board of directors and of the shareholders and of the other records and information required to be kept by the Corporation under the Colorado Business Corporation Act and for authenticating records of the corporation. The secretary shall also give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, keep the minutes of such meetings, have charge of the corporate seal, if any, and have authority to affix the corporate seal to any instrument requiring it (and, when so affixed, it may be attested by the secretary's signature), be responsible for the maintenance of all other corporate records and files and for the preparation and filing of reports to governmental agencies (other than tax returns), and have such other authority and duties as are appropriate and customary for the office of secretary, except as the same may be expanded or limited by the board of directors from time to time.

7. ASSISTANT SECRETARY. The assistant secretary, if any, or, if there are more than one, the assistant secretaries in the order determined by the board of directors or the secretary (or, if no such determination is made, in the order of their appointment) shall, under the supervision of the secretary, perform such duties and have such authority as may be prescribed from time to time by the board of directors or the secretary. Upon the death, absence, or disability of the secretary, the assistant secretary, if any, or, if there are more than one, the assistant secretaries in the order designated by the board of directors or the secretary (or, if no such determination is made, in the order of their appointment), shall have the authority and duties of the secretary.

8. TREASURER. The treasurer, if any, shall have control of the funds and the care and custody of all stocks, bonds, and other securities owned by the Corporation, and shall be responsible for the preparation and filing of tax returns. The treasurer shall receive all moneys paid to the Corporation and, subject to any limits imposed by the board of directors, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in the Corporation's name and on the Corporation's behalf, and give full discharge for the same. The treasurer shall also have charge of disbursement of funds of the Corporation, shall keep full and accurate records of the receipts and disbursements, and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the board of directors. The treasurer shall have such additional authority and duties as are appropriate and customary for the office of treasurer, except as the same may be expanded or limited by the board of directors from time to time.

9. COMPENSATION. Officers shall receive such compensation for their services as may be authorized or ratified by the board of directors. Election or appointment of an officer shall not of itself create a contractual right to compensation for services performed as such officer.

Article V
INDEMNIFICATION

1. DEFINITIONS. As used in this article:

(a) "Corporation" includes any domestic or foreign entity that is a predecessor of the Corporation by reason of a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(b) "Director" means an individual who is or was a director of the Corporation or an individual who, while a director of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, fiduciary, or agent of another domestic or foreign corporation or other person or of an employee benefit plan. A director is considered to be serving an employee benefit plan at the Corporation's request if his or her duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

(c) "Expenses" includes counsel fees.

(d) "Liability" means the obligation incurred with respect to a proceeding to pay a judgment, settlement, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable expenses.

(e) "Official capacity" means, when used with respect to a director, the office of director in the Corporation and, when used with respect to a person other than a director as contemplated in Article V, Section 2(a), the office in the Corporation held by the officer or the employment, fiduciary, or agency relationship undertaken by the employee, fiduciary, or agent on behalf of the Corporation. "Official capacity" does not include service for any other domestic or foreign corporation or other person or employee benefit plan.

(f) "Party" includes a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(g) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

2. AUTHORITY TO INDEMNIFY DIRECTORS.

(a) Except as provided in Article V, Section 2(d), the Corporation may indemnify a person made a party to a proceeding because the person is or was a director against liability incurred in the proceeding if:

(1) The person conducted himself or herself in good faith; and

(2) The person reasonably believed:

(A) In the case of conduct in an official capacity with the Corporation, that his or her conduct was in the Corporation's best interests; and

(B) In all other cases, that his or her conduct was at least not opposed to the Corporation's best interests; and

(3) In the case of any criminal proceeding, the person had no reasonable cause to believe his or her conduct was unlawful.

(b) A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of Article V, Section 2(a)(2)(B). A director's conduct with respect to an employee benefit plan for a purpose that the director did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of Article V, Section 2(a)(1).

(c) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this Article V, Section 2.

(d) The Corporation may not indemnify a director under this Article V, Section 2:

(1) In connection with a proceeding by or in the right of the Corporation in which the director was adjudged liable to the Corporation; or

(2) In connection with any other proceeding charging that the director derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the director was adjudged liable on the basis that he or she derived an improper personal benefit.

(e) Indemnification permitted under this Article V, Section 2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

3. MANDATORY INDEMNIFICATION OF DIRECTORS. The Corporation shall indemnify a person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a director, against reasonable expenses incurred by him or her in connection with the proceeding.

4. ADVANCE OF EXPENSES TO DIRECTORS.

(a) The Corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

(1) The director furnishes to the Corporation a written affirmation of the director's good faith belief that he or she has met the standard of conduct described in Article V, Section 2.

(2) The director furnishes to the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; and

(3) A determination is made that the facts then known to those making the determination would not preclude indemnification under this article.

(b) The undertaking required by Article V, Section 4(a)(2) shall be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this Article V, Section 4 shall be made in the manner specified in Article V, Section 6.

5. COURT-ORDERED INDEMNIFICATION OF DIRECTORS. A director who is or was a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification in the following manner:

(1) If it determines that the director is entitled to mandatory indemnification under Article V, Section 3, the court shall order indemnification, in which case the court shall also order the Corporation to pay the director's reasonable expenses incurred to obtain court-ordered indemnification.

(2) If it determines that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director met the standard of conduct set forth in Article V, Section 2(a) or was adjudged liable in the circumstances described in Article V, Section 2(d), the court may order such indemnification as the court deems proper; except that the indemnification with respect to any proceeding in which liability shall have been adjudged in the circumstances described in Article V, Section 2(d) is limited to reasonable expenses incurred in connection with the proceeding and reasonable expenses incurred to obtain court-ordered indemnification.

6. DETERMINATION AND AUTHORIZATION OF INDEMNIFICATION OF DIRECTORS.

(a) The Corporation may not indemnify a director under Article V, Section 2 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Article V, Section 2. The Corporation shall not advance expenses to a director under Article V, Section 4 unless authorized in the specific case after the written affirmation and undertaking required by Article V, Section 4(a)(1) and 4(a)(2) are received and the determination required by Article V, Section 4(a)(3) has been made.

(b) The determinations required by Article V, Section 6(a) shall be made:

(1) By the board of directors by a majority vote of those present at a meeting at which a quorum is present, and only those directors not parties to the proceeding shall be counted in satisfying the quorum; or

(2) If a quorum cannot be obtained, by a majority vote of a committee of the board of directors designated by the board of directors, which committee shall consist of two or more directors not parties to the proceeding; except that directors who are parties to the proceeding may participate in the designation of directors for the committee.

(c) If a quorum cannot be obtained as contemplated in Article V, Section 6(b)(1), and a committee cannot be established under Article V, Section 6(b)(2) if a quorum is obtained or a committee is designated, if a majority of the directors constituting such quorum or such committee so directs, the determination required to be made by Article V, Section 6(a) shall be made:

(1) By independent legal counsel selected by a vote of the board of directors or the committee in the manner specified in Article V, Section 6(b)(1) or 6(b)(2), or, if a quorum of the full board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full board of directors; or

(2) By the shareholders.

(d) Authorization of indemnification and advance of expenses shall be made in the same manner as the determination that indemnification or advance of expenses is permissible; except that, if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of expenses shall be made by the body that selected such counsel.

7. INDEMNIFICATION OF OFFICERS, EMPLOYEES, FIDUCIARIES, AND AGENTS.

(a) An officer is entitled to mandatory indemnification under Article V, Section 3 and is entitled to apply for court-ordered indemnification under Article V, Section 5, in each case to the same extent as a director;

(b) The Corporation may indemnify and advance expenses to an officer, employee, fiduciary, or agent of the Corporation to the same extent as to a director; and

(c) The Corporation may also indemnify and advance expenses to an officer, employee, fiduciary, or agent who is not a director to a greater extent than is provided in these bylaws, if not inconsistent with public policy, and if provided for by general or specific action of its board of directors or shareholders or by contract.

8. INSURANCE. The Corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary, or agent of the Corporation, or who, while a director, officer, employee, fiduciary, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary, or agent of another domestic or foreign corporation or other person or of an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from his or her status as a director, officer, employee, fiduciary, or agent, whether or not the Corporation would have power to indemnify the person against the same liability under Article V, Sections 2, 3, or 7. Any such insurance may be procured from any insurance company designated by the board of directors, whether such insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity or any other interest through stock ownership or otherwise.

9. NOTICE TO SHAREHOLDERS OF INDEMNIFICATION OF DIRECTOR. If the Corporation indemnifies or advances expenses to a director under this article in connection with a proceeding by or in the right of the Corporation, the Corporation shall give written notice of the indemnification or advance to the shareholders with or before the notice of the next shareholders' meeting. If the next shareholder action is taken without a meeting at the instigation of the board of directors, such notice shall be given to the shareholders at or before the time the first shareholder signs a writing consenting to such action.

Article VI
SHARES

1. CERTIFICATES. Certificates representing shares of the capital stock of the Corporation shall be in such form as is approved by the board of directors and shall be signed by the chairman or vice chairman of the board of directors (if any), or the president and by the secretary or an assistant secretary or the treasurer or an assistant treasurer. All certificates shall be consecutively numbered, and the names of the owners, the number of shares, and the date of issue shall be entered on the books of the Corporation. Each certificate representing shares shall state upon its face

(a) That the Corporation is organized under the laws of the State of Colorado;

(b) The name of the person to whom issued;

(c) The number and class of the shares and the designation of the series, if any, that the certificate represents;

(d) The par value, if any, of each share represented by the certificate;

(e) Any restrictions imposed by the Corporation upon the transfer of the shares represented by the certificate; and

(f) Other matters required to be stated on the certificates by the Colorado Business Corporation Act, ss.7-106-206 and other applicable sections.

2. FACSIMILE SIGNATURES. Where a certificate is signed

(a) By a transfer agent other than the Corporation or its employee, or

(b) By a registrar other than the Corporation or its employee, any or all of the officers' signatures on the certificate required by Article VI, Section 1 may be facsimile. If any officer, transfer agent or registrar who has signed, or whose facsimile signature or signatures have been placed upon, any certificate, shall cease to be such officer, transfer agent, or registrar, whether because of death, resignation, or otherwise, before the certificate is issued by the Corporation, it may nevertheless be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

3. TRANSFERS OF SHARES. Transfers of shares shall be made on the books of the Corporation only upon presentation of the certificate or certificates representing such shares properly endorsed by the person or persons appearing upon the face of such certificate to be the owner, or accompanied by a proper transfer or assignment separate from the certificate, except as may otherwise be expressly provided by the statutes of the State of Colorado or by order of a court of competent jurisdiction. The officers or transfer agents of the Corporation may, in their discretion, require a signature guaranty before making any transfer. The Corporation shall be entitled to treat the person in whose name any shares are registered on its books as the owner of those shares for all purposes and shall not be bound to recognize any equitable or other claim or interest in the shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interest.

4. SHARES HELD FOR ACCOUNT OF ANOTHER. The board of directors may adopt by resolution a procedure whereby a shareholder of the Corporation may certify in writing to the Corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution shall set forth

(a) The classification of shareholders who may certify;

(b) The purpose or purposes for which the certification may be made;

(c) The form of certification and information to be contained herein;

(d) If the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or the closing of the stock transfer books within which the certification must be received by the Corporation; and

(e) Such other provisions with respect to the procedure as are deemed necessary or desirable. Upon receipt by the Corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Article VII
MISCELLANEOUS

1. CORPORATE SEAL. The board of directors may adopt a seal, circular in form and bearing the name of the Corporation and the words "SEAL" and "COLORADO," which, when adopted, shall constitute the seal of the Corporation. The seal may be used by causing it or a facsimile of it to be impressed, affixed, manually reproduced, or rubber stamped with indelible ink. Even if the Corporation has adopted a corporate seal, properly authorized actions of the Corporation are effective whether or not any writing evidencing such action is sealed.

2. FISCAL YEAR. The board of directors may, by resolution, adopt a fiscal year for the Corporation.

3. RECEIPT OF NOTICES BY THE CORPORATION. Notices, shareholder writings consenting to action, and other documents or writings shall be deemed to have been received by the Corporation when they are received

(a) At the registered office of the Corporation in the State of Colorado;

(b) At the principal office of the Corporation (as that office is designated in the most recent document filed by the Corporation with the Secretary of State for the State of Colorado designating a principal office) addressed to the attention of the secretary of the Corporation;

(c) By the secretary of the corporation wherever the secretary may be found; or

(d) By any other person authorized from time to time by the board of directors, the president, or the secretary to receive such writings, wherever such person is found.

4. FACSIMILE SIGNATURE. Where, under these Bylaws or under the Colorado Business Corporation Act, as amended, a signature of a director, officer or shareholder of the Corporation is required, such signature may be presented either in original form or by a facsimile copy thereof, to the extent permitted by law.

5. AMENDMENT OF BYLAWS. These Bylaws may at any time and from time to time be amended, supplemented, or repealed by the board of directors.

EMPLOYMENT AGREEMENT
FOR THE PRESIDENT and CHIEF EXECUTIVE OFFICER OF
LIFELINE THERAPEUTICS, INC.

This AGREEMENT, dated as of October 12, 2004, by and between LIFELINE THERAPEUTICS, INC., a Colorado corporation, referred to herein as the "Company"), and William Driscoll presently residing in Denver, Colorado ("Executive").

WITNESSETH:

WHEREAS, Company hires Executive as the President and Chief Executive Officer of the Company;

WHEREAS, the Board of Directors ("Board") recognizes that the Executive will contribute significantly to the growth and success of the Company;

WHEREAS, the Board desires the attention and dedication of the Executive as a member of the Company's management, and has determined it is in the best interest of the Company to employ Executive; and

WHEREAS, the Executive is willing to commit himself to serving the Company, on the terms and conditions herein provided.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

1. Employment. The Company hereby agrees to employ the Executive as the President and Chief Executive Officer of the Company during the Employment Term (as defined in Section 3), and the Executive hereby accepts such employment and agrees to serve the Company subject to the general supervision, advice and direction of the Board of Directors and upon the terms and conditions set forth in this Agreement.

2. Duties. During the Employment Term, the Executive shall be the President and Chief Executive Officer of the Company with such authority and duties as is customary for the officer of a corporation in such position, and shall perform such other services and duties as the Board may from time to time designate consistent with such position, including, without limitation, the right to hire and fire employees of the Company, including officers. The Executive shall devote his full time, best efforts and undivided attention to the business and affairs of the Company except for vacations, personal time to which he is entitled pursuant to the terms of this Agreement and except for illness or incapacity; provided, however, that the Executive may serve, or continue to serve, on the boards of directors of, and hold any other offices or positions in, companies or organizations which, in such Board's judgment, will not present any

conflict of interest with the Company, or materially affect the performance of the Executive's duties pursuant to this Agreement as long as the Executive discloses in writing each such position to the Board.

3. Employment Term.

(a) The Executive shall be employed under this Agreement for a term (the "Employment Term") commencing on October 16, 2004 ("Commencement Date") and terminating on the close of business on April 15, 2005, unless sooner terminated as provided in Section 6 hereof; provided that upon expiration of the initial term on April 15, 2005, this Agreement shall thereafter automatically be renewed from year to year (or such shorter period until the Executive's retirement) unless either party provides written notification to the other of its intention not to so renew which notice must be given no later than April 30 of each such year. Neither the expiration of this Agreement, its termination by reason of the Executive's retirement, nor the giving of notice by the Company that it does not wish to renew the Employment Term shall constitute a breach of this Agreement or termination of the Executive for the purposes of Section 6 or 7 of this Agreement.

(b) Notwithstanding the provisions of Section 3(a), the Employment Term shall be extended automatically for a period of two years from the month in which a Change of Control (as such term is hereafter defined) occurs (or such shorter period ending on the Executive's retirement).

(c) The date on which the Employment Term (including any one year renewal period then in effect) is scheduled to terminate under Sections 3(a) or 3(b) shall hereinafter be referred to as the "Scheduled Termination Date".

(d) If there is a Change in Control then the Executive's monthly salary shall be accelerated and paid within thirty (30) days of said Change of Control for the full amount due through the termination date of said employment agreement according to the terms set forth in 3(b) above.

4. Compensation.

(a) Base Salary. The Company shall pay the Executive an annual base salary as compensation for his services hereunder of $180,000 ("Base Salary"), payable in equal semi-monthly installments in accordance with the ordinary payroll practices of the Company for management employees.

(b) Supplemental or Incentive Compensation. During the Employment Term, the Executive may receive supplemental or incentive compensation based on the criteria the Board deems appropriate consistent with the Company's strategic plan. Any supplemental or incentive compensation shall be paid in cash.

(c) Additional Benefits. During the Employment Term, the Executive shall be entitled to paid time off (PTO) and to participate in any employee benefit plans, including any incentive plans, any pension or group life health, hospitalization, short-term disability and other disability insurance plans and other employee welfare benefits made available generally to management employees of the Company.

5. Reimbursement of Expenses. In addition to the compensation provided for under Section 4 of this Agreement, upon submission of proper vouchers and in accordance with the policies and procedures established by the Company in effect from time to time, the Company shall pay or reimburse the Executive for all normal and reasonable expenses, including travel expenses, incurred by the Executive during the Employment Term in connection with the Executive's responsibilities to the Company.

6. Termination. Notwithstanding Section 3 hereof, the Employment Term shall terminate prior to the Scheduled Termination Date upon the occurrence of any of the following events:

(a) Death. The Employment Term shall terminate upon the death of the Executive.

(b) Disability. The Employment Term shall terminate as a result of the Executive's Permanent Disability (as such term is defined in Section 6(f)).

(c) Termination Without Cause. The Employment Term shall terminate upon the Executive's Termination Without Cause (as such term is defined in Section 6(f)).

(d) Termination By Executive. The Employment Term shall terminate upon a Voluntary Termination (as such term is defined in Section 6(f)) by the Executive of his employment hereunder with the Company.

(e) Termination For Cause. The Employment Term shall terminate upon the Executive's Termination For Cause (as defined in Section 6(f)).

(f) Definitions. For purposes of this Agreement:

(i) "Permanent Disability" shall mean that by reason of a physical or mental disability or infirmity which has continued for a period of at least six months, the Executive is unable substantially to perform the duties contemplated by this Agreement on a regular basis. The determination of Permanent Disability shall be made by a medical board certified physician mutually acceptable to the Company and the Executive (or the Executive's legal

representative, if one has been appointed). The Executive agrees to submit such medical evidence regarding such disability or infirmity as is reasonably requested by the Company.

(ii) "Termination For Cause" shall mean any termination of the employment of the Executive for "Cause." For purposes of this Agreement, the termination of the Executive's employment shall be deemed to have been for Cause only:

(A) if termination of his employment shall have been the result of the Executive's willful engaging in dishonest, unethical, illegal or fraudulent actions resulting or intended to result directly or indirectly in any demonstrable material harm to the Company or its shareholders, or

(B) if there has been a willful and continued failure by the Executive during the Employment Term (except by reason of incapacity due to physical or mental illness) to comply with the provisions of this Agreement, and the Executive shall have either failed to remedy such alleged breach within ten days from his receipt of written notice from the Company demanding that he remedy such alleged breach or shall have failed to take all reasonable steps to that end during such ten day period and thereafter; or

(C) if the Executive has failed to comply with the provisions of this Agreement on two or more prior occasions, even if the Executive remedied the conduct as provided in Section 6(f)(ii)(B); or

(D) if there has been a breach of fiduciary duty involving personal profit to the Executive; provided that there shall have been delivered to the Executive at least ten days prior to the effective date of Termination for Cause a Notice of Termination (as defined in this Section 6(f)) and a certified copy of a resolution of the Board adopted by the affirmative vote of not less than a majority of the entire membership of the Board (other than the Executive if he is a member of the Board at such time) at a meeting called and held for that purpose and at which the Executive was given an opportunity, together with the Executive's counsel, to be heard, finding that the Executive had engaged in conduct set forth in subsection (A), (B), (C) or (D) above based on reasonable evidence, specifying the particulars thereof in detail.

If the Executive's employment shall be terminated by the Company during the Employment Term for Cause, the Executive

shall have the right to contest such termination only in accordance with the rules set forth in Section 14 of this Agreement.

(iii) "Voluntary Termination" shall mean any voluntary termination by the Executive of his employment with the Company or termination as a result of retirement at or after age 65.

(iv) "Termination Without Cause" shall mean any termination of the employment of the Executive by the Company other than Voluntary Termination, Termination For Cause or upon death, or Permanent Disability. Termination Without Cause pursuant to the preceding sentence may occur only upon the affirmative vote of at least a majority of the entire membership of the Board (not counting the Executive, who may not vote if he is then a member of the Board) at a meeting called and held for that purpose.

(v) Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 6(a)) shall be communicated by written "Notice of Termination" to the other party to this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(vi) The "Date of Termination" shall mean (A) if the Executive is terminated by his death, the date of his death, (B) if the Executive's employment is terminated due to a Permanent Disability, 30 days after Notice of Termination is given, (C) if the Executive's employment is terminated pursuant to a Termination For Cause, the date specified in the Notice of Termination, (D) if the Executive's employment is terminated due to his retirement, the date specified in the Notice of Termination and (E) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination.

