

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-1

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

-----  
ASPENBIO, INC.  
-----

(Exact Name of Registrant as Specified in its Charter)

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COLORADO	2835	84-1553387	
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(State or other jurisdiction of incorporation or organization)    Primary Standard Industrial Classification No.    (I.R.S. Employer Identification Number)

</Table>

8100 SOUTHPARK WAY, BUILDING B-1  
LITTLETON, COLORADO 80120  
(303) 794-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Registrant's Principal Executive Offices)

ROGER D. HURST  
ASPENBIO, INC.  
8100 SOUTHPARK WAY, BUILDING B-1  
LITTLETON, COLORADO 80120  
(303) 794-2000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,  
of Agent for Service)

With a Copy To:

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DENVER, COLORADO 80264  
(303) 830-1776

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Approximate Date of Commencement of Proposed Sale to the Public:	As soon as practicable after this Registration Statement becomes effective	

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement

for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED.

WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS

SUBJECT TO COMPLETION

DATED JUNE 6, 2002

1,489,280 SHARES

ASPENBIO, INC.

COMMON STOCK

This is the first public offering of our securities. Common stock available for sale as a result of this prospectus will be sold by currently existing shareholders. The selling shareholders identified in this prospectus may offer, from time to time, up to 1,489,280 shares of our common stock. The selling shareholders may sell these shares from time to time directly to purchasers or through agents, underwriters or dealers. We will not receive any money from the sale of common stock as a result of this offering.

One of our shareholders, Cambridge Holdings, Ltd., intends to distribute 500,000 shares of our common stock to Cambridge's shareholders as a stock distribution. Gregory Pusey, an officer and director of the Company, should receive approximately 263,975 shares of our common stock in the distribution by Cambridge. The 263,975 shares may be resold by Mr. Pusey as a selling shareholder and are included in the 1,489,280 shares that may be sold by the selling shareholders.

Prior to this offering, there has been no public market for our common stock. We expect to have the common stock traded on the OTC Bulletin Board, which is maintained by the National Association of Securities Dealers, Inc., after this registration statement is declared effective. The shares will be

priced based upon bid and ask quotations submitted by broker-dealers.

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BEFORE BUYING ANY SHARES YOU SHOULD READ THE DISCUSSION OF MATERIAL RISKS OF INVESTING IN OUR COMMON STOCK IN "RISK FACTORS" BEGINNING ON PAGE 2.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is \_\_\_\_\_

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## PROSPECTUS SUMMARY

The following summary highlights information contained in other parts

of this prospectus. Because it is a summary, it does not contain all the information you should consider before investing in our common stock. You should read the entire prospectus carefully including "Risk Factors."

## ASPENBIO, INC.

AspenBio is a leading purifier of human and animal antigens. AspenBio was founded to acquire the antigen business from Vitro Diagnostics, Inc. in August 2000 and to leverage that base of operations and technology to develop new products with substantial market potential. Our management team had been conducting this business at Vitro Diagnostics since 1990. Over thirty products are currently being purified and sold. Many new products have been developed since the acquisition.

Our strategy is to search for niches we can dominate with our purification abilities. We are focusing on expanding our business into other uses of purified proteins, principally for diagnosis and treatment of humans and animals.

We expect to market a new antigen pregnancy test for dairy and cow/calf operators. This bovine pregnancy test is designed to indicate pregnancy between days 15 and 32 after artificial insemination. An additional bovine test for pregnancy determination 35 days after artificial insemination should be available in Fall, 2002. We believe that the test for initially determining pregnancy has a large market potential, as the worldwide population of cows exceeds 120,000,000, of which approximately 58,000,000 cows are located in North America, Europe and the former Soviet Union. It has been estimated that approximately 70% of cows in the North American and European dairy industry are artificially inseminated. Although there are no published reports known to us regarding timed or synchronized cow breeding programs, based on our discussions with industry sources, we estimate that approximately 10% of the artificially inseminated cows are involved in these programs and would represent our primary target market for our bovine pregnancy test. We have received inquiries from six large companies interested in distributing the product.

The next product we intend to bring to market is a recombinant form of bovine/porcine insulin known as PZI. Our initial plan for this product is for sales to feline owners under a compassionate drug exemption from the FDA. We also expect to apply simultaneously to the FDA for full drug approval. We plan to form an alliance with a larger medical company to fund this approval process. Ultimately, we intend to seek approval from the FDA for use in humans.

One of our other projects includes purifying and culturing an antigen known as carcinoembryonic antigen (CEA) as part of National Cancer Institute studies to develop a vaccine for colon cancer in conjunction with NIH funded university research. We are also developing equine proteins to diagnose and treat problems or potential enhancements in fertility, lactation, thyroid and wounds in horses.

Our executive offices are located at 8100 Southpark Way, Building B-1, Littleton, Colorado 80120. Our telephone number is (303) 794-2000. Our website is located at [www.aspenbioinc.com](http://www.aspenbioinc.com). We are not incorporating by reference in this document any material from our website. The reference above to our website is an inactive textual reference to the uniform resource locator (URL) and is for your reference only.

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## THE OFFERING

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Common Stock offered by selling shareholders..... 1,489,280 shares

Use of Proceeds..... We will not receive any proceeds from the sale of the shares of common stock by the selling shareholders or from the distribution by Cambridge of

shares of AspenBio to the  
Cambridge shareholders

Proposed OTC Bulletin Board Symbol..... ASPB  
</Table>

## RISK FACTORS

An investment in our common stock involves a high degree of risk. You should consider carefully the following factors and other information in this prospectus before deciding to invest in shares of AspenBio common stock. If any of the following risks actually occur, our business, financial condition, results of operations and prospects for growth would likely suffer. As a result, the trading price of AspenBio common stock, if any market develops, could decline and you could lose all or part of your investment.

Prospective investors should consider carefully these factors concerning our business before purchasing the shares offered by this prospectus. We make various statements in this section which constitute "forward-looking statements" under Section 27A of the Securities Act of 1933. See "Forward-Looking Statements."

### OUR SUCCESS DEPENDS ON OUR ABILITY TO COMMERCIALIZE NEW PRODUCT OFFERINGS.

We have been successful in creating a leading position in human diagnostic antigen manufacturing operations. However, we believe the growth potential in this market is limited. We are developing several other products which we believe have significantly greater potential for higher revenues and increased profits. Our ability to achieve these objectives is dependent on a number of factors, including our ability to complete development efforts, including any necessary testing and regulatory approvals, and successfully commercialize these products.

We have been able to operate without incurring substantial losses. Through December 31, 2001 we had retained earnings of \$37,952. However, during the quarter ended March 31, 2002, primarily due to lower sales from our two largest customers and increased research and development expenses, we incurred a net loss of \$164,000. Our ability to resume profitable operations will depend upon our ability to quickly commercialize new product offerings.

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In order to achieve our business objectives, we will need to manufacture these products (or arrange for manufacture) in commercial quantities at a reasonable cost acceptable in the marketplace. Because of our limited manufacturing experience, outside the antigen business, and the lack of a marketing organization, we are likely to rely on other parties to perform one or more tasks for the commercialization of our proposed products. We may incur additional costs and delays while working with these parties, and these parties may ultimately be unsuccessful in the manufacture or distribution of our products.

### WE MAY BE UNABLE TO MOVE TO A NEW FACILITY AND WE MAY INCUR SUBSTANTIAL EXPENSE.

We believe that the current facility used by us will not be sufficient to accommodate our growth. Our president, Roger Hurst, has located land in Castle Rock, Colorado, and has assigned his contract to purchase that land to us. In order to facilitate the purchase, Mr. Hurst has loaned to us \$625,000 and we have made a promissory note to Mr. Hurst in that amount which is payable, with interest at 8% per annum on May 5, 2004. We have made non-refundable earnest money deposits totaling \$200,000 on the land purchase. The land purchase must be completed by July 31, 2002. We have also made commitments to the builder of approximately \$200,000 related primarily to building plans and materials. We have made application for bank financing of the land purchase and construction of the building. Based on our discussions with the bank, we expect that the bank will require compensating balances and/or loan guarantees which will necessitate

our obtaining financing from external sources of approximately \$400,000. We have identified potential sources and discussed possible arrangements for those funds, but we currently have no firm understandings, arrangements or agreements for the necessary funding. In addition, our contract to purchase the land is with the seller which will be simultaneously purchasing land as part of a larger parcel for \$1,089,000. Our contract requires us to assume the obligation of our seller to purchase the larger parcel, if our seller is unwilling or unable to complete that purchase. We believe the additional land is more valuable than the purchase price and that our seller will likely complete the purchase. Any failure by us to obtain the additional financing or to be able to complete this purchase could result in our being unable to move into the new facility and for us to incur the costs detailed above without any corresponding benefit and could have an adverse impact on our business and financial condition.

#### OUR SUCCESS WILL DEPEND IN PART ON ESTABLISHING EFFECTIVE STRATEGIC PARTNERSHIPS AND BUSINESS RELATIONSHIPS.

A key aspect of our business strategy is to establish strategic partnerships. We currently have license arrangements with the University of Idaho and the University of Wyoming. It is likely that we will seek other strategic alliances. We also intend to rely heavily on companies with greater capital resources and marketing expertise to market some of our products. While we have identified certain candidates, we may not reach definitive agreements with any of them. Even if we enter into these arrangements, we may not be able to maintain these collaborations or establish new collaborations in the future on acceptable terms. Furthermore, these arrangements may require us to grant certain rights to third parties, including exclusive marketing rights to one or more products, or may have other terms that are burdensome to us, and may involve the acquisition of our securities. Our partners may decide to develop alternative technologies either on their own or in collaboration with others. If any of our partners terminate their relationship with us or fail to perform their obligations in a timely manner, the development or commercialization of our technology in potential products may be substantially delayed.

#### WE HAVE LIMITED MANUFACTURING EXPERIENCE, AND WE MAY EXPERIENCE MANUFACTURING PROBLEMS THAT LIMIT THE GROWTH OF OUR REVENUE.

We purify human and animal antigens and tumor markers. In 2002, our revenues from these sales were approximately \$1.1 million. We intend to introduce new products with substantially greater revenue potential. We may seek to manufacture these products in-house or through contractual arrangements with third parties. In either event, we may not be able to produce sufficient quantities at an acceptable cost. In addition, we may encounter difficulties in production due to, among other things, quality control, quality assurance and component supply. These difficulties could reduce sales of our products, increase our costs, or cause production delays, all of which could damage our reputation and hurt our profitability. To the extent that we enter into manufacturing arrangements with third parties, we will depend on them to perform their obligations in a timely manner and in accordance with applicable government regulations.

#### OUR SUCCESS DEPENDS UPON OUR ABILITY TO PROTECT OUR INTELLECTUAL PROPERTY RIGHTS.

Our success will partially depend on our ability to obtain and enforce patents relating to our technology and to protect our trade secrets. We may not receive any patents. In addition, third parties may challenge, narrow, invalidate or circumvent our patents. The patent position of biotechnology companies is generally highly uncertain, involves complex legal and factual questions and has recently been the subject of much litigation. Neither the U.S. Patent Office nor the courts have a consistent policy

regarding breadth of claims allowed or the degree of protection afforded under many biotechnology patents.

In an effort to protect our unpatented proprietary technology, processes and know-how, we require our employees and consultants to execute confidentiality agreements. However, these agreements may not provide us with

adequate protection against improper use or disclosure of confidential information. These agreements may be breached, and we may not have adequate remedies for any such breach. In addition, in some situations, these agreements may conflict, or be subject to, the rights of third parties with whom our employees or consultants have previous employment or consulting relationships. Also, others may independently develop substantial proprietary information and techniques or otherwise gain access to our trade secrets. We intend to market our products in many different countries some of which we will not have patents in or applied for. Different countries have different patent rules and we may sell in countries that do not honor patents and in which the risk that our products could be copied and we would not be protected would be greater.

#### WE MAY BE UNABLE TO RETAIN KEY EMPLOYEES OR RECRUIT ADDITIONAL QUALIFIED PERSONNEL.

Because of the specialized scientific nature of our business, we are highly dependent upon qualified scientific, technical, and managerial personnel. There is intense competition for qualified personnel in our business. Therefore, we may not be able to attract and retain the qualified personnel necessary for the development of our business. A loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical and managerial personnel in a timely manner would harm our development programs and our business.

Roger Hurst has been our Chief Executive Officer since our inception. We rely on him for his leadership and business direction. We do not have an employment agreement with Mr. Hurst. The loss of his services could significantly delay or prevent the achievement of our business objectives. Mr. Hurst is our largest shareholder.

#### OUR COMPETITORS MAY HAVE GREATER RESOURCES OR RESEARCH AND DEVELOPMENT CAPABILITIES THAN WE HAVE, AND WE MAY NOT HAVE THE RESOURCES NECESSARY TO SUCCESSFULLY COMPETE WITH THEM.

Our business strategy has been to create a niche in the protein purification area. We are aware of only one competitor in this area, Dr. Albert Parlow, a UCLA professor. We believe that we have displaced Dr. Parlow as the largest supplier of human antigens. However, we plan to expand our operations into other areas as described in the "Business" section. The biotechnology business is highly competitive, and we may face increasing competition. We expect that many of our competitors will have greater financial and human resources and more experience in research and development and more established sales, marketing and distribution capabilities than we have. In addition, the healthcare industry is characterized by rapid technological change. New product introductions or other technological advancements could make some or all of our products obsolete.

#### OUR COMMON STOCK WILL LIKELY BE CLASSIFIED AS A "PENNY STOCK" UNDER SEC RULES AND THE MARKET PRICE OF OUR COMMON STOCK MAY BE HIGHLY UNSTABLE.

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No public trading market exists for our common stock. We expect to have our common stock traded on the OTC Bulletin Board, but we cannot predict the market price of our common stock, when any trading may commence, or whether you will be able to sell your shares quickly or at an acceptable price if trading in our stock is not active. Based on recent private transactions, we do not expect that the common stock will trade at \$5 or more per share. Because our stock will not be traded on a stock exchange or on the Nasdaq National Market or the Nasdaq Small Cap Market, if the market price of the common stock is less than \$5 per share, the common stock will be classified as a "penny stock." SEC Rule 15g-9 under the Exchange Act imposes additional sales practice requirements on broker-dealers that recommend the purchase or sale of penny stocks to persons other than those who qualify as an "established customer" or an "accredited investor." This includes the requirement that a broker-dealer must make a determination that investments in penny stock are suitable for the customer and must make special disclosures to the customers concerning the risk of penny stocks. Many broker-dealers decline to participate in penny stock transactions

because of the extra requirements imposed on penny stock transactions. Application of the penny stock rules to our common stock could adversely affect the market liquidity of the shares, which in turn may affect the ability of holders of our common stock to resell the shares they purchase in this offering, and they may not be able to resell at prices at or above the prices they paid.

A SIGNIFICANT NUMBER OF OUR SHARES ARE OR WILL BE ELIGIBLE FOR FUTURE SALE, WHICH MAY CAUSE THE PRICE OF OUR COMMON STOCK TO DECLINE.

As of June 6, 2002, 9,300,000 shares of our common stock, 600,000 options and 830,000 warrants were outstanding. Of the 9,300,000 shares of our common stock, 1,489,280 shares are being offered pursuant to this prospectus, including approximately 263,975 shares to be received by Gregory Pusey and members of his family in connection with the distribution by Cambridge to the Cambridge shareholders. Mr. Pusey and members of his family may resell the 263,975 shares held by them immediately pursuant to this prospectus. Mr. Pusey and members of his family own an additional 80,000 shares, which are also registered for sale pursuant to this prospectus. Cambridge currently owns 1,000,000 shares of which it intends to distribute 500,000 shares to its shareholders, including the 263,975 shares to be received by Mr. Pusey and members of his family. The 500,000 shares to be retained by Cambridge may be resold pursuant to Rule 144 commencing in December 2002. Our president, Roger Hurst, owns 4,246,757 shares, which are restricted from resale because of Mr. Hurst's affiliate status. The remaining 2,827,938 outstanding shares could be available for sale under Rule 144, beginning 90 days after the date of this prospectus. We have granted options to purchase up to 600,000 shares of our common stock, of which options to purchase 200,000 shares are exercisable currently. The options to purchase 400,000 shares are held by two employees (200,000 shares each) and vest in one-third annual installments, commencing April 3, 2003. The holding period for Rule 144 purposes would begin upon exercise of the respective options. We also have issued warrants to purchase 830,000 shares which are currently exercisable. We have granted registration rights to the holders of the warrants beginning September 30, 2002. Sales of a substantial number of shares of our common stock in the public market or the exercise of a substantial number of options or warrants to purchase shares of our common stock, or the perception that such sales or exercises might occur, could cause the market price of our common stock to decline. All of the shares offered for sale by the selling shareholders under this prospectus will be freely tradable as will be the shares distributed by Cambridge including the shares distributed to Gregory Pusey, who is also a director of AspenBio.

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BECAUSE ONE OF OUR SHAREHOLDERS OWNS MORE THAN 45% OF OUR COMMON STOCK, HE SHOULD BE ABLE TO DETERMINE THE OUTCOME OF ALL MATTERS SUBMITTED TO OUR SHAREHOLDERS FOR APPROVAL, REGARDLESS OF THE PREFERENCES OF THE MINORITY SHAREHOLDERS.

Roger D. Hurst currently owns 45.7% of our outstanding common stock. Accordingly, it is expected that he will have the ability to control all matters affecting AspenBio, including the composition of our board of directors, any determinations with respect to mergers, or other business combinations, our acquisition or disposition of assets and our financings. In addition, Mr. Hurst should be able to prevent or cause a change in control of our company and may be able to amend our articles of incorporation and bylaws without the approval of any other shareholder. His interests may conflict with the interests of our other shareholders.

WE DO NOT CURRENTLY HAVE INSURANCE THAT COVERS PRODUCT LIABILITY.

Our insurance policies do not currently cover claims and liability arising out of defective products. As a result, if a claim is brought against us, we would not have any insurance that would apply and would have to pay any costs directly. Because our products have only been used as part of diagnostic test kits, we did not believe that this insurance would be necessary. However, as we expand into other products, the risk of claims will increase and we will need to evaluate the need to obtain insurance.

IF WE FAIL TO OBTAIN FDA APPROVAL, WE CANNOT MARKET CERTAIN PRODUCTS IN THE

UNITED STATES.

Therapeutic products to be used by humans must be approved by the FDA prior to marketing and sale. This would apply to our plan to market PZI to human diabetics. In order to obtain approval, we must complete extensive clinical trials and comply with numerous standards; this process can take substantial amounts of time to complete. Even if we complete the trials, FDA approval is not guaranteed. FDA approval can be suspended or revoked, or we could be fined, based on a failure to continue to comply with those standards.

FDA approval is also required for therapeutic products that will be used on animals prior to marketing and sale, and can also require considerable time to complete. New drugs for companion animals must receive New Animal Drug Application approval. This type of approval would be required for the use of PZI for treatment of feline diabetes and for our therapeutic equine protein products. The requirements for obtaining FDA approval are similar to those for human drugs described above and may require similar clinical testing. Approval is not assured and, once FDA approval is obtained, we would still be subject to fines and suspension or revocation of approval if we fail to comply with FDA requirements. We plan to file a compassionate drug exemption application for the use of PZI, so that we can manufacture and use PZI while the FDA is conducting the more comprehensive review. However, the interim approval is also not guaranteed and could delay marketing of PZI until the New Animal Drug Application is approved.

IF WE FAIL TO OBTAIN REGULATORY APPROVAL IN FOREIGN JURISDICTIONS, THEN WE CANNOT MARKET OUR PRODUCTS IN THOSE JURISDICTIONS.

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We plan to market some of our products in foreign jurisdictions. Specifically, we plan to aggressively market the bovine pregnancy test in foreign jurisdictions and may market our therapeutic products to foreign jurisdictions, as well. We may need to obtain regulatory approval from the European Union or other jurisdictions to do so and obtaining approval in one jurisdiction does not necessarily guarantee approval in another. We may be required to conduct additional testing or provide additional information, resulting in additional expenses, to obtain necessary approvals.

This prospectus is part of a registration statement that we have filed with the SEC. You should read both this prospectus and any supplement together with additional information described under "Where You Can Find More Information."

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY SUPPLEMENT OR OTHER DOCUMENTS TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS PROSPECTUS OR ANY SUPPLEMENT MAY ONLY BE ACCURATE AS OF THE DATE OF THE FRONT OF SUCH DOCUMENTS.

#### FORWARD-LOOKING STATEMENTS

Various statements that we make in this prospectus under the captions of "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operation," "Business" and elsewhere in this prospectus are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933. These forward-looking statements involve known and unknown risks, uncertainties and other factors that can cause the actual results, performance or activities of our business, or industry results, to be materially different from any future results, performance or activities expressed or implied by the forward-looking statements. These factors include: general economic and business conditions, our financial condition, competition, our dependence on other companies to commercialize, manufacture and sell products using our technologies, the uncertainty of results of animal and human testing, the risk of product liability, our dependence on patents and other proprietary rights, dependence on key management, the availability and cost of capital, the availability of qualified personnel, changes in, or the failure to comply with, governmental regulations, failure to obtain regulatory approvals for our products and other factors discussed in this prospectus.

Many of these factors are beyond our control. We caution potential investors that any forward-looking statements made by us are not guarantees of future performance. We disclaim any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

#### USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of common stock offered by the prospectus. Any proceeds from the sale of the shares offered pursuant to this prospectus will be received by the selling shareholders.

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#### DIVIDEND POLICY

We have never paid a cash dividend on our common stock, and we do not intend to pay cash dividends for the foreseeable future. Instead, we currently plan to retain all earnings, if any, for use in the operation of our business and to fund future growth.

#### CAPITALIZATION

The following table sets forth our actual capitalization as of March 31, 2002. We will not receive any of the proceeds from the sale of our common stock held by the selling shareholders; thus, no pro forma information has been provided for such sale by the selling shareholders.

This table should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements in the accompanying notes and other financial information in this prospectus.

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	March 31, 2002	
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Liabilities:		
Current liabilities .....	\$ 176,503	
Long-term debt .....	327,435	
	-----	
Total liabilities .....	503,938	
	-----	
Shareholders' Equity:		
Common stock, 15,000,000 shares authorized: 9,300,000 issued .....	1,517,921	
Retained earnings (deficit) .....	126,182	
	-----	
Total shareholders' equity .....	1,391,746	
	-----	
Total capitalization .....	\$1,895,684	
	=====	

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The common stock data excludes common stock reserved for issuance under our outstanding stock options. As of June 6, 2002, there were outstanding: (i) options to purchase 200,000 shares at an exercise price of \$1.00 per share, (ii) options to purchase 400,000 shares at an exercise price of \$1.25 per share, and (iii) warrants to purchase 830,000 shares at an exercise price of \$1.00 per share.

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SELECTED FINANCIAL DATA

The selected data presented below for the year ended December 31, 2001 and for the period from inception to December 31, 2000, have been derived from financial statements of the Company, which financial statements have been audited by independent accountants. The selected data presented below for the predecessor company, Vitro Diagnostics, Inc. as of and for the years ended October 31, 2000, 1999, 1998 and 1997, has been derived from financial statements audited by independent accountants. This information should be read in conjunction with the "Financial Statements" and "Management's Discussion And Analysis Of Financial Condition And Results Of Operations" included elsewhere in this prospectus. The selected financial data provided below are not necessarily indicative of the future results of operations or financial performance of the Company.

<Table>  
<Caption>

	AspenBio, Inc			Vitro Diagnostics, Inc. (Predecessor Financial Statements)		
	Year ended December 31, 2001	Inception to December 31, 2000		Years ended October 31,		
			1999	1998	1997	
	<C>	<C>	<C>	<C>	<C>	<C>
<b>STATEMENT OF OPERATIONS DATA</b>						
Revenues	\$ 1,123,269	\$ 288,910	\$ 821,564	\$ 835,452	\$ 1,232,244	\$ 650,846
Gross profit	962,109	220,674	474,960	546,887	769,425	391,510
Selling, general and administrative		494,680	181,116	456,451	350,119	295,029
Research and development		160,943	28,101	407,295	276,484	52,209
Depreciation and amortization		109,488	45,025	14,346	13,763	14,897
Net income (loss)	\$ 101,184	\$ (63,232)	\$ (407,563)	\$ (140,803)	\$ 374,487	\$ (144,445)
Net income (loss) per share	\$ 0.01	\$ (0.01)	(1)	(1)	(1)	(1)
<b>BALANCE SHEET DATA</b>						
Working capital	\$ 685,032	\$ 143,623	\$ (125,101)	\$ 678,029	\$ 367,550	\$ 11,945
Property and equipment, net		202,018	228,601	--	31,076	26,886
Intangible assets, net		619,965	624,978	149,720	103,335	54,725
Total assets	1,984,237	1,280,998	763,144	936,393	764,670	496,670
Long term debt	290,921	586,859	--	105,432	--	--
Stockholders' equity	1,255,879	436,768	724,322	770,465	507,968	133,481
<b>OPERATING AND OTHER DATA</b>						
Cash flow from operations	\$ (111,420)	\$ 86,062	\$ (143,345)	\$ (241,760)	\$ 64,389	\$ (46,079)
Cash flow from investments	(71,600)	(250,000)	626,573	(73,065)	(68,518)	(10,619)
Cash flow from financing	499,195	271,528	61,905	363,364	7,635	26,598

(1) Not comparable to continuing results.

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Selected unaudited financial data for the quarters ended March 31, 2002 and 2001 is presented in the following table.