7. Termination Benefits.

(a) Death. If the Executive's employment is terminated by his death, the Company shall pay to his surviving spouse, or if he leaves no spouse, to his estate, any compensation, pro rata incentive compensation, and benefits earned by the Executive or vested under Section 4 of this Agreement through the Executive's Date of Termination; provided, however, that no death benefits attributable to a period after the

Scheduled Termination Date in effect at the time of the Executive's death shall be payable.

(b) Permanent Disability. If the Executive's employment is terminated as a result of his Permanent Disability, the Company shall pay the Executive through the Executive's Date of Termination, any compensation and benefits earned or vested by the Executive under Section 4 of this Agreement; provided, however, that no payments shall be made under this Section 7(b) following the Scheduled Termination Date in effect at the time of the Executive's Permanent Disability. Further, if the Executive receives disability benefits under any disability plan paid for by the Company, including disability insurance, the amount otherwise payable by the Company to the Executive shall be reduced (but not below zero) by the amount of such disability benefits received by him. To the extent permitted under the life, medical, dental and disability plans then maintained by the Company for similarly situated active management employees, at the Executive's option and expense, the Company shall cause to be continued benefits under such plans to the Executive at coverage not less than the coverage maintained by the Company for the Executive immediately prior to the Permanent Disability, which shall run concurrently with the Executive's COBRA period. Such coverage shall cease upon the earlier of (i) in the case of medical and dental benefits, the expiration of the Executive's COBRA rights, (ii) the Executive's death, or (iii) the Executive's full-time employment by another employer.

(c) Termination For Cause or Voluntary Termination. In the case of a termination of the Executive pursuant to Section 6(f)(ii) or Section 6(f)(iii) of this Agreement, the Company's obligations to the Executive shall cease the day after the Executive's Date of Termination and the Company shall not be liable to pay the Executive's Base Salary or supplemental compensation nor shall the Executive have any rights to further participate in employee benefit plans of the Company pursuant to Section 4, except the Executive shall be entitled to any rights or benefits that have become vested prior to the Date of Termination (unless the plan pursuant to which such benefits are provided states to the contrary). The Company shall pay the Executive his Base Salary and any other compensation or benefits earned or vested through the Date of Termination at the rate in effect at the time the Notice of Termination is given in a lump sum within thirty (30) days of the Date of Termination.

(d) Termination Without Cause or Termination With Good Reason. If during the Employment Term, the Executive shall be terminated from employment based on a Termination Without Cause or Termination With Good Reason

as defined in Section 8(c) of the Agreement, the Executive shall be entitled to receive the following payments and benefits:

(i) Salary. In the event of any termination under this Section 7(d), the Executive's Base Salary earned through the Date of Termination at the rate in effect at the time the Notice of Termination is given.

(ii) Severance Payment. In the event of any termination under this Section 7(d), in lieu of any further payments to the Executive including any payments to which the Executive would be entitled under any severance plan or arrangement of the Company, the Company shall pay as severance pay to the Executive an amount equal to two times the Executive's Base Salary but not less than the amount due during the remaining term of the Agreement. Such payments are payable in a single sum, within 30 days following the Executive's Termination Date. Notwithstanding the foregoing, in lieu of such severance, at the option of the Company, the Company and the Executive may enter into a written consulting agreement pursuant to which, for services rendered by the Executive, the Executive would receive consideration in an amount equal to the severance payment otherwise to be made pursuant to this Section 7(d)(ii).

(iii) Release. The payments provided under this Section 7(d) upon termination shall be in lieu of any other payments or causes of action available to the Executive pursuant to this Agreement. As a condition to receipt of payments under Section 7(d) of this Agreement, the Executive shall execute a Release and Settlement Agreement acceptable to the Company, pursuant to which the Executive shall waive any and all claims resulting from employment at or termination from the Company other than payments or benefits which are expressly provided for in this Agreement.

(e) Retirement. The Executive shall not be entitled to any Severance Payment pursuant to this Section 7 in the event that this Agreement is terminated prior to its Scheduled Termination Date or as of any Scheduled Termination Date due to the Executive's retirement.

8. Change of Control.

(a) No benefit shall be payable under this Section 8 unless there shall have been a Change of Control of the Company. (b) For purposes of this Agreement, a Change of Control of the Company ("Change of Control") shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) there is consummated a merger, consolidation or other reorganization of the Company with any other for- or non-profit corporation; or

(ii) the Board of Trustees of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) a merger of Company in which Company does not survive (other than a merger with a subsidiary of which Company had control for more than six months prior to the merger), or consolidation of Company through a change of its members or any other transaction after which a third party has the right to appoint a majority of the Board of Trustees of Company.

(c) Good Reason. For purposes of Section 7 and this Section 8 of the Agreement, Good Reason shall mean the occurrence (without the Executive's written consent) after any Change of Control or within 90 days prior to a Change of Control of any one of the following acts by the Company, or failures by the Company to act, unless, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof.

(i) (1) the assignment to the Executive of any duties inconsistent with the Executive's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control; (2) a significant adverse alteration in the nature of the Executive's reporting responsibilities, titles, or offices as in effect immediately prior to the Change of Control; (3) the removal of the Executive from, or any failure to reelect the Executive to, any such position, except in connection with a termination of the employment of the Executive due to a Voluntary Termination, Termination For Cause, or upon death or Permanent Disability; or (4) any significant diminution in the Executive's Base Salary from that immediately before the Change of Control, as the case may be; or

(ii) the requirement by the Company that the Executive's principal place of employment be relocated more than 45 miles from his existing place of employment; or

(iii) the Company's failure to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 12(a) of this Agreement.

(iv) the failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to the Change of Control, as the case may be, which is material to the Executive's total compensation, unless an arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed at the time of the Change of Control; or

(v) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which the Executive was participating at the time of the Change of Control or the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits enjoyed by the Executive at the time of the Change of Control.

(f) If, within 90 days prior to the Change of Control, the Executive's employment with the Company (i) is terminated by the Company for any reason other than Death, Disability, Cause or retirement or (ii) is terminated by the Executive for Good Reason, the Executive shall receive the compensation otherwise payable to the Executive pursuant to Section 7(d).

9. Protected Information; Prohibited Competition.

(a) The Executive recognizes and acknowledges that during the course of the Executive's employment by the Company, the Company has disclosed and shall furnish, disclose or make available to the Executive confidential or proprietary information related to the Company's business, including, without limitation, customer lists, ideas, processes, inventions and devices, that such confidential or proprietary information has been developed and will be developed through the expenditure by the Company of substantial time and money and that all such confidential information could be used by the Executive and others to compete with the Company. The Executive agrees that all such confidential or proprietary information shall constitute

trade secrets, and further agrees to use such confidential or proprietary information only for the purpose of carrying out his duties with the Company and not otherwise to disclose such information. For purposes of this Agreement, information shall be deemed confidential notwithstanding any prior unauthorized disclosure by any person. The obligations imposed by this Section 9(a) shall not apply to any information that: (a) was known to Executive prior Executive's employment by the Company; or (b) is now or becomes generally known or available to the public through no act of the Executive.

(b) The Executive agrees that during his employment and for a period of two years following the termination of his employment under Section 6 (except for Termination With Good Reason or Termination Without Cause):

(i) he will not (except on behalf of or with the prior written consent of the Company) within any geographic area in which the Company is located or does business or the Executive knows the Company intends to do business, either directly or indirectly, consult with, manage, own, operate, control or participate in or be employed by any entity that competes with the Company ("Competing Business") or any entity planning to engage in a business that would compete with the Company; and

(ii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or appropriate to any Competing Business or attempt to solicit, divert or appropriate to any Competing Business any business from any customer or client or actively sought prospective customer or client of the Company or any of its subsidiaries with whom the Executive has dealt, whose dealings with the Company have been supervised by the Executive or about whom the Executive has acquired proprietary information during the course of his employment with the Company; and

(iii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or hire away, or attempt to solicit, divert or hire away, any person employed by the Company or any of its subsidiaries with whom the Executive had regular contact in the course of his employment with the Company, whether or not such employee is a full-time or a temporary employee, whether or not

such employment is pursuant to a written agreement and whether or not such employment is for a specified period or at will.

(c) Service by the Executive on the Board of Directors of any not-for-profit or for-profit organization shall not be deemed a violation of this Section 9(b).

(d) The restrictions in this Section 9 shall survive the termination of this Agreement and shall be in addition to any restrictions imposed on the Executive by statute or at common law.

10. Inventions.

(a) The Executive agrees that all Subject Inventions (defined below in this Section 10) conceived or first practiced by the Executive during his employment by the Company, and all patent rights and copyrights to the Subject Inventions are or shall become the property of the Company immediately upon such conception or practice, and the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Subject Inventions.

(b) The Executive agrees that if he conceives an Invention during his employment and there is a reasonable basis to believe that the Invention is a Subject Invention, the Executive will promptly provide a written description of the Invention to the Company adequate to allow evaluation for a determination as to whether the Invention is a Subject Invention. It is agreed that all notebooks maintained by the Executive relating (directly or indirectly) to Subject Inventions and written disclosures are the property of the Company.

(c) If, upon commencement of the Executive's employment with the Company, the Executive has previously conceived any Invention or acquired any ownership interest in any Invention, which: (i) is the Executive's property, or of which the Executive is a joint owner with another person or company; (ii) is not described in any issued patent as of the commencement of the Executive's employment with Company; and (iii) would be a Subject Invention if such Invention was made while a Company employee; then the Executive must, at the Executive's election, either: (A) provide the Company with a written description of the Invention on Exhibit A hereto, in which case no rights to the Invention shall become the property of the Company; or (B) provide the Company with the license described in Section 10(d) of this Agreement.

(d) If the Executive has previously conceived or acquired any ownership interest in an Invention described above in Section 10(c) and the Executive elects not to disclose the same to the Company as provided above, then the Executive hereby grants to the Company an irrevocable

nonexclusive, paid up, royalty-free license to use and practice the Invention, including a license under all patents to issue in any country which pertain to the Invention.

(e) The Executive owns no patents, individually or jointly with others, except those described on Exhibit B hereto.

(f) Definitions.

(i) "Invention" means any discovery, whether or not patentable, including, but not limited to, any useful process, method, formula, technique, machine, manufacture or composition of matter, as well as improvements thereto, which is new or which the Executive has a reasonable basis to believe may be new.

(ii) "Proprietary Information" means (i) information related to the Company or its subsidiaries (A) which derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (B) which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy and (ii) all tangible reproductions of the information. Proprietary Information includes, but is not limited to, technical and nontechnical data related to the formulas, patterns, designs, compilations, programs, Inventions, methods, techniques, drawings, processes, finances, actual or potential customers and suppliers, existing and future products, and employees of the Company or its subsidiaries. Proprietary Information also includes information which has been disclosed to the Company or its subsidiaries by a third party and which the Company or any of its subsidiaries is obligated to treat as confidential.

(iii) "Subject Invention" means any Invention that is conceived by the Executive, alone or in a joint effort with others, during the Executive's employment by the Company which (i) may be reasonably expected to be used in a product of the Company, or a product similar to a Company product, (ii) results from work that the Executive has been assigned as part of his duties as an employee of the Company, (iii) is in an area of technology which is the same or substantially related to the areas of technology with which the Executive is involved in the performance of his duties

as an employee of the Company, or (iv) is useful, or which the Executive reasonably expects may be useful, in any process or product of the Company.

11. Patent Applications.

(a) The Executive agrees that should the Company elect to file an application for patent protection, either in the United States or in any foreign country on a Subject Invention of which the Executive was an inventor, the Executive will execute all necessary documentation relating to the patent applications, including formal assignments to the Company.

(b) The Executive further agrees that he will cooperate with attorneys or other persons designated by the Company by explaining the nature of any Subject Invention for which the Company elects to file an application for patent protection, reviewing applications and other papers and providing any other cooperation reasonably required for orderly prosecution of such patent applications. The Company will be responsible for all expenses incurred for the preparation and prosecution of all patent applications on Subject Inventions assigned to the Company.

12. Copyrights.

(a) The Executive agrees that any Works (defined below in this Section 12) created by the Executive in the course of the Executive's duties as an employee of the Company are subject to the "Work for Hire" provisions contained in Sections 101 and 201 of the United States Copyright Law, Title 17 of the United States Code. To the extent such Works are not governed by the foregoing, the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Works.

(b) The Executive must disclose to the Company all Works referred to in Section 12(a) and shall execute and deliver all applications, registrations and documents relating to the copyrights to the Works and shall provide assistance to secure the Company's title to the copyrights in the Works. The Company shall be responsible for all expenses incurred in connection with the registration of all such copyrights.

(c) The Executive claims no ownership rights in any Works, either individually or jointly with others, except those described on Exhibit C hereto.

(d) "Work" means a copyrightable work of authorship, including, without limitation, any technical descriptions for products, users guides, illustrations, advertising materials, computer programs (including the contents of read only memories) and any contribution to such materials.

13. Indemnification. The Company shall indemnify the Executive to the fullest extent permitted by the Colorado Business Corporation Act.

14. Injunctive Relief. The Executive expressly acknowledges that any breach or threatened breach by the Executive of any of the terms set forth in Sections 9, 10, 11 and 12 of this Agreement may result in significant and continuing injury to the Company, the monetary value of which would be impossible to establish. Therefore, the Executive agrees that, notwithstanding any provision in Section 18 of this Agreement to the contrary, the Company shall be entitled to seek injunctive relief from a court of appropriate jurisdiction without the posting of a bond or other security in the event of any breach or threatened breach of the terms of either of such sections. Nothing in this Agreement will be construed as prohibiting the Company from pursuing any other remedies available to the Company for such breach or threatened breach, including the recovery of damages from the Executive. The provisions of this Section 14 shall survive the termination of this Agreement.

15. Successors; Binding Agreement.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. Failure of the Company to obtain such agreement prior to or on the effective date of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to receive hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such

succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid, which successor executes and delivers the agreement provided for in this Section 15 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive under this Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die after the Termination Date but before all amounts payable to him under this Agreement have been paid, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

16. Notices. Any notice required or permitted by this Agreement shall be in writing, sent by registered or certified mail, return receipt requested, addressed to the Board and the Company at the Company's then principal office, or to the Executive at the address set forth beneath his signature, as the case may be, or to such other address or addresses as any party hereto may from time to time specify in writing in a notice given to the other parties in compliance with this Section 14. Notices shall be deemed given when received or, if sent by registered or certified mail, three business days after such notice was placed in the mail, correctly addressed with postage prepaid, whichever is earlier.

17. Disputes. Any claim, controversy or dispute arising out of or relating to this Agreement (including employment of Executive), or the breach, performance, termination, enforceability or validity thereof including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration pursuant to this Section 17 if good faith negotiations among the parties do not resolve such claim, dispute or controversy within 60 days after such claim is presented in writing to Company. Such arbitration shall be conducted in Denver, Colorado, and shall proceed in accordance with the Employment Arbitration Rules of the American Arbitration Association then in effect, to the extent that such Arbitration Rules are not inconsistent with the provisions of this Agreement; provided, however, that such Arbitration Rules may be modified as shall be required to provide procedural fairness mandated by state or federal law in a proceeding involving arbitration of claims arising under federal or state civil rights statutes. Such arbitration shall be heard by one arbitrator, who, unless otherwise agreed to by the parties, shall be an impartial attorney at law who has had training and experience as an arbitrator and who has practiced law for at least 15 years as an attorney concentrating in either general litigation or employment matters. If the parties to the dispute are unable to agree on the selection of an arbitrator, the parties

shall alternately strike arbitrators from a panel of arbitrators provided by the American Arbitration Association until a sole arbitrator is selected. Reasonable discovery shall be allowed in the arbitration and each party may be represented by counsel. The arbitrator shall base his award on applicable law and judicial precedent and include in such award a written statement of the reasons upon which the award is based, including findings of fact and conclusions of law. The arbitrator may award any remedies allowed by law if liability and damages are proven. The award rendered by the arbitrator shall be final and binding, and judgment may be entered in accordance with applicable law in any court having jurisdiction thereof. The costs and fees in the arbitration shall be shared equally by the parties to the arbitration, except as expressly required otherwise under the applicable federal or state civil rights statutes in any proceeding arising thereunder. Notwithstanding anything to the contrary contained in this Section 17, but without limiting the power of the arbitrator to grant similar remedies that may be requested by a party in a dispute, Company shall have the right to proceed in any court of proper jurisdiction to obtain injunctive relief as provided in Section 14 of this Agreement.

18. Nonalienation of Benefits. Except in so far as this provision may be contrary to applicable law, no sale, transfer, alienation, assignment, pledge, collateralization or attachment of any benefits under this Agreement shall be valid or recognized by the Company.

19. ERISA. This Agreement is an unfunded compensation arrangement for a member of a select group of the Company's management and any exemptions under ERISA, as applicable to such an arrangement, shall be applicable to this Agreement.

20. Reporting and Disclosure. The Company, from time to time, shall provide government agencies with such reports concerning this Agreement as may be required by law, and the Company shall provide the Executive with such disclosure concerning this Agreement as may be required by law or as the Company may deem appropriate.

21. Effect on Prior Agreements and Existing Benefits Plans. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes any prior written or oral agreements or understandings relating to the subject matter hereof.

22. Modification and Waiver. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties to this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition.

23. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason

and to any extent, be held invalid or unenforceable, such provision shall be modified to the extent necessary to make such provision fully enforceable. To the extent modification will not remedy such invalidity or unenforceability, such provision shall be stricken from this Agreement and shall not affect the remaining provisions hereof and the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.

24. Withholding. The compensation provided to the Executive pursuant to this Agreement shall be subject to any withholdings and deductions required by any applicable tax laws. In the event the Company fails to withhold such sums for any reason, it may require the Executive to promptly remit to the Company sufficient cash to satisfy applicable income and employment withholding taxes.

25. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

26. Consult With Attorney. The Executive has had an opportunity to consult with an attorney of his choosing prior to executing this Agreement. The Executive acknowledges and agrees that Burns, Figa & Will, P.C. has not provided any legal, tax, or other advice to the employee with respect to this Agreement.

27. Governing Law. To the extent not governed by Federal law, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado.

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

LIFELINE THERAPEUTICS, INC.
COMPANY

By:

Title:

EXECUTIVE

tax id number:

Address:

Exhibit 10.02

EMPLOYMENT AGREEMENT
FOR THE VICE PRESIDENT and DIRECTOR OF MARKETING AND GLOBAL OUTREACH OF LIFELINE THERAPEUTICS, INC.

This AGREEMENT, dated as of October 16 2004, by and between LIFELINE THERAPEUTICS, INC., a Colorado corporation, referred to herein as the "Company"), and Paul R. Myhill presently residing in Denver, Colorado ("Executive").

WITNESSETH:

WHEREAS, Company hires Executive as the Vice President and Director of Marketing and Global Outreach of the Company;

WHEREAS, the Board of Directors ("Board") recognizes that the Executive will contribute significantly to the growth and success of the Company;

WHEREAS, the Board desires the attention and dedication of the Executive as a member of the Company's management, and has determined it is in the best interest of the Company to employ Executive; and

WHEREAS, the Executive is willing to commit himself to serving the Company, on the terms and conditions herein provided.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

1. Employment. The Company hereby agrees to employ the Executive as the Vice President and Director of Marketing and Global Outreach of the Company during the Employment Term (as defined in Section 3), and the Executive hereby accepts such employment and agrees to serve the Company subject to the general supervision, advice and direction of the President and the Board of Directors and upon the terms and conditions set forth in this Agreement.

2. Duties. During the Employment Term, the Executive shall be the Vice President and Director of Marketing and Global Outreach of the Company with such authority and duties as is customary for the officer of a corporation in such position, and shall perform such other services and duties as the Board may from time to time designate consistent with such position. The Executive shall devote his full time, best efforts and undivided attention to the business and affairs of the Company except for vacations, personal time to which he is entitled pursuant to the terms of this Agreement and except for illness or incapacity; provided, however, that the Executive may serve, or continue to serve, on the boards of directors of, and hold any other offices or positions in, companies or organizations which, in such Board's judgment, will not present any conflict of interest with the Company, or materially affect the performance of the Executive's duties pursuant to this Agreement as long as the Executive discloses in writing each such position to the Board.

3. Employment Term.

(a) The Executive shall be employed under this Agreement for a term (the "Employment Term") commencing on October 16, 2004 ("Commencement Date") and terminating on the close of business on April 15, 2005, unless sooner terminated as provided in Section 6 hereof; provided that upon expiration of the initial term on April 15, 2005, this Agreement shall thereafter automatically be renewed from year to year (or such shorter period until the Executive's retirement) unless either party provides written notification to the other of its intention not to so renew which notice must be given no later than April 30 of each such year. Neither the expiration of this Agreement, its termination by reason of the Executive's retirement, nor the giving of notice by the Company that it does not wish to renew the Employment Term shall constitute a breach of this Agreement or termination of the Executive for the purposes of Section 6 or 7 of this Agreement.

(b) Notwithstanding the provisions of Section 3(a), the Employment Term shall be extended automatically for a period of two years from the month in which a Change of Control (as such term is hereafter defined) occurs (or such shorter period ending on the Executive's retirement).

(c) The date on which the Employment Term (including any one year renewal period then in effect) is scheduled to terminate under Sections 3(a) or 3(b) shall hereinafter be referred to as the "Scheduled Termination Date".