SELECTED FINANCIAL DATA

<Table>  
<Caption>

	AspenBio, Inc	
	Quarter ended March 31, 2002	Quarter ended March 31, 2001
	<C>	<C>
<b>STATEMENT OF OPERATIONS DATA</b>		
Revenues	\$ 109,670	\$ 234,506

Gross profit	87,214	180,799
Selling, general and administrative	98,272	254,517
Research and development	138,546	42,570
Depreciation and amortization	11,464	15,672
Net income (loss)	\$ (164,133)	\$ (151,472)
Net income (loss) per share	\$ (0.02)	\$ (0.02)

#### BALANCE SHEET DATA

Working capital	\$ 752,742	\$ 136,100
Property and equipment, net	190,532	221,240
Intangible assets, net	646,694	621,438
Total assets	1,895,684	1,206,915
Long term debt	327,435	582,852
Stockholders' equity	1,391,746	422,351

#### OPERATING AND OTHER DATA

Cash flow from operations	\$ (93,335)	\$ (30,612)
Cash flow from investments	(26,729)	--
Cash flow from financing	(6,336)	(19,078)

</Table>

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### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### BACKGROUND

Under an agreement dated August 7, 2000, and effective for accounting purposes as of July 31, 2000, we acquired all of the diagnostic assets and operations of Vitro Diagnostics, Inc. Our President and principal shareholder is a former officer and continuing shareholder of Vitro. We paid \$700,000 for these assets, of which \$250,000 was paid in cash and \$450,000 was paid pursuant to a promissory note. We paid the note to Vitro Diagnostics in full in 2000. We also assumed the liabilities of Vitro Diagnostics associated with the diagnostic operations.

Our operations focus 1) on the purification and sale of human antigens and 2) on the development of new products and processes using proprietary techniques and expertise that we have developed. The antigens sold are used as raw materials for the diagnostic testing industry. We sell the antigens to a number of customers for use in diagnostics kits, standards and controls, antibody production and research. We sell to approximately 150 customers through our own marketing efforts, independent brokers and distributors. While our customer base is quite broad, generally a limited number of customers comprise a significant portion of our total annual sales. Our research and development activities are primarily performed internally on new product technology secured through our relationships with various universities, or opportunities derived from the marketplace.

We were formed to consummate the Vitro Diagnostics acquisition. The acquisition has been accounted for under the purchase method of accounting, whereby the results of the acquired operations are included in our financial statements from the date of acquisition forward. In order to provide a meaningful comparison, the following table for comparison purposes only, sets forth on a pro forma basis for the year ended December 31, 2000, the amounts and percentages of selected items of revenue and expense, as though the acquisition of Vitro Diagnostics had been consummated as of the beginning of the year ended December 31, 2000. The pro forma results are not necessarily indicative of the results that would have occurred had the acquisition occurred as of January 1, 2000.

<Table>  
<Caption>

	Actual for year ended December 31, 2001		Proforma for year ended December 31, 2000	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>

Sales	\$1,123,269	100.0%	\$995,000	100.0%
Cost of sales	161,160	14.4%	163,000	16.4%
Gross profit	962,109	85.8%	832,000	83.6%
Operating expenses	604,168	53.9%	564,000	56.7%
Research and development	160,943	14.4%	191,000	19.2%
Operating income (loss)	196,998	17.6%	77,000	7.7%

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## RESULTS OF OPERATIONS

### Quarter Ended March 31, 2002 Compared to Quarter Ended March 31, 2001

Sales for the quarter ended March 31, 2002 totaled \$109,670, which is a \$124,836 or 47% decrease from the quarter ended March 31, 2001. The decrease in sales is attributable to the lack of production billed from our two largest customers, BioRad and Golden West Biologics. It is not unusual for the builds of these customers to occur twice per year, sometimes both within one quarter. However, we cannot currently predict future sales volumes that could be expected from these or other customers.

Costs of sales for the first quarter 2002 totaled \$22,456, a \$31,252 or 42% decrease as compared to the 2001 quarter. The reduction in cost of sales resulted from lower sales. Gross profit percentage improved to 80% in the first quarter of 2002, as compared to 77% in the first quarter of 2001.

Operating expenses in the first quarter of 2002 totaled \$248,282, which is a \$64,477 or 20% decrease as compared to the first quarter of 2001. The decrease was primarily attributed to issuing stock for services to employees of \$137,055 in the first quarter of 2001. The decrease in operating expenses was offset by an increase in research and development expenses. Research and development expenses in the first quarter of 2002 totaled \$138,546, which is a \$95,977 or 40% increase as compared to the first quarter of 2001. The increase in research and development expenses resulted primarily from the development of the bovine pregnancy tests. Depending upon available cash, we expect research and development expenses to continue to increase in 2002 as compared to 2001.

Interest expense for the first quarter of 2002 declined \$5,447 or 18% as compared to first quarter 2001.

### Operating Activities

Net cash outflows from operating activities consumed \$93,335 during the first quarter ended March 31, 2002, as compared to consuming \$30,612 in the first quarter of 2001. Expenditures associated with the development of the bovine pregnancy test and reduced product sales were the reasons for increased cash outflow.

### Investing Activities

Net cash outflows from investing activities consumed \$26,729 during the first quarter of 2002. The outflow was entirely attributed to payments for licenses. There were no investing activities during the quarter ended March 31, 2001.

### Financing Activities

Net cash outflows from financing activities consumed \$6,336 during the first quarter of 2002, as compared to consuming \$19,078 in the first quarter of 2001. During the first quarter of 2002, the Company received \$300,000 in connection with the completion of sale of securities to Cambridge. Also, during the first quarter of 2002, we paid \$185,237 to reduce debt to our president and \$31,671 to reduce

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the amount owed on our line of credit. The net outflows for the quarter ended March 31, 2001 were entirely due to payments of debt.

#### Year Ended December 31, 2001 Compared to 2000 Pro Forma

Sales for the year ended December 31, 2001 totaled \$1,123,000, which is a \$128,000 or 13% increase over the 2000 pro forma amount. The majority of the increase is attributed to a general increase in sales to existing and new customers, combined with the fact that during the 2000 pro forma period, management's attention was split between completing the acquisition transaction and securing sales. We added 50 new customers in 2001 which accounted for \$63,495 of the \$128,000 increase over the 2000 pro forma amount. Cost of sales in 2001 totaled \$161,160; a \$2,000 or 1% decrease as compared to the 2000 pro forma amount. The reduction in cost of sales resulted from lower costs of raw materials and supplies inventory. Gross profit percentage improved to 85.8% in 2001, as compared to 83.6% in the 2000 pro forma period. The improvement resulted from tighter cost controls combined with a higher sales level spread over certain fixed costs.

Operating expenses in 2001 totaled \$604,168, which is a \$40,000 or 7% increase as compared to the 2000 pro forma amount. The increase in operating expenses related to the fact that while sales volume increased and the general level of costs increased, management implemented tighter expense controls following the acquisition, which offset the impact of certain higher expenses. Research and development expenses in 2001 totaled \$160,963, a \$30,000 or 16% decrease as compared to the 2000 pro forma amount. The reduction in research and development expenses resulted primarily from tighter expense controls following the acquisition.

Operating income increased to \$196,998, a \$120,000 or 156% increase over the 2000 pro forma amount. The improvement resulted from a combination of higher sales levels and tighter expense controls, as discussed above.

Interest expense has remained generally consistent on an annualized basis between the periods.

Income taxes have not been a significant item in our income statement due to the low level of income combined with our S-Corporation status which was effective through July 31, 2001. We have not had any significant deferred tax differences between the financial reporting and income tax basis of assets and liabilities. The future amortization for income tax purposes of the cost in excess of value of purchased assets that arose from the Vitro acquisition will begin to generate a deferred tax difference, since as of January 1, 2002, such "goodwill" will no longer be amortized for financial reporting purposes, but will be evaluated for impairment.

#### Operating Activities

Net cash outflows from operating activities consumed approximately \$111,000 during the year ended December 31, 2001, as compared to providing \$86,100 in the 2000 short period, a reduction of \$197,100. Net income improvement contributed \$164,000 to the difference, in addition to the \$137,000 non-cash expense in 2001 related to the charge for stock issued to employees for compensation. This was offset by an approximate \$557,000 increase in the cash required to fund working capital items in 2001 as

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compared to the 2000 short period amount. The continued investment in working capital relates principally to continued increases in accounts receivable and inventories to support continued and anticipated growth.

#### Investing Activities

Net cash outflows from investing activities consumed approximately

\$72,000 during the year ended December 31, 2001, primarily for acquisitions of long-lived assets. During the 2000 short period, approximately \$250,000 was consumed primarily in the acquisition of the assets of Vitro.

#### Financing Activities

Net cash provided by financing activities contributed \$499,000 in the year ended December 31, 2001, while during the 2000 short period \$272,000 was contributed. During 2001 \$581,000 in cash was generated through the sales of common stock for cash, while \$82,000 was used for debt reduction. During the 2000 short period, borrowings generated \$794,000, in addition to \$500,000 from the sale of common stock, net of \$1,022,000, which was used for debt reduction.

#### Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has recently issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, SFAS No. 142, Goodwill and Other Intangible Assets, SFAS No. 143, Accounting for Asset Retirement Obligations and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

SFAS No. 141, Business Combinations, requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. SFAS No. 142, Goodwill and Other Intangible Assets, addresses accounting for the acquisition of intangible assets and accounting for goodwill and other intangible assets after they have been initially recognized in the financial statements, which is effective for fiscal years beginning after December 15, 2001; however, certain provisions of this Statement apply to goodwill and other intangible assets acquired between July 1, 2001 and the effective date of SFAS 142.

Major provisions of these Statements and their effective dates for us are as follows:

- o All business combinations initiated after June 30, 2001 must use the purchase method of accounting, with the pooling of interest method of accounting prohibited.
- o Intangible assets acquired in a business combination must be recorded separately from goodwill if they arise from contractual or other legal rights or are separable from the acquired entity.
- o Goodwill, as well as intangible assets with indefinite lives, acquired after June 30, 2001, will not be amortized. In the year of adoption, all previously recognized goodwill and intangible assets with indefinite lives will no longer be subject to amortization.
- o Goodwill, tested by business segment and intangible assets with indefinite lives will be tested for impairment annually and whenever there is an impairment indicator.

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Management will adopt SFAS No. 141 and 142 as of January 1, 2002, and anticipates that the impact on the 2002 financial statements will be a reduction in annual amortization expense of approximately \$28,000.

SFAS No. 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 will be effective for us for the fiscal year beginning January 1, 2003 and early adoption is encouraged. SFAS No. 143 requires that the fair value of a liability for an asset's retirement obligation be recorded in the period in which it is incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. We estimate that the new standard will not have a material impact on our financial statements but we are in the process of evaluating this impact.

SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for us on January 1, 2003, and addresses accounting and

reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of and APB Opinion No. 30, Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business. SFAS No. 144 retains the fundamental provisions of SFAS No. 121 and expands the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. We estimate that the new standard will not have a material impact on our financial statements but we are in the process of evaluating this impact.

## LIQUIDITY AND CAPITAL RESOURCES

The acquisition of Vitro effective as of July 31, 2000, was primarily financed through debt and equity provided to us by our President and principal shareholder, Roger Hurst. In August 2000 we made a note to Mr. Hurst for \$400,000 payable with interest at 8% per annum. We repaid \$192,000 in January 2002 and expect to repay an additional \$30,000 later in 2002. At our request, the Note has been amended to provide for annual installments of principal and interest of \$50,000 on April 2003 and 2004, with final payment of all principal and interest in April 2005. We may prepay the note without penalty.

Working capital as of March, 2002 totaled \$753,000, an increase of \$117,000 over the comparable working capital amount as of December 31, 2001. The increase was primarily attributable to the \$300,000 balance due from Cambridge received in March 2002 under the stock purchase agreement with Cambridge made in December 2001.

During 2002 cash requirements are anticipated to consist of continuing principal payments under existing long-term debt obligations and if we are successful in obtaining new facilities, the cash required to relocate and expand. In connection with an equipment lease, we issued a note payable to Colorado Business Leasing, of which \$151,000 was outstanding at March 31, 2002. The note is payable with interest at 11% per annum, in monthly installments of \$9,053, and matures on October 1, 2003.

We believe that the current facility used by us will not be sufficient to accommodate our growth. Mr. Hurst has located land in Castle Rock, Colorado, and has assigned his contract to purchase that land

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to us. In order to facilitate the purchase, Mr. Hurst has loaned to us \$625,000 and we have made a promissory note to Mr. Hurst in that amount which is payable, with interest at 8% per annum on May 5, 2004. We may prepay the Note at any time without penalty. We also have a \$50,000 line of credit with a bank, of which \$37,300 was outstanding as of March 31, 2002. We have made non-refundable earnest money deposits totaling \$200,000 on the land purchase. The land purchase must be completed by July 31, 2002. We have also made commitments to the builder of approximately \$200,000 related primarily to building plans and materials. We have made application for bank financing of the land purchase and construction of the building. Based on our discussions with the bank, we expect that the bank will require compensating balances and/or loan guarantees which will necessitate our obtaining financing from external sources of approximately \$400,000. We have identified potential sources and discussed possible arrangements for those funds, but we currently have no firm understandings, arrangements or agreements for the necessary funding.

In addition, our contract to purchase the land is with a seller which will be simultaneously purchasing the land as part of a larger parcel for \$1,089,000. Our contract requires us to assume the obligation of our seller to purchase the larger parcel, if our seller is unwilling or unable to complete that purchase. We believe the additional land is more valuable than the purchase price and that our seller will likely complete the purchase. Any failure by us to obtain the additional financing or to be able to complete this purchase could have an adverse impact on our business and financial condition.

## BUSINESS

### DEVELOPMENT OF BUSINESS

AspenBio is a leading purifier of human and animal antigens. AspenBio was founded to acquire the antigen business from Vitro Diagnostics, Inc. in August 2000 and to leverage that base of operations and technology to develop new products with substantial market potential. Our management team had been conducting this business at Vitro Diagnostics since 1990. Many new products have been developed since the acquisition.

Our human diagnostic antigen division is currently our core business and, taking into account the operations while this division was part of Vitro Diagnostics, this part of our business has been in operation since 1990. We have continued to expand this part of our business since it became part of AspenBio. We manufacture over thirty products. Our products are used as standards and controls in diagnostic test kits, antibody purification and in research projects.

In the human body, antigens trigger formation of antibodies, which can fight disease or provide immunity. Diagnostic test kits detect and measure the presence of different substances in patients' bodily fluids or tissues. The purified proteins we provide are used as controls in these test kits, so that the medical personnel using the test kit can confirm that the test is functioning properly. While the test kit is measuring the presence or levels of certain antigens in patients' fluids or tissues, our purified protein provides a known presence of the antigen. If the test kit registers the presence of the antigen we provide, then the medical personnel know that the test kit is functioning properly.

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We are developing products using purified proteins for diagnosis and treatment of animals. We can generate proteins that will react to the presence of certain substances in animals' bodily fluid and tissues, in the same way that our human antigens would react.

Our strategy is to search for niches that we can dominate with our purification abilities. We are focusing on expanding our business into other uses of purified proteins, principally for diagnosis and treatment of humans and animals. An important factor in the diagnostics business is the vastly reduced times required from product conception to saleable product as compared to therapeutic products which often require many years to market, as they require FDA approval.

The first new product expected to come to market is an antigen pregnancy test for dairy and cow/calf operators designed to indicate if a cow is pregnant between days 15 and 32 after artificial insemination (AI). Management believes this test has large market potential because of the large number of cows that are in AI programs. Also, the first attempt at AI is often unsuccessful and cows in breeding programs are often inseminated more than once. Accordingly, our test would then be used more than once for each cow.

Pregnancy status is currently determined using several methods, each of which has substantial disadvantages to the dairy producer and cow/calf operator. The commonly used technique is to watch for standing heat. This method is often unreliable. Many cows do not show signs of standing heat, or the standing heat is not easily observed. Even in cows that show signs of heat, this method requires observation time, experience and knowledge to make a diagnosis. Because this method is so subjective, it is often unreliable. Moreover, this method requires the operator to wait until day 22-25 after AI. Re-insemination to synchronize within the 21-day cycle would be useless without knowing the pregnancy status before day 21 and this method is ineffective prior to day 22. Ultrasound is often used to determine pregnancy, but it is only viable at about the 28th day following AI. In addition, ultrasound requires expensive equipment and a trained technician. Palpation is a technique used by veterinarians and involves reaching inside the cow and feeling for a marble-sized fetus indicating pregnancy. This technique is not possible during the first 21-day cycle, is labor intensive and intrusive to the cows, subjective, and may cause abortion.

The advantage of using our 15-32 day test is it enables the breeder to potentially re-inseminate a cow within the same cycle as the first insemination. The benefits to the breeder are reduced feeding, quicker generation of calves, greater milk production for dairies and greater return on investment. This test determines the pregnancy status of cows within 15 days of insemination, which is much more quickly than other available tests or methods. The dairy and cattle industries use AI to manage the reproduction of their herds, so we believe that a test that allows them to determine if the AI has been successful faster will be of benefit to their herd management.

We entered into licensing agreements with the University of Idaho and the University of Wyoming in Fall, 2001, to make sure that we have exclusive rights to manufacture the protein used in the bovine pregnancy test kit. We have filed two provisional patent applications, as well as a trademark application for "Surbred", the name of the bovine pregnancy test kit. This technology has been in development for 12 years at the universities. We have also developed a second bovine pregnancy test that will indicate pregnancy from 35 days after insemination. This test could be useful to the cattle auction industry, so that they can determine whether a cow is pregnant prior to sale and determine use of the cow after sale. We

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believe that both tests can also be used for other types of ungulates (such as sheep, pigs, goats and elk). We are currently assessing the markets for the additional tests.

Another product we are developing that we believe has significant potential is a recombinant form of bovine/porcine insulin known as PZI. Our initial plan for this product is for sales to feline owners under a compassionate drug exemption from the FDA. We also expect to apply to the FDA for full drug approval. We plan to form an alliance with a larger medical company to fund this approval process. Ultimately, we intend to seek approval from the FDA for use in humans. According to the American Diabetes Association there are approximately 300,000 human diabetics whose bodies perform better on bovine/porcine insulin than the recombinant human form of insulin currently available in the market for them.

Our other projects include purifying and culturing an antigen known as carcinoembryonic antigen (CEA) as part of National Cancer Institute studies to develop a vaccine for colon cancer. If CEA can cause a person to form antibodies that will ultimately provide immunity to colon cancer, then it can be used to create a colon cancer vaccine. The possibility of such a vaccine is currently being developed by the National Cancer Institute, through research performed by universities. We provide purified CEA to be used in the research and have filed a patent application to protect our purification process.

We are also developing equine proteins to diagnose and treat problems or potential enhancements to fertility, lactation, thyroid and wounds. Preliminary results experienced by doctors in the field experimenting with our products have yielded encouraging results. Limited research and development is ongoing at a recognized horse breeding farm in Kentucky. The proteins we create could work to diagnose hormone levels related to horses' fertility and other health issues, and could then also be used to treat the horses if the diagnosis indicates that treatment is necessary.

## PRODUCTS AND STATUS OF PRODUCTS

**HUMAN ANTIGENS** - We currently manufacture more than thirty human antigens and tumor markers. These are proteins that we manufacture from human tissues and fluids, using our proprietary purification processes, so that they are in an especially pure form. These proteins are used as part of diagnostic test kits. The test kits diagnose tumor marker levels within the blood or hormone imbalances by measuring the presence and/or levels of certain proteins. The proteins supplied by AspenBio are used to determine whether the test is functioning correctly. We have manufactured human antigen products since 1990 and can produce additional proteins through our purification process.

We are also manufacturing CEA as part of a colon cancer vaccine. CEA is produced by cancerous tumors, especially of the colon or liver. Measurement of blood at CEA levels is valuable in the management of cancer. CEA is elaborated by certain tumor cells and was one of the first tumor markers. During 2001 we sold 7.4 mg of CEA for \$4,000 to the National Cancer Institute. CEA is usually obtained from a human liver. We are attempting to produce CEA through cell culture technology rather than liver tissue so that larger quantities can be obtained and purified. The colon cancer vaccine is expected to be part of NCI Phase III studies that are currently anticipated to take place in 2003, and we are attempting to produce the cell-line derived CEA for use in the studies. This protein would have a therapeutic use, as

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opposed to the diagnostic use of our other human antigen products. Total quantity needs for CEA have not been determined.

In order to distribute our human antigen products, we manufacture the purified proteins at our facility, then lyophilize (freeze dry) the ingredients contained in a glass vial. We then send the products out to customers in vials with tops that allow the use of a syringe to reconstitute the product enabling the end user to remove and use the products.

**UNGULATE PREGNANCY TEST** - The ungulate pregnancy test initially determines the pregnancy status of cows within days 15-32 of artificial insemination and day 35 to termination of pregnancy. Pregnancy is necessary for milk production and the dairy industry relies on artificial insemination to increase pregnancy rates. The pregnancy tests (ultra sound and palpation) in use currently can determine the pregnancy status of cows within 35 to 40 days of insemination. Also, palpation includes a risk of inducing an abortion of the calf. The test kit we intend to produce would permit pregnancy status to be determined sooner, which, in turn, would permit a herd manager to repeat the artificial insemination process at an earlier date on cows determined not to be pregnant. Our test also does not include any physical risk to the calf. We believe pregnancy in other hoofed animals can be determined using the same antigen. We have also developed a bovine pregnancy test that is designed to determine if a cow is pregnant 35 days or more after insemination. This would permit herd managers and participants in the cattle auction industry to confirm that a cow is still pregnant. The pig, elk, bison, and sheep industries also utilize artificial insemination, so we plan to develop these pregnancy test kits, as well. We are currently conducting initial clinical testing on the 15-32 day bovine pregnancy test kit and expect that it will be available to market this year. If our continuing development efforts and marketing assessments are satisfactory to us, we plan to have the 35 plus day bovine pregnancy test kit available later in 2002 and the test kits for the other ungulates available in 2003.

The bovine pregnancy test consists of a plastic cartridge containing a membrane which has been sprayed with an antibody. The antibody was created from rabbits and mice that were exposed to a specific purified antigen manufactured at AspenBio. Once a blood sample from a cow is exposed to the antibody on the membrane it will cause the strip to change color indicating the presence of a certain antigen which is only present in the blood of a cow pregnant either day 15- 32 or day 35 to termination of pregnancy depending which test is used. The test strip will be sealed in a foil package along with a syringe and needle for drawing the blood sample to place on the strip.

In order to create the test kits, we would initially produce the active ingredients and send them to a company that manufactures test strips. This company would place the active ingredients onto the test strips. The manufacturer would ship the pregnancy test kits to our warehouse for distribution. We are evaluating manufacturing the tests strips in house, once the volume warrants it and we have relocated into a new facility.

**INSULIN/PZI** - We have developed a recombinant form of bovine and porcine insulin, which is commonly referred to as PZI. PZI was previously manufactured by Eli Lilly and was used for treatment of human diabetes, until it

was phased out of production in the mid-1990s and replaced by recombinant human insulin. We expect to use PZI initially for treatment of feline diabetes. The available human insulin does not successfully replace the cat's own insulin and bovine insulin is more similar in molecular

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structure to feline insulin. We are currently working to create a recombinant form of PZI that exactly matches the PZI previously manufactured by Eli Lilly. We hope to begin selling PZI in Fall, 2002, if we can obtain a compassionate drug exemption from the Food and Drug Administration to begin manufacturing and marketing PZI while formal approval is pending. We can apply for a compassionate drug exemption based on the need for PZI to treat feline diabetes when there are no other comparable products. Based on our investigation of this process, we are hopeful that we will be able to obtain an exemption. Initially, the manufacture and bottling of PZI will be done by an outside entity because of clean room and FDA requirements. We desire to enter into arrangements for marketing the products with a pharmaceutical company prior to manufacturing them, and preliminary work has been undertaken to locate an interested company. We are also exploring joint venture or other partnering opportunities for reintroducing PZI to the human diabetes market.

We would produce PZI using AspenBio technology at a facility that meets the industry standard of good manufacturing practices (GMP). The GMP facility would then ship the products directly to our customers, to a warehouse for storage or to distributors.

EQUINE PROTEINS - The purified equine protein products we are developing would have both diagnostic and therapeutic uses for horses. We began purifying equine pituitary-derived antigens in 2001, and are currently working on development of diagnostic test kits and recombinant antigens. The diagnostic test kits can be used to measure hormone levels affecting fertility, thyroid, growth and lactation. Uses of the recombinant antigens include inducing fertility, improving healing of wounds, and inducing lactation. The purification processes we use for the human antigens can be used in manufacturing equine proteins. The therapeutic use of the equine proteins is currently in limited testing on horse farms. The results to date based on discussions with the doctors in the field have been encouraging. AspenBio's preliminary products appear to solve some of the therapeutic problems related to problem breeding situations in horses. We have manufactured preliminary batches of antigens anticipated to be used in equine test kits. If we determine to market these kits, we would probably try to enter into a distribution agreement with a pharmaceutical company. We expect to make a decision regarding release of these test kits in 2003. Provided the positive results we have experienced to date in our preliminary research continues, the recombinant antigens should be available in 2003, and applications submitted to the FDA in 2004 assuming we are able to partner with another company in the pharmaceutical business.

#### RAW MATERIALS

The human antigens are purified from human tissue or fluids. We have several sources available for the materials needed. The CEA is produced from a cell line and so does not require any outside materials.

We have recombinant sources for both the protein for the bovine pregnancy test and the PZI. We will initially utilize tissue from slaughter houses for the equine protein products. We have also cultured cell lines and recombinant material for both human and animal proteins, which can be used for therapeutic applications, when produced in a GMP facility. Ultimately, we expect that this type of production will replace the need for tissue or fluids as a source material thereby reducing the chance of contamination from possible impurities.

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#### INTELLECTUAL PROPERTY

We have not filed patents for our human diagnostic antigens, although we treat our protein purification process as proprietary. Much of the purification work is considered an art form and the processes are trade secrets. We have filed for a patent on the process used to purify the CEA for the colon

cancer vaccine, because we anticipate that, if successful, the vaccine will be widely used and we will need to protect AspenBio's part in the development.

With respect to the ungulate pregnancy test, we entered into exclusive licensing agreements with the University of Idaho and the University of Wyoming in fall, 2001, for the manufacture, use, sale and distribution of the proteins used in the test. We have titled the pregnancy test "Surbred" and have applied for a trademark to protect the name. We have also filed a provisional patent application for the bovine pregnancy test. We have taken these steps because we believe that the potential widespread use of the ungulate pregnancy test requires protection of our product.

Due to its previous manufacture by Eli Lilly and the availability of the methods and formulations in the public domain, PZI is not a patentable product and we have not filed a patent on the protein purification process. We do not think it is likely that our development of recombinant PZI will result in patentable products in the near term because of use of existing methods of expression. However, we are hopeful that as we continue this development process we may develop intellectual property regarding purification of recombinant insulin. We are currently unable to predict whether we will be able to obtain any patents in the future. Due to the status of development to date, we have not filed patent applications with respect to the equine protein products.

## MARKETING/COMPETITIVE CONDITIONS

### PRODUCT MARKETS

**HUMAN DIAGNOSTIC ANTIGENS** - The total market for human antigens and tumor markers is approximately \$2 million, annually. We currently control approximately 60% of the market, although we do not expect significant additional growth in market share. All of our revenues to date have come from sales of these products. We expect to continue adding products to our diagnostic protein line. Our primary competitor for supply of human pituitary antigens is Dr. Albert Parlow, a professor at UCLA, but we believe that we have displaced Dr. Parlow as the largest supplier.

**UNGULATE PREGNANCY TEST** - The available bovine pregnancy tests cannot determine pregnancy status until at least 30 days from insemination. Testing by palpation includes a risk of aborting the calf and testing by using a blood test requires the use of a centrifuge. Our 15-32 day bovine pregnancy test is designed to determine status sooner, does not involve a physical risk to the calf and does not require a centrifuge. Because the first attempt at artificial insemination is often unsuccessful, cows in breeding programs are often inseminated more than once, so our test would then be used more than once for each cow. The worldwide population of cows exceeds 120,000,000, of which approximately 58,000,000 cows are located in North America, Europe and the former Soviet Union. It has been estimated that approximately 70% of cows in the North American and European dairy industry are artificially inseminated. Although there are no published reports known to us regarding timed or synchronized cow

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breeding programs, based on our discussions with industry sources, we estimate that approximately 10% of the artificially inseminated cows are involved in these programs and would represent our primary target market for our bovine pregnancy test. We have received inquiries from six large companies interested in distributing the product. We are currently assessing the potential markets for the bovine pregnancy test to be used 35 days or more after insemination and for pregnancy tests of other ungulates. We will compete against the current pregnancy methods and tests for the bovine market, as well as in the ovine and porcine market.

**INSULIN/PZI** - PZI is not currently distributed in the United States by any other companies, so we do not expect that we will have competition in this area. We are developing PZI as a product for the feline diabetes market at the

request of Blue Ridge Pharmaceuticals. According to a study conducted by Idexx, there are currently 66 million cats in the U.S. and approximately 20% are expected to suffer from diabetes. We estimate this market to be approximately \$15 million annually once FDA approval is obtained for general distribution. Also, according to the American Diabetes Association, there are approximately 300,000 human diabetics whose bodies perform better on bovine/porcine insulin than the recombinant human form of insulin currently available. These people would create another market for PZI if we can obtain the necessary FDA approvals and partner with a pharmaceutical company.

EQUINE PROTEINS - Equine diagnostic kits and hormones for therapeutic use are not currently commercially available, so we do not expect to encounter competition in this market. Based on information developed by Dr. Clara Singular, an independent consultant and doctor of veterinary medicine, we estimate a \$10 million annual market for therapeutic use of proteins to induce fertility in horses and a \$7 million annual market for diagnostic use of proteins to measure thyroid function.

## CUSTOMERS/MARKETING

HUMAN ANTIGENS DIVISION - The customers for our human antigen products are the manufacturers of the diagnostic test kits and research facilities and brokers who sell to these same end users. In this area, we have a few large customers. Monobind and Golden West Biologics, which are brokers, accounted for approximately eleven percent (11%) and thirteen percent (13%) of our business, respectively, in 2001. Bio Rad, an end user, accounted for approximately thirty-five percent (35%) of our business in 2001. In 2000, BioRad accounted for approximately 80% of our sales. Monbind and Golden West Biologics were not significant customers in 2000. In 2001, 54% of our receivables were related to Golden West Biologics and in 2000, 33% of our receivables were related to BioRad. The loss of these customers could have a material adverse effect on this division of our business.

The National Cancer Institute, through the universities that conduct its research, are also customers for the purchase of CEA.

UNGULATE PREGNANCY TEST - We expect that the customers for our bovine pregnancy test will be primarily the artificial insemination (AI) providers. The AI providers include three general categories of business: (1) pharmaceutical companies selling prostaglandins, which are used to induce estrus in cows to be artificially inseminated; (2) pharmaceutical companies selling cattle semen and providing the actual AI services; and (3) AI equipment manufacturers and suppliers. There are a limited number of these AI providers who service the dairy industry. We would expect the AI providers to market the products as well. We also

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expect that industry trade associations would market the bovine pregnancy test, by endorsing the product and then receiving compensation based on the value realized from such endorsements. We would be involved in marketing the bovine pregnancy test, as well, but do not expect to be primarily responsible. We would anticipate a similar customer base and marketing approach for the other ungulate pregnancy tests when they are developed. AspenBio is in discussions with a number of companies positioned to effectively distribute these products.

INSULIN/PZI - We anticipate that the ultimate customers for the PZI would be veterinarians and cat owners. We plan to seek to enter into an agreement with a pharmaceutical company for marketing and distribution if we can develop recombinant PZI that matches the PZI manufactured by E.I. Lilly. If we pursue approval to sell PZI to human diabetics, then they would provide an additional customer base. We would expect to enter into arrangements with a pharmaceutical company for marketing and distribution of PZI if such an expanded use is possible.

EQUINE PROTEIN - We anticipate that the ultimate customers for the equine protein products would be veterinarians and horse owners. However, we

anticipate entering into agreements with a pharmaceutical company for marketing and distribution if the clinical testing is successful.

## GENERAL OPERATIONS

**BACKLOG AND INVENTORY** - Our business is not seasonal in nature, so we expect demand to remain relatively steady. Because we produce proteins on demand, we do not maintain a backlog of orders. We have reliable sources of raw materials, do not require significant amounts of raw materials, and can manufacture all of our protein products (other than CEA, which is made from its own cell line). As a result, we do not expend large amounts of capital to maintain inventory.

**PAYMENT TERMS** - Because we currently act as a supplier to manufacturers of test kits and research facilities, we do not provide extended payment terms.

**REVENUES** - The vast majority of our revenues come from domestic customers. Less than 2% of our revenues come from foreign customers.

**EMPLOYEES** - We currently have eight full-time employees. We will hire additional personnel as needed depending upon the implementation and success of our new product lines.

## RESEARCH AND DEVELOPMENT

For the period from August, 2000, through December 31, 2000, we spent \$28,101 on research and development. We spent \$160,943 on research and development in fiscal 2001 and \$138,546 during the quarter ended March 31, 2002. We expect to spend significantly more over the next few years to develop our new products, primarily on the equine proteins and ungulate pregnancy tests. We will also continue research and development to improve and add antigens to the 15-32 day bovine pregnancy test, in order to improve accuracy and eliminate competition. If we reach an arrangement with a pharmaceutical company to assess the potential for marketing PZI to humans, we would also expect to spend research and development funds on those efforts.

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## COMPLIANCE

### FDA

The Food and Drug Administration (FDA) has regulatory authority over certain of our planned products. Our existing products require no approvals at our level.

**HUMAN PATIENTS** - FDA approval is required for therapeutic uses of products. For use on human patients, FDA extensively regulates the testing, manufacturing, labeling, advertising, promotion, export and marketing of therapeutic products. A therapeutic product administered to human patients is regulated as a drug or a biologic drug and requires regulatory approval before it may be commercialized. This would be applicable to AspenBio if we become involved in the manufacture of either the colon cancer vaccine or the sale of PZI to human diabetics.

Product approvals are granted after extensive clinical trials. Any product approvals that are granted remain subject to continual FDA review, and newly discovered or developed safety or efficacy data may result in withdrawal of products from marketing. Moreover, if and when such approval is obtained, the manufacture and marketing of such products remain subject to extensive regulatory requirements administered by the FDA and other regulatory bodies, including compliance with current Good Manufacturing Practices, adverse event reporting requirements and the FDA's general prohibitions against promoting products for unapproved or "off-label" uses. Manufacturers are subject to inspection and market surveillance by the FDA for compliance with these regulatory requirements. Failure to comply with the requirements can, among other things, result in warning letters, product seizures, recalls, fines, injunctions, suspensions or withdrawals of regulatory approvals, operating restrictions and criminal prosecutions. Any such enforcement action could have a material adverse effect on our business. Unanticipated changes in existing

regulatory requirements or the adoption of new requirements could also have a material adverse effect on our business.

UNGULATE PREGNANCY TEST - Because the ungulate pregnancy test will be a diagnostic use only, it will not be subject to FDA regulation. However, we will make a notification filing with the FDA, which advises the FDA of the expected uses and labeling of the product.

PZI/FELINE DIABETES APPLICATION - FDA approval will be necessary for PZI to be used for treatment of feline diabetes. New drugs for companion animals must receive New Animal Drug Application approval prior to marketing. The requirements for such approval are similar to those for human drugs and may require similar clinical testing. We plan to file a compassionate drug exemption application, so that we can manufacture and use PZI while the FDA is conducting the more comprehensive review. This application would be based on the need for PZI to treat diabetic cats and the fact that there are no comparable products manufactured by a USA company. We expect to file the application in Spring, 2002, so that we can begin selling PZI in Fall, 2002. We are hopeful that FDA approval will not be difficult to obtain because PZI was previously approved for this use. If approval is obtained, we would once again be subject to ongoing regulation, which exposes us to the risks associated with compliance failures.

EQUINE PROTEINS - As the equine proteins would have a therapeutic use, they would require regulatory approval similar to that required for PZI.

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#### ENVIRONMENTAL PROTECTION

We are subject to various environmental laws pertaining to the disposal of hazardous medical waste. We contract for disposal of our hazardous waste with a licensed disposal facility. We do not expect to incur liabilities related to compliance with environmental laws; however, we cannot make a definitive prediction.

#### OTHER LAWS

We are also subject to other federal, state and local laws, pertaining to matters such as safe working conditions and fire hazard control.

#### MANAGEMENT

#### EXECUTIVE OFFICERS AND DIRECTORS

The following table lists members of our Board of Directors and our executive officers with the position held by each and their ages as of June 6, 2002. Directors may hold office until removed by resolution of our shareholders, or their resignation or death. Each executive officer's term of office continues until the first meeting of the Board of Directors following the annual meeting of shareholders and until the election and qualification of his successor. All officers serve at the discretion of the Board of Directors.

<Table>

<Caption>

Name	Age	Position
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<S>	<C>	<C>
Roger D. Hurst.....	51	President, Chief Executive Officer and Director
Gregory Pusey.....	49	Secretary and Director
Gail S. Schoettler.....	58	Director

</Table>

ROGER D. HURST, the founder of AspenBio, has served as President and Chief Executive Officer, and as a director, since our formation in July 2000. From 1988 to the sale of the antigen business from Vitro Diagnostics, Inc. to AspenBio, Mr. Hurst served as the President and Chief Executive Officer of the Vitro Diagnostics. Mr. Hurst retains approximately 13% of the outstanding common

stock of Vitro. Mr. Hurst currently devotes his full business time to the Company and is not involved in the management of Vitro Diagnostics. Mr. Hurst holds a bachelor's degree from Nebraska Wesleyan University.

GREGORY PUSEY is the President of Advanced Nutraceuticals, Inc., a publicly-held company engaged in manufacturing and marketing of pharmaceutical products and nutritional supplements. Mr. Pusey has been associated with Advanced Nutraceuticals, Inc. and its predecessors since 1997. Since 1988, Mr. Pusey has been the President and a director of Cambridge Holdings, Ltd., a publicly-held real estate development firm. He has also served as President of Livingston Capital, Ltd. since 1987 and President and the General Partner of Graystone Capital, Ltd. from 1987 to 1999, both venture capital firms. Mr. Pusey holds a B.S. degree in finance from Boston College. Mr. Pusey became a director of AspenBio in February 2002.

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GAIL S. SCHOETTLER has served as a U.S. Ambassador, Colorado Lt. Governor, from 1995 to 1999, and Colorado State Treasurer from 1987 to 1995. She was a trustee of the Public Employees Retirement Association, Colorado's \$27 billion pension fund, for eight years. Ambassador Schoettler was a founder and director of two banks and currently helps manage her family's ranching, vineyard and real estate businesses. She speaks internationally on politics and business and writes a column for The Denver Post. She is a trustee of several non-profit organizations and the recipient of the French Chevalier of the Legion of Honor, France's highest civilian award. She earned her BA with honors in economics from Stanford University and her MA and PhD in history from the University of California at Santa Barbara. Ambassador Schoettler became a director of AspenBio in August 2001.

BIOGRAPHIES OF THE FOLLOWING EMPLOYEES ARE INCLUDED IN THIS PROSPECTUS AS THEY ARE KEY PERSONNEL OF OUR COMPANY.

DR. MARK COLGIN, age 33, joined AspenBio in 2000 as our Director of Recombinant Technology. He held post-doctoral positions at Colorado State University from 1996 to 2000 where he was a National Institutes of Health post-doctoral fellow. His area of post-doctoral research included gene expression, neurovirology and gene delivery. Dr. Colgin is responsible for the development of our molecular biology and cell culture products. He holds a bachelor's degree in biochemistry and a Ph.D in molecular biology from the University of Wyoming.

CATHY LANDMANN, age 48, has served as our Director of Laboratory Operations since our purchase of assets from Vitro Diagnostics in 2000. She worked at Vitro Diagnostics from 1992 until the sale and developed quality control protocols to aid in the development of the antigen product line. At AspenBio, she is responsible for quality control analysis of our products, management of our laboratory staff and quality assurance of the production facility. Ms. Landmann holds a B.S. degree in medical technology from the University of Florida.

DIANE NEWMAN, age 30, is our Senior Production Scientist. She joined Vitro Diagnostics in 1996 and served there until she joined the Company when Vitro Diagnostics sold the antigen business to AspenBio. Ms. Newman has been instrumental in developing methods and processes for protein purification. Ms. Newman is our production manager and also works on new product development. She holds a bachelor's degree in biotechnology from the University of Nebraska in Omaha.

#### DIRECTOR COMPENSATION

Our directors do not currently receive any cash compensation from us for their services as members of the Board of Directors. In August 2001, we issued options to each of Bruce F. Deal, a former director of the Company, and Gail S. Schoettler to purchase 100,000 shares of our common stock at \$1.00 per share during a five-year period.

## EXECUTIVE COMPENSATION

The following table shows, for the years 1999, 2000 and 2001, the compensation paid to the Chief Executive Officer and to each executive officer whose salary and bonuses for their services in all capacities in 2001, exceeded \$100,000. During the year 2000, the compensation was received by these

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persons from AspenBio from August through December and from Vitro Diagnostics from January through July. For the year 1999, all the compensation was received from Vitro Diagnostics.

### SUMMARY COMPENSATION TABLE

<Table>

<Caption>

Name and Principal Position	Annual Compensation			Awards		Payouts			Compensation (\$)
	Fiscal Year	Salary (\$)	Bonus	Restricted Other Annual Compensation	Stock Awards(\$)	Options (\$)	All Other LTIP Payouts (#)	LTIP Payouts (\$)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Roger D. Hurst	2001	64800		-0-	-0-	-0-	-0-	-0-	
President, Chief Executive	2000	57700		-0-	-0-	-0-	-0-	-0-	
Officer, Secretary and Director	1999	53800		-0-	-0-	-0-	-0-	-0-	

</Table>

No stock option grant table or year-end option table is included in this prospectus because none of our executive officers holds any options to purchase our common stock.

### 2002 STOCK INCENTIVE PLAN

In April 2002, we adopted our 2002 Stock Incentive Plan. The purpose of the plan is to promote our interests and the interests of our shareholders by providing participants a significant stake in our performance and providing an opportunity for the participants to increase their holdings of our common stock. The plan is administered by the Option Committee, which consists of the Board or a committee of the Board, as the Board may from time to time designate, composed of not less than two members of the Board, each of whom shall be a director who is not employed by us. The Option Committee has the authority to select employees and consultants (which may include directors) to receive awards, to determine the number of shares of common stock covered by awards and to set the terms and conditions of awards. The plan authorizes the grant of options to purchase up to 900,000 shares of our common stock. In April 2002, we granted options to purchase 200,000 shares of our common stock to each of two employees. The options are exercisable in annual installments of one third each at \$1.25 per share for a term of ten years. In addition to stock options, we may also offer a participant a right to purchase shares of common stock subject to such restrictions and conditions as the Option Committee may determine at the time of grant. Such conditions may include continued services to us or the achievement of specified performance goals or objectives. No common stock has been issued pursuant to the plan.

### CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We were organized in July 2000 to purchase the antigen business from Vitro Diagnostics, Inc. The initial capital to complete this purchase and for the startup for our operations was provided primarily by our President and principal shareholder, Roger D. Hurst. Mr. Hurst received 4,861,737 shares of

our common stock in consideration of a cash contribution of \$470,000. Mr. Hurst received a promissory note for the \$400,000 loaned by him to us. On April 1, 2002, we made an Amended and Restated Promissory Note to Mr. Hurst in the amount of \$267,501, payable with interest of 8% per annum, in installments, with all amounts due on April 30, 2005. We may prepay the note at any time without penalty. Mr. Hurst is the holder of approximately 13% of the outstanding common stock of Vitro Diagnostics, but has no involvement in the management of Vitro Diagnostics.

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Prior to August 1, 2001, we operated as an S Corporation and our shareholders were taxed on their proportionate share of our taxable income. We made a distribution in connection with our S Corporation status to all of our shareholders. We agreed with Roger Hurst not to pay Mr. Hurst his \$29,755 distribution and we have made a promissory note to him on April 1, 2002 in that amount which is payable, with interest at 8% per annum, on April 30, 2005. We may prepay the note at any time without penalty.

We believe that the current facility used by us will not be sufficient to accommodate our growth. Mr. Hurst has located land in Castle Rock, Colorado, and has assigned his contract to purchase that land to us. In order to facilitate the purchase, Mr. Hurst has loaned to us \$625,000 and we have made a promissory note to Mr. Hurst in that amount which is payable, with interest at 8% per annum on May 5, 2004. We may prepay the note at any time without penalty.

In November 2000 we leased laboratory equipment and issued a note to a leasing company for \$280,000. The note requires monthly payments of \$9,053 and we are current on our obligations. The note has been personally guaranteed by Mr. Hurst. We have no obligation to compensate Mr. Hurst for his guarantee of the laboratory equipment lease. At March 31, 2002, the remaining principal balance on this note was \$151,000.

In 2001, we sold 300,000 shares of our common stock to nine persons for a total of \$300,000. Bruce F. Deal and Gail S. Schoettler, who were then directors of the Company and members of their immediate families, purchased an aggregate of 90,000 shares of the 300,000 shares in this offering on the same terms as other investors.

In connection with the 2001 private offering, we sent an investor rights declaration regarding piggyback registration and other rights to the purchasers. We also prematurely issued stock certificates to these purchasers prior to filing amended articles of incorporation with the Colorado Secretary of State to increase our authorized shares of common stock. We subsequently filed the amended articles. We also offered to rescind the purchases by refunding the purchase price plus 10% and requested return of the stock certificates and an Amended Investors Rights Declaration. Of the nine purchasers, one purchaser of 50,000 shares accepted the offer of rescission and we paid him \$55,000. All of the other purchasers entered into the Amended Investors Rights Declaration which clarifies that we will include their shares in any registration statement we file between September 30, 2002 and June 30, 2007. In March 2002, we resold the 50,000 shares from the rescinded purchaser to the wife and father-in-law of our director, Gregory Pusey, at \$1.25 per share, or a total of \$62,500.

We have issued to each of Mr. Deal and Ms. Schoettler options to purchase 100,000 shares of our common stock at \$1 per share for a five-year term. Mr. Deal resigned as a director in April 2002.

In December 2001, we entered into a Securities Purchase Agreement with Cambridge providing for the sale of 1,000,000 shares of common stock and warrants to purchase up to 830,000 shares of our common stock at \$1 per share. Cambridge paid to us \$300,000 in December 2001 and an additional \$300,000 in March 2001 upon completion of the audit of our financial statements which are included in this Prospectus. We issued to Cambridge 1,000,000 shares of common stock and to Cambridge and its designees 830,000 warrants. Of the 1,000,000 shares issued to Cambridge, 500,000 shares are being distributed on a pro rata basis to the shareholders of Cambridge. At the initial closing of this

transaction, Gregory Pusey, President and principal shareholder of Cambridge, became a member of our Board of Directors. Mr. Pusey was subsequently elected as our Secretary. Cambridge transferred 470,000 warrants to various persons, including Mr. Pusey who received 150,000 warrants. Mr. Pusey, and members of his

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family, will receive approximately 263,975 shares of our common stock in connection with the distribution of the Cambridge shares.

In connection with the Securities Purchase Agreement with Cambridge, we also entered into an Investor Rights Agreement, Consulting Agreement and Shareholders Agreement. Cambridge has certain registration rights in the Investor Rights Agreement as described in "Shares Eligible for Future Sales." In the Consulting Agreement, Cambridge agreed to provide assistance to us, including our efforts to become a publicly-held company and in marketing our products. Cambridge's consulting services consisted of assisting us in our efforts to become a publicly-held company, assistance with our efforts to create strategic alliances, and introductions to prospective market makers. We agreed to deliver to Cambridge the warrants described above that were provided for in the Securities Purchase Agreement with Cambridge. We also agreed to reimburse Cambridge for any reasonable and necessary expenses incurred, up to a maximum of \$100,000. The term of the agreement was to end on September 30, 2002. In March 2002, we confirmed with Cambridge that it had performed its duties under the Consulting Agreement.

Under the Shareholders Agreement, Mr. Hurst has agreed that, so long as Cambridge owns a minimum of 250,000 shares of our common stock, Mr. Hurst will vote all of his shares of our stock to elect Mr. Pusey to our Board until June 30, 2003. Mr. Hurst also agreed that if at any time through January 20, 2005, he sells 35% or more of the outstanding shares of our common stock, or more than 50% of our common stock owned by him if he owns less than 35% but more than 15% of the outstanding shares of our common stock, other than in a registered sale, he will afford Cambridge the opportunity to participate in such sale.

In March 2002, Mr. Hurst and other shareholders sold an aggregate of 728,245 shares of our common stock at \$1.25 per share for a total of \$910,306 in a private offering. Mr. Hurst sold 500,000 shares in this offering and received \$625,000. The other selling shareholders were Mark Colgin, Dianne Newmann and Kilan Roth, who each sold 57,061 shares, and Cathy Landmann and MCL Trust, a trust established by Ms. Landmann, who sold an aggregate of 57,061 shares. Each of the purchasers in the private offering is listed as a selling shareholder in the "Plan of Distribution" section of this prospectus. Each of the purchasers had a pre-existing relationship with either Mr. Hurst or Mr. Pusey, our directors.

## PRINCIPAL SHAREHOLDERS

The following table shows information as of June 6, 2002, concerning the beneficial ownership of AspenBio common stock by each of AspenBio's directors, each executive officer of AspenBio listed in the Summary Compensation Table, and all directors and executive offices of AspenBio's as a group and each other person known by AspenBio to be the beneficial owner of more than 5% of AspenBio's common stock.

The ownership percentages listed on the table are based on 9,300,000 shares of AspenBio common stock outstanding as of June 6, 2002. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. A person generally is deemed to be the beneficial owner of shares over which he has either voting or investment power. Shares underlying options that are currently exercisable, or that will become exercisable within 60 days, are deemed to be beneficially owned by the person holding the options, and are deemed to be outstanding for the purpose of computing the beneficial ownership percentage of that person, but are not considered to be outstanding for the purpose of computing the ownership percentage of any other person.

Except as otherwise noted, the persons in the group identified in the table have sole voting and sole investment power with respect to all the shares of AspenBio common stock shown as beneficially owned by them.