(d) If there is a Change in Control then the Executive's monthly salary shall be accelerated and paid within thirty (30) days of said Change of Control for the full amount due through the termination date of said employment agreement according to the terms set forth in 3(b) above.

4. Compensation.

(a) Base Salary. The Company shall pay the Executive an annual base salary as compensation for his services hereunder of $120,000 ("Base Salary"), payable in equal monthly installments in accordance with the ordinary payroll practices of the Company for management employees.

(b) Supplemental or Incentive Compensation. During the Employment Term, the Executive may receive supplemental or incentive compensation based on the criteria the Board deems appropriate consistent with the Company's strategic plan. Any supplemental or incentive compensation shall be paid in cash.

(c) Additional Benefits. During the Employment Term, the Executive shall be entitled to paid time off (PTO) and to participate in any employee benefit plans, including any incentive plans, any pension or group life health, hospitalization, short-term disability and other disability insurance plans and other employee welfare benefits made available generally to management employees of the Company.

5. Reimbursement of Expenses. In addition to the compensation provided for under Section 4 of this Agreement, upon submission of proper vouchers and in accordance with the policies and procedures established by the Company in effect from time to time, the Company shall pay or reimburse the Executive for all normal and reasonable expenses, including travel expenses, incurred by the Executive during the Employment Term in connection with the Executive's responsibilities to the Company.

6. Termination. Notwithstanding Section 3 hereof, the Employment Term shall terminate prior to the Scheduled Termination Date upon the occurrence of any of the following events:

(a) Death. The Employment Term shall terminate upon the death of the Executive.

(b) Disability. The Employment Term shall terminate as a result of the Executive's Permanent Disability (as such term is defined in Section 6(f)).

(c) Termination Without Cause. The Employment Term shall terminate upon the Executive's Termination Without Cause (as such term is defined in Section 6(f)).

(d) Termination By Executive. The Employment Term shall terminate upon a Voluntary Termination (as such term is defined in Section 6(f)) by the Executive of his employment hereunder with the Company.

(e) Termination For Cause. The Employment Term shall terminate upon the Executive's Termination For Cause (as defined in Section 6(f)).

(f) Definitions. For purposes of this Agreement:

(i) "Permanent Disability" shall mean that by reason of a physical or mental disability or infirmity which has continued for a period of at least six months, the Executive is unable substantially to perform the duties contemplated by this Agreement on a regular basis. The determination of Permanent Disability shall be made by a medical board certified physician mutually acceptable to the Company and the Executive (or the Executive's legal

representative, if one has been appointed). The Executive agrees to submit such medical evidence regarding such disability or infirmity as is reasonably requested by the Company.

(ii) "Termination For Cause" shall mean any termination of the employment of the Executive for "Cause." For purposes of this Agreement, the termination of the Executive's employment shall be deemed to have been for Cause only:

(A) if termination of his employment shall have been the result of the Executive's willful engaging in dishonest, unethical, `illegal or fraudulent actions resulting or intended to result directly or indirectly in any demonstrable material harm to the Company or its shareholders, or

(B) if there has been a willful and continued failure by the Executive during the Employment Term (except by reason of incapacity due to physical or mental illness) to comply with the provisions of this Agreement, and the Executive shall have either failed to remedy such alleged breach within ten days from his receipt of written notice from the Company demanding that he remedy such alleged breach or shall have failed to take all reasonable steps to that end during such ten day period and thereafter; or

(C) if the Executive has failed to comply with the provisions of this Agreement on two or more prior occasions, even if the Executive remedied the conduct as provided in Section 6(f)(ii)(B); or

(D) if there has been a breach of fiduciary duty involving personal profit to the Executive;

provided that there shall have been delivered to the Executive at least ten days prior to the effective date of Termination for Cause a Notice of Termination (as defined in this Section 6(f)) and a certified copy of a resolution of the Board adopted by the affirmative vote of not less than a majority of the entire membership of the Board (other than the Executive if he is a member of the Board at such time) at a meeting called and held for that purpose and at which the Executive was given an opportunity, together with the Executive's counsel, to be heard, finding that the Executive had engaged in conduct set forth in subsection (A), (B), (C) or (D) above based on reasonable evidence, specifying the particulars thereof in detail.

If the Executive's employment shall be terminated by the Company during the Employment Term for Cause, the Executive shall have the right to contest such termination only in accordance with the rules set forth in Section 14 of this Agreement.

(iii)"Voluntary Termination" shall mean any voluntary termination by the Executive of his employment with the Company or termination as a result of retirement at or after age 65.

(iv) "Termination Without Cause" shall mean any termination of the employment of the Executive by the Company other than Voluntary Termination, Termination For Cause or upon death, or Permanent Disability. Termination Without Cause pursuant to the preceding sentence may occur only upon the affirmative vote of at least a majority of the entire membership of the Board (not counting the Executive, who may not vote if he is then a member of the Board) at a meeting called and held for that purpose.

(v) Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 6(a)) shall be communicated by written "Notice of Termination" to the other party to this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(vi) The "Date of Termination" shall mean (A) if the Executive is terminated by his death, the date of his death, (B) if the Executive's employment is terminated due to a Permanent Disability, 30 days after Notice of Termination is given, (C) if the Executive's employment is terminated pursuant to a Termination For Cause, the date specified in the Notice of Termination, (D) if the Executive's employment is terminated due to his retirement, the date specified in the Notice of Termination and (E) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination.

7. Termination Benefits.

(a) Death. If the Executive's employment is terminated by his death, the Company shall pay to his surviving spouse, or if he leaves no spouse, to his estate, any compensation, pro rata incentive compensation, and benefits earned by the Executive or vested under Section 4 of this Agreement through the Executive's Date of Termination; provided,

however, that no death benefits attributable to a period after the Scheduled Termination Date in effect at the time of the Executive's death shall be payable.

(b) Permanent Disability. If the Executive's employment is terminated as a result of his Permanent Disability, the Company shall pay the Executive through the Executive's Date of Termination, any compensation and benefits earned or vested by the Executive under Section 4 of this Agreement; provided, however, that no payments shall be made under this Section 7(b) following the Scheduled Termination Date in effect at the time of the Executive's Permanent Disability. Further, if the Executive receives disability benefits under any disability plan paid for by the Company, including disability insurance, the amount otherwise payable by the Company to the Executive shall be reduced (but not below zero) by the amount of such disability benefits received by him. To the extent permitted under the life, medical, dental and disability plans then maintained by the Company for similarly situated active management employees, at the Executive's option and expense, the Company shall cause to be continued benefits under such plans to the Executive at coverage not less than the coverage maintained by the Company for the Executive immediately prior to the Permanent Disability, which shall run concurrently with the Executive's COBRA period. Such coverage shall cease upon the earlier of (i) in the case of medical and dental benefits, the expiration of the Executive's COBRA rights, (ii) the Executive's death, or (iii) the Executive's full-time employment by another employer.

(c) Termination For Cause or Voluntary Termination. In the case of a termination of the Executive pursuant to Section 6(f)(ii) or Section 6(f)(iii) of this Agreement, the Company's obligations to the Executive shall cease the day after the Executive's Date of Termination and the Company shall not be liable to pay the Executive's Base Salary or supplemental compensation nor shall the Executive have any rights to further participate in employee benefit plans of the Company pursuant to Section 4, except the Executive shall be entitled to any rights or benefits that have become vested prior to the Date of Termination (unless the plan pursuant to which such benefits are provided states to the contrary). The Company shall pay the Executive his Base Salary and any other compensation or benefits earned or vested through the Date of Termination at the rate in effect at the time the Notice of Termination is given in a lump sum within thirty (30) days of the Date of Termination.

(d) Termination Without Cause or Termination With Good Reason. If during the Employment Term, the Executive shall be terminated from employment based on a Termination Without Cause or Termination With Good Reason as defined in Section 8(c) of the Agreement, the Executive shall be entitled to receive the following payments and benefits:

(i) Salary. In the event of any termination under this Section 7(d), the Executive's Base Salary earned through the Date of Termination at the rate in effect at the time the Notice of Termination is given.

(ii) Severance Payment. In the event of any termination under this Section 7(d), in lieu of any further payments to the Executive including any payments to which the Executive would be entitled under any severance plan or arrangement of the Company, the Company shall pay as severance pay to the Executive an amount equal to two times the Executive's Base Salary but not less than the amount due during the remaining term of the Agreement. Such payments are payable in a single sum, within 30 days following the Executive's Termination Date. Notwithstanding the foregoing, in lieu of such severance, at the option of the Company, the Company and the Executive may enter into a written consulting agreement pursuant to which, for services rendered by the Executive, the Executive would receive consideration in an amount equal to the severance payment otherwise to be made pursuant to this Section 7(d)(ii).

(iii) Release. The payments provided under this Section 7(d) upon termination shall be in lieu of any other payments or causes of action available to the Executive pursuant to this Agreement. As a condition to receipt of payments under Section 7(d) of this Agreement, the Executive shall execute a Release and Settlement Agreement acceptable to the Company, pursuant to which the Executive shall waive any and all claims resulting from employment at or termination from the Company other than payments or benefits which are expressly provided for in this Agreement.

(e) Retirement. The Executive shall not be entitled to any Severance Payment pursuant to this Section 7 in the event that this Agreement is terminated prior to its Scheduled Termination Date or as of any Scheduled Termination Date due to the Executive's retirement.

8. Change of Control.

(a) No benefit shall be payable under this Section 8 unless there shall have been a Change of Control of the Company.

(b) For purposes of this Agreement, a Change of Control of the Company ("Change of Control") shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) there is consummated a merger, consolidation or other reorganization of the Company with any other for- or non-profit corporation; or

(ii) the Board of Trustees of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) a merger of Company in which Company does not survive (other than a merger with a subsidiary of which Company had control for more than six months prior to the merger), or consolidation of Company through a change of its members or any other transaction after which a third party has the right to appoint a majority of the Board of Trustees of Company.

(c) Good Reason. For purposes of Section 7 and this Section 8 of the Agreement, Good Reason shall mean the occurrence (without the Executive's written consent) after any Change of Control or within 90 days prior to a Change of Control of any one of the following acts by the Company, or failures by the Company to act, unless, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof.

(i) (1) the assignment to the Executive of any duties inconsistent with the Executive's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control; (2) a significant adverse alteration in the nature of the Executive's reporting responsibilities, titles, or offices as in effect immediately prior to the Change of Control; (3) the removal of the Executive from, or any failure to reelect the Executive to, any such position, except in connection with a termination of the employment of the Executive due to a Voluntary Termination, Termination For Cause, or upon death or Permanent Disability; or (4) any significant diminution in the Executive's Base Salary from that immediately before the Change of Control, as the case may be; or

(ii) the requirement by the Company that the Executive's principal place of employment be relocated more than 45 miles from his existing place of employment; or

(iii) the Company's failure to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 12(a) of this Agreement.

(iv) the failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to the Change of Control, as the case may be, which is material to the Executive's total compensation, unless an arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed at the time of the Change of Control; or

(v) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which the Executive was participating at the time of the Change of Control or the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits enjoyed by the Executive at the time of the Change of Control.

(f) If, within 90 days prior to the Change of Control, the Executive's employment with the Company (i) is terminated by the Company for any reason other than Death, Disability, Cause or retirement or (ii) is terminated by the Executive for Good Reason, the Executive shall receive the compensation otherwise payable to the Executive pursuant to Section 7(d).

9. Protected Information; Prohibited Competition.

(a) The Executive recognizes and acknowledges that during the course of the Executive's employment by the Company, the Company has disclosed and shall furnish, disclose or make available to the Executive confidential or proprietary information related to the Company's business, including, without limitation, customer lists, ideas, processes, inventions and devices, that such confidential or proprietary information has been developed and will be developed through the expenditure by the Company of substantial time and money and that all such confidential information could be used by the Executive and others to compete with the Company. The Executive agrees that all such confidential or proprietary information shall constitute trade secrets, and further agrees to use such confidential or proprietary information only for the purpose of carrying out his

duties with the Company and not otherwise to disclose such information. For purposes of this Agreement, information shall be deemed confidential notwithstanding any prior unauthorized disclosure by any person. The obligations imposed by this Section 9(a) shall not apply to any information that: (a) was known to Executive prior Executive's employment by the Company; or (b) is now or becomes generally known or available to the public through no act of the Executive.

(b) The Executive agrees that during his employment and for a period of two years following the termination of his employment under Section 6 (except for Termination With Good Reason or Termination Without Cause):

(i) he will not (except on behalf of or with the prior written consent of the Company) within any geographic area in which the Company is located or does business or the Executive knows the Company intends to do business, either directly or indirectly, consult with, manage, own, operate, control or participate in or be employed by any entity that competes with the Company ("Competing Business") or any entity planning to engage in a business that would compete with the Company; and

(ii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or appropriate to any Competing Business or attempt to solicit, divert or appropriate to any Competing Business any business from any customer or client or actively sought prospective customer or client of the Company or any of its subsidiaries with whom the Executive has dealt, whose dealings with the Company have been supervised by the Executive or about whom the Executive has acquired proprietary information during the course of his employment with the Company; and

(iii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or hire away, or attempt to solicit, divert or hire away, any person employed by the Company or any of its subsidiaries with whom the Executive had regular contact in the course of his employment with the Company, whether or not such employee is a full-time or a temporary employee, whether or not such employment is pursuant to a written agreement and whether or not such employment is for a specified period or at will.

(c) Service by the Executive on the Board of Directors of any not-for-profit or for-profit organization shall not be deemed a violation of this Section 9(b).

(d) The restrictions in this Section 9 shall survive the termination of this Agreement and shall be in addition to any restrictions imposed on the Executive by statute or at common law.

10. Inventions.

(a) The Executive agrees that all Subject Inventions (defined below in this Section 10) conceived or first practiced by the Executive during his employment by the Company, and all patent rights and copyrights to the Subject Inventions are or shall become the property of the Company immediately upon such conception or practice, and the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Subject Inventions.

(b) The Executive agrees that if he conceives an Invention during his employment and there is a reasonable basis to believe that the Invention is a Subject Invention, the Executive will promptly provide a written description of the Invention to the Company adequate to allow evaluation for a determination as to whether the Invention is a Subject Invention. It is agreed that all notebooks maintained by the Executive relating (directly or indirectly) to Subject Inventions and written disclosures are the property of the Company.

(c) If, upon commencement of the Executive's employment with the Company, the Executive has previously conceived any Invention or acquired any ownership interest in any Invention, which: (i) is the Executive's property, or of which the Executive is a joint owner with another person or company; (ii) is not described in any issued patent as of the commencement of the Executive's employment with Company; and (iii) would be a Subject Invention if such Invention was made while a Company employee; then the Executive must, at the Executive's election, either: (A) provide the Company with a written description of the Invention on Exhibit A hereto, in which case no rights to the Invention shall become the property of the Company; or (B) provide the Company with the license described in Section 10(d) of this Agreement.

(d) If the Executive has previously conceived or acquired any ownership interest in an Invention described above in Section 10(c) and the Executive elects not to disclose the same to the Company as provided above, then the Executive hereby grants to the Company an irrevocable nonexclusive, paid up, royalty-free license to use and practice the Invention, including a license under all patents to issue in any country which pertain to the Invention.

(e) The Executive owns no patents, individually or jointly with others, except those described on Exhibit B hereto.

(f) Definitions.

(i) "Invention" means any discovery, whether or not patentable, including, but not limited to, any useful process, method, formula, technique, machine, manufacture or composition of matter, as well as improvements thereto, which is new or which the Executive has a reasonable basis to believe may be new.

(ii) "Proprietary Information" means (i) information related to the Company or its subsidiaries (A) which derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (B) which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy and (ii) all tangible reproductions of the information. Proprietary Information includes, but is not limited to, technical and nontechnical data related to the formulas, patterns, designs, compilations, programs, Inventions, methods, techniques, drawings, processes, finances, actual or potential customers and suppliers, existing and future products, and employees of the Company or its subsidiaries. Proprietary Information also includes information which has been disclosed to the Company or its subsidiaries by a third party and which the Company or any of its subsidiaries is obligated to treat as confidential.

(iii) "Subject Invention" means any Invention that is conceived by the Executive, alone or in a joint effort with others, during the Executive's employment by the Company which (i) may be reasonably expected to be used in a product of the Company, or a product similar to a Company product, (ii) results from work that the Executive has been assigned as part of his duties as an employee of the Company, (iii) is in an area of technology which is the same or substantially related to the areas of technology with which the Executive is involved in the performance of his duties as an employee of the Company, or (iv) is useful, or which the Executive reasonably expects may be useful, in any process or product of the Company.

11. Patent Applications.

(a) The Executive agrees that should the Company elect to file an application for patent protection, either in the United States or in any foreign country on a Subject Invention of which the Executive was an inventor, the Executive will execute all necessary documentation relating to the patent applications, including formal assignments to the Company.

(b) The Executive further agrees that he will cooperate with attorneys or other persons designated by the Company by explaining the nature of any Subject Invention for which the Company elects to file an application for patent protection, reviewing applications and other papers and providing any other cooperation reasonably required for orderly prosecution of such patent applications. The Company will be responsible for all expenses incurred for the preparation and prosecution of all patent applications on Subject Inventions assigned to the Company.

12. Copyrights.

(a) The Executive agrees that any Works (defined below in this Section 12) created by the Executive in the course of the Executive's duties as an employee of the Company are subject to the "Work for Hire" provisions contained in Sections 101 and 201 of the United States Copyright Law, Title 17 of the United States Code. To the extent such Works are not governed by the foregoing, the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Works.

(b) The Executive must disclose to the Company all Works referred to in Section 12(a) and shall execute and deliver all applications, registrations and documents relating to the copyrights to the Works and shall provide assistance to secure the Company's title to the copyrights in the Works. The Company shall be responsible for all expenses incurred in connection with the registration of all such copyrights.

(c) The Executive claims no ownership rights in any Works, either individually or jointly with others, except those described on Exhibit C hereto.

(d) "Work" means a copyrightable work of authorship, including, without limitation, any technical descriptions for products, users guides, illustrations, advertising materials, computer programs (including the contents of read only memories) and any contribution to such materials.

13. Indemnification. The Company shall indemnify the Executive to the fullest extent permitted by the Colorado Business Corporation Act.

14. Injunctive Relief. The Executive expressly acknowledges that any breach or threatened breach by the Executive of any of the terms set forth in Sections 9, 10, 11 and 12 of this Agreement may result in significant and continuing injury to the Company, the monetary value of which would be impossible to establish. Therefore, the Executive agrees that, notwithstanding any provision in Section 18 of this Agreement to the contrary, the Company shall be entitled to seek injunctive relief from a court of appropriate jurisdiction without the posting of a bond or other security in the event of any breach or threatened breach of the terms of either of such sections. Nothing in this Agreement will be construed as prohibiting the Company from pursuing any other remedies available to the Company for such breach or threatened breach, including the recovery of damages from the Executive. The provisions of this Section 14 shall survive the termination of this Agreement.

15. Successors; Binding Agreement.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. Failure of the Company to obtain such agreement prior to or on the effective date of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to receive hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid, which successor executes and delivers the agreement provided for in this Section 15 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive under this Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die after the Termination Date but before all amounts payable to him under this Agreement have been paid, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

16. Notices. Any notice required or permitted by this Agreement shall be in writing, sent by registered or certified mail, return receipt requested, addressed to the Board and the Company at the Company's then principal office, or to the Executive at the address set forth beneath his signature, as the case may be, or to such other address or addresses as any party hereto may from time to time specify in writing in a notice given to the other parties in compliance with this Section 14. Notices shall be deemed given when received or, if sent by registered or certified mail, three business days after such notice was placed in the mail, correctly addressed with postage prepaid, whichever is earlier.

17. Disputes. Any claim, controversy or dispute arising out of or relating to this Agreement (including employment of Executive), or the breach, performance, termination, enforceability or validity thereof including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration pursuant to this Section 17 if good faith negotiations among the parties do not resolve such claim, dispute or controversy within 60 days after such claim is presented in writing to Company. Such arbitration shall be conducted in Denver, Colorado, and shall proceed in accordance with the Employment Arbitration Rules of the American Arbitration Association then in effect, to the extent that such Arbitration Rules are not inconsistent with the provisions of this Agreement; provided, however, that such Arbitration Rules may be modified as shall be required to provide procedural fairness mandated by state or federal law in a proceeding involving arbitration of claims arising under federal or state civil rights statutes. Such arbitration shall be heard by one arbitrator, who, unless otherwise agreed to by the parties, shall be an impartial attorney at law who has had training and experience as an arbitrator and who has practiced law for at least 15 years as an attorney concentrating in either general litigation or employment matters. If the parties to the dispute are unable to agree on the selection of an arbitrator, the parties shall alternately strike arbitrators from a panel of arbitrators provided by the American Arbitration Association until a sole arbitrator is selected. Reasonable discovery shall be allowed in the arbitration and each party may be represented by counsel. The arbitrator shall base his award on applicable law and judicial precedent and include in such award a written

statement of the reasons upon which the award is based, including findings of fact and conclusions of law. The arbitrator may award any remedies allowed by law if liability and damages are proven. The award rendered by the arbitrator shall be final and binding, and judgment may be entered in accordance with applicable law in any court having jurisdiction thereof. The costs and fees in the arbitration shall be shared equally by the parties to the arbitration, except as expressly required otherwise under the applicable federal or state civil rights statutes in any proceeding arising thereunder. Notwithstanding anything to the contrary contained in this Section 17, but without limiting the power of the arbitrator to grant similar remedies that may be requested by a party in a dispute, Company shall have the right to proceed in any court of proper jurisdiction to obtain injunctive relief as provided in Section 14 of this Agreement.