<Table>

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Name and Address -----	Number of Shares -----	Percent -----
<S>	<C>	<C>
Cambridge Holdings, Ltd.(1) 106 S. University, No. 14 Denver, CO 80209	1,360,000	14.1%
Mark Colgin 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	514,000	5.5%
Roger D. Hurst 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	4,246,757	45.7%
Cathy Landmann(2) 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	1,085,060	11.7%
Diane Newman 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	514,000	5.5%
Gregory Pusey(3) 106 S. University, No. 14 Denver, CO 80209	1,590,000	16.2%
Kilyn Roth 8100 Southpark Way, Building B-1 Littleton, Colorado 80120	514,000	5.5%
Gail S. Schoettler(4) 11855 East Daley Circle Parker, CO 80134	115,000	1.2%
All Officers and Directors as a Group (3 persons)	5,951,757	60.1%

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- (1) Includes warrants to purchase 360,000 shares. Cambridge intends to distribute 500,000 shares of our stock to Cambridge shareholders, including Gregory Pusey.
  - (2) Includes 542,530 shares held in a trust (the MCL Trust) in which Ms. Landmann and her husband are the beneficial owners.
  - (3) Includes 70,000 shares held by his wife and their children. Also includes warrants to purchase 150,000 shares held by Mr. Pusey and 1,000,000 shares and warrants to purchase 360,000 shares held by Cambridge. Mr. Pusey is President, a director and principal shareholder of Cambridge. Does not include approximately 263,975 shares which may be acquired by Mr. Pusey and members of his family in connection with the Cambridge distribution of our stock.
  - (4) Includes options to purchase 100,000 shares.

## PLAN OF DISTRIBUTION

Prior to this offering, no public market for our securities existed. A total of up to 1,489,305 shares may be sold pursuant to this prospectus by the shareholders listed below. We are registering the common stock on behalf of the selling shareholders. The common stock may be sold from time to time to purchasers directly by any of the selling shareholders, in one or more transactions at a fixed offering price, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. Such prices will be determined by the selling shareholders or by agreement between the selling shareholders and underwriters or dealers. Alternatively, any of the selling shareholders may from time to time offer the common stock through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, concessions or commissions from the selling shareholders and/or the purchasers of common stock for whom they may act as agent. The selling shareholders and any underwriters, dealers or agents that participate in the distribution of common stock may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of common stock by them and any discounts, commissions or concessions received by any such underwriters, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. In addition, 500,000 shares of our common stock held by Cambridge are being distributed to the Cambridge shareholders as a distribution of assets. One of our officers and directors, Gregory Pusey (and members of his family) will receive approximately 263,975 shares in connection with this distribution. The shares to be acquired from Cambridge by Mr. Pusey and members of his family are included in the 1,489,305 shares that may be sold pursuant to this prospectus.

The sale of common stock may be effected in transactions (which may involve block transactions) (1) on any national securities exchange or quotation service on which the offered securities may be listed or quoted at the time of sale, (2) in the over-the-counter market, (3) otherwise than on such exchanges or in the over-the-counter market, (4) in privately negotiated transactions, (5) through the writing of options or other derivative contracts, (6) by a distribution by a selling shareholder to his or his affiliates' beneficial owners or (7) through pledge, mortgage or hypothecation. At the time a particular offering of the common stock is made, if required, a prospectus supplement will be distributed which will set forth the names of the selling shareholders, the aggregate amount and type of securities being offered, and, to the extent required, the terms of the offering including the name or names of any underwriters, broker-dealers or

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agents, any discounts, commissions and other terms constituting compensation from the selling shareholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

To comply with the securities laws of certain jurisdictions, if applicable, the shares will be offered or sold in such jurisdictions only through a registered or licensed brokers or dealers. In addition, in certain jurisdictions the offered shares may not be offered or sold unless they have been registered or qualified for sale in such jurisdictions or any exemption from registration or qualification is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in a distribution of common stock may not simultaneously engage in market-making activities with respect to such common stock for a period of five business days prior to the commencement of such distribution and ending upon the completion of such distribution. In addition, each selling shareholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which provisions may limit the timing of purchases and sales of any of the common stock by the selling shareholders. All of the foregoing may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock.

We will pay substantially all of the expenses incident to the

registration, offering and sale of the common stock of the selling shareholders to the public other than commissions and discounts of underwriters, dealers or agents.

<Table>  
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Selling Shareholder	Shares owned prior to offering	Shares owned following Shares registered	Percentage of shares following offering	Percentage of shares following offering
A.G. Edwards & Sons CDN Gregory Pusey IRA	10,000	10,000	-0-	--
A.G. Edwards & Sons CDN Jill J. Pusey IRA	10,000	10,000	-0-	--
John Bealer and Natalia Bealer	15,000	15,000	-0-	--
Robert M. Bearman	14,000	14,000	-0-	--
Carylyn K. Bell	8,000	8,000	-0-	--
J. Daniel Bell	20,000	20,000	-0-	--
Charles Schwab & Co Inc fbo Allison Colgin, IRA	25,000	25,000	-0-	--

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<Table>  
<Caption>

Selling Shareholder	Shares owned prior to offering	Shares owned following Shares registered	Percentage of shares following offering	Percentage of shares following offering
Mark Colgin	514,000	14,000	500,000	5.4%
William F. Colgin	307,958	95,000	212,958	2.3%
James L. Cruce and Gail L. Tibbetts JTWROS	20,000	20,000	-0-	--
Ann A. Deal	25,000	25,000	-0-	--
Bruce F. Deal	25,000	25,000	-0-	--
Jon Diack and Karen Diack JTWROS	14,000	14,000	-0-	--
Teresa Ehrlich	40,000	40,000	-0-	--
Warren Ehrlich	245,000	245,000	-0-	--
Robert G. Hopper	12,000	12,000	-0-	--
Colin P. Hubbard Trust	10,000	10,000	-0-	--
Blair Kittleson	20,000	20,000	-0-	--
Cathy Landmann	542,530	42,530	500,000	5.4%
Lincoln Trust Company Custodian FBO-Don Weaver	12,000	12,000	-0-	--
MCL Trust	542,530	42,530	500,000	5.4%

Earnest Mathis	20,000	20,000	-0-	--
Jeff McGonegal	8,000	8,000	-0-	--
Charles J. Neerdaels and Nicole R. Nelson, as Trustees of the Neerdaels-Nelson Family Trust	100,000	100,000	-0-	--
Diane Newman	514,000	14,000	500,000	5.4%
Kathleen G. Palma	120,000	120,000	-0-	--
Christopher Pusey	10,000	10,000	-0-	--
Gregory Pusey(1)	263,975	263,975	-0-	--

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<Table>  
<Caption>

Selling Shareholder	Shares owned prior to offering	Shares owned following Shares registered	Percentage of shares following offering
Jill Pusey CDN for Jacqueline Pusey	10,000	10,000	-0- --
Jill J. Pusey	40,000	40,000	-0- --
Kilyn Roth	514,000	14,000	500,000 5.4%
Gail S. Schoettler	15,000	15,000	-0- --
James Schoettler	25,000	25,000	-0- --
Steve Skaer	20,000	20,000	-0- --
Iris Smith	33,623	33,623	-0- --
Michael Smith	33,622	33,622	-0- --
Tom Weinberger	25,000	25,000	-0- --
David White	8,000	8,000	-0- --
Donald Yager	10,000	10,000	-0- --

- (1) Consists of 263,975 shares anticipated to be acquired by Mr. Pusey (and members of his family) in connection with the distribution of our stock by Cambridge. Mr. Pusey will beneficially own additional shares following this offering as set forth in "Principal Shareholders."

#### DESCRIPTION OF CAPITAL STOCK

The following summary description of our capital stock is qualified in its entirety by reference to our articles of incorporation, as amended, and our bylaws.

#### GENERAL

#### AUTHORIZED, ISSUED AND OUTSTANDING CAPITAL STOCK

We are authorized to issue 15,000,000 shares of common stock. As of June 6, 2002, there were 9,300,000 shares of common stock outstanding.

#### FULLY PAID

The issued and outstanding shares of common stock, and any shares of common stock issuable upon the stock incentive plan or upon the exercise of warrants for common stock, will be duly authorized, validly issued, fully paid and non-assessable.

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#### COMMON STOCK

##### LISTING

This is the first public offering of our securities. Prior to this offering, there has been no public market for our common stock. We expect to have the common stock traded on the OTC Bulletin Board, which is maintained by the National Association of Securities Dealers, Inc., after this registration statement is declared effective.

##### DIVIDENDS

Holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors out of funds legally available therefor. We do not expect to pay cash dividends on the common stock in the foreseeable future.

##### RIGHTS UPON LIQUIDATION, DISSOLUTION OR WINDING UP

In the event of a liquidation, dissolution or winding up of our company, holders of common stock would have the right to a ratable portion of assets remaining after payment of liabilities. Holders of common stock will have no preemptive rights.

##### VOTING

Holders of common stock are entitled to one vote per share for each share held of record on all matters submitted to a vote of shareholders.

##### TRANSFER AGENT

The transfer agent for our common stock is Corporate Stock Transfer, Inc., 3200 Cherry Creek South, Denver, Colorado 80209, (303) 282-4800.

##### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Colorado Business Corporation Act provides the power to indemnify and pay the litigation expenses of any officer, director or agent who has made party to any proceeding. Our Articles of Incorporation also provide for indemnification of our officers and directors for liabilities arising out of their service to us to the maximum extent permitted by law. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling AspenBio as provided in the foregoing provisions, we have been informed that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Act and thus cannot be enforced.

Our Articles of Incorporation authorize us also to purchase and maintain insurance for our directors and officers to insure that such persons entitled to the indemnification are properly indemnified.

Article Seventh(c) of our Articles of Incorporation requires us to indemnify each of our directors and officers to the maximum extent permitted by CBCA.

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## SHARES ELIGIBLE FOR FUTURE SALE

As of June 6, 2002, we had 9,300,000 shares of common stock outstanding. All 9,300,000 shares of common stock are "restricted securities" under the Securities Act. A total of up to 1,489,280 shares may be sold pursuant to this prospectus by the shareholders listed in the "Plan of Distribution," including approximately 263,975 shares to be received by Gregory Pusey and members of his family in connection with the distribution of our stock by Cambridge to the Cambridge shareholders and an additional 80,000 shares owned by Mr. Pusey and members of his family. Cambridge currently owns 1,000,000 shares, of which it intends to distribute 500,000 shares to its shareholders (including the approximately 263,975 shares to Mr. Pusey and members of his family) who may resell those shares immediately pursuant to this prospectus. The 500,000 shares to be retained by Cambridge may be resold pursuant to Rule 144 commencing in December 2002. Our president, Roger Hurst, owns 4,246,757 shares, which are restricted from resale because of Mr. Hurst's affiliate status. The remaining 2,827,938 shares could be available for sale under Rule 144, commencing 90 days after the date of this prospectus.

In general, under Rule 144, a person holding restricted securities for at least one year, may, within any three-month period, sell in ordinary brokerage transaction, a number of shares equal to one percent of a company's then outstanding common stock. If the company's stock is traded on a stock exchange or The Nasdaq Stock Market, the volume limitation becomes the greater of one percent of the outstanding common stock or the average weekly trading volume during the four-calendar weeks prior to the person's sales.

Sales under Rule 144 are also subject to manner of sale provisions, notice requirements and the availability of current public information about us. A shareholder who is not an "affiliate" of ours and has held the shares for at least two years, may sell the shares without any quantity limitations, manner of sale provisions or public information requirements. For purposes of Rule 144, an "affiliate" is a person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is in common control with, such issuer.

As of the date of this Prospectus, there were options to purchase 600,000 shares of common stock outstanding, of which options to purchase 200,000 shares are exercisable currently. There are options to purchase 200,000 shares to each of two employees, which vest in one-third annual installments, commencing April 3, 2003. An additional 500,000 shares are reserved for issuance under our 2002 Stock Incentive Plan. The holding period for Rule 144 purposes would begin upon exercise of the options.

Also as of the date of this Prospectus, there were outstanding warrants to purchase 830,000 shares of our common stock. The warrants are currently exercisable. We have entered into an Investor Rights Agreement with Cambridge and the holders of the warrants in which we agreed to register the shares held by Cambridge and the shares underlying the warrants upon the request, one time only, between September 30, 2002 and June 30, 2006. We have also agreed to permit them to include their shares in any other Registration Statement we file prior to June 30, 2007. We granted similar "piggyback" registration rights to eight other shareholders who own an aggregate of 532,958 shares, of which 320,000 shares are included in this Prospectus.

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## LEGAL MATTERS

The validity of the AspenBio common stock offered by this prospectus will be passed upon for AspenBio by Patton Boggs, LLP, Denver, Colorado. An attorney with Patton Boggs, LLP owns 14,000 shares of our common stock and warrants to purchase 10,000 shares of our common stock.

## EXPERTS

AspenBio's audited financial statements as of December 31, 2001 and 2000, and for the year ended December 31, 2001 and the five-month period ended December 31, 2000, have been included herein and in the registration statement in reliance upon the report of Larry O'Donnell, CPA, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Larry O'Donnell, CPA, P.C. as experts in accounting and auditing. The financial statements of Vitro Diagnostics for the year ended October 31, 1999 have been included herein and in the registration statement in reliance upon the report of Larry O'Donnell, CPA, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Larry O'Donnell, CPA, P.C. as experts in accounting and auditing.

The financial statements of Vitro Diagnostics as of October 31, 2000, and for the year ended October 31, 2000 have been included herein and in the registration statement in reliance upon the report of Cordovano and Harvey, P.C., independent accountants, appearing elsewhere herein, and upon the authority of Cordovano and Harvey, P.C. as experts in accounting and auditing.

#### WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including the exhibits, schedules and amendments to the registration statement, under the Securities Act of 1933 with respect to the shares of common stock covered by this prospectus. This prospectus does not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, please be aware that the reference is only a summary and that you should refer to the exhibits that are part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings, including the registration statement, are also available to you on the SEC's website at <http://www.sec.gov>.

As a result of this offering, we will become subject to the information reporting requirements of the Securities Exchange Act of 1934, and, in connection therewith, will file periodic reports, proxy statements and other information with the SEC.

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<S>

<C>

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&lt;/Table&gt;

F-1

AspenBio, Inc.  
Unaudited Balance Sheets  
March 31, 2002 and 2001

## Assets

&lt;Table&gt;

&lt;Caption&gt;

	2002	2001
	-----	-----
<S>	<C>	<C>
Current assets		
Cash	\$ 297,365	\$ 57,900
Accounts receivable	74,376	49,959
Inventories	442,402	154,372
Prepaid expenses	108,902	75,581
Prepaid income taxes	6,200	
	-----	-----
Total current assets	929,245	337,812
	-----	-----
Property and equipment		
Laboratory equipment	209,002	172,448
Computer equipment	30,676	30,677
Leasehold improvements	27,645	27,645
Office equipment	22,205	22,205
	-----	-----
Accumulated depreciation	289,528	252,975
	-----	-----
	98,996	31,735
	-----	-----
	190,532	221,240
	-----	-----
Other Assets		
Intangible assets, net amortization of		
2002 \$60,712; 2001 \$21,396	646,694	621,438
Security deposit	6,925	6,925
Non current inventory	32,860	19,500
Deferred offering costs	89,428	
	-----	-----
	775,907	647,863
	-----	-----
	\$1,895,684	\$1,206,915
	=====	=====

&lt;/Table&gt;

See Notes to Financial Statements

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AspenBio, Inc.  
Unaudited Balance Sheets (Continued)  
March 31, 2002 and 2001

## Liabilities and Stockholders' Equity

<Table>  
<Caption>

	2002	2001
	-----	-----
<S>	<C>	<C>
Current liabilities		
Short term notes	\$ 37,275	\$ 81,781
Current portion of long-term debt	93,811	73,395
Accounts payable	37,848	45,349
Accrued liabilities	7,569	1,187
Accrued income taxes	-----	-----
Total current liabilities	176,503	201,712
	-----	-----
Long-term debt-less current portion	327,435	582,852
	-----	-----
Stockholders' equity		
Common stock, no par value, authorized 15,000,000 shares, issued 2002 9,300,000 shares; 2001 7,717,042 shares	1,517,927	637,055
Retained earnings (deficit)	(126,182)	(214,704)
	-----	-----
	1,391,746	422,351
	-----	-----
	\$ 1,895,684	\$ 1,206,915
	=====	=====

</Table>

See Notes to Financial Statements

F-3

AspenBio, Inc.  
Unaudited Statements of Income  
Three Months Ended March 31, 2002 and 2001

<Table>  
<Caption>

	2002	2001
	-----	-----
<S>	<C>	<C>
Sales	\$ 109,670	\$ 234,506
Cost of sales	22,456	53,707
	-----	-----
Gross profit	87,214	180,799
	-----	-----
Operating expenses		
General lab expenses	23,678	55,899
General and administrative	74,594	198,618
Research and development	138,546	42,570
Depreciation and amortization	11,464	15,672
	-----	-----
	248,282	312,759
	-----	-----

Operating income (loss)	(161,068)	(131,960)
Interest expense	14,065	19,512
	-----	-----
Income (loss) before income taxes	(175,133)	(151,472)
Income taxes	(11,000)	
	-----	-----
Net income (loss)	\$ (164,133)	\$ (151,472)
	=====	=====
Basic and diluted earnings per share	\$ (.02)	\$ (.02)
	=====	=====
Basic and diluted weighted average shares outstanding	8,905,556	7,717,042
	=====	=====

</Table>

See Notes to Financial Statements

F-4

AspenBio, Inc.  
Unaudited Statements of Cash Flows  
Three Months Ended March 31, 2002 and 2001

<Table>

<Caption>

	2002	2001
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities		
Net income (loss)	\$(164,133)	\$(151,472)
Adjustments to reconcile net income to net cash (used) by operating activities		
Depreciation and amortization	11,486	10,901
Stock issued for compensation		137,055
(Increase) decrease in:		
Accounts receivable	157,053	(9,194)
Inventories	(84,028)	22,686
Prepaid expenses	(6,201)	
Increase (decrease) in:		
Accrued liabilities	3,555	(2,102)
Accounts payable	(67)	(38,486)
Accrued income taxes	(11,000)	
	-----	-----
Net cash provided (used) by operating activities	(93,335)	(30,612)
	-----	-----
Cash flows from investing activities		
Purchases of intangible assets	(26,729)	
	-----	-----
Net cash provided (used) by investing activities	(26,729)	
	-----	-----

</Table>

See Notes to Financial Statements

AspenBio, Inc.  
Unaudited Statements of Cash Flows(Continued)  
Three Months Ended March 31, 2002 and 2001

<Table> <Caption>	2002	2001
	-----	-----
<S>	<C>	<C>
Cash flows from financing activities		
Debt reduction		
Long-term	(185,237)	(14,902)
Short-term	(31,671)	(4,196)
Proceeds from issuing common stock		300,000
Deferred offering costs	(89,428)	
	-----	-----
Net cash provided (used) by financing activities	(6,336)	(19,078)
	-----	-----
Net increase(decrease) in cash	(126,400)	(49,690)
Cash at beginning of year	423,765	107,590
	-----	-----
Cash at end of the year	\$ 297,365	\$ 57,900
	=====	=====
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$ 14,065	\$ 19,512
Income taxes	\$ 6,200	

See Notes to Financial Statements

AspenBio, Inc.  
Notes to Financial Statements  
Unaudited

Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with the instructions for interim financial statements and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's annual financial statements for the year ended December 31, 2001.

COMMON STOCK SALES

On December 28, 2001, with Board of Directors' approval the Company entered into an agreement sell 1,000,000 shares of common stock for total consideration of \$600,000, of which 50% of the shares and consideration was completed upon signing the agreement and the remainder was payable upon completion of specified

conditions, which were completed and funding paid as of March 11, 2002.

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[LARRY O'DONNELL, CPA, P.C. LETTERHEAD]

Independent Auditor's Report

Board of Directors and Stockholders  
AspenBio, Inc.

I have audited the accompanying balance sheets of AspenBio, Inc. as of December 31, 2001 and 2000 and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AspenBio, Inc. as of December 31, 2001 and 2000 and the results of its operations and cash flows for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000 in conformity with generally accepted accounting principles in the United States of America.

/s/ Larry O'Donnell

-----  
LARRY O'DONNELL, CPA, P.C.  
Aurora, CO  
February 4, 2002

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AspenBio, Inc.  
Balance Sheets  
December 31, 2001 and 2000

Assets

<Table>  
<Caption>

	2001	2000
	-----	-----
<S>	<C>	<C>
Current assets		
Cash	\$ 423,765	\$ 107,590
Accounts receivable	231,429	40,765
Inventories	358,374	177,058
Prepaid expenses	108,901	75,581
	-----	-----

Total current assets	1,122,469	400,994
Property and equipment		
Laboratory equipment	209,002	175,243
Computer equipment	30,676	30,677
Leasehold improvements	27,645	27,645
Office equipment	22,205	22,205
	289,528	255,770
Accumulated depreciation	87,510	27,169
	202,018	228,601
Other Assets		
Intangible assets, net amortization of 2001 \$60,712; 2000 \$17,857	619,965	624,978
Security deposit	6,925	6,925
Non current inventory	32,860	19,500
	659,750	651,403
	\$1,984,237	\$1,280,998

</Table>

See Notes to Financial Statements

F-9

AspenBio, Inc.  
Balance Sheets (Continued)  
December 31, 2001 and 2000

#### Liabilities and Stockholders' Equity

<Table>

<Caption>

	2001	2000
	<C>	<C>
Current liabilities		
Short term notes	\$ 68,946	\$ 85,957
Current portion of long-term debt	315,562	84,290
Accounts payable	37,915	83,835
Accrued liabilities	4,014	3,289
Accrued income taxes	11,000	
	437,437	257,371
Long-term debt-less current portion	320,921	586,859
Stockholders' equity		
Common stock, no par value, authorized 15,000,000 shares, issued 2001 8,800,000 shares; 2000 5,432,798 shares	1,217,927	500,000
Retained earnings (deficit)	37,952	(63,232)
	1,255,879	436,768

\$ 1,984,237	\$ 1,280,998
<u>=====</u>	<u>=====</u>

</Table>

See Notes to Financial Statements

F-10

AspenBio, Inc.  
 Statements of Operations  
 Year Ended December 31, 2001 and  
 The Period From Inception, July 24, 2000 to December 31, 2000

<Table>  
 <Caption>

	2001	2000
	-----	-----
<S>	<C>	<C>
Sales	\$ 1,123,269	\$ 288,910
Cost of sales	161,160	68,236
	-----	-----
Gross profit	962,109	220,674
	-----	-----
Operating expenses		
General lab expenses	120,399	59,192
General and administrative	374,281	121,924
Research and development	160,943	28,101
Depreciation and amortization	109,488	45,025
	-----	-----
	765,111	254,242
	-----	-----
Operating income (loss)	196,998	(33,568)
Interest expense	84,814	29,664
	-----	-----
Income (loss) before income taxes	112,184	(63,232)
Income taxes	11,000	
	-----	-----
Net income (loss)	\$ 101,184	\$ (63,232)
	<u>=====</u>	<u>=====</u>
Basic and diluted earnings per share	\$ .01	\$ (.01)
	<u>=====</u>	<u>=====</u>
Basic and diluted weighted average shares outstanding	7,964,749	5,432,798
	<u>=====</u>	<u>=====</u>

</Table>

See Notes to Financial Statements

F-11

AspenBio, Inc.  
 Statements of Stockholders' Equity  
 Year Ended December 31, 2001 and  
 The Period From Inception, July 24, 2000 to December 31, 2000

<Table>  
<Caption>

	Common Stock		Retained Earnings
	Shares	Amount	
	<C>	<C>	<C>
Insurance of common stock for cash	5,432,798	\$ 500,000	
Net loss for the period			\$ (63,232)
Balance, December 31, 2000	5,432,798	500,000	(63,232)
Issuance of common stock for compensation	2,284,244	137,055	
Issuance of common stock for cash	582,958	280,874	
Issuance of common stock for cash	500,000	300,000	
Net income for the year			101,184
Balance, December 31, 2001	8,800,000	\$ 1,217,927	\$ 37,952

</Table>

See Notes to Financial Statements

F-12

AspenBio, Inc.  
Statements of Cash Flows  
Year Ended December 31, 2001 and  
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>  
<Caption>

	2001	2000
	<C>	<C>
Cash flows from operating activities		
Net income (loss)	\$ 101,184	\$ (63,232)
Adjustments to reconcile net income to net cash (used) by operating activities		
Depreciation and amortization	103,196	45,026
Stock issued for compensation	137,055	
(Increase) decrease in:		
Accounts receivable	(190,664)	167,377
Inventories	(194,676)	(56,243)
Prepaid expenses	(33,320)	(18,904)
Increase (decrease) in:		
Accrued liabilities	725	(5,948)
Accounts payable	(45,920)	17,986
Accrued income taxes	11,000	
Net cash provided (used) by operating activities	(111,420)	86,062
Cash flows from investing activities		
Purchases of property and equipment	(33,758)	
Purchases of intangible assets	(37,842)	
Purchase of Vitro Diagnostics, Inc.		(250,000)

	-----	-----
Net cash provided (used) by investing activities	(71,600)	(250,000)
	-----	-----

</Table>

See Notes to Financial Statements

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AspenBio, Inc.  
Statements of Cash Flows (Continued)  
Year Ended December 31, 2001 and  
The Period From Inception, July 24, 2000 to December 31, 2000

<Table>

<Caption>

	2001	2000
	-----	-----
	<C>	<C>
Cash flows from financing activities		
New borrowings		
Long-term		743,512
Short-term		50,000
Debt reduction		
Long-term	(64,676)	(188,983)
Short-term	(17,001)	(833,001)
Proceeds from issuing common stock		580,872      500,000
	-----	-----
Net cash provided (used) by financing activities	499,195	271,528
	-----	-----
Net increase in cash	316,175	107,590
Cash at beginning of year		107,590
	-----	-----
Cash at end of the year	\$ 423,765	\$ 107,590
	=====	=====

Supplemental disclosure of cash flow information

Cash paid during the year for		
Interest	\$ 51,360	\$ 29,664
Income taxes		

Schedule of noncash investing and financing transactions

Notes payable incurred to purchase Vitro Diagnostics, Inc.	\$ 900,000
---	------------

</Table>

See Notes to Financial Statements

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AspenBio, Inc.  
Notes to Financial Statements

1. Summary of significant accounting policies

Nature of operations - The Company was organized on July 24, 2000 and on August 1, 2000 purchased the entire assets and liabilities (excluding one patent and two patents pending) of Vitro Diagnostic, Inc. The president and a shareholder was also the president and a shareholder of Vitro Diagnostic, Inc.

The Company purifies human pituitary antigens and tumor markets, and animal hormones throughout the United States.

Cash and cash equivalents - For purposes of the statement of cash flows, the Company considers all highly liquid debt with original maturities of ninety days or less, to be cash equivalents.

Concentration of credit risk - At December 31, 2001, the Company's cash in financial institutions exceeded the federally insured deposit limit by approximately \$325,000. The Company has not experienced any losses in such accounts.

Fair value of financial instruments - The Company's financial instruments includes accounts receivable, accounts payable, notes payable and long-term debt. The fair market value of accounts receivable and accounts payable approximate their carrying values because their maturities are generally less than one year. Long-term notes receivable and debt obligations are estimated to approximate their carrying values based upon their stated interest rates.

Inventories - Inventories are stated at the lower of cost (first-in, first-out) or market. Goods in process inventory which is not expected to be completed and sold in the next fiscal year is classified as non current.

Property and equipment - Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided primarily by the straight-line method over the estimated useful lives of the related assets.

Intangible assets - Intangible assets are stated at cost net of accumulated amortization. Amortization is provided on a straight-line basis generally over fifteen years. In January 2002 the Company will discontinue amortizing the cost in excess of fair value of purchased assets under the provisions of FAS 142. Instead they will be tested for impairment.

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

1. Summary of significant accounting policies (continued)

Income taxes - At inception, the Company, with the consent of its shareholders, elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes from inception to August 1, 2001. On August 1, 2001, the Company revoked the election.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount expected to be realized. Income tax expense is payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

Revenue recognition - Revenues from the sale of products are recognized upon shipment to the customer. All products may be returned for a full refund for any reason. Management provides an estimated allowance for uncollectable accounts receivable based upon an assessment of amounts outstanding and evaluation of specific customer account balances. As of December 31, 2001 and 2000 no allowance was deemed necessary.

Stock options - The Company accounts for stock options issued to employees in accordance with APB No.25.

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

1. Summary of significant accounting policies (continued)

The Company has elected to adopt the disclosure requirements of SFAS No.123 "Accounting for Stock-based Compensation". This statement requires that the Company provide proforma information regarding net income (loss) and income (loss) per share as if compensation cost for the Company's stock options granted had been determined in accordance with the fair value based method prescribed in SFAS No. 123. Additionally, SFAS No. 123 generally requires that the Company record options issued to non-employees, based on the fair value of the options.

Income (Loss) per share - Basic earnings per share includes no dilution and is computed by dividing net earnings (loss) available to stockholders by the weighted number of common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the Company's earnings. During the years ended December 31, 2001 and 2000, there were no dilutive securities.

Recent accounting pronouncements - The Financial Accounting Standards Board (FASB) has recently issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, SFAS No. 142, Goodwill and Other Intangible Assets, SFAS No. 143, Accounting for Asset Retirement Obligations and SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

SFAS No. 141, Business Combinations, requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001. SFAS No. 142, Goodwill and Other Intangible Assets, addresses accounting for the acquisition of intangible assets and accounting for goodwill and other intangible assets after they have been initially recognized in the financial statements, which is effective for fiscal years beginning after December 15, 2001; however, certain provisions of this Statement apply to goodwill and other intangible assets acquired between July 1, 2001 and the effective date of SFAS 142.

Major provisions of these Statements and their effective dates for the Company are as follows:

- o All business combinations initiated after June 30, 2001 must use the purchase method of accounting, with the pooling of interest method of accounting prohibited.

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

1. Summary of significant accounting policies (continued)

- o Intangible assets acquired in a business combination must be

recorded separately from goodwill if they arise from contractual or other legal rights or are separable from the acquired entity.

- o Goodwill, as well as intangible assets with indefinite lives, acquired after June 30, 2001, will not be amortized. In the year of adoption, all previously recognized goodwill and intangible assets with indefinite lives will no longer be subject to amortization.
- o Goodwill, tested by business segment and intangible assets with indefinite lives will be tested for impairment annually and whenever there is an impairment indicator.

Management will adopt SFAS No. 141 and 142 as of January 1, 2002, and anticipates that the impact on the 2002 financial statements will be a reduction in annual amortization expense of approximately \$28,000.

SFAS No. 143, Accounting for Asset Retirement Obligations, addresses accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 will be effective for the Company for the fiscal year beginning January 1, 2003 and early adoption is encouraged. SFAS No. 143 requires that the fair value of a liability for an asset's retirement obligation be recorded in the period in which it is incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. The Company estimates that the new standard will not have a material impact on its financial statements but is still in the process of evaluating the impact on its financial statements.

SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for the Company on January 1, 2003, and addresses accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of and APB Opinion No. 30, Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business. SFAS No. 144 retains the fundamental provisions of SFAS No. 121 and expands the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The Company estimates that the new standard will not have a material impact on its financial statements but is still in the process of evaluating the impact on its financial statements.

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

2. Purchase of assets of Vitro Diagnostics, Inc.

On August 1, 2000 the Company purchased the entire assets and liabilities (excluding one patent and two patents pending) of Vitro Diagnostics, Inc. for \$250,000 cash, a \$450,000 promissory note and assumed all liabilities and leases. The promissory note was paid during 2000. The president and a shareholder of the Company was also the president and a shareholder of Vitro Diagnostics, Inc. The transaction was recorded as follows:

<S>	<C>
Cash	\$ 7,454
Receivables	208,142
Inventory	140,315
Prepaid expenses	56,677
Property and equipment	255,770
Other assets	6,925
Cost in excess of value of purchased assets	642,835

Total assets	1,318,118
Accounts payable and accruals	75,086
Notes payable	202,577
Total liabilities	277,663
Net purchase	\$1,040,455

</Table>

The Company also assumed certain operating leases.

### 3. Inventories

Inventories consisted of the following at December 31:

<Table>

<Caption>

	2001	2000
	<C>	<C>
Finished goods	\$131,100	\$ 80,019
Goods in process	37,271	7,035
Raw materials	190,003	90,004
Noncurrent goods in process	32,860	19,500
	-----	-----
	\$391,234	\$196,558
	=====	=====

</Table>

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

### 4. Intangible assets

<Table>

	<C>	<C>
Cost in excess of value of purchased assets	\$642,835	\$642,835
Licenses	30,000	
Patents and trademarks	7,842	
	-----	-----
Accumulated amortization	680,677	642,835
	60,712	17,857
	-----	-----
	\$619,965	\$624,978
	=====	=====

</Table>

The Company has license agreements with the University of Wyoming and University of Idaho. The Wyoming agreement is for \$140,000 of which \$10,000 had been paid by December 31, 2001. The remainder is due in semi-annual payments of \$35,000 commencing January, 2002 through July, 2003. The purpose of the agreement is to continue research into other possible pregnancy specific proteins that could be used in the Company's Bovine Pregnancy Test. As well the University transferred its existing pregnancy specific proteins to the Company Over and above the payments the Company agreed to pay the University a 2.5% royalty on the gross revenues generated by the pregnancy test. The agreement may be terminated by the Company with 30 days notice and without future obligations.

The Arizona agreement is for \$20,000 which had been paid by December 31, 2001. The agreement further calls for a royalty of 2.5% to be paid in the gross sales of the Company's pregnancy test. A minimum royalty of \$25,000 per year is due quarterly and is credited against earned royalties. The purpose of the agreement was to transfer to the Company a provisional patent filing held by the University entitled "Determination of Pregnancy Status of Ungulates." The company with 30

days notice and without future obligations may terminate the agreement.

## 5. Notes payable

The following is a summary of notes payable at December 31:

<Table>		
<Caption>		
Short-term	2001	2000
-----	-----	-----
<S>	<C>	<C>
Sun Trust, 6%, unsecured	\$ 30,107	\$ 38,949
US Bank, 13%, credit line of \$50,000	38,839	47,008
	-----	-----
	\$ 68,946	\$ 85,957
	=====	=====
Long-term		
-----		
Colorado Business Leasing, 11%, monthly payments of \$9,053, collateralized by equipment due October, 2003	\$172,917	\$257,637
President and shareholder, 8%, unsecured no fixed due date	433,566	413,512
	-----	-----
	606,483	671,149
Current maturities	315,562	84,290
	-----	-----
	\$290,921	\$586,859
	=====	=====
</Table>		

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

## 5. Notes payable (continued)

Future maturities of long-term debt for each of the years ended December 31:

2002 \$315,562; 2003 \$79,106; 2004 none, 2005 none; thereafter \$211,815. Subsequent to December 31, 2001, approximately \$192,000 was repaid on the above 8% loan. The Company expects to repay an additional \$30,000 in April 2002. Those amounts have been included in current maturities for 2002. The Company anticipates entering into a revised loan agreement with the holder of the 8% loan in April 2002, reflecting revised payment terms of interest payable monthly and approximately \$35,000 payable in April 2002 and the remaining balance outstanding payable in April 2003.

## 6. Lease obligations

Leases:

The Company leases its facilities on a month to month basis. The lease currently requires monthly payments of \$8,129.46. Rent expense under the lease was \$58,000 and \$28,335 for the periods ended December 31, 2001 and 2000, respectively.

The Company leases laboratory equipment under leases which are classified as operating leases. The leases expire through 2004. Rent expense under the leases was \$122,800 and \$30,922 for the periods ended

December 31, 2001 and 2000, respectively.

Future minimum lease payments for each of the years ended December 31:  
2002 \$40,500; 2003 \$31,100; 2004 \$19,000.

## 7. Income taxes

Income taxes at the federal statutory rate is reconciled to the Company's actual income taxes as follows:

	2001	2000
Federal income tax at statutory rate (34%)	\$ 38,000	\$(21,500)
State income tax net of federal tax effect	2,400	
Effect of graduated rates	(10,000)	
Effect of S Corporation election	(19,400)	21,500
	<u>\$ 11,000</u>	<u>\$</u>

There are no deferred tax assets or liabilities. There was no recognition of deferred tax assets or liabilities upon termination of the S corporation election.

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### AspenBio, Inc. Notes to Financial Statements (Continued)

## 8. Stockholders' equity

On August 1, 2001, the Board of Directors approved the increase in the authorized shares from 100,000 to 15,000,000.

Also on August 1, 2001, the Board of Directors approved a split in the outstanding shares such that the then outstanding shares of 15,550 became 8,000,000. The effect of this approximate 514 for 1 split, has been retroactively reflected in the accompanying financial statements for all periods presented.

Also, on August 1, 2001 the Board of Directors granted stock options to two directors totaling 200,000 shares for \$1 per share. The value of the options are minimal.

On December 28, 2001, with Board of Directors' approval the Company entered into an agreement sell 1,000,000 shares of common stock for total consideration of \$600,000, of which 50% of the shares and consideration was completed upon signing the agreement and the remainder was payable upon completion of specified conditions, which were completed and funding paid on March 12, 2002. As part of the agreement, the Company also agreed to issue warrants to purchase 830,000 shares of common stock at \$1 per share.

## 9. Concentrations

Major customers - The Company had three customers who accounted for 39%, 13% and 11% of its sales during the year ended December 31, 2001. At December 31, 2001, one customer accounted for 54% of the Company's accounts receivable. The Company had one customer who accounted for 80% of its sales during the period ended December 31, 2000. At December 31, 2000, one customer accounted for 33% of the Company's accounts receivable.

Credit risk - The Company performs ongoing credit evaluations of

its customers' financial condition and, generally, requires no collateral from its customers.

Raw materials - The Company purchases substantially all of its raw materials from one supplier.

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AspenBio, Inc.  
Notes to Financial Statements (Continued)

10. Subsequent events

Subsequent to year end the Company adopted an Incentive Stock Option plan consisting of 900,000 shares, reserving 400,000 shares for issuance to employees and other qualified individuals. Options to be issued under the plan are required to be at fair value and expire ten years from the date of grant.

Subsequent to year end, the Company, with the approval of its Board began preparing a Form S-1 Registration statement for filing with the Securities and Exchange Commission to have its stock become publicly traded.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders  
Vitro Diagnostics, Inc.

We have audited the balance sheet of Vitro Diagnostics, Inc. as of October 31, 2000, (not separately included herein) and the related statements of operations, shareholders equity, and cash flows, for the year ended October 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 1999, were audited by other auditors whose report dated January 18, 2000, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vitro Diagnostics, Inc. as of October 31, 2000, and the results of its operations and its cash flows for the year ended October 31, 2000, in conformity with generally accepted accounting principles.

/s/ Cordovano and Harvey, P.C.

-----  
Cordovano and Harvey, P.C.  
Denver, Colorado  
December 22, 2000

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Larry O'Donnell, CPA, P.C.  
Telephone (303) 745-4545  
2280 South Xanadu Way, Suite 370  
Aurora, Colorado 80014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
and Shareholders Vitro Diagnostics, Inc.

I have audited the balance sheet of Vitro Diagnostics, Inc. as of October 31, 1999 (not separately included herein), and the related statements of operations, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vitro Diagnostics, Inc. as of October 31, 1999 and the results of its operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ Larry O'Donnell, CPA, P.C.

-----  
Larry O'Donnell, CPA, P.C.  
Aurora, Colorado  
January 18, 2000

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VITRO DIAGNOSTICS, INC.  
Statements of Operations

<Table>  
<Caption>

	For the Years Ended October 31,	
	2000	1999
	-----	-----
<S>	<C>	<C>
Revenue:		
Product sales .....	\$ 821,564	\$ 835,452
Cost of goods sold .....	346,604	288,565
	-----	-----
Gross profit .....	474,960	546,887
Operating expenses:		
Selling, general and administrative .....	465,547	363,882
Rent and facility fees, related party .....	5,250	--
Research and development .....	407,295	276,484
	-----	-----
Total operating expenses .....	878,092	640,366
	-----	-----
Loss from operations .....	(403,132)	(93,479)
Other income (expense):		
Interest income .....	7,171	--
Interest expense .....	(20,894)	(52,866)
Miscellaneous income .....	9,292	5,542
	-----	-----

Loss before income taxes .....	(407,563)	(140,803)
Provision for income taxes .....	--	--
Net loss .....	<u>\$ (407,563)</u>	<u>\$ (140,803)</u>
Basic and diluted loss per common share .....	<u>\$ (0.05)</u>	<u>\$ (0.02)</u>
Basic and diluted weighted average common shares outstanding .....	<u>8,469,239</u>	<u>7,097,000</u>

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

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VITRO DIAGNOSTICS, INC.  
Statement of Shareholders' Equity  
For the Years ended October 31, 2000 and 1999

<Table>

<Caption>

	Common Stock		Additional		Total	
	Shares	Par Value	Paid-in Capital	Retained Deficit		
<S>	<C>	<C>	<C>	<C>	<C>	
Balance, October 31, 1998 .....		6,419,816	\$ 6,420	\$ 3,529,909	\$(3,028,361)	\$ 507,968
Common stock issued in exchange for services .....	149,842	150	27,150	--	27,300	
Sale of common stock .....		485,429	485	251,515	--	252,000
Stock options exercised .....	1,400,000	1,400	122,600	--	124,000	
Net loss for the year ended October 31, 1999 .....	--	--	--	(140,803)	(140,803)	
Balance, October 31, 1999 .....		8,455,087	8,455	3,931,174	(3,169,164)	770,465
Net contributed capital received in Purchase Agreement with related party .....	--	--	354,770	--	354,770	
Stock options exercised .....	79,748	80	1,320	--	1,400	
Office and facility use contributed by an affiliate company .....	--	--	5,250	--	5,250	
Net loss for the year ended October 31, 2000 .....	--	--	--	(407,563)	(407,563)	
Balance, October 31, 2000 .....		<u>8,534,835</u>	<u>\$ 8,535</u>	<u>\$ 4,292,514</u>	<u>\$(3,576,727)</u>	<u>\$ 724,322</u>

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

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VITRO DIAGNOSTICS, INC.  
Statements of Cash Flows

<Table>

<Caption>

For the Years Ended

	October 31,	
	2000	1999
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss .....	\$(407,563)	\$(140,803)
Transactions not requiring cash:		
Depreciation and amortization .....	14,346	13,763
Office and facility use contributed by affiliate .....		5,250
Stock issued in exchange for services .....	--	27,300
Changes in current assets and current liabilities:		
(Increase) decrease in accounts receivable, inventories, prepaid expenses and deposits, net of sale to AspenBio .....	172,791	(68,130)
Increase (decrease) in accounts payable, accrued expenses and payroll taxes payable, net of sale to AspenBio .....	71,831	(73,890)
Net cash used in operating activities .....	(143,345)	(241,760)
Cash flows from investing activities:		
Proceeds from Purchase Agreement .....	250,000	--
Property and equipment purchases .....	(29,683)	(17,953)
Payments for patents .....	(50,244)	(48,612)
Issuance of note receivable .....	--	(6,825)
Proceeds from receipts on note receivable .....	6,500	325
Proceeds from AspenBio note receivable .....	450,000	--
Net cash provided by (used) in investing activities .....	626,573	(73,065)
Cash flows from financing activities:		
Proceeds from issuance of notes payable .....	195,000	150,000
Principal payments of notes payable .....	(134,495)	(162,636)
Sale of common stock .....	1,400	376,000
Net cash provided by financing activities .....	61,905	363,364
Net change in cash and cash equivalents .....	545,133	48,539
Cash and cash equivalents, beginning of year .....	44,291	(4,248)
Cash and cash equivalents, end of year ....	\$ 589,424	\$ 44,291
Supplemental disclosure of cash flow information: Cash paid during the year for:		
Interest.....	\$ 20,894	\$ 51,854
Income taxes.....	\$ --	\$ --
Non-cash investing and financing transactions:		
Net assets and debt sold to AspenBio in exchange for promissory note .....	\$ 450,000	\$ --
Cashless exercise of stock options.....	\$ 62	\$ --

</Table>

See accompanying summary of significant accounting policies and notes to the financial statements.

## Summary of Significant Accounting Policies

### Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### Revenue recognition

Revenues from the sale of products are recognized upon shipment to the customer. All products may be returned for a full refund for any reason. Management provides an estimated allowance for uncollectable accounts receivable based upon an assessment of amounts outstanding and evaluation of specific customer account balances.

### Inventory

Inventory is valued utilizing the lower of cost or market value determined on the first-in first-out (FIFO) valuation method. Physical inventories are conducted quarterly. As of October 31, 2000, the Company had no inventory (See note A).

### Property, equipment and depreciation

Property and equipment are stated at cost. Depreciation is calculated on the straight-line method. As of October 31, 2000, the Company had no depreciable assets (See Note A). Depreciation expense totaled \$10,487 for the year ended October 31, 2000.

### Patents and amortization

Patents consist of costs incurred to acquire patents. Amortization commences once a patent is granted. If a patent is denied, the costs incurred are charged to operations in the year the patent is denied. The Company amortizes its patent over a period of twenty years. Amortization expense totaled \$3,859 for the year ended October 31, 2000.

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### Income taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income and tax credits that are available to offset future federal income taxes.

### Earnings/(loss) per share

The Company reports loss per share using a dual presentation of basic and diluted loss per share. Basic loss per share excludes the impact of common stock equivalents. Diluted loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. Common stock options outstanding at October 31, 2000 were not included in the diluted loss per share as all 1,162,344 options were anti-dilutive. Therefore,

basic and diluted losses per share at October 31, 2000 were equal.

#### Stock-based compensation

SFAS No. 123, "Accounting for Stock-Based Compensation" was issued in October 1995 (SFAS 123). This accounting standard permits the use of either a "fair value based method" or the "intrinsic value method" defined in Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" (APB 25) to account for stock-based compensation arrangements. SFAS 123 requires the fair value based method of accounting for stock issued to non-employees in exchange for services.

Companies that elect to use the method provided in APB 25 are required to disclose pro forma net income and pro forma earnings per share information that would have resulted from the use of the fair value based method. The Company has elected to continue to determine the value of stock-based compensation arrangements under the provisions of APB 25. Pro forma disclosures have been included in Note D.

#### Fair value of financial instruments

SFAS 107, "Disclosure About Fair Value of Financial Instruments," requires certain disclosures regarding the fair value of financial instruments. The carrying amounts of cash, accounts payable and other accrued liabilities approximate fair value due to the short-term maturity of the instruments.

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### VITRO DIAGNOSTICS, INC. Notes to Financial Statements

#### NOTE A: NATURE OF ORGANIZATION

The Company was incorporated under the laws of Nevada on March 31, 1986. From November of 1990 through July 31, 2000, the Company was engaged in the development, manufacturing and marketing of purified human antigens ("Diagnostics") and the development of therapeutic products ("Therapeutics"). The Company's sales have been solely attributable to the manufacturing of the purified human antigens.

On August 7, 2000, the Company sold its Diagnostics operations to AspenBio, Inc. ("AspenBio"), a private affiliated company owned by the former president and director. The transaction was effective for accounting purposes on July 31, 2000. AspenBio purchased all of the assets and liabilities of the Company, excluding the patents, in exchange for \$250,000 and a \$450,000 promissory note. The promissory note was paid in full as of October 31, 2000. Because the transaction occurred between related parties, the Company's gain on the sale was recorded to equity as an increase to additional paid-in capital. The net increase to additional paid-in capital of \$354,770 was calculated as follows:

<Table>

<Caption>

Description	Amount	Totals
-----	-----	-----
<S>	<C>	<C>
Cash.....	\$ 6,517	
Receivables.....	208,142	
Inventory.....	335,198	
Furniture and equipment, net.....	54,212	
Other assets.....	11,058	
	-----	
Total Assets.....		615,127
Payables and accruals.....	(67,319)	
Debt.....	(202,578)	
	-----	
Total Liabilities*.....		(269,897)
	-----	
Net assets sold to AspenBio.....		345,230
	-----	
Cash.....	250,000	
Promissory note.....	450,000	
	-----	



time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer impaired and the allowance is no longer required.

NOTE D: SHAREHOLDERS' EQUITY

During the year ended October 31, 2000, the Company issued 62,248 shares of its \$.001 par value common stock through the exercise of 82,656 common stock options. The option holders surrendered 20,408 options as consideration for the stock received.

During the year ended October 31, 2000, the Company sold 17,500 shares of its \$.001 par value common stock for \$1,400 through the exercise of 17,500 common stock options at \$.08 per share.

During the year ended October 31, 2000, the Company granted 35,000 options to directors with exercise prices equal to the common stock market value on the date of grant. The weighted average exercise price and weighted average fair value of these options as of October 31, 2000 were \$1.42 and \$.72, respectively.

All stock options have been issued under the Company's 1992 Stock Option Plan. An aggregate of 3,000,000 common shares has been reserved for issuance under the 1992 Plan. All stock options were fully vested on the date of grant. The following schedule summarizes the changes in the Company's stock option plan:

<Table>  
<Caption>

	Options Outstanding and Exercisable		Weighted Average	
	Number of Shares	Exercise Price Per Share	Exercise Price Per Share	
Balance at October 31, 1998 .....	2,440,000	\$ .07 to \$.79	\$ 0.10	
Options granted .....	220,000	\$.63 to \$.79	0.64	
Options exercised .....	(1,400,000)	\$.07 to \$.19	0.09	
Options canceled .....	--	--	--	
Balance at October 31, 1999 .....	1,260,000	\$.07 to \$.79	0.22	
Options granted .....	35,000	\$1.19 to \$1.50	1.42	
Options exercised .....	(100,156)	\$.08 to \$1.00	0.59	
Options canceled .....	--	--	--	
Balance at October 31, 2000 .....	1,194,844	\$.07 to \$1.50	\$ 0.25	

</Table>

Pro forma information regarding net income and earnings per share is required by SFAS 123 as if the Company had accounted for its granted stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

<Table>

Risk-free interest rate.....	6.00%
Dividend yield.....	0.00%
Volatility factor.....	50.00%
Weighted average expected life.....	5 years

</Table>

The Black-Scholes options valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input

assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. However, the Company has presented the pro forma net loss and pro forma basic and diluted loss per common share using the assumptions noted above.

<Table>  
<Caption>

	For the Years Ended October 31,	
	2000	1999
	<C>	<C>
Pro forma net loss	\$ (455,336)	\$ (211,203)
Pro forma basic and diluted net loss per common share	\$ (0.05)	\$ (0.03)

</Table>

#### NOTE E: SUBSEQUENT EVENT

On November 3, 2000, the Company granted 4,000 options to directors with exercise prices equal to the common stock market value on the date of grant. The weighted average exercise price and weighted average fair value of these options on November 3, 2000 were \$1.16 and \$.59, respectively.