18. Nonalienation of Benefits. Except in so far as this provision may be contrary to applicable law, no sale, transfer, alienation, assignment, pledge, collateralization or attachment of any benefits under this Agreement shall be valid or recognized by the Company.

19. ERISA. This Agreement is an unfunded compensation arrangement for a member of a select group of the Company's management and any exemptions under ERISA, as applicable to such an arrangement, shall be applicable to this Agreement.

20. Reporting and Disclosure. The Company, from time to time, shall provide government agencies with such reports concerning this Agreement as may be required by law, and the Company shall provide the Executive with such disclosure concerning this Agreement as may be required by law or as the Company may deem appropriate.

21. Effect on Prior Agreements and Existing Benefits Plans. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes any prior written or oral agreements or understandings relating to the subject matter hereof.

22. Modification and Waiver. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties to this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition.

23. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such provision shall be modified to the extent necessary to make such provision fully enforceable. To the extent modification will not remedy such invalidity or unenforceability, such provision shall be stricken from this Agreement and shall not affect the remaining provisions hereof and the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.

24. Withholding. The compensation provided to the Executive pursuant to this Agreement shall be subject to any withholdings and deductions required by any applicable tax laws. In the event the Company fails to withhold such sums for any reason, it may require the Executive to promptly remit to the Company sufficient cash to satisfy applicable income and employment withholding taxes.

25. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

26. Consult With Attorney. The Executive has had an opportunity to consult with an attorney of his choosing prior to executing this Agreement. The Executive acknowledges and agrees that Burns, Figa & Will, P.C. has not provided any legal, tax, or other advice to the employee with respect to this Agreement.

27. Governing Law. To the extent not governed by Federal law, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado.

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

LIFELINE THERAPEUTICS, INC.
COMPANY
By:_____
Title: _____

EXECUTIVE
_____ tax id number: _____

Address: _____

_____

Exhibit 10.03

EMPLOYMENT AGREEMENT
FOR THE SECRETARY/TREASURER, CHIEF OPERATING OFFICER
and CHIEF FINANCIAL OFFICER OF LIFELINE THERAPEUTICS, INC.

This AGREEMENT, dated as of October 16, 2004, by and between LIFELINE THERAPEUTICS, INC., a Colorado corporation, referred to herein as the "Company"), and Daniel W. Streets presently residing in Denver, Colorado ("Executive").

WITNESSETH:

WHEREAS, Company hires Executive as the Secretary/Treasurer Chief Operating Officer and Chief Financial Officer of the Company;

WHEREAS, the Board of Directors ("Board") recognizes that the Executive will contribute significantly to the growth and success of the Company;

WHEREAS, the Board desires the attention and dedication of the Executive as a member of the Company's management, and has determined it is in the best interest of the Company to employ Executive; and

WHEREAS, the Executive is willing to commit himself to serving the Company, on the terms and conditions herein provided.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

1. Employment. The Company hereby agrees to employ the Executive as the Secretary/Treasurer, Chief Operating Officer and Chief Financial Officer of the Company during the Employment Term (as defined in Section 3), and the Executive hereby accepts such employment and agrees to serve the Company subject to the general supervision, advice and direction of the President and the Board of Directors and upon the terms and conditions set forth in this Agreement.

2. Duties. During the Employment Term, the Executive shall be the Secretary/Treasurer, Chief Operating Officer and Chief Financial Officer of the Company with such authority and duties as is customary for the officer of a corporation in such position, and shall perform such other services and duties as the Board may from time to time designate consistent with such position. The Executive shall devote his full time, best efforts and undivided attention to the business and affairs of the Company except for vacations, personal time to which he is entitled pursuant to the terms of this Agreement and except for illness or incapacity; provided, however, that the Executive may serve, or continue to serve, on the boards of

directors of, and hold any other offices or positions in, companies or organizations which, in such Board's judgment, will not present any conflict of interest with the Company, or materially affect the performance of the Executive's duties pursuant to this Agreement as long as the Executive discloses in writing each such position to the Board.

3. Employment Term.

(a) The Executive shall be employed under this Agreement for a term (the "Employment Term") commencing on October 16, 2004 ("Commencement Date") and terminating on the close of business on April 15, 2005, unless sooner terminated as provided in Section 6 hereof; provided that upon expiration of the initial term on April 15, 2005, this Agreement shall thereafter automatically be renewed from year to year (or such shorter period until the Executive's retirement) unless either party provides written notification to the other of its intention not to so renew which notice must be given no later than April 30 of each such year. Neither the expiration of this Agreement, its termination by reason of the Executive's retirement, nor the giving of notice by the Company that it does not wish to renew the Employment Term shall constitute a breach of this Agreement or termination of the Executive for the purposes of Section 6 or 7 of this Agreement.

(b) Notwithstanding the provisions of Section 3(a), the Employment Term shall be extended automatically for a period of two years from the month in which a Change of Control (as such term is hereafter defined) occurs (or such shorter period ending on the Executive's retirement).

(c) The date on which the Employment Term (including any one year renewal period then in effect) is scheduled to terminate under Sections 3(a) or 3(b) shall hereinafter be referred to as the "Scheduled Termination Date".

(d) If there is a Change in Control then the Executive's monthly salary shall be accelerated and paid within thirty (30) days of said Change of Control for the full amount due through the termination date of said employment agreement according to the terms set forth in 3(b) above.

4. Compensation.

(a) Base Salary. The Company shall pay the Executive an annual base salary as compensation for his services hereunder of $120,000 ("Base Salary"), payable in equal monthly installments in accordance with the ordinary payroll practices of the Company for management employees.

(b) Supplemental or Incentive Compensation. During the Employment Term, the Executive may receive supplemental or incentive compensation based on the criteria the Board deems appropriate consistent with the

Company's strategic plan. Any supplemental or incentive compensation shall be paid in cash.

(c) Additional Benefits. During the Employment Term, the Executive shall be entitled to paid time off (PTO) and to participate in any employee benefit plans, including any incentive plans, any pension or group life health, hospitalization, short-term disability and other disability insurance plans and other employee welfare benefits made available generally to management employees of the Company.

5. Reimbursement of Expenses. In addition to the compensation provided for under Section 4 of this Agreement, upon submission of proper vouchers and in accordance with the policies and procedures established by the Company in effect from time to time, the Company shall pay or reimburse the Executive for all normal and reasonable expenses, including travel expenses, incurred by the Executive during the Employment Term in connection with the Executive's responsibilities to the Company.

6. Termination. Notwithstanding Section 3 hereof, the Employment Term shall terminate prior to the Scheduled Termination Date upon the occurrence of any of the following events:

(a) Death. The Employment Term shall terminate upon the death of the Executive.

(b) Disability. The Employment Term shall terminate as a result of the Executive's Permanent Disability (as such term is defined in Section 6(f)).

(c) Termination Without Cause. The Employment Term shall terminate upon the Executive's Termination Without Cause (as such term is defined in Section 6(f)).

(d) Termination By Executive. The Employment Term shall terminate upon a Voluntary Termination (as such term is defined in Section 6(f)) by the Executive of his employment hereunder with the Company.

(e) Termination For Cause. The Employment Term shall terminate upon the Executive's Termination For Cause (as defined in Section 6(f)).

(f) Definitions. For purposes of this Agreement:

(i) "Permanent Disability" shall mean that by reason of a physical or mental disability or infirmity which has continued for a period of at least six months, the Executive is unable substantially to perform the duties contemplated by this Agreement on a regular basis. The determination of Permanent Disability shall be made by a medical board certified physician mutually acceptable to the

Company and the Executive (or the Executive's legal representative, if one has been appointed). The Executive agrees to submit such medical evidence regarding such disability or infirmity as is reasonably requested by the Company.

(ii) "Termination For Cause" shall mean any termination of the employment of the Executive for "Cause." For purposes of this Agreement, the termination of the Executive's employment shall be deemed to have been for Cause only:

(A) if termination of his employment shall have been the result of the Executive's willful engaging in dishonest, unethical, `illegal or fraudulent actions resulting or intended to result directly or indirectly in any demonstrable material harm to the Company or its shareholders, or

(B) if there has been a willful and continued failure by the Executive during the Employment Term (except by reason of incapacity due to physical or mental illness) to comply with the provisions of this Agreement, and the Executive shall have either failed to remedy such alleged breach within ten days from his receipt of written notice from the Company demanding that he remedy such alleged breach or shall have failed to take all reasonable steps to that end during such ten day period and thereafter; or

(C) if the Executive has failed to comply with the provisions of this Agreement on two or more prior occasions, even if the Executive remedied the conduct as provided in Section 6(f)(ii)(B); or

(D) if there has been a breach of fiduciary duty involving personal profit to the Executive;

provided that there shall have been delivered to the Executive at least ten days prior to the effective date of Termination for Cause a Notice of Termination (as defined in this Section 6(f)) and a certified copy of a resolution of the Board adopted by the affirmative vote of not less than a majority of the entire membership of the Board (other than the Executive if he is a member of the Board at such time) at a meeting called and held for that purpose and at which the Executive was given an opportunity, together with the Executive's counsel, to be heard, finding that the Executive had engaged in conduct set forth in subsection (A), (B), (C) or (D) above based on reasonable evidence, specifying the particulars thereof in detail.

If the Executive's employment shall be terminated by the Company during the Employment Term for Cause, the Executive shall have the right to contest such termination only in accordance with the rules set forth in Section 14 of this Agreement.

(iii) "Voluntary Termination" shall mean any voluntary termination by the Executive of his employment with the Company or termination as a result of retirement at or after age 65.

(iv) "Termination Without Cause" shall mean any termination of the employment of the Executive by the Company other than Voluntary Termination, Termination For Cause or upon death, or Permanent Disability. Termination Without Cause pursuant to the preceding sentence may occur only upon the affirmative vote of at least a majority of the entire membership of the Board (not counting the Executive, who may not vote if he is then a member of the Board) at a meeting called and held for that purpose.

(v) Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 6(a)) shall be communicated by written "Notice of Termination" to the other party to this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(vi) The "Date of Termination" shall mean (A) if the Executive is terminated by his death, the date of his death, (B) if the Executive's employment is terminated due to a Permanent Disability, 30 days after Notice of Termination is given, (C) if the Executive's employment is terminated pursuant to a Termination For Cause, the date specified in the Notice of Termination, (D) if the Executive's employment is terminated due to his retirement, the date specified in the Notice of Termination and (E) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination.

7. Termination Benefits.

(a) Death. If the Executive's employment is terminated by his death, the Company shall pay to his surviving spouse, or if he leaves no spouse, to his estate, any compensation, pro rata incentive compensation, and benefits earned by the Executive or vested under Section 4 of this Agreement through the Executive's Date of Termination; provided, however, that no death benefits attributable to a period after the Scheduled Termination Date in effect at the time of the Executive's death shall be payable.

(b) Permanent Disability. If the Executive's employment is terminated as a result of his Permanent Disability, the Company shall pay the Executive through the Executive's Date of Termination, any compensation and benefits earned or vested by the Executive under Section 4 of this Agreement; provided, however, that no payments shall be made under this Section 7(b) following the Scheduled Termination Date in effect at the time of the Executive's Permanent Disability. Further, if the Executive receives disability benefits under any disability plan paid for by the Company, including disability insurance, the amount otherwise payable by the Company to the Executive shall be reduced (but not below zero) by the amount of such disability benefits received by him. To the extent permitted under the life, medical, dental and disability plans then maintained by the Company for similarly situated active management employees, at the Executive's option and expense, the Company shall cause to be continued benefits under such plans to the Executive at coverage not less than the coverage maintained by the Company for the Executive immediately prior to the Permanent Disability, which shall run concurrently with the Executive's COBRA period. Such coverage shall cease upon the earlier of (i) in the case of medical and dental benefits, the expiration of the Executive's COBRA rights, (ii) the Executive's death, or (iii) the Executive's full-time employment by another employer.

(c) Termination For Cause or Voluntary Termination. In the case of a termination of the Executive pursuant to Section 6(f)(ii) or Section 6(f)(iii) of this Agreement, the Company's obligations to the Executive shall cease the day after the Executive's Date of Termination and the Company shall not be liable to pay the Executive's Base Salary or supplemental compensation nor shall the Executive have any rights to further participate in employee benefit plans of the Company pursuant to Section 4, except the Executive shall be entitled to any rights or benefits that have become vested prior to the Date of Termination (unless the plan pursuant to which such benefits are

provided states to the contrary). The Company shall pay the Executive his Base Salary and any other compensation or benefits earned or vested through the Date of Termination at the rate in effect at the time the Notice of Termination is given in a lump sum within thirty (30) days of the Date of Termination.

(d) Termination Without Cause or Termination With Good Reason. If during the Employment Term, the Executive shall be terminated from employment based on a Termination Without Cause or Termination With Good Reason as defined in Section 8(c) of the Agreement, the Executive shall be entitled to receive the following payments and benefits: (i) Salary. In the event of any termination under this Section 7(d), the Executive's Base Salary earned through the Date of Termination at the rate in effect at the time the Notice of Termination is given.

(ii) Severance Payment. In the event of any termination under this Section 7(d), in lieu of any further payments to the Executive including any payments to which the Executive would be entitled under any severance plan or arrangement of the Company, the Company shall pay as severance pay to the Executive an amount equal to two times the Executive's Base Salary but not less than the amount due during the remaining term of the Agreement. Such payments are payable in a single sum, within 30 days following the Executive's Termination Date. Notwithstanding the foregoing, in lieu of such severance, at the option of the Company, the Company and the Executive may enter into a written consulting agreement pursuant to which, for services rendered by the Executive, the Executive would receive consideration in an amount equal to the severance payment otherwise to be made pursuant to this Section 7(d)(ii).

(iii) Release. The payments provided under this Section 7(d) upon termination shall be in lieu of any other payments or causes of action available to the Executive pursuant to this Agreement. As a condition to receipt of payments under Section 7(d) of this Agreement, the Executive shall execute a Release and Settlement Agreement acceptable to the Company, pursuant to which the Executive shall waive any and all claims resulting from employment at or termination from the Company other than payments or benefits which are expressly provided for in this Agreement.

(e) Retirement. The Executive shall not be entitled to any Severance Payment pursuant to this Section 7 in the event that this Agreement is terminated prior to its Scheduled Termination Date or as of any Scheduled Termination Date due to the Executive's retirement.

8. Change of Control.

(a) No benefit shall be payable under this Section 8 unless there shall have been a Change of Control of the Company. (b) For purposes of this Agreement, a Change of Control of the Company ("Change of Control") shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) there is consummated a merger, consolidation or other reorganization of the Company with any other for- or non-profit corporation; or

(ii) the Board of Trustees of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) a merger of Company in which Company does not survive (other than a merger with a subsidiary of which Company had control for more than six months prior to the merger), or consolidation of Company through a change of its members or any other transaction after which a third party has the right to appoint a majority of the Board of Trustees of Company.

(c) Good Reason. For purposes of Section 7 and this Section 8 of the Agreement, Good Reason shall mean the occurrence (without the Executive's written consent) after any Change of Control or within 90 days prior to a Change of Control of any one of the following acts by the Company, or failures by the Company to act, unless, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof.

(i) (1) the assignment to the Executive of any duties inconsistent with the Executive's positions, duties, responsibilities and status with the Company immediately prior to the Change of Control; (2) a significant adverse alteration in the nature of the Executive's reporting responsibilities, titles, or offices as in effect immediately prior to the Change of Control; (3) the removal of the Executive from, or any failure to reelect the Executive to, any such position, except in connection with a termination of the employment of the Executive due to a Voluntary Termination, Termination For Cause, or upon death or Permanent Disability; or (4) any significant diminution in the Executive's Base Salary from that immediately before the Change of Control, as the case may be; or

(ii) the requirement by the Company that the Executive's principal place of employment be relocated more than 45 miles from his existing place of employment; or

(iii) the Company's failure to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 12(a) of this Agreement.

(iv) the failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to the Change of Control, as the case may be, which is material to the Executive's total compensation, unless an arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed at the time of the Change of Control; or

(v) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which the Executive was participating at the time of the Change of Control or the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits enjoyed by the Executive at the time of the Change of Control.

(f) If, within 90 days prior to the Change of Control, the Executive's employment with the Company (i) is terminated by the Company for any reason other than Death, Disability, Cause or retirement or (ii) is terminated by the Executive for Good Reason, the Executive shall receive the compensation otherwise payable to the Executive pursuant to Section 7(d).

9. Protected Information; Prohibited Competition.

(a) The Executive recognizes and acknowledges that during the course of the Executive's employment by the Company, the Company has disclosed and shall furnish, disclose or make available to the Executive confidential or proprietary information related to the Company's business, including, without limitation, customer lists, ideas, processes, inventions and devices, that such confidential or proprietary information has been developed and will be developed through the expenditure by the Company of substantial time and money and that all such confidential information could be used by the Executive and others to compete with the Company. The Executive agrees that all such confidential or proprietary information shall constitute trade secrets, and further agrees to use such confidential or

proprietary information only for the purpose of carrying out his duties with the Company and not otherwise to disclose such information. For purposes of this Agreement, information shall be deemed confidential notwithstanding any prior unauthorized disclosure by any person. The obligations imposed by this Section 9(a) shall not apply to any information that: (a) was known to Executive prior Executive's employment by the Company; or (b) is now or becomes generally known or available to the public through no act of the Executive.

(b) The Executive agrees that during his employment and for a period of two years following the termination of his employment under Section 6 (except for Termination With Good Reason or Termination Without Cause):

(i) he will not (except on behalf of or with the prior written consent of the Company) within any geographic area in which the Company is located or does business or the Executive knows the Company intends to do business, either directly or indirectly, consult with, manage, own, operate, control or participate in or be employed by any entity that competes with the Company ("Competing Business") or any entity planning to engage in a business that would compete with the Company; and

(ii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or appropriate to any Competing Business or attempt to solicit, divert or appropriate to any Competing Business any business from any customer or client or actively sought prospective customer or client of the Company or any of its subsidiaries with whom the Executive has dealt, whose dealings with the Company have been supervised by the Executive or about whom the Executive has acquired proprietary information during the course of his employment with the Company; and

(iii) he will not (except on behalf of or with the prior written consent of the Company), either directly or indirectly, on his own behalf or in the service or on behalf of any third person, solicit, divert or hire away, or attempt to solicit, divert or hire away, any person employed by the Company or any of its subsidiaries with whom the Executive had regular contact in the course of his employment with the Company, whether or not such employee is a full-time or a temporary employee, whether or not

such employment is pursuant to a written agreement and whether or not such employment is for a specified period or at will.

(c) Service by the Executive on the Board of Directors of any not-for-profit or for-profit organization shall not be deemed a violation of this Section 9(b).

(d) The restrictions in this Section 9 shall survive the termination of this Agreement and shall be in addition to any restrictions imposed on the Executive by statute or at common law.

10. Inventions.

(a) The Executive agrees that all Subject Inventions (defined below in this Section 10) conceived or first practiced by the Executive during his employment by the Company, and all patent rights and copyrights to the Subject Inventions are or shall become the property of the Company immediately upon such conception or practice, and the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Subject Inventions.

(b) The Executive agrees that if he conceives an Invention during his employment and there is a reasonable basis to believe that the Invention is a Subject Invention, the Executive will promptly provide a written description of the Invention to the Company adequate to allow evaluation for a determination as to whether the Invention is a Subject Invention. It is agreed that all notebooks maintained by the Executive relating (directly or indirectly) to Subject Inventions and written disclosures are the property of the Company.

(c) If, upon commencement of the Executive's employment with the Company, the Executive has previously conceived any Invention or acquired any ownership interest in any Invention, which: (i) is the Executive's property, or of which the Executive is a joint owner with another person or company; (ii) is not described in any issued patent as of the commencement of the Executive's employment with Company; and (iii) would be a Subject Invention if such Invention was made while a Company employee; then the Executive must, at the Executive's election, either: (A) provide the Company with a written description of the Invention on Exhibit A hereto, in which case no rights to the Invention shall become the property of the Company; or (B) provide the Company with the license described in Section 10(d) of this Agreement.

(d) If the Executive has previously conceived or acquired any ownership interest in an Invention described above in Section 10(c) and the

Executive elects not to disclose the same to the Company as provided above, then the Executive hereby grants to the Company an irrevocable nonexclusive, paid up, royalty-free license to use and practice the Invention, including a license under all patents to issue in any country which pertain to the Invention.

(e) The Executive owns no patents, individually or jointly with others, except those described on Exhibit B hereto.

(f) Definitions.

(i) "Invention" means any discovery, whether or not patentable, including, but not limited to, any useful process, method, formula, technique, machine, manufacture or composition of matter, as well as improvements thereto, which is new or which the Executive has a reasonable basis to believe may be new.

(ii) "Proprietary Information" means (i) information related to the Company or its subsidiaries (A) which derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (B) which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy and (ii) all tangible reproductions of the information. Proprietary Information includes, but is not limited to, technical and nontechnical data related to the formulas, patterns, designs, compilations, programs, Inventions, methods, techniques, drawings, processes, finances, actual or potential customers and suppliers, existing and future products, and employees of the Company or its subsidiaries. Proprietary Information also includes information which has been disclosed to the Company or its subsidiaries by a third party and which the Company or any of its subsidiaries is obligated to treat as confidential.

(iii) "Subject Invention" means any Invention that is conceived by the Executive, alone or in a joint effort with others, during the Executive's employment by the Company which (i) may be reasonably expected to be used in a product of the Company, or a product similar to a Company product, (ii) results from work that the Executive has been assigned as part of his duties as an employee of the Company, (iii) is in an area of technology which is the same or substantially related to the areas of technology with which the Executive is involved in the performance of his duties

as an employee of the Company, or (iv) is useful, or which the Executive reasonably expects may be useful, in any process or product of the Company.

11. Patent Applications.

(a) The Executive agrees that should the Company elect to file an application for patent protection, either in the United States or in any foreign country on a Subject Invention of which the Executive was an inventor, the Executive will execute all necessary documentation relating to the patent applications, including formal assignments to the Company.

(b) The Executive further agrees that he will cooperate with attorneys or other persons designated by the Company by explaining the nature of any Subject Invention for which the Company elects to file an application for patent protection, reviewing applications and other papers and providing any other cooperation reasonably required for orderly prosecution of such patent applications. The Company will be responsible for all expenses incurred for the preparation and prosecution of all patent applications on Subject Inventions assigned to the Company.

12. Copyrights.

(a) The Executive agrees that any Works (defined below in this Section 12) created by the Executive in the course of the Executive's duties as an employee of the Company are subject to the "Work for Hire" provisions contained in Sections 101 and 201 of the United States Copyright Law, Title 17 of the United States Code. To the extent such Works are not governed by the foregoing, the Executive hereby irrevocably assigns to the Company all of the Executive's rights to all Works.

(b) The Executive must disclose to the Company all Works referred to in Section 12(a) and shall execute and deliver all applications, registrations and documents relating to the copyrights to the Works and shall provide assistance to secure the Company's title to the copyrights in the Works. The Company shall be responsible for all expenses incurred in connection with the registration of all such copyrights.

(c) The Executive claims no ownership rights in any Works, either individually or jointly with others, except those described on Exhibit C hereto.

(d) "Work" means a copyrightable work of authorship, including, without limitation, any technical descriptions for products, users guides,

illustrations, advertising materials, computer programs (including the contents of read only memories) and any contribution to such materials.

13. Indemnification. The Company shall indemnify the Executive to the fullest extent permitted by the Colorado Business Corporation Act.

14. Injunctive Relief. The Executive expressly acknowledges that any breach or threatened breach by the Executive of any of the terms set forth in Sections 9, 10, 11 and 12 of this Agreement may result in significant and continuing injury to the Company, the monetary value of which would be impossible to establish. Therefore, the Executive agrees that, notwithstanding any provision in Section 18 of this Agreement to the contrary, the Company shall be entitled to seek injunctive relief from a court of appropriate jurisdiction without the posting of a bond or other security in the event of any breach or threatened breach of the terms of either of such sections. Nothing in this Agreement will be construed as prohibiting the Company from pursuing any other remedies available to the Company for such breach or threatened breach, including the recovery of damages from the Executive. The provisions of this Section 14 shall survive the termination of this Agreement.

15. Successors; Binding Agreement.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such succession had taken place. Failure of the Company to obtain such agreement prior to or on the effective date of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to receive hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid, which successor executes and delivers the agreement provided for in this Section 15 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive under this Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die after the Termination Date but before all amounts payable to him under this Agreement have been paid, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

16. Notices. Any notice required or permitted by this Agreement shall be in writing, sent by registered or certified mail, return receipt requested, addressed to the Board and the Company at the Company's then principal office, or to the Executive at the address set forth beneath his signature, as the case may be, or to such other address or addresses as any party hereto may from time to time specify in writing in a notice given to the other parties in compliance with this Section 14. Notices shall be deemed given when received or, if sent by registered or certified mail, three business days after such notice was placed in the mail, correctly addressed with postage prepaid, whichever is earlier.

17. Disputes. Any claim, controversy or dispute arising out of or relating to this Agreement (including employment of Executive), or the breach, performance, termination, enforceability or validity thereof including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration pursuant to this Section 17 if good faith negotiations among the parties do not resolve such claim, dispute or controversy within 60 days after such claim is presented in writing to Company. Such arbitration shall be conducted in Denver, Colorado, and shall proceed in accordance with the Employment Arbitration Rules of the American Arbitration Association then in effect, to the extent that such Arbitration Rules are not inconsistent with the provisions of this Agreement; provided, however, that such Arbitration Rules may be modified as shall be required to provide procedural fairness mandated by state or federal law in a proceeding involving arbitration of claims arising under federal or state civil rights statutes. Such arbitration shall be heard by one arbitrator, who, unless otherwise agreed to by the parties, shall be an impartial attorney at law who has had training and experience as an arbitrator and who has practiced law for at least 15 years as an attorney concentrating in either general litigation or employment matters. If the parties to the dispute are unable to agree on the selection of an arbitrator, the parties shall alternately strike arbitrators from a panel of arbitrators provided by the American Arbitration Association until a sole arbitrator is selected. Reasonable discovery shall be allowed in the arbitration and each party may be represented by counsel. The arbitrator shall base his award on applicable law and judicial precedent and include in such award a written

statement of the reasons upon which the award is based, including findings of fact and conclusions of law. The arbitrator may award any remedies allowed by law if liability and damages are proven. The award rendered by the arbitrator shall be final and binding, and judgment may be entered in accordance with applicable law in any court having jurisdiction thereof. The costs and fees in the arbitration shall be shared equally by the parties to the arbitration, except as expressly required otherwise under the applicable federal or state civil rights statutes in any proceeding arising thereunder. Notwithstanding anything to the contrary contained in this Section 17, but without limiting the power of the arbitrator to grant similar remedies that may be requested by a party in a dispute, Company shall have the right to proceed in any court of proper jurisdiction to obtain injunctive relief as provided in Section 14 of this Agreement.

18. Nonalienation of Benefits. Except in so far as this provision may be contrary to applicable law, no sale, transfer, alienation, assignment, pledge, collateralization or attachment of any benefits under this Agreement shall be valid or recognized by the Company.

19. ERISA. This Agreement is an unfunded compensation arrangement for a member of a select group of the Company's management and any exemptions under ERISA, as applicable to such an arrangement, shall be applicable to this Agreement.

20. Reporting and Disclosure. The Company, from time to time, shall provide government agencies with such reports concerning this Agreement as may be required by law, and the Company shall provide the Executive with such disclosure concerning this Agreement as may be required by law or as the Company may deem appropriate.

21. Effect on Prior Agreements and Existing Benefits Plans. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes any prior written or oral agreements or understandings relating to the subject matter hereof.

22. Modification and Waiver. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties to this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition.

23. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such provision shall be modified to the extent necessary to make such provision fully enforceable. To the extent modification will not remedy such invalidity or unenforceability, such provision shall be stricken from this Agreement and shall not affect the remaining provisions hereof and the application of

such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.

24. Withholding. The compensation provided to the Executive pursuant to this Agreement shall be subject to any withholdings and deductions required by any applicable tax laws. In the event the Company fails to withhold such sums for any reason, it may require the Executive to promptly remit to the Company sufficient cash to satisfy applicable income and employment withholding taxes.

25. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

26. Consult With Attorney. The Executive has had an opportunity to consult with an attorney of his choosing prior to executing this Agreement. The Executive acknowledges and agrees that Burns, Figa & Will, P.C. has not provided any legal, tax, or other advice to the employee with respect to this Agreement.

27. Governing Law. To the extent not governed by Federal law, this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado.

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

LIFELINE THERAPEUTICS, INC.
COMPANY
By:

Title:

EXECUTIVE
tax id number:

Address:

AGREEMENT AND PLAN OF REORGANIZATION

AMONG

YAAK RIVER RESOURCES, INC. (A Colorado Corporation)

AND

LIFELINE NUTRACEUTICALS CORPORATION (A Colorado Corporation)

AS OF September 21, 2004

This Agreement and Plan of Reorganization (the "Agreement") is made as of the 21st day of September, 2004, among YAAK River Resources, Inc., a Colorado corporation (the "Acquiring Company") and Lifeline Nutraceuticals Corporation, a Colorado corporation ("Target"). The Acquiring Company and Target may collectively be referred to herein as the "Parties" or individually as a "Party."

RECITALS

The Boards of Directors of the Acquiring Company and Target each have determined that it is in the best interests of their respective stockholders for the Acquiring Company to acquire Target by offering to exchange the Acquiring Company's Series A Common Stock (the "Series A Stock") for a sufficient number of the outstanding shares of the Target's common stock to qualify for a plan of reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, upon the terms and conditions set forth herein.

The parties intend, by executing this Agreement, to adopt a plan of reorganization within the meaning of Section 368 of the Code.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1
The Transaction

1.1 Acquisition and Consideration. At the Effective Date (as defined in Section 1.3), the Acquiring Company shall acquire from the holders of the Target Common Stock shares of the Target Common Stock in exchange for shares of Series A Stock in a manner that constitutes a tax-free reorganization under the Code (the "Transaction") following the satisfaction or waiver, if permissible, of the conditions set forth in Articles 6 and 7.

(a) There currently are 67,308,857 shares of Series A Stock outstanding. Immediately prior to the completion of the Transaction, the Acquiring Company will complete a 68:1 reverse stock split, resulting in approximately 989,836 shares of Series A Stock outstanding after the completion of the reverse stock split.

(b) Subject to, and following the completion of the reverse stock split contemplated in Paragraph 1.1(a), the Acquiring Company will offer to issue shares of its Series A Stock to stockholders of the Target at an exchange ratio of .8034 shares of Acquiring Company for each share of the Target Common Stock owned by such stockholder (the "Per Share Consideration"), subject to adjustment as set forth in Section 3.7(a)(i), below.

(c) Following the completion of this Transaction, the Acquiring Company will issue notes ("Acquiring Company Notes") to all of the holders of notes that previously had been issued by the Target ("Target Notes") and are in existence on the date of the Closing, as hereinafter defined.

(d) As identified on Schedule 3.7C, certain outstanding Target Notes grant warrants to the noteholders ("Target Note Warrants"). Pursuant to the terms of the Target Note Warrants, the exercise price of the underlying warrant is dependent upon the offering price of a private investment in a public entity transaction ("PIPE"). Following the occurrence of the PIPE by the Acquiring Company and at the option of the noteholder, any Target Note Warrant may convert to an investment in the PIPE. The conversion rate is to be the same rate of the PIPE offering made by the Acquiring Company to accredited investors. Thus, upon electing to convert his or her Target Note Warrant to an investment in the PIPE, the noteholder will receive from the Acquiring Company warrants ("Acquiring Company Note Warrants") equal to the Target Note Warrants held by such noteholder with an exercise price equal to the PIPE offering price. The Acquiring Company Note Warrants will be exercisable for a period of one year after closing the PIPE transaction.

(e) The Per Share Consideration payable to all holders of the Target Common Stock, the Target Notes, and the Target Note Warrants is collectively referred to as the "Total Consideration."

1.2 Continuing Corporate Existence. Except as may otherwise be set forth herein, the corporate existence and identity of Target and the Acquiring Company, with all its purposes, powers, franchises, privileges, rights and immunities, shall continue unaffected and unimpaired by the Transaction at the Effective Date.

1.3 Effective Date. The Transaction shall become effective at the Closing as defined in Section 1.5, below. The date and time when the Transaction shall become effective is hereinafter referred to as the "Effective Date."

1.4 Corporate Governance of the Acquiring Company.

(a) The Articles of Incorporation of the Acquiring Company, as such may be amended at or prior to the Effective Date, shall continue in full force and effect.

(b) The Bylaws of the Acquiring Company, as such may be amended at or prior to the Effective Date, shall continue in full force and effect.

(c) Immediately prior to the Closing, the Board of Directors of the Acquiring Company will appoint the following persons to the Board of Directors of the Acquiring Company and will immediately thereafter resign: Paul Myhill and Daniel W. Streets. Following the Closing, the Directors of the Acquiring Company, except Paul Myhill and Daniel W. Streets, shall resign.

(d) Immediately following the Effective Date, the Board of Directors of the Acquiring Company will appoint the officers of the Acquiring Company.

1.5 Closing. Completion of the Transaction (the "Closing") shall take place at the offices of Burns, Figa & Will, P.C. at 2:00 pm on September ___, 2004 (or at such other place, time and date as shall be fixed by mutual agreement between the Acquiring Company and the Target), provided all of the conditions set forth in Articles 6 and 7 have been fulfilled or waived in writing. The day on which the Closing shall occur is referred to herein as the "Closing Date."

(a) Each party will cause to be prepared, executed and delivered all appropriate and customary documents as any party or its counsel may reasonably request for the purpose of completing the Transaction.

(b) Without limitation of the foregoing, the Acquiring Company shall have certificates representing the Per Share Consideration available at the Closing to deliver to each consenting Target stockholder against delivery at the Closing (or thereafter) of certificates representing the Target Common Stock. In each case, the certificates representing the Per Share Consideration will bear all appropriate restrictive legends.

(c) All actions taken at the Closing shall be deemed to have been taken simultaneously at the time the last of any such actions is taken or completed.

1.6 Tax Consequences. It is intended by the parties hereto that the Transaction shall constitute a reorganization within the meaning of Section 368(a)(1)(B) of the Code. The parties hereto adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Income Tax Regulations.

ARTICLE 2
Exchange of Shares, Notes and Warrants

2.1 Exchange of Shares; Payment of the Per Share Consideration. At the Effective Date, by virtue of the Transaction and without any action on the part of the holder thereof (except for such holder's consent (which must be in writing)), each share of Target Common Stock which shall be outstanding immediately prior to the Effective Date (which share is held by a person who has been offered the right to exchange his share of Target Common Stock for the Per Share Consideration and who has accepted that offer) shall at the Effective Date be converted into and represent the right to receive the Per Share Consideration.

2.2. Exchange of Target Notes. Following the completion of this Transaction, the Acquiring Company will issue Acquiring Company Notes in exchange for all issued and outstanding Target Notes that are in existence on the date of the Closing to the extent the holders of the Target Notes elect to exchange the Target Notes. The terms and conditions of the Acquiring Company

Notes shall be identical to the terms and conditions of the Target Notes except that the Acquiring Company will be the obligor. Upon the issuance of the Acquiring Company Notes, the Target Notes then will be cancelled by the Target

2.3. Exchange of Target Note Warrants. Following the completion of this Transaction, the Acquiring Company will issue Acquiring Company Note Warrants to all holders of Target Note Warrants previously issued and in existence on the date of the Closing to the extent the holders of the Target Note Warrants elect to exchange the Target Note Warrants. The terms and conditions of the Acquiring Company Note Warrants shall be identical to the terms and conditions of the Target Note Warrants except that the Acquiring Company Note Warrants will be exercisable to acquire shares of Series A Stock. Upon the issuance of the Acquiring Company Note Warrants, the Target Note Warrants then will be cancelled by the Target.

2.4 Adjustment. If, between the date of this Agreement and the Closing Date or the Effective Date, as the case may be, the outstanding shares of the Target Common Stock or the common stock of the Acquiring Company shall have been changed into a different number of shares or a different class by reason of any classification, recapitalization, split-up, combination, exchange of shares, or readjustment or a stock dividend thereon shall be declared with a record date within such period (not including the reverse stock split to be completed immediately prior to the Effective Date as described in Paragraph 1.1(a), above), then the Total Consideration (and each component thereof) shall be adjusted to accurately reflect such change.

ARTICLE 3
Representations and Warranties of Target

Target represents and warrants to the Acquiring Company that the statements contained in Article 3 are true and correct in all material respects and will be true and correct as of the Closing Date and the Effective Date, except as set forth in the schedules attached hereto. As used in this Article 3 and elsewhere in this Agreement, the phrases "to Target's knowledge" or "to Target's actual knowledge" shall mean to the actual and personal knowledge the Chief Executive Officer and the Chief Financial Officer of Target.

3.1 Organization and Good Standing of Target. Target is a corporation duly organized, validly existing and in good standing under the laws of Colorado. Target represents that it is in the process of adopting an amended and restated articles of incorporation and amended bylaws which will govern the Target at the Effective Date.

3.2 No Subsidiaries or Investments. Target owns no equity or debt interest in any subsidiary corporation, limited liability company, partnership, or other business entity.

3.3 Foreign Qualification. Target is not conducting business and is not qualified to do business in any jurisdiction but Colorado.

3.4 Company Power and Authority. Target has the corporate power and authority to own, lease and operate its properties and assets and to carry on its business as currently being conducted. Target has the corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and to complete the Transaction as described herein. The execution, delivery and performance by Target of this Agreement has been duly authorized by all necessary corporate action.

3.5 Binding Effect. This Agreement has been duly executed and delivered by Target and is the legal, valid and binding obligation of Target enforceable in accordance with its terms except that:

(a) enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights;

(b) the availability of equitable remedies may be limited by equitable principles of general applicability; and

(c) rights to indemnification may be limited by considerations of public policy.

3.6 Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement and the completion of the Transaction and the fulfillment of and compliance with the terms and conditions of this Agreement do not and will not, with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any material benefit under, or permit the acceleration of any obligation under, (a) any term or provision of the articles of incorporation or bylaws of Target, (b) any "Material Contract" (as defined in Section 3.13), (c) any judgment, decree or order of any court or governmental authority or agency to which Target is a party or by which Target or any of its properties is bound, or (d) any statute, law, regulation or rule applicable to Target other than such violations, conflicts, breaches or defaults which would not have a Target Material Adverse Effect. Except for the approval of the stockholders of Target and blue sky qualification by the Acquiring Company, no consent, approval, order or authorization of, or registration, declaration or filing with, any governmental agency or public or regulatory unit, agency, body or authority with respect to Target is required in connection with the execution, delivery or performance of this Agreement by Target or the completion of the transactions contemplated hereby. For the purposes of this Agreement, the term "Target Material Adverse Effect" means any event, contract, transaction or circumstance that would result in a capital expenditure or expense to the Target (either individually or together with other events, contracts, transactions or other circumstances) greater than $10,000 over any twelve month period, not including those events, contracts, transactions, or circumstances specifically contemplated in this Agreement or the schedules hereto.

3.7 Capitalization of Target.

(a) The authorized capital stock of Target consists of 50,000,000 shares of common stock and 10,000,000 shares of preferred stock (which has not been established in any series). As of the date hereof:

(i) There were 23,650,000 shares of Target Common Stock issued and outstanding as illustrated on Schedule 3.7A. To the extent the number of shares of Target Common Stock changes between the date of this Agreement and the completion of the Transactions contemplated hereby, the Per Share Consideration will be adjusted so that the holders of Target Common Stock (if all holders tender their shares to the Acquiring Company for exchange) will own 95% of the Acquiring Company Common Stock;

(ii) There were no shares of preferred stock of the Target Company (or any series thereof) issued or outstanding; and

(iii) There were no shares of Target Common Stock or preferred stock (or any series thereof) reserved for issuance upon the exercise of any options, warrants, or other rights to acquire shares of capital stock except 480,000 shares of Target Common Stock issuable upon conversion of certain of the Target Notes (with a principal amount of $240,000) as shown on Schedule 3.7B, and shares of Target Common Stock, in an amount to be determined as described in Section 1.1(d) above, issuable upon conversion of Target Note Warrants as shown on Schedule 3.7C (which underlie other Target Notes with a principal amount of $250,000, as of August 31, 2004, which amount may be increased due to the receipt of additional funds, as shown on Schedule 3.7B).

(b) All of the issued and outstanding shares of Target Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights.

(c) There are no voting trusts, stockholder agreements or other voting arrangements by the stockholders of Target.

3.8 Target Information. Target has made or will make available to the Acquiring Company all information that Target has available (including all tax returns, financial statements given to any other person, contracts, payroll schedules, financial books and records, and all other information regarding Target, its business, its customers, its management, and its financial condition which the Acquiring Company may have requested (all such information being referred to herein as the "Target Information"). As of their respective dates, the Target Information did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.9 Financial Statements and Records of Target. The unaudited financial statements Target attached hereto as Schedule 3.9 (the "Target Financial Statements") have been prepared from, and are in accordance with, the books and records of Target and present fairly, in all material respects, the consolidated financial position of Target as of the dates thereof and the results of operations and cash flows thereof for the periods then ended, in each case in conformity with generally accepted accounting principles, consistently applied, except as noted therein. Adequate reserves are set forth on the Target Financial Statements. Since the date of the Target Financial Statements, there has been no change in accounting principles applicable to, or methods of accounting utilized by, Target except as noted in the Target Financial Statements. The books and records of Target have been and are being maintained in accordance with good business practice, reflect only valid transactions, are complete and correct in all material respects and present fairly in all material respects the basis for the financial position and results of operations of Target as set forth on the Target Financial Statements.