Effective December 2, 2000, the Company's Board of Directors adopted an Equity Incentive Plan (the "Plan"), which replaced the Company's 1992 Stock Option Plan. One million shares of common stock are authorized to be awarded under the Plan. Awards may take the form of stock options, non-qualified stock options, restricted stock awards, stock bonuses and other stock grants

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The expenses payable by the Registrant in connection with the issuance and distribution of the securities being registered (other than underwriting discounts and commissions, if any) are set forth below. Each item listed is estimated, except for the Securities and Exchange Commission registration fee.

<Table>

	<C>
Securities and Exchange Commission registration fee	\$ 396.82
Accounting fees and expenses	15,000.00
Legal fees and expenses	60,000.00
Registrar and transfer agent's fees and expenses	2,500.00
Printing and engraving expenses	15,000.00
Miscellaneous	7,103.18
	-----
Total expenses	\$100,000.00
	=====

</Table>

#### ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 7-109-102 of the Colorado Business Corporation Act ("CBCA") provides that a corporation may indemnify any director made a party to any proceeding against expenses reasonably incurred by him in connection with the defense or settlement of the action, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be

liable to the corporation. To the extent that a director or officer is successful on the merits or otherwise in the defense of any action referred to above, the corporation is required under Colorado law to indemnify that person against reasonable expenses incurred in connection therewith.

Article Seventh(c) of our Articles of Incorporation requires us to indemnify each of our directors and officers to the maximum extent permitted by CBCA.

Article Seventh(d) of the Registrant's Certificate of Incorporation provides that no director shall be liable to the Registrant or its shareholders for monetary damages for breach of his fiduciary duty as a director. However, a director will be liable for any breach of his duty of loyalty to the Registrant or its shareholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law, any transaction from which the director derived an improper personal benefit, or voting for or assenting to a distribution that is unlawful under Colorado law.

#### ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since its inception on July 24, 2000, the Registrant has made the following sales of securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"):

##### II-1

From July through December 2000, the Registrant sold 5,432,798 shares of its Common Stock (as adjusted for a stock split in 2001) to Roger D. Hurst, President of the Company, and Cathy Landmann, Director of Laboratory Operations of the Company, for \$500,000 in cash. In January 2001, the Registrant sold 282,958 shares (as adjusted for the stock split) to William F. Colgin, Jr. for \$15,458. Mr. Colgin is an attorney and is the brother of Dr. Mark Colgin, the Company's Director of Recombinant Technology. All of these shares were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act.

Effective January 1, 2001, the Registrant issued 2,284,244 shares of its Common Stock to four key employees for services rendered valued at \$137,055. These shares were issued without registration in reliance on Rule 701 and the exemption from registration under Section 4(2) of the Securities Act.

During the period from July 1, 2001 to December 28, 2001, the Registrant issued 300,000 shares of its Common Stock to nine persons at \$1.00 per share for aggregate consideration of \$300,000. All of these shares were issued without registration in reliance on the exemption from registration under Section 3(b) of the Securities Act and SEC Rule 504. The Registrant also believes that the Section 4(2) exemption would also be available due to the limited size of the offering and the qualifications of the offerees.

In connection with the 2001 private offering, the Registrant sent an investor rights declaration regarding piggyback registration and other rights to the Purchasers. The Registrant also prematurely issued stock certificates to these purchasers prior to filing amended articles of incorporation with the Colorado Secretary of State to increase the Registrant's authorized shares of common stock. The Registrant subsequently filed the amended articles. The Registrant also offered to rescind the purchases by refunding the purchase price plus 10% and requested return of the stock certificates and an Amended Investors Rights Declaration. Of the nine purchasers, one purchaser of 50,000 shares accepted the offer of rescission and the Registrant paid him \$55,000. In March 2002, the Registrant resold the 50,000 shares to the wife and father-in-law of a director at \$1.25 per share, or a total of \$62,500. The shares were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act and Rules 505 and 506.

In December 2001, the Registrant entered into an agreement to sell 1,000,000 shares and warrants to purchase up to 830,000 shares to Cambridge Holdings, Ltd. and its designees for \$600,000. These securities were issued without registration in reliance on the exemption from registration under Section 3(b) of the Securities Act and SEC Rule 504. These securities were issued without registration in reliance on the exemption from registration under Section 4(2) of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(e) Exhibits

INDEX TO EXHIBITS

<Table>	<Caption>	EXHIBIT NO.	DESCRIPTION
<S>	<C>	-----	-----
3.1			Articles of Incorporation of the Registrant filed July 24, 2000
3.1.1			Articles of Amendment to the Articles of Incorporation of the Registrant filed December 26, 2001

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<Table>	<Caption>	EXHIBIT NO.	DESCRIPTION
<S>	<C>	-----	-----
3.2			Bylaws of the Registrant
4.1(a)			Specimen Certificate of Common Stock
			(b) Specimen Warrant and Agreement to Amend Warrants
5.1			Opinion of Patton Boggs LLP as to legality of 1,725,305 of the shares of AspenBio common stock being registered*
10.1			Agreement for Purchase of Assets and Assumption of Liabilities by and among Vitro Diagnostics, Inc., Erik Van Horne, James Musick, AspenBio, and Roger Hurst, dated August 7, 2000
10.2(a)			Securities Purchase Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
10.3			Investor Rights Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
10.4(a)			Consulting Agreement, dated December 28, 2001, between AspenBio and Cambridge Holdings, Ltd.
			(b) Letter, dated March 14, 2002, confirming performance and termination of the Consulting Agreement
10.5			Shareholders Agreement, dated December 28, 2001, among AspenBio, Cambridge Holdings and Roger Hurst
10.6			Amended Investor Rights Declaration dated December 28, 2001, between AspenBio and Shareholders of AspenBio
10.7			2002 Stock Incentive Plan
10.8			Technology Transfer Agreement, dated October 29, 2001 between AspenBio and the University of Wyoming**
10.9			License Agreement for Determination of Pregnancy Status of Ungulates, dated September 25, 2001, between AspenBio and the Idaho Research Foundation Inc.
10.10			Promissory Note, dated August 7, 2000, made by AspenBio to Roger D. Hurst and Amended and Restated Promissory Note, dated April 1, 2002
10.11			Promissory Note, dated April 1, 2002 made by AspenBio to Roger D. Hurst.

- 10.12 Promissory Note, dated November 1, 2000, made by AspenBio to Colorado Business Leasing
- 10.13 Stock Option Agreement, dated August 21, 2001, between AspenBio and Gail Schoettler
- 10.14 Stock Option Agreement, dated August 21, 2001, between AspenBio and Bruce Deal
- 10.15 Promissory Note, dated May 6, 2002, made by AspenBio to Roger D. Hurst\*\*\*
- 10.16(a) Contract to Buy and Sell Real Estate, dated January 29, 2002, between Roger D. Hurst and/or assigns and Urban Group, LLC\*\*\*
- (b) Agreement to Amend/Extend Contract, dated April 19, 2002\*\*\*
- (c) Agreement to Amend/Extend Contract, dated May 23, 2002\*\*\*
- 23.1 Consent of Larry O'Donnell, CPA, P.C.\*\*\*
- 23.2 Consent of Cordovano and Harvey, P.C.\*\*\*
- 23.3 Consent of Patton Boggs LLP\*

\* to be filed by amendment

\*\* Filed under an application for confidential treatment.

\*\*\* Filed with this amendment. All other exhibits were previously filed except as indicated

(b) Financial Statement Schedule

No financial statement schedules are required.

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## ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end in the form of prospectus filed with the Commission pursuant to Rule 424(b), if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement:
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in

the registration statement or any material change to such information in the registration statement."

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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#### SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form S-1 and authorizes this Registration Statement to be signed on its behalf by the undersigned, in the City of Littleton, State of Colorado, on June 6, 2002.

ASPENBIO, INC.  
(Registrant)

By: /s/ Roger D. Hurst

-----  
Roger D. Hurst, President

In accordance with the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the date stated.

Date: June 6, 2002                      /s/ Roger D. Hurst

-----  
Roger D. Hurst, President, Chief  
Executive Officer, Chief Financial  
Officer and Director

Date: June 6, 2002                      /s/ Gregory Pusey

-----  
Gregory Pusey, Secretary and Director

Date: June 6, 2002 /s/ Gail S. Schoettler

-----  
Gail S. Schoettler, Director

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INDEX TO EXHIBITS

<Table>

<Caption>

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- </Table>

\* to be filed by amendment

\*\* Filed under an application for confidential treatment.

\*\*\* Filed with this amendment. All other exhibits were previously filed except as indicated

EXHIBIT 10.15

PROMISSORY NOTE

\$625,000.00

May 6, 2002  
Littleton, Colorado

For consideration received, AspenBio, Inc., a Colorado corporation ("Maker") promises to pay to the order of Roger D. Hurst ("Holder") in accordance with the provisions set forth below, the principal sum of SIX HUNDRED AND TWENTY FIVE THOUSAND DOLLARS (\$625,000:00), together with interest thereon at the rate of eight percent (8%) per annum.

Maker shall make one payment of all principal and interest outstanding under this note on May 5, 2004. All amounts due pursuant to this Note shall be paid in cash or other immediately available funds to Holder in care of Maker at 8100 Southpark Way, Unit B-1, Littleton, Colorado 80120, or at such other address as may have been fixed by reasonable notice to Maker. Maker may prepay the principal amount outstanding in whole or in part at any time without penalty or premium. Any partial prepayment shall not postpone the due date of any subsequent installment unless the Holder shall otherwise agree in writing.

The loan represented by this Note is solely for commercial and business purposes, and is not made in connection with a consumer transaction. The loan represented by this Note is not for personal, family, agricultural or household purposes. The loan represented by this Note is not a consumer loan within the meaning of the Uniform Consumer Credit Code ("UCCC") and accordingly the UCCC shall not apply to this Note.

This Note shall be in default if Maker fails to cure within twenty (20) days of receipt of written notice from Holder of default, its failure to make payment of principal or interest due under this Note when the same becomes due and payable. From and after the date of any such default, all principal and interest then due hereunder shall thereafter accrue interest at the rate of twelve percent (12%) per annum. If default shall occur and be continuing and Holder proceeds to enforce or pursue any legal or equitable remedies, Maker agrees to pay all expenses incurred by Holder (including reasonable attorneys' fees) incident to the enforcement of this Note.

This Note and the obligations hereunder may not be assigned or transferred to any person or party by Holder without the prior written consent of Maker, which may be withheld in the sole and absolute discretion of Maker. Maker may assign or transfer its rights and obligations to any person or party at any time; provided, that any successor party shall have all rights and obligations of Maker thereunder. The parties hereto, including Maker and any guarantors, endorsers, successors and assigns hereby waive demand, presentment, protest and notice of protest, diligence, and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and Maker agrees that Holder may extend the terms for payment or accept partial payment without discharging or releasing Maker from any of its obligations hereunder. This Note and its validity, construction, and performance shall be governed in all respects by the laws of the state of Colorado.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed and dated the day and year first above written.

ASPENBIO, INC.  
A Colorado corporation

By:

-----  
Name: Gregory Pusey  
Title: Secretary



EXHIBIT 10.16(a)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE  
(VACANT LAND - FARM - RANCH)

Date: January 29, 2002  
-----

1. AGREEMENT. Buyer agrees to buy and the undersigned Seller agrees to sell the Property defined below on the terms and conditions set forth in this contract

2. DEFINED TERMS.

a. Buyer. Buyer,

Roger Hurst and/or assigns

will take title to the real property described below as  Joint Tenants  
 Tenants In Common  Other

n/a  
-----

b. Property. The Property is the following legally described real estate: To be platted as Lots 1, Brookside Business Center Filing #5, City of Castle Rock

in the County of Douglas , Colorado, commonly known as No. South Perry Street, Castle Rock, CO 80104

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

c. Dates and Deadlines.

<Table>

<Caption>

ITEM NO.	REFERENCE	EVENT	DATE OR DEADLINE
<S>	<C>	<C>	<C>
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n/a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	February 11, 2002
10	Section 7a	Survey Deadline	February 22, 2002
11	Section 7b	Document Request Deadline	February 22, 2002
12	Section 8a	Title Objection Deadline	February 22, 2002
13	Section 8b	Off-Record Matters Deadline	February 11, 2002

14	Section 8b	Off-Record Matters Objection Deadline	February 22, 2002
15	Section 10	Seller's Property Disclosure Deadline	n/a
16	Section 10a	Inspection Objection Deadline	March 15, 2002
17	Section 10b	Resolution Deadline	n/a
18	Section 11	Closing Date	April 25, 2002
19	Section 16	Possession Date	April 25, 2002
20	Section 16	Possession Time	Time of Closing
21	Section 28	Acceptance Deadline Date	February 08, 2002
22	Section 28	Acceptance Deadline Time	5:00 p.m.

d. Attachments. The following exhibits, attachments and addenda are a part of this contract: Addendum to Contract.

e. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable.

3. INCLUSIONS AND EXCLUSIONS.

a. The Purchase Price includes the following items (Inclusions):

(1) Fixtures. If attached to the Property on the date of this contract, lighting, heating, plumbing, ventilating, and air conditioning fixtures, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, sprinkler systems and controls; and n/a

(2) Other Inclusions. If on the Property whether attached or not on the date of this contract: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings, curtain rods, drapery rods, storage sheds, and all keys. Check box if included: [ ] Smoke/Fire Detectors, [ ] Security Systems; and n/a

(3) Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows: n/a

(4) Water Rights. The following legally described water rights: n/a

(5) Growing Crops. With respect to the growing crops Seller and Buyer agree as follows: n/a

b. Instruments of Transfer. The Inclusions are to be conveyed at Closing free and clear of all taxes, liens and encumbrances, except as provided in Section 12. Conveyance shall be by bill of sale or other applicable legal instrument(s). Any water rights shall be conveyed by \_\_\_\_\_ deed or other applicable legal instrument(s).

c. Exclusions. The following attached fixtures are excluded from this sale: n/a

4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

ITEM NO.	REFERENCE	EVENT	AMOUNT	AMOUNT
<S>	<C>	<C>	<C>	<C>
1	Section 4	Purchase Price	\$ 653,400.00	
2	Section 4a	Earnest Money		50,000.00
3	Section 4b	New Loan		n/a
4	Section 4c	Assumption Balance		n/a
5	Section 4d	Seller or Private Financing		n/a
6	Section 4e	Cash at Closing		603,400.00
7		TOTAL	\$ n/a	603,400.00

a. Earnest Money. The Earnest Money set forth in this Section, in the form of Note due 3/25/02, is part payment of the Purchase Price and shall be payable to and held by Land Title, Guarantee

Company, in its trust account, on behalf of both Seller and Buyer. The parties authorize delivery of the Earnest Money deposit to the Closing Company, if any, at or before Closing.

6. APPRAISAL PROVISIONS.

a. Appraisal Condition. This subsection a:  Shall  Shall Not apply.

Buyer shall have the sole option and election to terminate this contract if the Purchase Price exceeds the Property's valuation determined by an appraiser engaged by \_\_\_\_\_. The contract shall terminate by Buyer giving Seller written notice of termination and either a copy of such appraisal or written notice from lender which confirms the Property's valuation is less than the Purchase Price, received on or before the Appraisal Deadline (Section 2c). If Seller does not receive such written notice of termination on or before the Appraisal Deadline (Section 2c), Buyer waives any right to terminate under this subsection.

b. Cost of Appraisal. Cost of any appraisal to be obtained after the date of this contract shall be timely paid by  Buyer  Seller.

7. EVIDENCE OF TITLE.

a. Evidence of Title; Survey. On or before Title Deadline (Section 2c), Seller shall cause to be furnished to Buyer, at Seller's expense, a current commitment for owner's title insurance policy in an amount equal to the Purchase Price certified to a current date. If a title insurance commitment is furnished, it  Shall  Shall Not commit to delete or insure over the standard exceptions which relate to:

- (1) parties in possession,
- (2) unrecorded easements,
- (3) survey matters,
- (4) any unrecorded mechanics' liens,
- (5) gap period (effective date of commitment to date deed is recorded), and

- (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing.

Any additional premium expense to obtain this additional coverage shall be paid by  Buyer  Seller. An amount not to exceed \$ 2,500.00 for the cost of any survey shall be paid by  Buyer  Seller. If the cost exceeds this amount, \_\_\_\_\_ shall pay the excess on or before Closing. The survey shall be received by Buyer on or before Survey Deadline (Section 2c). Seller shall cause the title insurance policy to be delivered to Buyer as soon as practicable at or after Closing.

b. Copies of Exceptions. On or before Title Deadline (Section 2c), Seller, at Seller's expense, shall furnish to Buyer, (1) a copy of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) if a title insurance commitment is required to be furnished, and if this box is checked  Copies of any Other Documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions). Even if the box is not checked, Seller shall have the obligation to furnish these documents pursuant to this subsection if requested by Buyer any time on or before the Document Request Deadline (Section 2c). This requirement shall pertain only to documents as shown of record in the office of the clerk and recorder(s). The abstract or title insurance commitment, together with any copies or summaries of such documents furnished pursuant to this Section, constitute the title documents (Title Documents).

## 8. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Buyer and given to Seller on or before Title Objection Deadline (Section 2c), or within five (5) calendar days after receipt by Buyer of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to title. If Seller does not receive Buyer's notice by the date(s) specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

b. Matters not Shown by the Public Records. Seller shall deliver to Buyer, on or before Off-Record Matters Deadline (Section 2c) true copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Buyer shall have the right to inspect the Property to determine if any third party(ies) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s)

disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller on or before Off-Record Matters Objection Deadline (Section 2c). If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge,

c. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION DEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

In the event the Property is located within a special taxing district and Buyer desires to terminate this contract as a result, if written notice is received by Seller on or before Off-Record Matters Objection Deadline (Section 2c), this contract shall then terminate. If Seller does not receive Buyer's notice by such date, Buyer accepts the effect of the Property's inclusion in

such special taxing district(s) and waives the right to so terminate.

d. Right to Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) or commitment terms as provided in Section 8 a or b above, Seller shall use reasonable effort to correct said items without the obligation to incur any expense to correct the same prior to Closing. If such unsatisfactory title condition(s) are not corrected on or before Closing, this contract shall then terminate; provided, however, Buyer may, by written notice received by Seller, on or before Closing, waive objection to such items.

e. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property including without limitation boundary lines and encroachments, area, zoning, unrecorded easements and claims of easements, leases and other unrecorded agreements, and various laws and governmental regulations concerning land use, development and environmental matters. THE SURFACE ESTATE MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE DOES NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL RIGHTS. THIRD PARTIES MAY HOLD INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE PROPERTY. Such matters may be excluded from the title insurance policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this contract (e.g., Title Objection Deadline [Section 2c] and Off-Record Matters Objection Deadline [Section 2c]).

#### 10. PROPERTY DISCLOSURE AND INSPECTION.

a. Inspection Obligation Deadline. Buyer shall have the right to have inspection(s) of the physical condition of the Property and Inclusions, at Buyer's expense. If the physical condition of the Property or Inclusions is unsatisfactory in Buyer's subjective discretion, Buyer shall, on or before Inspection Objection Deadline (Section 2c):

(1) notify Seller in writing that this contract is terminated,

or

(2) provide Seller with a written description of any unsatisfactory physical condition which Buyer requires Seller to correct (Notice to Correct).

If written notice is not received by Seller on or before Inspection Objection Deadline (Section 2c), the physical condition of the Property and Inclusions shall be deemed to be satisfactory to Buyer.

b. Resolution Deadline. If a Notice to Correct is received by Seller and if Buyer and Seller have not agreed in writing to a settlement thereof on or before Resolution Deadline (Section 2c), this contract shall terminate one calendar day following the Resolution Deadline, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

c. Damage; Liens; Indemnity. Buyer is responsible for payment for all inspections, surveys, engineering reports or for any other work performed at Buyer's request and shall pay for any damage which occurs to the Property and Inclusions as a result of such activities. Buyer shall not permit claims or liens of any kind against the Property for inspections, surveys, engineering reports and for any other work performed on the Property at Buyer's request. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller in connection with any such inspection, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to enforce this subsection, including Seller's reasonable attorney fees. The provisions of this subsection shall survive the termination of this contract.

11. CLOSING. Delivery of deed(s) from Seller to Buyer shall be at Closing (Closing). Closing shall be on the date specified as the Closing Date (Section 2c) or by mutual agreement at an earlier date. The hour and place of Closing shall be as designated by Seller.

12. TRANSFER OF TITLE. Subject to tender or payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient Special Warranty deed to Buyer, at Closing conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:

a. those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with Section 8a [Title Review],

b. distribution utility easements,

c. those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with Section 8b [Matters Not Shown by the Public Records], and

d. inclusion of the Property within any special taxing district, and

e. the benefits and burdens of any declaration and party wall agreements, if any, and

f. other n/a

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13. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid shall be paid at or before Closing from the proceeds of this transaction or from any other source.

14. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate Closing services shall be paid at Closing by  One-Half by Buyer and One-Half by Seller  Buyer  Seller  Other n/a.

The local transfer tax of n/a% of the Purchase Price shall be paid at Closing by  Buyer  Seller. Any sales and use tax that may accrue because of this transaction shall be paid when due by  Buyer  Seller.

15. PRORATIONS. The following shall be prorated to Closing Date (Section 2c), except as otherwise provided:

a. Taxes. Personal property taxes, if any, and general real estate taxes for the year of Closing, based on  The Taxes for the Calendar Year Immediately Preceding Closing  The Most Recent Mill Levy and Most Recent Assessment  Other  
n/a

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c. Other Prorations. Water, sewer charges; and interest on continuing loan(s), if any; and

n/a

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d. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

16. POSSESSION. Possession of the Property shall be delivered to Buyer on Possession Date and Possession Time (Section 2c), subject to the following lease(s) or tenancy(s):

n/a

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If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$n/a, per day from the Possession Date (Section 2c) until possession is delivered.

17. ASSIGNABLE: This contract shall be assignable by Buyer without Seller's prior written consent. Except as so restricted, this contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.

18. CONDITION OF AND DAMAGE TO PROPERTY AND INCLUSIONS. Except as otherwise provided in this contract, the Property, Inclusions or both shall be delivered in the condition existing as of the date of this contract, ordinary wear and tear excepted.

a. Casualty; Insurance. In the event the Property or Inclusions shall be damaged by fire or other casualty prior to Closing, in an amount of not more than ten percent of the total Purchase Price, Seller shall be obligated to repair the same before the Closing Date (Section 2c). In the event such damage is not repaired within said time or if the damages exceed such sum, this contract may be terminated at the option of Buyer by delivering to Seller written notice of termination. Should Buyer elect to carry out this contract despite such damage, Buyer shall be entitled to a credit, at Closing, for all the insurance proceeds resulting from such damage to the Property and Inclusions payable to Seller but not the owners' association, if any, plus the amount of any deductible provided for in such insurance policy, such credit not to exceed the total Purchase Price.

b. Damage; Inclusions; Services. Should any Inclusion(s) or service(s) (including systems and components of the Property, e.g. heating, plumbing, etc.) fail or be damaged between the date of this contract and Closing or possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion(s) or service(s) with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion(s), service(s) or fixture(s) is not the responsibility of the owners' association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. The risk of loss for any damage to growing crops, by fire or other casualty, shall be borne by the party entitled to the growing crops, if any, as provided in Section 3 and such party shall be entitled to such insurance proceeds or benefits for the growing crops, if any.

c. Walk-Through; Verification of Condition. Buyer, upon reasonable notice, shall have the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this contract.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this document, Buyer and Seller acknowledge that the Selling Company or the Listing Company has advised that this document has important legal consequences and has recommended the examination of title and consultation with legal and tax or other counsel before signing this contract.

20. TIME OF ESSENCE AND REMEDIES. Time is of the essence hereof. If any note or check received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

a. If Buyer Is In Default:

(2) Liquidated Damages. All payments and things of value received hereunder shall be forfeited by Buyer and retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection c) are SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to perform the obligations of this contract. Seller expressly waives the remedies of specific performance.

b. If Seller is in Default: Buyer may elect to treat this contract as canceled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performance.

c. Costs and Expenses. In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

21. MEDIATION. If a dispute arises relating to this contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any

settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved 30 calendar days from the date written notice requesting mediation is sent by one party to the other(s). This Section shall not alter any date in this contract, unless otherwise agreed.

22. EARNEST MONEY DISPUTE. Notwithstanding any termination of this contract, Buyer and Seller agree that, in the event of any controversy regarding the Earnest Money and things of value held by broker or Closing Company (unless mutual written instructions are received by the holder of the Earnest Money and things of value), broker or Closing Company shall not be required to take any action but may await any proceeding, or at broker's or Closing Company's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney fees.

23. TERMINATION. In the event this contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to Sections 10c, 21 and 22.

24. ADDITIONAL PROVISIONS. (The language of these additional provisions has not been approved by the Colorado Real Estate Commission.)

SEE ATTACHED CONTRACT ADDENDUM.

25. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION: SURVIVAL. This contract constitutes the entire contract between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this contract. No subsequent modification of any of the terms of this contract shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any obligation in this contract which, by its terms, is intended to be performed after termination or Closing shall survive the same.

26. FACSIMILE. Signatures  May  May Not be evidenced by facsimile. Documents with original signatures shall be provided to the other party at Closing, or earlier upon request of any party.

27. NOTICE OF ACCEPTANCE; COUNTERPARTS. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of acceptance pursuant to Section 27 on or before Acceptance Deadline Date and Acceptance Deadline Time (Section 2c). If accepted, this document shall become a contract between Seller and Buyer. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

Roger Hurst and/or assigns

8100 Southpark Way, Suite B-1, Littleton, CO 80120  
Bus. # 303-794-2000 Fax #: 303-798-8332

BUYER \_\_\_\_\_ DATE \_\_\_\_\_  
By: Roger Hurst

NOTE: IF THIS OFFER IS BEING COUNTERED OR REJECTED, DO NOT SIGN THIS DOCUMENT. REFER TO SECTION 29.

Urban Group, LLC, a Colorado limited liability company  
7437 Village Square Drive, Suite 200, Castle Rock, CO 80104  
Bus. #: 303-660-1338 Fax #: 303-660-4089

SELLER \_\_\_\_\_ DATE \_\_\_\_\_  
By: Don Weaver, Manager

29. COUNTER; REJECTION. This offer is  Countered  Rejected.

Initials only of party (Buyer or Seller) who countered  
or rejected offer.

\_\_\_\_\_

END OF CONTRACT

Note: Closing Instructions should be signed on or before Title Deadline.

BROKER ACKNOWLEDGMENTS. The undersigned Broker(s) acknowledges receipt of the Earnest Money deposit specified in Section 4 and, while not a party to the contract, agrees to cooperate upon request with any mediation conducted under Section 21.

Selling Company Brokerage Relationship. The Selling Company and its licensees have been engaged in this transaction as  Buyer Agent  Seller Agent/Subagent  Dual Agent  Transaction-Broker.

Listing Company Brokerage Relationship. The Listing Company and its licensees have been engaged in this transaction as  Seller Agent  Dual Agent  Transaction-Broker.

BROKERS' COMPENSATION DISCLOSURE.

Selling Company's compensation or commission is to be paid by:  Buyer  Seller  Listing Company

Other n/a  
\_\_\_\_\_

To be completed by Listing Company) Listing Company's compensation or commission is to be paid by:

Buyer  Seller

Other n/a  
\_\_\_\_\_

Selling Company:  
Coldwell Banker Commercial American Spectrum  
1777 South Harrison Street  
Penthouse 2  
Denver, CO 80210  
Phone: 303-409-1400, Fax: 303-409-6000

By:  
\_\_\_\_\_  
Signature James T. Brubaker Date

Listing Company: n/a \_\_\_\_\_ (Name of Company)

Listing Company's Address: n/a  
\_\_\_\_\_

Listing Company's Telephone No: n/a Listing Company's Fax No: n/a  
\_\_\_\_\_

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

Signature n/a

Date

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#### CONTRACT ADDENDUM

Addendum to Contract dated January 29, 2002 between Roger Hurst, and/or assigns, as Buyer(s), and Urban Group, LLC, as Seller(s), concerning property to be platted as Lot 1, Brookside Business Center Filing #5, Castle Rock, Colorado 80104 (hereinafter "the Property"). If any provision in the printed form of said Contract is inconsistent with any provision contained herein, then in that event, the provision contained in this Addendum shall govern and control the rights and obligations of the parties.

ALL PARTIES SHOULD CONSULT LEGAL AND TAX COUNSEL BEFORE SIGNING.

#### 24. ADDITIONAL PROVISIONS:

24(a). CLOSING. Seller is purchasing the Property from Robert L. Hier (hereinafter "Heir"), pursuant to a Contract to Buy and Sell Real Estate (Vacant Land-Farm-Ranch), dated January 22, 2002, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference. It is agreed by the Buyer and Seller that the Closing pursuant to this Contract shall take place simultaneously with the closing between Seller and Heir. However, the Closing date pursuant to this Contract shall be extended to a later date, not to exceed June 1, 2002, if Seller extends the date of the Closing pursuant to the terms of Seller's contract with Heir. In such event, Seller shall give Buyer notice, in writing, of the new Closing date between Buyer and Seller. In the event Seller terminates Seller's contract with Heir, pursuant to the terms of the Contract with Heir, or in the event Heir terminates its contract with Seller, this Contract shall be terminated, and all Earnest Money shall be refunded to the Buyer, and the Seller shall be released from any further liability other than the return of the Earnest Money Deposit.

24(b). ASSIGNMENT. Pursuant to Seller's contract with Heir, it is contemplated that the Seller will assign all of its rights to purchase the Property from Heir to a to-be-formed entity controlled by the Seller, and in turn assign all of Seller's rights under this Contract to said to-be-formed entity. Buyer and Seller acknowledge and agree that Seller may assign all of Seller's rights and obligations under this Contract to a to-be-formed entity controlled by the Seller. Upon such assignment, the to-be-formed entity shall be solely responsible for the terms and conditions of this Contract, and the Seller shall be released from any and all liability arising from, or pertaining to, this Contract, it being understood that the to-be-formed entity shall be solely responsible for the terms and conditions of this Contract.

Unless written consent is otherwise received from the Seller, this Contract may only be assigned by Buyer to a legal entity controlled by Buyer or Aspen Bio, Inc.

24(c). NEXT BUSINESS DAY. In the event any date described herein for payment or performance of the provisions hereof falls on a Saturday, Sunday or legal holiday, the time for such payment or performance shall be extended to the next business day.

Any date references to "Execution" are referring to the date this Contract is mutually accepted and executed by Buyer and Seller.

24(d). NOTICES. Any notices which a party desires or is required to give hereunder shall be in writing and shall be deemed given when delivered personally to each party, delivered by facsimile, or

deposited in the United States mails, postage prepaid, either registered or certified, return receipt requested, to the parties at the following addresses:

Buyer:

Mr. Roger Hurst  
8100 Southpark Way, Suite B-1  
Littleton, CO 80120  
OFC: 303-794-2000  
FAX: 303-798-8332

Seller:  
Mr. Don Weaver  
Urban Group, LLC  
7437 Village Square Drive, Suite 200  
Castle Rock, CO 80104  
OFC: 303-660-1338  
FAX: 303-660-4089

With Copies To:  
Mark J. Overton, Esq.  
Overton, Babiarz & Sykes, P.C.  
7720 East Belleview Avenue, Suite 200  
Englewood, CO 80111  
OFC: 303-779-5900  
FAX: 303-779-6006

Mr. James T. Brubaker  
Coldwell Banker Commercial American Spectrum  
1777 South Harrison Street, Penthouse 2  
Denver, CO 80210  
OFC: 303-409-6002  
FAX: 303-409-6000

24(e). SURVEY. Seller shall provide to Buyer, at Seller's cost, pursuant to Paragraph 7(a) a current or updated and signed ALTA/ACSM Survey of the Property on or before the Survey Deadline and said survey shall be certified to the title company issuing title insurance, the Buyer, the Seller, and Coldwell Banker Commercial American Spectrum. If at Buyer's sole discretion Buyer is not satisfied with this survey, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer.

24(f). ENVIRONMENTAL ASSESSMENT. On or before the Survey Deadline, Seller shall provide Buyer with a copy of the Phase I Environmental Site Assessment Report ("ESA"). Seller is to receive from Heir pursuant to the terms of Seller's contract with Heir. The ESA shall be performed in accordance with the American Society of Testing and Materials ("ASTM") publication, "Standard Practice for Environmental Site Assessment Process" ("ASTN Standard"). If at Buyer's sole discretion Buyer is not satisfied with the results of this environmental study, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and at Buyer's option; (i) this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer; or (ii) all time periods under this Contract shall be extended for 30 days while Buyer conducts further tests and examinations of the Property at its expense. At the end of that 30 day

period, Buyer may elect to terminate this Contract, in which case all Earnest Money deposits shall be returned to it; or to proceed pursuant to this Contract. Buyer will not harm in any way, before or after Closing, the Preble's Meadow Jumping Mouse Conservation Habitat area adjacent to the Property. Buyer will execute, at Closing, any reasonable documents agreeing to the existing Conservation Plan to protect the adjacent Preble's Meadow Jumping Mouse Conservation Habitat, a copy of said documents shall be delivered by Seller to Buyer on or before March 15, 2002.

24(g). INSPECTIONS. Paragraph 10 in this Contract regarding Inspections shall include Buyer's inspections without limitation, at Buyer's expense for, availability of legal, access, utility services cost and availability, current zoning, environmental, risks, soil conditions, and any other items Buyer deems necessary. If, at Buyer's sole discretion, Buyer is not satisfied with the results of any inspections, Buyer shall notify Seller per the inspection Objection Deadline and Resolution Deadline in Contract Paragraph 10.

24(h). BROKERS, THOSE NAMED ONLY. The Buyer and Seller represent to each other

that they have had no negotiations through or brokerage services performed by any other broker or intermediary other than Coldwell Banker Commercial American Spectrum in connection with the execution and delivery of this contract. Roger Hurst is licensed to sell real estate in the State of Colorado and will not be receiving any fees from this transaction.

24(i). TITLE COMPANY. Title insurance shall be issued by Land Title Guarantee Company ("Title Company"), 512 Wilcox, Castle Rock, CO 80104.

24(j). EARNEST MONEY. All Earnest Money shall be deposited in an interest bearing Land Title Guarantee company (Castle Rock office) trust account with interest accruing to Buyer's benefit unless Buyer is in default and interest thereby will accrue to Seller's benefit.

24(k). Final Purchase Price Adjustment. The Purchase Price set forth in Paragraph 4 of this Contract is based on a price of \$5.00 per Square Foot of land as shown on the ALTA/ACSM Survey described in Section 24(c) and assumes that the Property contains 5.00 usable acres net of street right of way or floodplain. The Final Purchase price at time of Closing shall be based on a price of \$5.00 per Square foot times the total square footage of land stated on the Survey referenced in Paragraph 7(a) net of street right of way or floodplain area.

24(l). LAND USE APPROVALS. Pursuant to Seller's contract with Heir, Heir must obtain approvals for Final Plat for the Property and a recorded Final Plat with a recorded Subdivision Improvement Agreement on or before March 25, 2002, and Heir's expense, from the City of Castle Rock, Colorado ("City"), and Seller must obtain on or before March 25, 2002, City Site Plan approval, building permits for Lot 1, construction permits for infrastructure, and other required approvals at Buyer's expense all in forms and pursuant to terms acceptable to Seller in its sole discretion or Seller's contract with Heir shall be null and void solely at the discretion of the Seller. Likewise, this Contract shall also be contingent on Heir and Seller obtaining the above described approvals on or before Closing, provided, however, Buyer may not terminate this Contract after March 15, 2002 for failure to obtain said approvals, unless the above described approvals have not been obtained by June 1, 2002. If said approvals have not been obtained by June 1, 2002, Buyer, at Buyer's discretion, may terminate this Contract ab initio, and shall be entitled to a refund of all Earnest Money deposited by Buyer.

24(m). BUILD TO SUIT. This contract is conditional upon Buyer, and/or its assign, and Seller and/or its assigns, entering into a build-to-suit agreement, with required loan approvals, on or before March 15, 2002, to build a light manufacturing/office/warehouse facility on the Property for Aspen Bio, Inc. This Contract shall be null and void at the discretion of either Seller or Buyer in the event said build-to-suit contract is not entered into and all loans approved by March 15, 2002. In the event of termination pursuant to the terms of this paragraph, all Earnest Money shall be returned to Buyer.

24(n). DELIVERY OF MATERIALS TO BUYER. Within ten (10) business days after the mutual execution and delivery of this Contract, Seller shall provide to Buyer, at no expense to Buyer, any and all engineering studies, warranties, guaranties, contracts affecting the Property, licenses and permits respecting the Property, any environmental property assessments including documents regarding the Prebble's Meadow Jumping Mouse, zoning information, construction drawings, surveys, plats, preliminary drawings, Development Plans, documents submitted or to be submitted to The City of Castle Rock Planning Department, or any quasi-governmental agency having jurisdiction over the Property, Declaration of Protective Covenants, and all other materials and documents concerning the Property owned by Seller or in Seller's possession.

24(o). NON-RECORDATION. Seller and Buyer agree not to record this Contract with the office of the Douglas County Clerk and Recorder, or any other public office in Colorado. In the event that Buyer records this Contract, then this Contract, at the sole election of the Seller, shall be terminated. The termination of this Contract shall be effective on the date a Notice of Termination for this Contract, signed by Seller, is recorded with the Office of the Douglas County Clerk and Recorder.

24(p). CONFIDENTIALITY AGREEMENT. Seller and Buyer each agree to maintain in confidence any information, whether written (including information that is stored on machine readable media) or oral, regarding the Property and the business operations and assets of either party hereto, that previously has not been publicly released by a duly authorized representative of the party hereto to whom such information pertains, including but not limited to proprietary information, plans and specifications, engineering reports, permits, licenses, and contracts affecting the Property or Buyer's plans for development thereof, or any information relating to the environmental condition of the Property or any market analyses or other studies pertaining to the Property or Buyer's plans for development thereof, and the negotiation of and/or the terms and conditions of this Contract (collectively, the Confidential Information), except that either party shall have the right to disclose the Confidential Information, or such portions thereof, (i) as may be compelled by deposition, interrogatory, subpoena, civil investigative demand or similar legal process, and (ii) to consultants, advisors, potential and actual lenders and/or investors, potential and actual buyers or tenants, and government officials and/or employees in connection with evaluation, planning, permitting, financing and other necessary project development activities.

Buyer:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Roger Hurst

Seller::

Urban Group, LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Don Weaver, Manager

EXHIBIT A

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE  
(VACANT LAND - FARM - RANCH)

Date: January 22, 2002  
-----

1. AGREEMENT. Buyer agrees to buy and the undersigned Seller agrees to sell the Property defined below on the terms and conditions set forth in this contract

2. DEFINED TERMS.

a. Buyer. Buyer,  
Urban Group, LLC, a Colorado limited liability company, and/or assigns

will take title to the real property described below as  Joint Tenants   
Tenants In Common  Other  
n/a  
-----

b. Property. The Property is the following legally described real estate: To be platted as Lots 1-3, Brookside Business Center Filing #5, City of Castle Rock

in the County of Douglas , Colorado, commonly known as No. South Perry Street, Castle Rock, CO 80104

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

c. Dates and Deadlines.

<Table>

<Caption>

ITEM NO.	REFERENCE	EVENT	DATE OR DEADLINE
<S>	<C>	<C>	<C>
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n./a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	January 31, 2002
10	Section 7a	Survey Deadline	February 15, 2002
11	Section 7b	Document Request Deadline	February 06, 2002
12	Section 8a	Title Objection Deadline	March 01, 2002
13	Section 8b	Off-Record Matters Deadline	January 31, 2002
14	Section 8b	Off-Record Matters Objection Deadline	February 18, 2002
15	Section 10	Seller's Property Disclosure Deadline	n/a
16	Section 10a	Inspection Objection Deadline	March 25, 2002
17	Section 10b	Resolution Deadline	n/a
18	Section 11	Closing Date	April 25, 2002
19	Section 16	Possession Date	April 25, 2002
20	Section 16	Possession Time	Time of Closing
21	Section 28	Acceptance Deadline Date	January 25, 2002
22	Section 28	Acceptance Deadline Time	5:00 p.m.

</Table>

d. Attachments. The following exhibits, attachments and addenda are a part of this contract: Addendum to Contract.

e. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable.

3. INCLUSIONS AND EXCLUSIONS.

a. The Purchase Price includes the following items (Inclusions):

(1) Fixtures. If attached to the Property on the date of this

contract, lighting, heating, plumbing, ventilating, and air conditioning fixtures, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, sprinkler systems and controls; and n/a

-----

(2) Other Inclusions. If on the Property whether attached or not on the date of this contract:

storm windows, storm doors, window and porch shades, awnings, blinds, screens,, window coverings, curtain rods, drapery rods, storage sheds, and all keys. Check box if included: [ ] Smoke/Fire Detectors, [ ] Security Systems; and n/a

-----

(3) Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows:

n/a

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(4) Water Rights. The following legally described water rights:

n/a

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(5) Growing Crops. With respect to the growing crops Seller and Buyer agree as follows:

n/a

-----

b. Instruments of Transfer. The Inclusions are to be conveyed at Closing free and clear of all taxes, liens and encumbrances, except as provided in Section 12. Conveyance shall be by bill of sale or other applicable legal instrument(s). Any water rights shall be conveyed by n/a deed or other applicable legal instrument(s).

c. Exclusions. The following attached fixtures are excluded from this sale:

n/a

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4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

<Table>

<Caption>

ITEM NO.	REFERENCE	EVENT	AMOUNT	AMOUNT
<S>	<C>	<C>	<C>	<C>
1	Section 4	Purchase Price	\$ 1,089,000.00	
2	Section 4a	Earnest Money		50,000.00
3	Section 4b	New Loan		n/a
4	Section 4c	Assumption Balance		n/a
5	Section 4d	Seller or Private Financing		n/a
6	Section 4e	Cash at Closing		1,039,000.00
7		TOTAL	\$ n/a	1,089,000.00

</Table>

a. Earnest Money. The Earnest Money set forth in this Section, in the form of Note due 3/25/02, is part payment of the Purchase Price and shall be payable to and held by Land Title, Guarantee Company, in its trust account, on behalf of both Seller and Buyer. The parties authorize delivery of the Earnest Money deposit to the Closing Company, if any, at or before Closing.

## 6. APPRAISAL PROVISIONS.

a. Appraisal Condition. This subsection a:  Shall  Shall Not apply.

Buyer shall have the sole option and election to terminate this contract if the Purchase Price exceeds the Property's valuation determined by an appraiser engaged by n/a. The contract shall terminate by Buyer giving Seller written notice of termination and either a copy of such appraisal or written notice from lender which confirms the Property's valuation is less than the Purchase Price, received on or before the Appraisal Deadline (Section 2c). If Seller does not receive such written notice of termination on or before the Appraisal Deadline (Section 2c), Buyer waives any right to terminate under this subsection.

b. Cost of Appraisal. Cost of any appraisal to be obtained after the date of this contract shall be timely paid by  Buyer  Seller.

## 7. EVIDENCE OF TITLE.

a. Evidence of Title; Survey. On or before Title Deadline (Section 2c), Seller shall cause to be furnished to Buyer, at Seller's expense, a current commitment for owner's title insurance policy in an amount equal to the Purchase Price certified to a current date. If a title insurance commitment is furnished, it  Shall  Shall Not commit to delete or insure over the standard exceptions which relate to:

- (1) parties in possession,
- (2) unrecorded easements,
- (3) survey matters,
- (4) any unrecorded mechanics' liens,
- (5) gap period (effective date of commitment to date deed is recorded), and
- (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing.

Any additional premium expense to obtain this additional coverage shall be paid by  Buyer  Seller. An amount not to exceed \$ 2,500.00 for the cost of any survey shall be paid by  Buyer  Seller. If the cost exceeds this amount, n/a shall pay the excess on or before Closing. The survey shall be received by Buyer on or before Survey Deadline (Section 2c). Seller shall cause the title insurance policy to be delivered to Buyer as soon as practicable at or after Closing.

b. Copies of Exceptions. On or before Title Deadline (Section 2c), Seller, at Seller's expense, shall furnish to Buyer, (1) a copy of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) if a title insurance commitment is required to be furnished, and if this box is checked  Copies of any Other Documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions). Even if the box is not checked, Seller shall have the obligation to furnish these documents pursuant to this subsection if requested by Buyer any time on or before the Document Request Deadline (Section 2c). This requirement shall pertain only to documents as shown of record in the office of the clerk and recorder(s). The abstract or title insurance commitment, together with any copies or summaries of such documents furnished pursuant to this Section, constitute the title documents (Title Documents).

## 8. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Buyer and given to Seller on or before Title Objection Deadline (Section 2c), or within five (5) calendar days after receipt by Buyer of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to

title. If Seller does not receive Buyer's notice by the date(s) specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

b. Matters not Shown by the Public Records. Seller shall deliver to Buyer, on or before Off-Record Matters Deadline (Section 2c) true copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Buyer shall have the right to inspect the Property to determine if any

third party(ies) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller on or before Off-Record Matters Objection Deadline (Section 2c). If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge,

c. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION DEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

In the event the Property is located within a special taxing district and Buyer desires to terminate this contract as a result, if written notice is received by Seller on or before Off-Record Matters Objection Deadline (Section 2c), this contract shall then terminate. If Seller does not receive Buyer's notice by such date, Buyer accepts the effect of the Property's inclusion in such special taxing district(s) and waives the right to so terminate.

d. Right to Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) or commitment terms as provided in Section 8 a or b above, Seller shall use reasonable effort to correct said items without the obligation to incur any expense to correct the same prior to Closing. If such unsatisfactory title condition(s) are not corrected on or before Closing, this contract shall then terminate; provided, however, Buyer may, by written notice received by Seller, on or before Closing, waive objection to such items.

e. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property including without limitation boundary lines and encroachments, area, zoning, unrecorded easements and claims of easements, leases and other unrecorded agreements, and various laws and governmental regulations concerning land use, development and environmental matters. THE SURFACE ESTATE MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE DOES NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL RIGHTS. THIRD PARTIES MAY HOLD INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE PROPERTY. Such matters may be excluded from the title insurance policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this contract (e.g., Title Objection Deadline [Section 2c] and Off-Record Matters Objection Deadline [Section 2c]).

#### 10. PROPERTY DISCLOSURE AND INSPECTION.

a. Inspection Obligation Deadline. Buyer shall have the right to have inspection(s) of the physical condition of the Property and Inclusions, at Buyer's expense. If the physical condition of the Property or Inclusions is unsatisfactory in Buyer's subjective discretion, Buyer shall, on or before

Inspection Objection Deadline (Section 2c):

(1) notify Seller in writing that this contract is terminated,  
or

(2) provide Seller with a written description of any  
unsatisfactory physical condition which Buyer requires Seller to correct (Notice  
to Correct).

If written notice is not received by Seller on or before Inspection  
Objection Deadline (Section 2c), the physical condition of the Property and  
Inclusions shall be deemed to be satisfactory to Buyer.

b. Resolution Deadline. If a Notice to Correct is received by Seller  
and if Buyer and Seller have not agreed in writing to a settlement thereof on or  
before Resolution Deadline (Section 2c), this contract shall

terminate one calendar day following the Resolution Deadline, unless before such  
termination Seller receives Buyer's written withdrawal of the Notice to Correct.

c. Damage; Liens; Indemnity. Buyer is responsible for payment for all  
inspections, surveys, engineering reports or for any other work performed at  
Buyer's request and shall pay for any damage which occurs to the Property and  
Inclusions as a result of such activities. Buyer shall not permit claims or  
liens of any kind against the Property for inspections, surveys, engineering  
reports and for any other work performed on the Property at Buyer's request.  
Buyer agrees to indemnify, protect and hold Seller harmless from and against any  
liability, damage, cost or expense incurred by Seller in connection with any  
such inspection, claim, or lien. This indemnity includes Seller's right to  
recover all costs and expenses incurred by Seller to enforce this subsection,  
including Seller's reasonable attorney fees. The provisions of this subsection  
shall survive the termination of this contract.

11. CLOSING. Delivery of deed(s) from Seller to Buyer shall be at Closing  
(Closing). Closing shall be on the date specified as the Closing Date (Section  
2c) or by mutual agreement at an earlier date. The hour and place of Closing  
shall be as designated by Seller.

12. TRANSFER OF TITLE. Subject to tender or payment at Closing as required  
herein and compliance by Buyer with the other terms and provisions hereof,  
Seller shall execute and deliver a good and sufficient special warranty deed to  
Buyer, at Closing conveying the Property free and clear of all taxes except the  
general taxes for the year of Closing. Except as provided herein, title shall be  
conveyed free and clear of all liens, including any governmental liens for  
special improvements installed as of the date of Buyer's signature hereon,  
whether assessed or not. Title shall be conveyed subject to:

a. those specific Exceptions described by reference to recorded  
documents as reflected in the Title Documents accepted by Buyer in accordance  
with Section 8a [Title Review],

b. distribution utility easements,

c. those specifically described rights of third parties not shown by  
the public records of which Buyer has actual knowledge and which were accepted  
by Buyer in accordance with Section 8b [Matters Not Shown by the Public  
Records], and

d. inclusion of the Property within any special taxing district, and

e. the benefits and burdens of any declaration and party wall  
agreements, if any, and

f. other n/a  
-----

13. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid shall be paid  
at or before Closing from the proceeds of this transaction or from any other  
source.

14. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay,

in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate Closing services shall be paid at Closing by  One-Half by Buyer and One-Half by Seller  Buyer  Seller  Other \_\_\_\_\_.

The local transfer tax of n/a% of the Purchase Price shall be paid at Closing by  Buyer  Seller. Any sales and use tax that may accrue because of this transaction shall be paid when due by  Buyer  Seller.

15. PRORATIONS. The following shall be prorated to Closing Date (Section 2c), except as otherwise provided:

a. Taxes. Personal property taxes, if any, and general real estate taxes for the year of Closing, based on  The Taxes for the Calendar Year Immediately Preceding Closing  The Most Recent Mill Levy and Most Recent Assessment  Other  
n/a  
-----

c. Other Prorations. Water, sewer charges; and interest on continuing loan(s), if any; and

d. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

16. POSSESSION. Possession of the Property shall be delivered to Buyer on Possession Date and Possession Time (Section 2c), subject to the following lease(s) or tenancy(s):  
n/a  
-----

If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$n/a, per day from the Possession Date (Section 2c) until possession is delivered.

17. ASSIGNABLE: This contract shall be assignable by Buyer without Seller's prior written consent. Except as so restricted, this contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.