3.10 Absence of Certain Changes. Since the date of the Target Financial Statements, and except as otherwise set forth in the Target Information or the Target Financial Statements, and except for the adoption of amended and restated articles of incorporation and bylaws, Target has not:

(a) suffered any adverse change in the business, operations, assets, or financial condition, except for such changes that would not result in a Target Material Adverse Effect;

(b) suffered any material damage or destruction to or loss of the assets of Target, whether or not covered by insurance, which property or assets are material to the operations or business of Target;

(c) settled, forgiven, compromised, canceled, released, waived or permitted to lapse any material rights or claims other than in the ordinary course of business;

(d) entered into or terminated any material agreement, commitment or transaction, or agreed or made any changes in material leases or agreements, other than renewals or extensions thereof and leases, agreements, transactions and commitments entered into or terminated in the ordinary course of business except relating to the launch of Protandim CF and the and the issuance of additional Target Notes in its ongoing bridge capital financing and the underlying Target Note Warrants;

(e) written up, written down or written off the book value of any material amount of assets other than in the ordinary course of business;

(f) declared, paid or set aside for payment any dividend or distribution with respect to Target's capital stock;

(g) redeemed, purchased or otherwise acquired, or sold, granted or otherwise disposed of, directly or indirectly, any of Target's capital stock or securities or any rights to acquire such capital stock or securities, or agreed

to changes in the terms and conditions of any such rights outstanding as of the date of this Agreement except related to the issuance of additional Target Notes related to the ongoing bridge financing and the underlying Target Note Warrants;

(h) increased the compensation of or paid any bonuses to any employees or contributed to any employee benefit plan;

(i) entered into any employment, consulting or compensation agreement with any person or group;

(j) entered into any collective bargaining agreement with any person or group;

(k) entered into, adopted or amended any employee benefit plan; or

(l) entered into any agreement to do any of the foregoing.

3.11 No Material Undisclosed Liabilities. There are no material liabilities or obligations of Target of any nature, whether absolute, accrued, contingent, or otherwise, other than:

(a) the liabilities and obligations that are reflected, accrued or reserved against on the Target Financial Statements, or referred to in the footnotes to the Target Financial Statements or incurred in the ordinary course of business and consistent with past practices since June 30, 2004 (the date of the most recent audited Target Financial Statements);

(b) liabilities and obligations which in the aggregate would not result in a Target Material Adverse Effect; or

(c) Target Notes and the underlying Target Note Warrants.

3.12 Tax Returns; Taxes. Target has duly filed all U.S. federal and material state, county, local and foreign tax returns and reports required to be filed by it, including those with respect to income, payroll, property, withholding, social security, unemployment, franchise, excise and sales taxes and all such returns and reports are correct in all material respects; has either paid in full all taxes that have become due as reflected on any return or report and any interest and penalties with respect thereto or has fully accrued on its books or have established adequate reserves for all taxes payable but not yet due; and has made cash deposits with appropriate governmental authorities representing estimated payments of taxes, including income taxes and employee withholding tax obligations. No extension or waiver of any statute of limitations or time within which to file any return has been granted to or requested by Target with respect to any tax. No unsatisfied deficiency, delinquency or default for any tax, assessment or governmental charge has been claimed, proposed or assessed against Target, nor has Target received notice of any such deficiency, delinquency or default. Target has no material tax

liabilities other than those reflected on the Target Financial Statements, and those arising in the ordinary course of business since the date thereof. Target will make available to the Acquiring Company true, complete and correct copies of Target's consolidated U.S. federal tax returns since its incorporation and make available such other tax returns requested by the Acquiring Company. There is no dispute or claim concerning any tax liability of Target or any of its subsidiaries either: (a) raised by any taxing authority in writing; (b) as to which Target has received notice concerning a potential audit of any return filed by Target; and (c) there is no outstanding audit or pending audit of any tax return filed by Target.

3.13 Material Contracts. Target has furnished or made available to the Acquiring Company accurate and complete copies of the Material Contracts (as defined herein) applicable to Target. Except as set forth on Schedule 3.13, there is not under any of the Material Contracts any existing breach, default or event of default by Target nor event that with notice or lapse of time or both would constitute a breach, default or event of default by Target other than breaches, defaults or events of default which would not have a Target Material Adverse Effect nor does Target know of, and Target has not received notice of, or made a claim with respect to, any breach or default by any other party thereto which would, severally or in the aggregate, have a Target Material Adverse Effect. As used herein, the term "Material Contracts" shall mean all contracts and agreements providing for expenditures or commitments by Target in excess of $10,000 over not more than a 12 month period.

3.14 Litigation and Government Claims. Except as disclosed in the Target Information, there is no pending suit, claim, action or litigation, or administrative, arbitration or other proceeding or governmental investigation or inquiry against Target to which its businesses or assets are subject which would, severally or in the aggregate, reasonably be expected to result in a Target Material Adverse Effect. To the knowledge of Target, and except as disclosed in the Target Information, there are no such proceedings threatened or contemplated which would, severally or in the aggregate, have a Target Material Adverse Effect. Target is not subject to any judgment, decree, injunction, rule or order of any court, or, to the knowledge of Target, any governmental restriction applicable to Target which is reasonably likely (a) to have a Target Material Adverse Effect or (b) to cause a material limitation on the ability to operate the business of Target (as it is currently operated) after the Closing.

3.15 Compliance With Laws. Target has all material authorizations, approvals, licenses and orders to carry on its business as it is now being conducted, to own or hold under lease the properties and assets it owns or holds under lease and to perform all of its obligations under the agreements to which its is a party, except for instances which would not have a Target Material Adverse Effect. Target has been and is, to the knowledge of Target, in compliance with all applicable laws (including those referenced in the Target Information), regulations and administrative orders of any country, state or municipality or of any subdivision of any thereof to which its business and its employment of labor or its use or occupancy of properties or any part hereof are subject, the violation of which would have a Target Material Adverse Effect.

3.16 Employee Benefit Plans. Target has no employee benefit plan, as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") except the following: Target has a Client Service Agreement with Administaff Companies II, L.P., a professional employer organization, serving as an off-site, full service human resource department, as disclosed in Schedule 3.13.

3.17 Employment Agreements; Labor Relations.

(a) Target is not a party to any employee benefit or compensation plans, agreements and arrangements except agreements that will be cancelled as of the Closing Date or as set forth on Schedule 3.17.

(b) Target is in compliance in all material respects with all laws (including Federal and state laws) respecting employment and employment practices, terms and conditions of employment, wages and hours, and is not engaged in any unfair labor or unlawful employment practice. To Target's knowledge, there is no unlawful employment practice discrimination charge pending before the EEOC or EEOC recognized state "referral agency." Except as would not have a Target Material Adverse Effect, there is no unfair labor practice charge or complaint against Target pending before the National Labor Review Board. There is no labor strike, dispute, slowdown or stoppage actually pending or, to the knowledge of Target, threatened against or involving or affecting Target and no National Labor Review Board representation question exists respecting their respective employees. Except as would not have a Target Material Adverse Effect, no grievances or arbitration proceeding is pending and no written claim therefor exists. There is no collective bargaining agreement that is binding on Target.

3.18 Intellectual Property. Target owns or has valid, binding and enforceable rights to use all material patents, trademarks, trade names, service marks, service names, copyrights, applications therefor and licenses or other rights in respect thereof ("Intellectual Property") used or held for use in connection with the business of Target, without any known conflict with the rights of others, except for such conflicts as do not have a Target Material Adverse Effect. Target has not received any notice from any other person pertaining to or challenging the right of Target to use any Intellectual Property or any trade secrets, proprietary information, inventions, know-how, processes and procedures owned or used or licensed to Target, except with respect to rights the loss of which, individually or in the aggregate, would not have a Target Material Adverse Effect.

3.19 Title to Properties and Related Matters.

(a) Target has a valid leasehold interest in the only real estate that it has under lease (the "Leasehold Interest") and Target owns no other interest in any real estate, and its Leasehold Interest is free and clear of any lien, claim or encumbrance, except that the Leasehold Interest is subject to the lease for such property, and except for:

(i) liens for taxes, assessments or other governmental charges not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings;

(ii) statutory liens incurred in the ordinary course of business that are not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings;

(iii) landlord liens contained in leases entered in the ordinary course of business; and

(iv) other liens, claims or encumbrances that, in the aggregate, do not materially subtract from the value of, or materially interfere with, the present use of, the Leasehold Interest.

(b) Target has received no notice of, and has no actual knowledge of, any material violation of any zoning, building, health, fire, water use or similar statute, ordinance, law, regulation or code in connection with the Leasehold Interest.

(c) To Target's knowledge, no hazardous or toxic material (as hereinafter defined) exists in any structure located on, or exists on or under the surface of, the Leasehold Interest which is, in any case, in material violation of applicable environmental law. For purposes of this Agreement, "hazardous or toxic material" shall mean waste, substance, materials, smoke, gas or particulate matter designated as hazardous, toxic or dangerous under any applicable environmental law. For purposes of this Agreement, "environmental law" shall include the Comprehensive Environmental Response Compensation and Liability Act, the Clean Air Act, the Clean Water Act and any other applicable federal, state or local environmental, health or safety law, rule or regulation relating to or imposing liability or standards concerning or in connection with hazardous, toxic or dangerous waste, substance, materials, smoke, gas or particulate matter.

3.20 Brokers and Finders. No broker, finder, agent or similar intermediary has acted for or on behalf of Target in connection with this Agreement, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with Target.

3.21 Accuracy and Completeness of Documents. All documents delivered by or on behalf of Target in connection with the transactions contemplated hereby are, as of the date thereof, true, complete, accurate, and authentic in all material respects. No representation or warranty of Target contained in this Agreement contains, and no document delivered or to be delivered at the Closing will contain, as of the date hereof or thereof (with respect to such documents), an untrue statement of a material fact or will omit to state a material fact required to be stated therein or necessary to make the statements made, in the context in which made, not materially false or misleading. Target does not have any actual knowledge that any representation, warranty, or statement of the Acquiring Company contained herein or delivered to Target contains any untrue

statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made, in the context in which made, not materially false or misleading.

ARTICLE 4
Representations and Warranties of the Acquiring Company

Acquiring Company represents and warrants to the Target that the statements contained in Article 4 are true and correct in all material respects and will be true and correct as of the Closing Date and the Effective Date, except as set forth in the schedules attached hereto. As used in this Article 4 and elsewhere in this Agreement, the phrases "to Acquiring Company's knowledge" or "to Acquiring Company's actual knowledge" shall mean to the actual and personal knowledge the Chief Executive Officer and the Chief Financial Officer of Acquiring Company.

4.1 Organization and Good Standing of Acquiring Company. Acquiring Company is a corporation duly organized, validly existing and in good standing under the laws of Colorado. Acquiring Company represents that it has approved for adoption by its stockholders amended and restated articles of incorporation in the form attached as Schedule 4.1a and has approved amended bylaws in the form attached as Schedule 4.1b.

4.2 No Subsidiaries or Investments. Acquiring Company owns no equity or debt interest in any subsidiary corporation, limited liability company, partnership, or other business entity.

4.3 Foreign Qualification. Acquiring Company is not conducting business and is not qualified to do business in any jurisdiction but Colorado.

4.4 Company Power and Authority. Acquiring Company has the corporate power and authority to own, lease and operate its properties and assets and to carry on its business as currently being conducted. Acquiring Company has the corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and to complete the Transaction as described herein. The execution, delivery and performance by Acquiring Company of this Agreement has been duly authorized by all necessary corporate action.

4.5 Binding Effect. This Agreement has been duly executed and delivered by Acquiring Company and is the legal, valid and binding obligation of Acquiring Company enforceable in accordance with its terms except that:

(a) enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights;

(b) the availability of equitable remedies may be limited by equitable principles of general applicability; and

(c) rights to indemnification may be limited by considerations of public policy.

4.6 Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement and the completion of the Transaction and the fulfillment of and compliance with the terms and conditions of this Agreement do not and will not, with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any material benefit under, or permit the acceleration of any obligation under, (a) any term or provision of the articles of incorporation or bylaws of Acquiring Company, (b) any "Material Contract" (as defined in Section 3.13), (c) any judgment, decree or order of any court or governmental authority or agency to which Acquiring Company is a party or by which Acquiring Company or any of its properties is bound, or (d) any statute, law, regulation or rule applicable to Acquiring Company other than such violations, conflicts, breaches or defaults which would not have an Acquiring Company Material Adverse Effect. Except for blue sky qualification, no consent, approval, order or authorization of, or registration, declaration or filing with, any governmental agency or public or regulatory unit, agency, body or authority with respect to Acquiring Company is required in connection with the execution, delivery or performance of this Agreement by Acquiring Company or the completion of the transactions contemplated hereby. For the purposes of this Agreement, the term "Acquiring Company Material Adverse Effect" means any event, contract, transaction or circumstance that would result in a capital expenditure or expense to the Acquiring Company (either individually or together with other events, contracts, transactions or other circumstances) greater than $10,000 over any twelve month period, not including those events, contracts, transactions, or circumstances specifically contemplated in this Agreement or the schedules hereto.

4.7 Capitalization of Acquiring Company.

(a) The authorized capital stock of Acquiring Company consists of 250,000,000 shares of $.001 par value Series A common stock which is voting stock (the "Series A Stock"), 250,000,000 shares of $.001 par value non-voting Series B common stock, and 50,000,000 shares of $.001 par value preferred stock (which has not been established in any series). As of the date hereof:

(i) There were 67,308,857 shares of Series A Stock issued and outstanding;

(ii) There were no shares of Series B common stock issued and outstanding;

(iii) There were no shares of preferred stock (or any series thereof) issued or outstanding; and

(iv) There were no shares of Series A Stock, Series B common stock, or preferred stock (or any series thereof) reserved for issuance upon the exercise of any options, warrants, or other rights to acquire shares of capital stock.

(b) All of the issued and outstanding shares of Series A Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights.

(c) There are no voting trusts, stockholder agreements or other voting arrangements by the stockholders of Acquiring Company.

4.8 Acquiring Company Information. Acquiring Company has made or will make available to the Target all information that Acquiring Company has available (including all tax returns, financial statements given to any other person, contracts, payroll schedules, financial books and records, and all other information regarding Acquiring Company, its business, its customers, its management, and its financial condition which the Target may have requested (all such information being referred to herein as the "Acquiring Company Information")). As of their respective dates, the Acquiring Company Information did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.9 Financial Statements and Records of Acquiring Company. The financial statements Acquiring Company attached hereto as Schedule 4.9 (the "Acquiring Company Financial Statements") have been prepared from, and are in accordance with, the books and records of Acquiring Company and present fairly, in all material respects, the consolidated financial position of Acquiring Company as of the dates thereof and the results of operations and cash flows thereof for the periods then ended, in each case in conformity with generally accepted accounting principles, consistently applied, except as noted therein. Adequate reserves are set forth on the Acquiring Company Financial Statements. Since the date of the Acquiring Company Financial Statements, there has been no change in accounting principles applicable to, or methods of accounting utilized by, Acquiring Company except as noted in the Acquiring Company Financial Statements. The books and records of Acquiring Company have been and are being maintained in accordance with good business practice, reflect only valid transactions, are complete and correct in all material respects and present fairly in all material respects the basis for the financial position and results of operations of Acquiring Company as set forth in the Acquiring Company Financial Statements.

4.10 Absence of Certain Changes. Since the date of the Acquiring Company Financial Statements, and except as otherwise set forth in the Acquiring Company Information or the Acquiring Company Financial Statements, and except for the adoption of amended and restated articles of incorporation and bylaws, Acquiring Company has not:

(a) suffered any adverse change in the business, operations, assets, or financial condition, except for such changes that would not result in an Acquiring Company Material Adverse Effect;

(b) suffered any material damage or destruction to or loss of the assets of Acquiring Company, whether or not covered by insurance, which property or assets are material to the operations or business of Acquiring Company;

(c) settled, forgiven, compromised, canceled, released, waived or permitted to lapse any material rights or claims other than in the ordinary course of business;

(d) entered into or terminated any material agreement, commitment or transaction, or agreed or made any changes in material leases or agreements, other than renewals or extensions thereof and leases, agreements, transactions and commitments entered into or terminated in the ordinary course of business;

(e) written up, written down or written off the book value of any material amount of assets other than in the ordinary course of business;

(f) declared, paid or set aside for payment any dividend or distribution with respect to Acquiring Company's capital stock;

(g) redeemed, purchased or otherwise acquired, or sold, granted or otherwise disposed of, directly or indirectly, any of Acquiring Company's capital stock or securities or any rights to acquire such capital stock or securities, or agreed to changes in the terms and conditions of any such rights outstanding as of the date of this Agreement;

(h) increased the compensation of or paid any bonuses to any employees or contributed to any employee benefit plan;

(i) entered into any employment, consulting or compensation agreement with any person or group;

(j) entered into any collective bargaining agreement with any person or group;

(k) entered into, adopted or amended any employee benefit plan; or

(l) entered into any agreement to do any of the foregoing.

4.11 No Material Undisclosed Liabilities. There are no material liabilities or obligations of Acquiring Company of any nature, whether absolute, accrued, contingent, or otherwise, other than:

(a) the liabilities and obligations that are reflected, accrued or reserved against on the Acquiring Company Financial Statements, or referred to in the footnotes to the Acquiring Company Financial Statements or incurred in the ordinary course of business and consistent with past practices since June 30, 2004; or

(b) liabilities and obligations which in the aggregate would not result in an Acquiring Company Material Adverse Effect.

4.12 Tax Returns; Taxes. Acquiring Company has duly filed all U.S. federal and material state, county, local and foreign tax returns and reports required to be filed by it, including those with respect to income, payroll, property, withholding, social security, unemployment, franchise, excise and sales taxes and all such returns and reports are correct in all material respects; has either paid in full all taxes that have become due as reflected on any return or report and any interest and penalties with respect thereto or has fully accrued on its books or have established adequate reserves for all taxes payable but not yet due; and has made cash deposits with appropriate governmental authorities representing estimated payments of taxes, including income taxes and employee withholding tax obligations. No extension or waiver of any statute of limitations or time within which to file any return has been granted to or requested by Acquiring Company with respect to any tax. No unsatisfied deficiency, delinquency or default for any tax, assessment or governmental charge has been claimed, proposed or assessed against Acquiring Company, nor has Acquiring Company received notice of any such deficiency, delinquency or default. Acquiring Company has no material tax liabilities other than those reflected on the Acquiring Company Financial Statements, and those arising in the ordinary course of business since the date thereof. Acquiring Company will make available to the Target true, complete and correct copies of Acquiring Company's consolidated U.S. federal tax returns since its incorporation and make available such other tax returns requested by the Target. There is no dispute or claim concerning any tax liability of Acquiring Company or any of its subsidiaries either: (a) raised by any taxing authority in writing; (b) as to which Acquiring Company has received notice concerning a potential audit of any return filed by Acquiring Company; and (c) there is no outstanding audit or pending audit of any tax return filed by Acquiring Company.

4.13 Material Contracts. Acquiring Company has furnished or made available to the Target accurate and complete copies of the Material Contracts (as defined herein) applicable to Acquiring Company. Except as set forth on Schedule 4.13, there is not under any of the Material Contracts any existing breach, default or event of default by Acquiring Company nor event that with notice or lapse of time or both would constitute a breach, default or event of default by Acquiring Company other than breaches, defaults or events of default which would not have an Acquiring Company Material Adverse Effect nor does Acquiring Company know of, and Acquiring Company has not received notice of, or made a claim with respect to, any breach or default by any other party thereto which would, severally or in the aggregate, have an Acquiring Company Material Adverse Effect. As used herein, the term "Material Contracts" shall mean all contracts and agreements providing for expenditures or commitments by Acquiring Company in excess of $1,000 over not more than a 12 month period.

4.14 Litigation and Government Claims. Except as disclosed in the Acquiring Company Information, there is no pending suit, claim, action or litigation, or administrative, arbitration or other proceeding or governmental investigation or inquiry against Acquiring Company to which its businesses or assets are subject which would, severally or in the aggregate, reasonably be expected to result in an Acquiring Company Material Adverse Effect. To the knowledge of Acquiring Company, and except as disclosed in the Acquiring Company Information, there are no such proceedings threatened or contemplated which would, severally or in the

aggregate, have an Acquiring Company Material Adverse Effect. Acquiring Company is not subject to any judgment, decree, injunction, rule or order of any court, or, to the knowledge of Acquiring Company, any governmental restriction applicable to Acquiring Company which is reasonably likely (a) to have an Acquiring Company Material Adverse Effect or (b) to cause a material limitation on the ability to operate the business of Acquiring Company (as it is currently operated) after the Closing.

4.15 Compliance With Laws. Acquiring Company has all material authorizations, approvals, licenses and orders to carry on its business as it is now being conducted, to own or hold under lease the properties and assets it owns or holds under lease and to perform all of its obligations under the agreements to which its is a party, except for instances which would not have an Acquiring Company Material Adverse Effect. Acquiring Company has been and is, to the knowledge of Acquiring Company, in compliance with all applicable laws (including those referenced in the Acquiring Company Information), regulations and administrative orders of any country, state or municipality or of any subdivision of any thereof to which its business and its employment of labor or its use or occupancy of properties or any part hereof are subject, the violation of which would have an Acquiring Company Material Adverse Effect.

4.16 Employee Benefit Plans. Acquiring Company has no employee benefit plan, as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

4.17 Employment Agreements; Labor Relations.

(a) Acquiring Company is not a party to any employee benefit or compensation plans, agreements and arrangements except agreements that will be cancelled as of the Closing Date or as set forth on Schedule 4.17.

(b) Acquiring Company is in compliance in all material respects with all laws (including Federal and state laws) respecting employment and employment practices, terms and conditions of employment, wages and hours, and is not engaged in any unfair labor or unlawful employment practice. To Acquiring Company's knowledge, there is no unlawful employment practice discrimination charge pending before the EEOC or EEOC recognized state "referral agency." Except as would not have an Acquiring Company Material Adverse Effect, there is no unfair labor practice charge or complaint against Acquiring Company pending before the National Labor Review Board. There is no labor strike, dispute, slowdown or stoppage actually pending or, to the knowledge of Acquiring Company, threatened against or involving or affecting Acquiring Company and no National Labor Review Board representation question exists respecting their respective employees. Except as would not have an Acquiring Company Material Adverse Effect, no grievances or arbitration proceeding is pending and no written claim therefor exists. There is no collective bargaining agreement that is binding on Acquiring Company.

4.18 Intellectual Property. Acquiring Company owns or has valid, binding and enforceable rights to use all material patents, trademarks, trade names, service marks, service names, copyrights, applications therefor and licenses or other rights in respect thereof ("Intellectual Property") used or held for use in connection with the business of Acquiring Company, without any known conflict with the rights of others, except for such conflicts as do not have an Acquiring Company Material Adverse Effect. Acquiring Company has not received any notice from any other person pertaining to or challenging the right of Acquiring Company to use any Intellectual Property or any trade secrets, proprietary information, inventions, know-how, processes and procedures owned or used or licensed to Acquiring Company, except with respect to rights the loss of which, individually or in the aggregate, would not have an Acquiring Company Material Adverse Effect.

4.19 Title to Properties and Related Matters.

(a) Acquiring Company owns that certain real property described on Schedule 4.19a (the "Real Property") free and clear of all liens and encumbrances, and has marketable title thereto, subject only to:

(i)an agreement with Donald J. Smith to convey Mr. Smith the Real Property by quitclaim deed in full satisfaction of all amounts that the Acquiring Company owes to Mr. Smith, without recourse to the Acquiring Company on the part of Mr. Smith. The Acquiring Company has made, and will make, no warranty of title to Mr. Smith. The agreement between the Acquiring Company and Mr. Smith shall contain an indemnification provision relating to environmental claims. The agreement between the Acquiring Company and Mr. Smith is subject to the Acquiring Company's stockholder approval.

(ii) liens for taxes, assessments or other governmental charges not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings;

(iii) statutory liens incurred in the ordinary course of business that are not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings; and

(iv) other liens, claims or encumbrances that, in the aggregate, do not materially subtract from the value of, or materially interfere with, the present use of, the Real Property.

(b) Acquiring Company has a valid leasehold interest in the only real estate that it has under lease as described in Schedule 4.19b (the "Leasehold Interest") and Acquiring Company owns no other interest in any real estate, and its Leasehold Interest is free and clear of any lien, claim or encumbrance, except that the Leasehold Interest is subject to the lease for such property, and except for:

(i) liens for taxes, assessments or other governmental charges not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings;

(ii) statutory liens incurred in the ordinary course of business that are not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings;

(iii) landlord liens contained in leases entered in the ordinary course of business; and

(iv) other liens, claims or encumbrances that, in the aggregate, do not materially subtract from the value of, or materially interfere with, the present use of, the Leasehold Interest.

(c) Acquiring Company has received no notice of, and has no actual knowledge of, any material violation of any zoning, building, health, fire, water use or similar statute, ordinance, law, regulation or code in connection with the Leasehold Interest or Real Property.

(d) To Acquiring Company's knowledge, no hazardous or toxic material (as hereinafter defined) exists in any structure located on, or exists on or under the surface of, the Real Property or the Leasehold Interest which is, in any case, in material violation of applicable environmental law. For purposes of this Agreement, "hazardous or toxic material" shall mean waste, substance, materials, smoke, gas or particulate matter designated as hazardous, toxic or dangerous under any applicable environmental law. For purposes of this Agreement, "environmental law" shall include the Comprehensive Environmental Response Compensation and Liability Act, the Clean Air Act, the Clean Water Act and any other applicable federal, state or local environmental, health or safety law, rule or regulation relating to or imposing liability or standards concerning or in connection with hazardous, toxic or dangerous waste, substance, materials, smoke, gas or particulate matter.

4.20 Brokers and Finders. No broker, finder, agent or similar intermediary has acted for or on behalf of Acquiring Company in connection with this Agreement, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with Acquiring Company.

4.21 Accuracy and Completeness of Documents. All documents delivered by or on behalf of Acquiring Company in connection with the transactions contemplated hereby, and each document filed by the Acquiring Company with the Securities and Exchange Commission are, as of the date thereof, true, complete, accurate, and authentic in all material respects. No representation or warranty of Acquiring Company contained in this Agreement contains, and no document delivered or to be delivered at the Closing will contain, as of the date hereof or thereof (with respect to such documents), an untrue statement of a material fact or will omit to state a material fact required to be stated therein or necessary to make the statements made, in the context in which made, not materially false or

misleading. Acquiring Company does not have any actual knowledge that any representation, warranty, or statement of the Target contained herein or delivered to Acquiring Company contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made, in the context in which made, not materially false or misleading.

ARTICLE 5
Certain Covenants and Agreements

5.1 Conduct of Business by Target. From the date hereof to the Effective Date, Target will, except as required in connection with the Transaction and the other transactions contemplated by this Agreement and except as otherwise disclosed on the schedules hereto or consented to in writing by the Acquiring Company:

(a) carry on its business in the ordinary and regular course in substantially the same manner as heretofore conducted and not engage in any new line of business, or enter into any material agreement, transaction or activity or make any material commitment except those in the ordinary and regular course of business and not otherwise prohibited under this Section 5.1 with the exceptions of the planned product launch and the continuing bridge financing which will result in the issuance of additional Target Notes and underlying Target Note Warrants;

(b) neither change nor amend its Articles of Incorporation or Bylaws;

(c) not issue or sell shares of capital stock of Target or issue, sell or grant options, warrants or rights to purchase or subscribe to, or enter into any arrangement or contract with respect to the issuance or sale of any of the capital stock of Target or rights or obligations convertible into or exchangeable for any shares of the capital stock of Target or make any changes (by split-up, combination, reorganization or otherwise) in the capital structure of Target;

(d) not declare, pay or set aside for payment any dividend or other distribution in respect of the capital stock or other equity securities of Target and not redeem, purchase or otherwise acquire any shares of the capital stock or other securities of Target or rights or obligations convertible into or exchangeable for any shares of the capital stock or other securities of Target or obligations convertible into such, or any options, warrants or other rights to purchase or subscribe to any of the foregoing;

(e) not acquire or enter into any agreement to acquire, by merger, consolidation or purchase of stock or assets, any business or entity;

(f) use its best efforts to preserve intact the corporate existence, goodwill, and business organization of Target, to keep the officers and employees of Target available to Target and to preserve the relationships of Target with suppliers, customers and others having business relations with Target, and preserve, maintain and enforce all of Target's material licenses, permits, and similar rights, except for such instances which would not have a Target Material Adverse Effect;

(g) Not (i) enter into, modify or extend in any manner the terms of any employment, severance or similar agreements with officers and directors, (ii) grant any increase in the compensation of officers or directors, whether now or hereafter payable or (iii) grant any increase in the compensation of any other employees (it being understood by the parties hereto that for the purposes of (ii) and (iii) above increases in compensation shall include any increase pursuant to any option, bonus, stock purchase, pension, profit-sharing, deferred compensation, retirement or other plan, arrangement, contract or commitment);

(h) except in instances which would not have a Target Material Adverse Effect, perform all of its obligations under all Material Contracts (except those being contested in good faith) and not enter into, assume or amend any contract or commitment that would be a Material Contract other than contracts to provide services entered into in the ordinary course of business;

(i) except in instances which would not have a Target Material Adverse Effect, prepare and file all federal, state, local and foreign returns for taxes and other tax reports, filings and amendments thereto required to be filed by it, and allow the Acquiring Company to review all such returns, reports, filings and amendments at Target's offices prior to the filing thereof, which review shall not interfere with the timely filing of such returns; and

(j)Not borrow any funds under existing lines of credit or otherwise except as the Target deems reasonably necessary for the ordinary operation of Target's business, including the issuance of additional Target Notes and Target Note Warrants pursuant to the continuing bridge financing.

In connection with the continued operation of the business of Target between the date of this Agreement and the Effective Date, Target shall confer in good faith and on a regular and frequent basis with one or more representatives of the Acquiring Company designated in writing to report operational matters of materiality and the general status of ongoing operations. In addition, during regular business hours, Target will allow employees and agents of the Acquiring Company to be present at Target's business locations to observe the business and operations of Target. Target acknowledges that the Acquiring Company does not and will not waive any rights it may have under this Agreement as a result of such consultations nor shall the Acquiring Company (or either of them) be responsible for any decisions made by Target's officers and directors with respect to matters which are the subject of such consultation.

5.2 Conduct of Business by Acquiring Company. From the date hereof to the Effective Date, Acquiring Company will, except as required in connection with the Transaction and the other transactions contemplated by this Agreement and except as otherwise disclosed on the schedules hereto or consented to in writing by the Acquiring Company:

(a) carry on its business in the ordinary and regular course in substantially the same manner as heretofore conducted and not engage in any new line of business or enter into any material agreement, transaction or activity or make any material commitment except those in the ordinary and regular course of business and not otherwise prohibited under this Section 5.2;

(b) neither change nor amend its Articles of Incorporation or Bylaws;

(c) not issue or sell shares of capital stock of Acquiring Company or issue, sell or grant options, warrants or rights to purchase or subscribe to, or enter into any arrangement or contract with respect to the issuance or sale of any of the capital stock of Acquiring Company or rights or obligations convertible into or exchangeable for any shares of the capital stock of Acquiring Company or make any changes (by split-up, combination, reorganization or otherwise) in the capital structure of Acquiring Company;

(d) not declare, pay or set aside for payment any dividend or other distribution in respect of the capital stock or other equity securities of Acquiring Company and not redeem, purchase or otherwise acquire any shares of the capital stock or other securities of Acquiring Company or rights or obligations convertible into or exchangeable for any shares of the capital stock or other securities of Acquiring Company or obligations convertible into such, or any options, warrants or other rights to purchase or subscribe to any of the foregoing;

(e) not acquire or enter into any agreement to acquire, by merger, consolidation or purchase of stock or assets, any business or entity;

(f) use its best efforts to preserve intact the corporate existence, goodwill, and business organization of Acquiring Company, to keep the officers and employees of Acquiring Company available to Acquiring Company and to preserve the relationships of Acquiring Company with its stockholders and others having business relations with Acquiring Company, and preserve, maintain and enforce all of Acquiring Company's material licenses, permits, and similar rights, except for such instances which would not have an Acquiring Company Material Adverse Effect;

(g) Not (i) enter into, modify or extend in any manner the terms of any employment, severance or similar agreements with officers and directors, (ii) grant any increase in the compensation of officers or directors, whether now or hereafter payable or (iii) grant any increase in the compensation of any other employees (it being understood by the parties hereto that for the purposes of (ii) and (iii) above increases in compensation shall include any increase pursuant to any option, bonus, stock purchase, pension, profit-sharing, deferred compensation, retirement or other plan, arrangement, contract or commitment);

(h) except in instances which would not have an Acquiring Company Material Adverse Effect, perform all of its obligations under all Material Contracts (except those being contested in good faith) and not enter into, assume or amend any contract or commitment that would be a Material Contract other than contracts to provide services entered into in the ordinary course of business;

(i) except in instances which would not have an Acquiring Company Material Adverse Effect, prepare and file all federal, state, local and foreign returns for taxes and other tax reports, filings and amendments thereto required to be filed by it, and allow the Target to review all such returns, reports, filings and amendments at Acquiring Company's offices prior to the filing thereof, which review shall not interfere with the timely filing of such returns;

(j) Not borrow any funds under existing lines of credit or otherwise except as reasonably necessary for the ordinary operation of Acquiring Company's business;

(k) File all reports required with the Securities and Exchange Commission in a timely manner, and ensure that each such report filed is accurate and complete in all material respects as of the date filed; and

(l) Not offer the Per Share Consideration to any shareholder of Target without the Target's prior written consent, and make the offer of the Per Share Consideration to such shareholders, with such documentation, at such time and in such manner as the Target may reasonably approve.

In connection with the continued operation of the business of Acquiring Company between the date of this Agreement and the Effective Date, Acquiring Company shall confer in good faith and on a regular and frequent basis with one or more representatives of the Target designated in writing to report operational matters of materiality and the general status of ongoing operations. In addition, during regular business hours, Acquiring Company will allow employees and agents of the Target to be present at Acquiring Company's business locations to observe the business and operations of Acquiring Company. Acquiring Company acknowledges that the Target does not and will not waive any rights it may have under this Agreement as a result of such consultations nor shall the Target (or either of them) be responsible for any decisions made by Acquiring Company's officers and directors with respect to matters which are the subject of such consultation.

5.3 Notice of any Material Change. Each of the Target and the Acquiring Company shall (with respect only to itself), promptly after the first notice or occurrence thereof but not later than the Closing Date, advise the other in writing of any event or the existence of any state of facts that (a) would make any of its representations and warranties in this Agreement untrue in any material respect, or (b) would otherwise constitute either a Target Material Adverse Effect or an Acquiring Company Material Adverse Effect.

5.4 Inspection and Access to Information.

(a) Between the date of this Agreement and the Effective Date, the Target will provide to the Acquiring Company and its accountants, counsel and other authorized representatives reasonable access, during normal business hours

to its premises, properties, contracts, commitments, books, records and other information (including tax returns filed and those in preparation) and will cause its officers to furnish to the Acquiring Company and its authorized representatives such financial, technical and operating data and other information pertaining to its business, as the Acquiring Company shall from time to time reasonably request.

(b) Between the date of this Agreement and the Effective Date, the Acquiring Company will provide to the Target and its accountants, counsel and other authorized representatives reasonable access, during normal business hours to its premises, properties, contracts, commitments, books, records and other information (including tax returns filed and those in preparation) and will cause its officers to furnish to the Target and its authorized representatives such financial, technical and operating data and other information pertaining to its business, as the Target shall from time to time reasonably request.

5.5 Confidentiality.

(a) Definition Of Confidential Information.

(i) As used in this Section 5.5, the term "Confidential Information" includes any and all of the following information of Target or the Acquiring Company that has been or may hereafter be disclosed in any form, whether in writing, orally, electronically or otherwise, or otherwise made available by observation, inspection or otherwise by any party ("Disclosing Party") to the other party (a "Receiving Party"):

all information that is a trade secret under applicable trade secret or other law; and

all information concerning customer and vendor lists, current and anticipated customer requirements, current and anticipated product offers, market studies, business plans, projected sales, financial projections, historical financial information, trade secrets, information shared during due diligence, policies and procedures and proprietary information, computer hardware, computer software and database technologies, systems, structures, architectures and contents.

(ii) Any trade secrets of a Disclosing Party shall also be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a Disclosing Party deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Section 5.5, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this Section 5.5 to the extent included within the definition. In the case of trade secrets, each of the parties hereby waives any requirement that the other party submit proof of the economic value of any trade secret or post a bond or other security.

(b) Restricted Use of Confidential Information.

(i) Each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information: (A) shall be kept confidential by the Receiving Party; (B) shall not be used for any reason or purpose other than to evaluate and complete the transactions contemplated hereby; and (C) without limiting the foregoing, shall not be disclosed by the Receiving Party to any person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of an authorized representative of Disclosing Party.

(ii) Each party to this Agreement shall: (A) enforce the terms of this Section 5.5 as to its respective agents and representatives; (B) take such action to the extent necessary to cause its agents and representatives to comply with the terms and conditions of this Section 5.5; and (C) be responsible and liable for any breach of the provisions of this Section 5.5 by it or its agents or representatives.

(iii) Unless and until this Agreement is terminated, the Receiving Party shall maintain as confidential any Confidential Information as it generally would its own confidential information in the ordinary course of its business.

(c) Exceptions. Section 5.5(b) does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates: (i) was, is or becomes generally available to the public other than as a result of a breach of this Section 5.5; (ii) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (iii) was, is or becomes available to the Receiving Party on a non-confidential basis from a third party (who is not a Disclosing Party) not bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure.

(d) Legal Proceedings. If a Receiving Party becomes compelled in any proceeding or is requested by a governmental body having regulatory jurisdiction over the Receiving Party to make any disclosure that is prohibited or otherwise constrained by this Section 5.5, that Receiving Party shall provide the Disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Section 5.5. In the absence of a protective order or other remedy, the Receiving Party may disclose that portion (and only that portion) of the Confidential Information of the Disclosing Party that, based upon advice of the Receiving Party's counsel, the Receiving Party is legally compelled to disclose or that has been requested by such governmental body, provided, however, that the Receiving Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed. The provisions of this Section 5.5(d) do not apply to any proceedings between the parties to this Agreement.

(e) Return Or Destruction Of Confidential Information. If this Agreement is terminated, each Receiving Party shall (i) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (ii) promptly deliver to the Disclosing Party all other Confidential Information of the Disclosing Party,

together with all copies thereof, in the possession, custody or control of the Receiving Party or destroy all such Confidential Information; and (iii) certify all such destruction in writing to the Disclosing Party, provided, however, that the Receiving Party may retain a list that contains general descriptions of the information it has returned or destroyed to facilitate the resolution of any controversies after the Disclosing Party's Confidential Information is returned.

5.6 Reasonable Efforts; Further Assurances; Cooperation. Subject to the other provisions of this Agreement, the parties hereby shall each use their reasonable efforts to perform their obligations herein and to take, or cause to be taken or do, or cause to be done, all things reasonably necessary, proper or advisable under applicable law to obtain all regulatory approvals and satisfy all conditions to the obligations of the parties under this Agreement and to cause the Transaction and the other transactions contemplated herein to be carried out promptly in accordance with the terms hereof. The parties agree to use their reasonable best efforts to complete the transactions contemplated hereby by the date specified in Section 8.1(b) hereof. The parties shall cooperate fully with each other and their respective officers, directors, employees, agents, counsel, accountants and other designees in connection with any steps required to be taken as a part of their respective obligations under this Agreement, including without limitation:

(a) In the event any claim, action, suit, investigation or other proceeding by any governmental body or other person is commenced which questions the validity or legality of the Transaction or any of the other transactions contemplated hereby or seeks damages in connection therewith, the parties agree to cooperate and use all reasonable efforts to defend against such claim, action, suit, investigation or other proceeding and, if an injunction or other order is issued in any such action, suit or other proceeding, to use all reasonable efforts to have such injunction or other order lifted, and to cooperate reasonably regarding any other impediment to the completion of the transactions contemplated by this Agreement.

(b) Each party shall give prompt written notice to the other of (i) the occurrence, or failure to occur, of any event which occurrence or failure would be likely to cause any representation or warranty of the Target or the Acquiring Company, as the case may be, contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the Effective Date or that will or may result in the failure to satisfy the conditions specified in Article 6 or 7 and (ii) any failure of the Target or the Acquiring Company, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

5.7 Public Announcements. Prior to Closing, no party will make any public announcement regarding this Agreement without the prior written consent of the other parties. The Target and the Acquiring Company acknowledge that they will each need to advise their officers, directors, certain employees and advisors of the terms and nature of this Agreement, and they agree that such disclosure does not constitute a "public announcement" provided that the recipients of such disclosure are under obligations of confidentiality to the Disclosing Party.

5.8 Non-Solicitation.

(a) In consideration of the substantial expenditures of time, effort, and expense to be undertaken by the Acquiring Company in completing the transactions contemplated by this Agreement, the Target agrees that it will not (and it will not cause or permit any officer, director, affiliate, employee, agent, or representative of Target) indirectly or directly seek, solicit, initiate, or participate in discussions, negotiations, or agreements of any kind or nature with any person or entity other than the Acquiring Company which discussions, negotiations, or agreements in any way concern the acquisition the Target common stock or the assets of Target.

(b)In consideration of the substantial expenditures of time, effort, and expense to be undertaken by the Target in completing the transactions contemplated by this Agreement, the Acquiring Company agrees that it will not (and it will not cause or permit any officer, director, affiliate, employee, agent, or representative of the Acquiring Company) indirectly or directly seek, solicit, initiate, or participate in discussions, negotiations, or agreements of any kind or nature with any person or entity other than the Target which discussions, negotiations, or agreements in any way concern the acquisition the Acquiring Company common stock.

ARTICLE 6
Conditions Precedent to Obligations of Target

Except as may be waived by the Target, the obligations of the Target to complete the transactions contemplated by this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions:

6.1 Compliance. The Acquiring Company shall have, or shall have caused to be, satisfied or complied with and performed in all material respects all terms, covenants and conditions of this Agreement to be complied with or performed by the Acquiring Company on or before the Closing Date.

6.2 Representations and Warranties. All of the representations and warranties made by the Acquiring Company in this Agreement shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if such representations and warranties had been made at and as of the Closing Date, except for changes permitted or contemplated by this Agreement.

6.3 Acquiring Company Board of Director Action. The Board of Directors of the Acquiring Company shall have:

(a) Approved the amended and restated articles of incorporation and shall have recommended such agreement to the stockholders of the Acquiring Company approval;

(b) Approved the agreement to exchange the Real Property with Donald J. Smith for the cancellation of all indebtedness that the Acquiring Company owes to Mr. Smith, without warranty of title and without recourse, and shall have recommended to the stockholders of the Acquiring Company approval;

(c) Agreed irrevocably and in writing as individuals and as stockholders of the Acquiring Company to vote for the matters described in Sections 6.3(a) and (b) when presented to the stockholders of the Acquiring Company for approval;

(d) Approved and implemented amended and restated bylaws for the Acquiring Company in a form reasonably satisfactory to the Target;

(e) Adopted such other resolutions as may be reasonably necessary or appropriate to cure or clarify any previous actions taken by the Acquiring Company or its board of directors or officers; and

(f) Approved employment agreements with the persons to be appointed officers of the Acquiring Company after the Effective Date in a form that provides for mandatory indemnification to the maximum extent permitted by the Colorado Business Corporation Act and public policy, and otherwise is in form and substance satisfactory to each such person.

6.4 Minutes for Prior Asset Sale. The Acquiring Company shall have provided the final minutes for the asset sale approved by its stockholders in December 1999 which reflect approval of sufficient number of shares for such approval as required by its articles of incorporation and the Colorado Business Corporation Act, or shall have provided a legal opinion that such approval was not necessary.

6.5 Reverse Stock Split; Name Change. The Acquiring Company shall have completed such actions as may be necessary or appropriate to complete the reverse stock split (described in Section 1.1(a), above) and a name change of the Acquiring Company to "Lifeline Therapeutics, Inc." effective at the Effective Date, including all actions necessary to obtain the necessary CUSIP number and to commence trading on the OTC Bulletin Board on the day after the Effective Date under a symbol reasonably acceptable to the Target.

6.6 Section 14(f) Notification. The Acquiring Company shall have complied with the requirements of Section 14(f) of the Securities Exchange Act of 1934 to permit the Acquiring Company to appoint the new directors as contemplated by Section 1.4(c), above.

6.7 Financial Condition. The Acquiring Company's shall have no assets and shall have no liabilities greater than $25,000 as of the Effective Date (not including the Real Property or the debt owed to Mr. Smith which will be addressed in a separate agreement as described in Section 6.3(b), above). The maximum liabilities permitted of the Acquiring Company pursuant to this Section includes (but is not limited to) any liabilities owed by the Acquiring Company

to any attorney, accountant, advisor, or consultant engaged by the Acquiring Company in connection with the transactions contemplated hereby and any compensation owed to any officer, director, or employee of or consultant to the Acquiring Company for services rendered to and including the Closing, and those services not specifically approved in writing by the Target Company to be rendered after the Closing.

6.8 Disclosure to Target's Stockholders. The Acquiring Company shall make disclosure to the Target's stockholders and to the holders of the Target Notes and Target Note Warrants, which is accurate and complete in all material respects and which is sufficient to provide each of them a basis for determining whether to exchange their shares of the Target's common stock for their portion of the Total Consideration.

6.9 Availability of an Exemption From Registration. The Acquiring Company shall take such steps as may be reasonably required to ensure that there is an exemption from registration available to it for the issuer of the Total Consideration upon completion of the Transaction.

6.10 Effectiveness of Agreement with Donald J.Smith. The Agreement with Mr. Smith (which is an exception to the title to the Acquiring Company's Real Property as described in Section 4.19(a)) is valid, binding, and enforceable in accordance with its terms and is reasonably satisfactory to the Target. This will be considered to be reasonably satisfactory if the agreement includes a binding obligation on the part of Mr. Smith to accept the Real Property from the Acquiring Company by quitclaim deed in full satisfaction of all amounts that the Acquiring Company owes to Mr. Smith, without recourse to the Acquiring Company on the part of Mr. Smith. This Agreement will be subject to no condition precedent other than approval by the shareholders of the Acquiring Company.

6.11 Certificates. The Target shall have received a certificate or certificates, executed on behalf of the Acquiring Company by its president, chairman and chief financial officer to the effect that the conditions contained in Sections 6.1, 6.2, 6.3, 6.4, 6.5 6.6, 6.7, 6.8 and 6.9 hereof have been satisfied.

6.12 No Taxation. Neither the Target, the Acquiring Company, nor the stockholders of the Target will recognize any gain or loss as a result of the Transaction.

6.13 Offer to Target Company Shareholders. The Acquiring Company shall make an offer to all Target Company shareholders for the Target Common Stock held by such persons, not including persons who are not accredited investors or who are otherwise subject to sanctions imposed by the National Association of Securities Dealers, Inc., the Securities and Exchange Commission, or a state securities agency of the nature that would require disclosure an that may preclude, or make more difficult, the listing of the Acquiring Company on a stock exchange following the completion of the Transaction.

6.14 Legal Opinion. The Target shall have received a legal opinion from counsel to the Acquiring Company, in form satisfactory to the Target, that:

(a) The Acquiring Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Colorado, with corporate power to own its properties and to conduct its business.

(b) This Agreement and the documents delivered by the Acquiring Company to complete the Transaction have been duly authorized by all requisite corporate action by the Acquiring Company, and constitute the valid and binding obligations of the Acquiring Company, enforceable against the Acquiring Company in accordance with the terms of each document to which the Acquiring Company is a party.

(c) The shares of the Series A Stock to be issued as the Total Consideration upon the completion of the Transaction have been duly authorized and, upon issuance, delivery, and the completion of the Transaction as described herein, will be validly issued, fully paid and nonassessable.

(d) Any opinion required by Section 6.4, above.

6.15 Consents; Litigation. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations or terminations of waiting periods imposed by any governmental entity, and all required third-party consents, the failure to obtain which would have a material adverse effect on the Acquiring Company, shall have been obtained. In addition, no preliminary or permanent injunction or other order shall have been issued by any court or by any governmental or regulatory agency, body or authority which prohibits the completion of the Transaction and the transactions contemplated by this Agreement and which is in effect at the Effective Date.

6.16 Form 8-K. The Acquiring Company shall have prepared, for filing promptly after the Effective Date in accordance with the requirements of the Securities and Exchange Commission, a current report on Form 8-K reporting the Transaction pursuant to Item 2 thereof, and including the necessary financial statements and other relevant and material information in form reasonably satisfactory to the Target.

ARTICLE 7
Conditions Precedent to Obligations of the Acquiring Company

Except as may be waived by the Acquiring Company, the obligations of the Acquiring Company to complete the transactions contemplated by this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions:

7.1 Compliance. The Target shall have, or shall have caused to be, satisfied or complied with and performed in all material respects all terms, covenants and conditions of this Agreement to be complied with or performed by the Target on or before the Closing Date.

7.2 Representations and Warranties. All of the representations and warranties made by the Target in this Agreement shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if such representations and warranties had been made at and as of the Closing Date, except for changes permitted or contemplated by this Agreement or as required by the investment banker for purposes of effectuating the private placement.

7.3 Target Corporate Action. The Target shall have taken all steps necessary to:

(a) Approve and file with the Secretary of State of Colorado amended and restated articles of incorporation;

(b) Approve and implement amended and restated bylaws for the Target;

(c) Adopt such other resolutions as may be reasonably necessary or appropriate to cure or clarify any previous actions taken by the Target or its board of directors or officers;

(d) Provide to the Acquiring Company audited financial statements of the Target that do not differ materially from the Financial Statements described in Section 3.9, above; and

(e) Terminate, with the consent of each party thereto, each employment agreement to which the Target is a party, effective as of the Effective Date (subject to the approval of employment agreements by the Acquiring Company with those persons on terms that are not materially different from their existing employment agreements.

7.4 Section 14(f) Notification. The Target shall have provided the information to the Acquiring Company reasonably necessary so that the Acquiring Company can comply with the requirements of Section 14(f) of the Securities Exchange Act of 1934.

7.5 Offer to Target Company Shareholders. The Acquiring Company shall have made an offer to all Target Company shareholders for the Target Common Stock held by such persons, not including persons who are not accredited investors or who are otherwise subject to sanctions imposed by the National Association of Securities Dealers, Inc., the Securities and Exchange Commission, or a state securities agency of the nature that would require disclosure an that may preclude, or make more difficult, the listing of the Acquiring Company on a stock exchange following the completion of the Transaction.

7.6 Accredited Investors; Disclosure; Investment Intent. Each of the Target's stockholders, noteholders and warrant holders receiving any portion of the Total Consideration will make the following representations to the Acquiring Company (in addition to such other representations as the Acquiring Company may deem necessary or appropriate in the circumstances):

(a) Such stockholder, noteholder and warrant holder is an accredited investor as that term is defined in Section 2(a)(15) of the Securities Act of 1933, as amended, and in Rules 215 and 501(a) thereunder;

(b) Such stockholder, noteholder, and warrant holder is a resident of the state of Colorado;

(c) Such stockholder, noteholder, and warrant holder is acquiring the Series A Stock for investment only and not with a view to the further distribution, resale or other transfer thereof;

(d) Such stockholder, noteholder, and warrant holder understands that the Acquiring Company has not registered its Series A Stock under the Securities Act of 1933 or any state law and the availability of an exemption from registration depends upon, among other things, the bona fide nature of the investment intent as expressed by such stockholder;

(e) Through their own due diligence, each such stockholder, noteholder, and warrant holder is fully aware of the type of business, financial condition, historical performance, and other factors affecting its ownership of an interest in the Target and the Acquiring Company has further discussed the advisability of such stockholder's participation in the Transaction with his or her respective legal, financial, tax, investment, accounting, and other advisors to the extent each stockholder determines such consultation to be necessary or appropriate in the circumstances; and

(f) Each stockholder, noteholder, and warrant holder will represent that he or she (directly or with the assistance of his or her advisors) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Transaction and the contemplated investment in the Series A Stock and he or she is able to bear the economic risks of such investment.

7.7 Certificates. The Acquiring Company shall have received a certificate or certificates, executed on behalf of the Target by its president, chairman and chief financial officer to the effect that the conditions contained in Sections 7.1, 7.2, 7.3, and 7.4, hereof have been satisfied.

7.8 No Taxation. Neither the Acquiring Company, the Target, nor the stockholders of the Acquiring Company will recognize any gain or loss as a result of the Transaction.

7.9 Legal Opinion. The Acquiring Company shall have received a legal opinion from counsel to the Target, in form satisfactory to the Acquiring Company, that:

(a) The Target is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Colorado, with corporate power to own its properties and to conduct its business.

(b) This Agreement and the documents delivered by the Target to complete the Transaction have been duly authorized by all requisite corporate action by the Target, and constitute the valid and binding obligations of the Target, enforceable against the Target in accordance with the terms of each document to which the Target is a party.

7.10 Consents; Litigation. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations or terminations of waiting periods imposed by any governmental entity, and all required third-party consents, the failure to obtain which would have a material adverse effect on the Target, shall have been obtained. In addition, no preliminary or permanent injunction or other order shall have been issued by any court or by any governmental or regulatory agency, body or authority which prohibits the completion of the Transaction and the transactions contemplated by this Agreement and which is in effect at the Effective Date.

7.11 Form 8-K. The Target shall have provided the Acquiring Company the information reasonably necessary to be included in the Form 8-K reporting the completion of the Transaction promptly after the Effective Date in accordance with the requirements of the Securities and Exchange Commission.

ARTICLE 8
Miscellaneous

8.1 Termination. In addition to the provisions regarding termination set forth elsewhere herein, this Agreement and the transactions contemplated hereby may be terminated at any time on or before the Closing Date:

(a) by mutual consent of Target and the Acquiring Company;

(b) by either of the Acquiring Company or the Target if the transactions contemplated by this Agreement have not been completed by September 30, 2004, unless such failure of completion is due to the failure of the terminating party to perform or observe the covenants, agreements, and conditions hereof to be performed or observed by it at or before the Closing Date; or

(c) by either the Target or the Acquiring Company if the transactions contemplated hereby violate any nonappealable final order, decree, or judgment of any court or governmental body or agency having competent jurisdiction.

8.2 Expenses.

(a) Subject only to Section 6.7 hereof, each party shall pay its own broker, legal, and accounting fees and such other expenses incurred by such party in connection with the transactions described in this Agreement.

(b) Notwithstanding the foregoing, if any party shall breach any material provision of this Agreement in any material respect, such party (the "Breaching Party") will be liable to the other party (the "Non-Breaching Party") for damages.

8.3 Entire Agreement. This Agreement and the schedules hereto contain the complete agreement among the parties with respect to the transactions contemplated hereby and supersede all prior agreements and understandings among the parties with respect to such transactions. Section and other headings are for reference purposes only and shall not affect the interpretation or construction of this Agreement. The parties hereto have not made any representation or warranty except as expressly set forth in this Agreement or in any certificate or schedule delivered pursuant hereto. The obligations of any party under any agreement executed pursuant to this Agreement shall not be affected by this section.

8.4 Survival All representations, warranties, covenants and agreements of the Target and the Acquiring Company shall survive the execution and delivery of this Agreement and the Closing hereunder as provided in this Agreement including, without limitation, the following:

Sections 3.20 and 4.9	No Broker
Article 8	General Indemnification
Section 5.5	Confidentiality
Section 5.7	Public announcement
Section 8.13	Remedies and Venue
Section 5.6	Further assurances
Section 8.2	Expenses
Section 8.7	Post-Closing Negative Covenant

as well as any agreement, representation, or warranty contained in any document delivered or to be delivered by any party at the Closing. All representations and warranties of the Target and the Acquiring Company contained in this Agreement shall survive for the periods of the statute of limitations applicable to breaches thereof.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

8.6 Notices. All notices, demands, requests, or other communications that may be or are required to be given, served, or sent by any party to any other party pursuant to this Agreement shall be in writing and shall be sent by

facsimile transmission, next-day courier or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery, addressed as follows:

(a) If to the Target:

Lifeline Nutraceuticals Corporation
Suite 1750
6400 South Fiddler's Green Circle
Englewood, CO 80111
Attention: Bill Driscoll, CEO
Tel: 720-488-1711
Fax: 720-488-1722

with a copy (which shall not constitute notice) to:

Burns, Figa & Will, P.C.
Suite 1030
6400 South Fiddler's Green Circle
Englewood, CO 80111
Attn: Herrick K. Lidstone, Jr., Esq.
Tel: 303-796-2626
Fax: 720-493-9951

(b) If to the Acquiring Company:

With a copy (which shall not constitute notice) to:

Michael A. Littman, Esq.
7609 Ralston Road
Arvada, CO 80002
Tel: 303-422-8127
Fax:

Each party may designate by notice in writing a new address to which any notice, demand, request, or communication may thereafter be so given, served, or sent. Each notice, demand, request, or communication that is mailed, delivered, or transmitted in the manner described above shall be deemed sufficiently given, served, sent, and received for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

8.7 Post-Closing Negative Covenant. The Acquiring Company will not, during the period ending twelve months after the Closing, complete a reverse stock split of its outstanding common stock.

8.8 Successors; Assignments. This Agreement and the rights, interests, and obligations hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, by operation of law or otherwise, by any of the parties hereto without the prior written consent of the other.

8.9 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the substantive laws of the State of Colorado without application of its conflicts of laws principles.

8.10 Waiver and Other Action. This Agreement may be amended, modified, or supplemented only by a written instrument executed by the parties against which enforcement of the amendment, modification or supplement is sought.

8.11 Severability. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

8.12 No Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto and their stockholders, any rights, remedies, obligations or liabilities under or by reason of this Agreement or result in such person, firm or corporation being deemed a third party beneficiary of this Agreement, even if such person is specifically named herein.

8.13 Mutual Contribution. The parties to this Agreement and their counsel have mutually contributed to its drafting. Consequently, no provision of this Agreement shall be construed against any party on the ground that such party drafted the provision or caused it to be drafted or the provision contains a covenant of such party.

8.14 Remedies and Venue. Any person having any rights under any provision of this Agreement will be entitled to enforce such rights specifically, to recover damages by reason of any breach of any provision of this Agreement, and to exercise all other rights granted by law, which rights may be exercised cumulatively and not alternatively. Jurisdiction and venue for the enforcement of any rights or any other action hereunder, except arbitration, rests in the Colorado district court for Arapahoe County, Colorado.

8.15 Arbitration. Except for injunction proceedings to enforce the provisions of Section 5.5, all claims arising out of or related to this Agreement or breach thereof shall be submitted to final binding arbitration pursuant to this Section 8.14. The arbitration shall be conducted in accordance with the Colorado Uniform Arbitration Act. The arbitrators shall be required to follow Colorado law in making an order. The arbitration shall be conducted in Arapahoe County, Colorado. The panel of arbitrators shall consist of three arbitrators. One arbitrator shall be appointed by the Target, one arbitrator shall be appointed by the Acquiring Company (if prior to the Closing) or the persons who were members of the Board of Directors of the Acquiring Company immediately prior to the Effective Date (if after the Closing), and one arbitrator shall be appointed by the two arbitrators so chosen. Each party shall pay the costs and fees of an attorney the party engages to assist the party in the arbitration and the arbitrator the party chooses. The Target and the Acquiring Company shall each pay 50% of the costs and fees of the third arbitrator.

8.16 Schedules. The following Schedules constitute a part of, and incorporated into, this Agreement.

Schedule	Description
3.7A	Holders of the Target's stock
3.7B	Holders of Target Notes
3.7C	Holders of Target Note Warrants
3.9	Target Financial Statements
3.13	Target Material Contracts
3.17	Target Employee Agreements
4.1a	Form of Acquiring Company's Amended and Restated Articles of Incorporation
4.1b	Form of Acquiring Company's Amended and Restated Bylaws
4.9	Acquiring Company Financial Statements
4.13	Acquiring Company Material Contracts
4.19a	Real Property
4.19b	Leasehold Interests

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

YAAK RIVER RESOURCES, INC., the Acquiring Company	LIFELINE NUTRACEUTICALS CORPORATION, the Target
By:	By:
Name	Bill Driscoll, President
Title	

Schedule 3.7A
LIST OF THE SHAREHOLDERS OF LIFELINE NUTRACEUTICALS CORPORATION
As of August 31, 2004

Name, Address and Tax ID Number	Number of Shares	Consideration Paid	Date Issued
William Driscoll	4,500,000 shares	$2,250	8/2003
	2,500,000 shares	$2,500	5/2004
Michael Barber	4,500,000 shares	$2,250	8/2003
Paul Myhill	1,000,000 shares	$ 500	8/2003
	3,500,000 shares	$3,500	2/2004
	1,350,000 shares	$1,350	5/2004
Christopher Micklatcher	50,000 shares	$ 25	8/2003
	100,000 shares	$ 50	12/2003
	550,000 shares	$ 550	8/2004
Kim Gannon	50,000 shares	$ 25	8/2003
Melva Hahn	50,000 shares	$ 25	8/2003
Joseph McCord	200,000 shares	$ 200	5/2004
	800,000 shares	$ 800	7/2004
	1,400,000 shares	$1,400	8/2004
George Betts	50,000 shares	$ 50	5/2004
Daniel Streets	200,000 shares	$ 200	5/2004
	300,000 shares	$ 300	7/2004
	2,000,000 shares	$2,000	8/2004
Steve Parkinson	250,000 shares	$ 250	8/2003
John Bradley	250,000 shares	$ 250	8/2004
Will Stevenson	50,000 shares	$ 50	8/2004

Total shares 23,650,000

Schedule 3.7B
Holders of Target Convertible Loans

Name, Address and Tax ID Number	Amount	Original Date	Interest ($ accrued through 8/31/2004)	Term	Shares
Barbara M. Hadley	$50,000	9/9/03	10% ($4,904)	1 year	100,000
Robert Wolta	$60,000	12/10/03	10% ($4,356)	1 year	120,000
Robert Wolta	$35,000	4/7/04	10% ($1,400)	1 year	70,000
Tim Colleran	$25,000	3/2/04	10% ($1,034)	1 year	50,000
Tim/Lisa Bates	$20,000	4/24/04	10% ($707)	1 year	40,000
Daniel McGregor	$50,000	4/28/04	10% ($1,712)	1 year	100,000

Schedule 3.7C Holders of Target Bridge Loans

Name, Address and Tax ID Number	Amount	Original Date	Interest ($ accrued through 8/31/2004)	Term	Shares (estimated)
Altis Accredited Capital	$50,000	6/9/04	10% ($1,137)	1 year	50,000
Daniel McGregor	$50,000	6/16/04	10% ($1,041)	1 year	50,000
Carol H. Streets - Roth IRA	$50,000	6/14/04	10% ($1,068)	1 year	50,000
Paul L. Mista	$25,000	7/23/04	10% ($267)	1 year	25,000
Kelsey Ellen Dihle Irrevocable Trust	$12,500	8/3/04	10% ($99)	1 year	12,500
Joshua Martin Dihle Irrevocable Trust	$12,500	8/3/04	10% ($99)	1 year	12,500
Philip Peterson	$25,000	8/17/04	10% ($96)	1 year	25,000
Paul L. Mista	$25,000	8/31/04	10% ($7)	1 year	25,000

Bridge Loan holders will receive a number of warrants equivalent to their loan amount divided by the share price in the private placement. For example a loan of $50,000 divided by a per share offering price of $1.00 would yield 50,000 warrants.