18. CONDITION OF AND DAMAGE TO PROPERTY AND INCLUSIONS. Except as otherwise provided in this contract, the Property, Inclusions or both shall be delivered in the condition existing as of the date of this contract, ordinary wear and tear excepted.

a. Casualty; Insurance. In the event the Property or Inclusions shall be damaged by fire or other casualty prior to Closing, in an amount of not more than ten percent of the total Purchase Price, Seller shall be obligated to repair the same before the Closing Date (Section 2c). In the event such damage is not repaired within said time or if the damages exceed such sum, this contract may be terminated at the option of Buyer by delivering to Seller written notice of termination. Should Buyer elect to carry out this contract despite such damage, Buyer shall be entitled to a credit, at Closing, for all the insurance proceeds resulting from such damage to the Property and Inclusions payable to Seller but not the owners' association, if any, plus the amount of any deductible provided for in such insurance policy, such credit not to exceed the total Purchase Price.

b. Damage; Inclusions; Services. Should any Inclusion(s) or service(s) (including systems and components of the Property, e.g. heating, plumbing, etc.) fail or be damaged between the date of this contract and Closing or possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion(s) or service(s) with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion(s), service(s) or fixture(s) is not the responsibility of the owners' association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. The risk of loss for any damage to growing crops, by fire or other casualty, shall be borne by

the party entitled to the growing crops, if any, as provided in Section 3 and such party shall be entitled to such insurance proceeds or benefits for the growing crops, if any.

c. Walk-Through; Verification of Condition. Buyer, upon reasonable notice, shall have the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this contract.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this document, Buyer and Seller acknowledge that the Selling Company or the Listing Company has advised that this document has important legal consequences and has recommended the examination of title and consultation with legal and tax or other counsel before signing this contract.

20. TIME OF ESSENCE AND REMEDIES. Time is of the essence hereof. If any note or check received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

a. If Buyer Is In Default:

(2) Liquidated Damages. All payments and things of value received hereunder shall be forfeited by Buyer and retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection c) are SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to perform the obligations of this contract. Seller expressly waives the remedies of specific performance.

b. If Seller is in Default: Buyer may elect to treat this contract as canceled, in which case all payments and things of value received hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performance.

c. Costs and Expenses. In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

21. MEDIATION. If a dispute arises relating to this contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved 30 calendar days from the date written notice requesting mediation is sent by one party to the other(s). This Section shall not alter any date in this contract, unless otherwise agreed.

22. EARNEST MONEY DISPUTE. Notwithstanding any termination of this contract, Buyer and Seller agree that, in the event of any controversy regarding the Earnest Money and things of value held by broker or Closing Company (unless mutual written instructions are received by the holder of the Earnest Money and things of value), broker or Closing Company shall not be required to take any action but may await any proceeding, or at broker's or Closing Company's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney fees.

23. TERMINATION. In the event this contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to Sections 10c, 21 and 22.

24. ADDITIONAL PROVISIONS. (The language of these additional provisions has not been approved by the Colorado Real Estate Commission.) SEE ATTACHED CONTRACT ADDENDUM.





requested, to the parties at the following addresses:

Buyer:

Mr. Don Weaver  
Urban Group, LLC  
7437 Village Square Drive, Suite 200  
Castle Rock, CO 80104  
OFC: 303-660-1338  
FAX: 303-660-4089

With Copies To:

Mark J. Overton, Esq.  
Overton, Babiarz & Sykes, P.C.  
7720 East Bellview Avenue, Suite 200  
Englewood, CO 80111  
OFC: 303-779-5900  
FAX: 303-779-6006

Mr. James T. Brubaker

Coldwell Banker Commercial American Spectrum  
1777 South Harrison Street, Penthouse 2  
Denver, CO 80210  
OFC: 303-409-6002  
FAX: 303-409-6000

Seller:

Mr. Robert L. Hier  
801 South Perry Street  
Castle Rock, CO 80104  
OFC: 303-688-3105  
FAX: 303-688-3108

With Copies To:

Walter Slatkin, Esq.  
Wolf and Slatkin, P.C.  
44 Cook Street, Suite 1000  
Denver, CO 80206-5827  
OFC: 303-355-2999  
FAX: 303-329-6826

24(c). SURVEY. Seller shall provide to Buyer, at Seller's cost, pursuant to Paragraph 7(a) a current or updated and signed ALTA/ACSM Survey of the Property on or before the Survey Deadline and said survey shall be certified to the title company issuing title insurance, the Buyer, the Seller, and Coldwell Banker Commercial American Spectrum. If at Buyer's sole discretion Buyer is not satisfied with this survey, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer.

24(d). ENVIRONMENTAL ASSESSMENT. Seller shall provide, at Seller's cost, Buyer with a current or updated copy of a Phase I Environmental Site Assessment Report ("ESA") on or before the Survey Deadline. The ESA shall be performed in accordance with the American Society of Testing and Materials ("ASTM") publication, "Standard Practice for Environmental Site Assessment Process" ("ASTN Standard"). If at Buyer's sole discretion Buyer is not satisfied with the results of this environmental study, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and at Buyer's option; (i) this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer; or (ii) all time periods under this Contract shall be extended for 30 days while Buyer conducts further tests and examinations of the Property at its expense. At the end of that 30-day period, Buyer may elect to terminate this Contract, in which case all Earnest Money deposits shall be returned to it; or to proceed pursuant to this Contract. Buyer will not harm in any way, before or after Closing, the Preble's Meadow Jumping Mouse Conservation Habitat area adjacent to the Property. Buyer will execute, at Closing, any reasonable documents agreeing to the existing Conservation Plan to protect the adjacent Preble's Meadow Jumping Mouse Conservation Habitat, a copy of said documents shall be delivered by Seller to Buyer on or before March 1, 2002.

24(e). INSPECTIONS. Paragraph 10 in this Contract regarding Inspections shall include Buyer's inspections without limitation, at Buyer's expense for, availability of legal, access, utility services cost and availability, current zoning, environmental risks, soil conditions, and any other items Buyer deems necessary. If, at Buyer's sole discretion, Buyer is not satisfied with the results of any inspections, Buyer shall notify Seller per the inspection Objection Deadline and Resolution Deadline in Contract Paragraph 10.

24(f). BROKERS, THOSE NAMED ONLY. The Buyer and Seller represent to each other that they have had no negotiations through or brokerage services performed by any other broker or intermediary other than Coldwell Banker Commercial American Spectrum and Hier & Company, Inc. in connection with the execution and delivery of this contract. Robert L. Hier is the Seller and is also licensed to sell real estate in the State of Colorado.

24(g). TITLE COMPANY. Title insurance shall be issued by Land Title Guarantee Company ("Title Company"), 512 Wilcox, Castle Rock, CO 80104.

24(h). EARNEST MONEY. All Earnest Money shall be deposited in an interest bearing Land Title Guarantee company (Castle Rock office) trust account with interest accruing to Buyer's benefit unless Buyer is in default and interest thereby, will accrue to Seller's benefit.

24(i). Final Purchase Price Adjustment. The Purchase Price set forth in Paragraph 4 of this Contract is based on a price of \$5.00 per Square Foot of land as shown on the ALTA/ACSM Survey described in Section 24(C) and assumes that the Property contains 5.00 usable acres net of street right of way or floodplain. The Final Purchase price at time of Closing shall be based on a price of \$5.00 per Square foot times the total square footage of land stated on the Survey referenced in Paragraph 7(a) net of street right of way or floodplain area. The Purchase Price shall be reduced by the total cost estimates obtained by both the Buyer and Seller for the construction of all off lot infrastructure required by the City to allow development of the individual lots. Said estimates shall be mutually acceptable to both the Buyer and Seller on or before March 25, 2002.

24(j). LAND USE APPROVALS. This Contract is Conditional upon Seller obtaining approvals on or before March 25, 2002, at Seller's expense, from the City of Castle Rock, Colorado ("City"), for Final Plat for the Property and a recorded Final Plat with a recorded Subdivision Improvement Agreement, and Buyer obtaining City Site Plan approval, building permits for Lot 1, construction permits for infrastructure, and other required approvals at Buyer's expense all in forms and pursuant to terms acceptable to Buyer in its sole discretion or this contract shall be null and void solely at the discretion of the Buyer and all Earnest Money shall be returned to Buyer. If the aforementioned land use approvals have not been obtained, then Buyer, at Buyer's option, may extend the aforementioned March 25, 2002 date and the Closing Date by 30 days to obtain all required approvals and permits.

24(k). ASPEN BIO. This contract is conditional upon Buyer entering into a build-to-suit agreement, with required loans approved, with Aspen Bio, Inc., Roger Hurst, or related entities, on or before March 25, 2002, to build a light manufacturing/office/warehouse facility on the Property. This Contract shall be null and void solely at the discretion of the Buyer and all earnest money shall be returned in the event said contract is not entered into and all loans approved by March 25, 2002.

24(l). DELIVERY OF MATERIALS TO BUYER. Within ten (10) business days after the mutual execution and delivery of this Contract, Seller shall provide to Buyer, at no expense to Buyer, any and all engineering studies, warranties, guaranties, contracts affecting the Property, licenses and permits respecting the Property, any environmental property assessments including documents regarding the Prebble's Meadow Jumping Mouse, zoning information, construction drawings, surveys, plats, preliminary drawings, Development Plans, documents submitted or to be submitted to The City of Castle Rock Planning Department, or any quasi-governmental agency having jurisdiction over the Property, Declaration of Protective Covenants, and all other materials and documents concerning the Property owned by Seller or in Seller's possession.

24(m). CONTRACT IS ASSIGNABLE. This Contract may be assigned to any legal entity

controlled by the Buyer, Don Weaver, Aspen Bio, or Roger Hurst.

Buyer:

Urban Group; LLC, and/or assigns

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Don Weaver, President

Seller:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Robert L. Hier

By: \_\_\_\_\_ Date: \_\_\_\_\_  
H. R. Gannon

U.S. 50,000.00

EARNEST MONEY  
Promissory Note

Castle Rock, Colorado Date January 22,  
2002

FOR VALUE RECEIVED,

Urban Group, LLC, a Colorado limited liability company

7437 Village Square Drive Castle Rock CO 80104

jointly and severally, promise to pay to the order of  
Land Title Guarantee Company (Castle Rock Office)

the sum of Fifty Thousand and no/100 Dollars,

with interest at 12.0 per cent per annum from March 26, 2002 until paid.

Both principal and interest are payable In US. dollars on or before March 25.  
2002, payable at Title Guarantee Company (Castle Rock Office)

or such other address as note holder may designate. Presentment, notice of  
dishonor, and protest are hereby waived. If this note is not paid when due, I/we  
agree to pay all reasonable cost of collection, including attorney's fees.

Urban Group, a Colorado limited liability company

BUYER \_\_\_\_\_ Date: \_\_\_\_\_  
By: Don Weaver, President

This note is given as earnest money for the contract on the following property:  
To be platted as Lots 113, Brookside Business Center Filing #5, City of Castle  
Rock, Douglas County, State of Colorado



EXHIBIT 10.16(b)

THIS FORM AS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

AGREEMENT TO AMEND/EXTEND CONTRACT

Date: April 19, 2002  
-----

RE: Contract dated January 29, 2002 between

Roger Hurst  
AspenBio, Inc.  
(Buyer) and

Urban Group, LLC, a Colorado limited liability company

(Seller), relating to the sale and purchase of the following described real estate in the County of Douglas, Colorado:

Lot 1, Brookside Business, Centex, Filing #5  
Town of Castle Rock, County of Douglas, State of Colorado  
State of Colorado

Final Plat to be recorded the week of April 16 - 19, 2002, prior to closing.

known as No.

TBD South Perry Street, Castle Rock, CO 80104, (property).

-----  
Street Address City State Zip

Buyer and Seller hereby agree to amend the aforesaid contract as follows:  
Section 2c. Dates and Deadlines.

<Table>

<Caption>

Item No.	Reference	Event	Date or Deadline
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n/a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	n/a
10	Section 7a	Survey Deadline	n/a
11	Section 7b	Document Request Deadline	n/a
12	Section 7c, Section 8a	Governing Documents & Title Objection Deadline	n/a
13	Section 8b	Off-Record Matters Deadline	n/a
14	Section 8b	Off-Record Matters Objection Deadline	n/a

15	Section 8e	Right Of First Refusal Deadline	n/a
16	Section 10	Seller's Property Disclosure Deadline	n/a
17	Section 10a	Inspection Objection Deadline	n/a
18	Section 10b	Resolution Deadline	n/a
19	Section 11	Closing Date	n/a
20	Section 16	Possession Date	n/a
21	Section 16	Possession Time	n/a
22	Section 28	Acceptance Deadline Date	n/a
23	Section 28	Acceptance Deadline Time	n/a

Other dates or deadlines set forth in said contract shall be changed as follows:

n/a

Additional amendments:

1. EARNEST MONEY. The Earnest Money Promissory Note in the amount of \$50,000.00 shall be redeemed by the Purchaser, by April 19, 2002.
2. ASSIGNMENT. This contract shall be assigned to AspenBio, Inc., Roger Hurst, President.
3. PURCHASE PRICE ADJUSTMENT. The final price of the lot shall be based upon an ALTA/ACSM Land Title Survey dated February 26, 2002 and shall be \$5.00 per square foot. The revised total price shall be \$655,578.00.

All other terms and conditions of said contract shall remain the same.

This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of acceptance on or before \_\_\_\_\_.

Urban Group, LLC  
a Colorado limited liability company  
SELLER'S SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_  
By: Don Weaver, President

BUYER'S SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_  
Roger Hurst, President

AspenBio, Inc.  
BUYER'S SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_  
By: Roger Hurst, President



EXHIBIT 10.16(c)

THIS FORM AS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

AGREEMENT TO AMEND/EXTEND CONTRACT

Date: May 23, 2002  
-----

RE: Contract dated January 29, 2002 between  
Aspen Bio, Inc., a Colorado corporation  
(Buyer)  
and Urban Group, LLC, a Colorado limited liability company  
(Seller), relating to the sale and purchase of the following described real  
estate in the County of Douglas, Colorado:

Lot 1, Brookside Business, Centex, Filing #5  
Town of Castle Rock, County of Douglas, State of Colorado

known as No.  
TBD South Perry Street, Castle Rock, CO 80104, (property).

-----  
Street Address City State Zip

Buyer and Seller hereby agree to amend the aforesaid contract as follows:

Section 2c. Dates and Headlines.

<Table>

<Caption>

Item No.	Reference	Event	Date or Deadline
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n/a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	n/a
10	Section 7a	Survey Deadline	n/a
11	Section 7b	Document Request Deadline	n/a
12	Section 7c, Section 8a	Governing Documents & Title Objection Deadline	n/a
13	Section 8b	Off-Record Matters Deadline	n/a
14	Section 8b	Off-Record Matters Objection Deadline	n/a
15	Section 8e	Right Of First Refusal Deadline	n/a
16	Section 10	Seller's Property Disclosure Deadline	n/a
17	Section 10a	Inspection Objection Deadline	n/a
18	Section 10b	Resolution Deadline	n/a
19	Section 11	Closing Date	July 31, 2001

20	Section 16	Possession Date	n/a
21	Section 16	Possession Time	n/a
22	Section 28	Acceptance Deadline Date	n/a
23	Section 28	Acceptance Deadline Time	n/a

Other dates or deadlines set forth in said contract shall be changed as follows:

n/a

Additional amendments:

1. Earnest Money Deposit. Buyer shall provide a \$150,000.00 Earnest Money Deposit by Cashier's Check, payable to Robert L. Hier and H. R. Gannon, simultaneously with the execution of this Agreement to Amend/Extend Contract. Said Earnest Money Deposit shall be non-refundable, and shall be for the benefit of Seller and Robert T, Hier and H. R. Gannon in the Seller's Contract referenced in Paragraph 2 below, unless this Contract is assigned pursuant to Paragraph 2, in which event it will be solely for the benefit of Robert L. Hier and H. R. Gannon. Said Earnest Money Payment shall apply to the Purchase Price at the time of Closing.

2. Assignment. Buyer hereby waives all contingencies under the Contract, and agrees to purchase the Property on or before July 31, 2002. In the event Seller is unable, or unwilling, to close on the purchase of the Property pursuant to the terms of Seller's Contract with Robert L. Heir and H. R Gannon, as amended, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference ("Gannon Contract"), for any reason, on or before July 31, 2002, Seller shall assign Seller's rights as buyer of all of the property under the Gannon Contract to Buyer. Buyer shall unconditionally accept the assignment of the Gannon Contract, and in doing so shall accept all of the rights and responsibilities as buyer under the Gannon Contract, and shall thereafter indemnify Seller for any responsibility arising under this Contract or the Gannon Contract. In the event of a failure to close, said assignment shall be automatically effective as of July 31, 2002, at 1:00 P.M.

All other terms and conditions of said contract shall remain the same.

This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of acceptance on or before May 4, 2002 5:00 p.m.

Urban Group, LLC, a Colorado limited liability company  
SELLER'S SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_  
By: Don Weaver, President

Aspen Bio, Inc., a Colorado corporation  
BUYER'S SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_  
By: Roger Hurst, President

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

AGREEMENT TO AMEND/EXTEND CONTRACT

Date: May 23, 2002

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RE: Contract dated January 22, 2002 between,  
Urban Group, LLC, a Colorado limited Liability company and/or assigns  
(Buyer) and

Robert L. Hier  
H. R. Gannon

(Seller), relating to the sale and purchase of the following described real estate in the County of Douglas, Colorado:

Lots 1, 2 and 3, Brookside Business Center, Filing #5  
Town of Castle Rock, County of Douglas, State of Colorado

known as No.  
TBD South Perry Street, Castle Rock, CO 80104 , (Property).

-----

Street Address City State Zip

Buyer and Seller hereby agree to amend the aforesaid contract as follows:

Section 2c. Dates and Deadlines.

<Table>

<Caption>

Item No.	Reference	Event	Date or Deadline
<S>	<C>	<C>	<C>
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n/a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	n/a
10	Section 7a	Survey Deadline	n/a
11	Section 7b	Document Request Deadline	n/a
12	Section 7c, Section 8a	Governing Documents & Title Objection Deadline	n/a
13	Section 8b	Off-Record Matters Deadline	n/a
14	Section 8b	Off-Record Matters Objection Deadline	n/a
15	Section 8e	Right Of First Refusal Deadline	n/a
16	Section 10	Seller's Property Disclosure Deadline	n/a
17	Section 10a	Inspection Objection Deadline	n/a

18	Section 10b	Resolution Deadline	n/a
19	Section 11	Closing Date	July 31, 2001
20	Section 16	Possession Date	n/a
21	Section 16	Possession Time	n/a
22	Section 28	Acceptance Deadline Date	n/a
23	Section 28	Acceptance Deadline Time	n/a

Other dates or deadlines set forth in said contract shall be changed as follows:

n/a

1. Earnest Money Deposit. Pursuant to an Agreement to Amend/Extend Contract dated May 23, 2002 between Buyer and Aspen Bio, Inc. ("Aspen Bio"), a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, Aspen Bio as buyer under said Contract, has paid the amount of \$150,000.00 as a non-refundable Earnest Money Deposit to Robert L. Hier and H.R. Gannon for the benefit of Buyer and Sellers. Said Earnest Money Payment shall be credited to the purchase price of the Property at the time of Closing.

2. Assignment. Pursuant to a Contract to Buy and Sell Real Estate, dated January 20, 2002, between Buyer hereunder as "Seller", and Aspen Bio as "Buyer" ("Aspen Bio Contract"), Aspen Bio has paid the above described Earnest Money Deposit, and has waived all contingencies to purchase Lot 1. Buyer and Aspen Bio have also agreed that in the event Buyer is not ready or willing to close on the purchase of the Property under this Contract on or before July 31, 2002, Buyer shall assign the rights of Buyer under this Contract to Aspen Bio, effective July 31, 2002, at 1:00 P.M., and Aspen Bio shall unconditionally accept the assignment of this Contract from Buyer to Aspen Bio, and will thereby accept all of the rights and responsibilities to purchase all of the Property under this Contract. Seller hereby consents to said assignment of the Contract by Buyer to Aspen Bio, effective as of July 31, 2002, at 1:00 P.M., in the event Buyer has not closed on the purchase of the Property before said time. In the event of said assignment, Buyer shall be relieved of all rights and responsibilities under this Contract, and Sellers agree to look solely to Aspen Bio for liability under this Contract.

All other terms and conditions of said contract shall remain the same.

This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the Offering party receives notice of acceptance on or before May 4, 2002 5:00 p.m.

<Table>

<S>	<C>	
SELLER'S SIGNATURE		Date
-----		-----
Robert L. Hier		
SELLER'S SIGNATURE		Date
-----		-----
H. R. Gannon		

BUYER'S SIGNATURE

Date

By: Don Weaver, President  
</Table>

EXHIBIT A

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE  
(VACANT LAND - FARM - RANCH)

Date: January 22, 2002

1. AGREEMENT. Buyer agrees to buy and the undersigned Seller agrees to sell the Property defined below on the terms and conditions set forth in this contract

2. DEFINED TERMS.

a. Buyer. Buyer,

Urban Group, LLC, a Colorado limited liability company, and/or assigns

will take title to the real property described below as  Joint Tenants  Tenants In Common  Other

n/a

b. Property. The Property is the following legally described real estate:

To be platted as Lots 1-3, Brookside Business Center Filing #5, City of Castle Rock

in the County of Douglas , Colorado, commonly known as No. South Perry Street, Castle Rock, CO 80104

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.

c. Dates and Deadlines.

<Table>

<Caption>

ITEM NO.	REFERENCE	EVENT	DATE OR DEADLINE
1	Section 5a	Loan Application Deadline	n/a
2	Section 5b	Loan Commitment Deadline	n/a
3	Section 5c	Buyer's Credit Information Deadline	n/a
4	Section 5c	Disapproval of Buyer's Credit Deadline	n/a
5	Section 5d	Existing Loan Documents Deadline	n/a
6	Section 5d	Objection to Existing Loan Deadline	n/a
7	Section 5d	Approval of Loan Transfer Deadline	n/a
8	Section 6a	Appraisal Deadline	n/a
9	Section 7a	Title Deadline	January 31, 2002
10	Section 7a	Survey Deadline	February 15, 2002

11	Section 7b	Document Request Deadline	February 06, 2002
12	Section 8a	Title Objection Deadline	March 01, 2002
13	Section 8b	Off-Record Matters Deadline	January 31, 2002
14	Section 8b	Off-Record Matters Objection Deadline	February 18, 2002
15	Section 10	Seller's Property Disclosure Deadline	n/a
16	Section 10a	Inspection Objection Deadline	March 25, 2002
17	Section 10b	Resolution Deadline	n/a
18	Section 11	Closing Date	April 25, 2002
19	Section 16	Possession Date	April 25, 2002
20	Section 16	Possession Time	Time of Closing
21	Section 28	Acceptance Deadline Date	January 25, 2002
22	Section 28	Acceptance Deadline Time	5:00 p.m.

d. Attachments. The following exhibits, attachments and addenda are a part of this contract: Addendum to Contract.

e. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable.

### 3. INCLUSIONS AND EXCLUSIONS.

a. The Purchase Price includes the following items (Inclusions):

(1) Fixtures. If attached to the Property on the date of this contract, lighting, heating, plumbing, ventilating, and air conditioning fixtures, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, sprinkler systems and controls; and n/a

(2) Other Inclusions. If on the Property whether attached or not on the date of this contract: storm windows, storm doors, window and porch shades, awnings, blinds, screens,, window coverings, curtain rods, drapery rods, storage sheds, and all keys. Check box if included:  Smoke/Fire Detectors,  Security Systems; and

n/a

(3) Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows:

n/a

(4) Water Rights. The following legally described water rights:

n/a

(5) Growing Crops. With respect to the growing crops Seller and Buyer agree as follows:

n/a

b. Instruments of Transfer. The Inclusions are to be conveyed at Closing free and clear of all taxes, liens and encumbrances, except as provided in Section 12. Conveyance shall be by bill of sale or other applicable legal instrument(s). Any water rights shall be conveyed by n/a deed or other

applicable legal instrument(s).

c. Exclusions. The following attached fixtures are excluded from this sale:

n/a

4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U.S. Dollars by Buyer as follows:

ITEM NO.	REFERENCE	EVENT	AMOUNT	AMOUNT
1	Section 4	Purchase Price	\$ 1,089,000.00	
2	Section 4a	Earnest Money		50,000.00
3	Section 4b	New Loan		n/a
4	Section 4c	Assumption Balance		n/a
5	Section 4d	Seller or Private Financing		n/a
6	Section 4e	Cash at Closing		1,039,000.00
7	TOTAL		\$ n/a	1,089,000.00

a. Earnest Money. The Earnest Money set forth in this Section, in the form of Note due 3/25/02, is part payment of the Purchase Price and shall be payable to and held by Land Title, Guarantee Company, in its trust account, on behalf of both Seller and Buyer. The parties authorize delivery of the Earnest Money deposit to the Closing Company, if any, at or before Closing.

6. APPRAISAL PROVISIONS.

a. Appraisal Condition. This subsection a:  Shall  Shall Not apply.

Buyer shall have the sole option and election to terminate this contract if the Purchase Price exceeds the Property's valuation determined by an appraiser engaged by n/a. The contract shall terminate by Buyer giving Seller written notice of termination and either a copy of such appraisal or written notice from lender which confirms the

Property's valuation is less than the Purchase Price, received on or before the Appraisal Deadline (Section 2c). If Seller does not receive such written notice of termination on or before the Appraisal Deadline (Section 2c), Buyer waives any right to terminate under this subsection.

b. Cost of Appraisal. Cost of any appraisal to be obtained after the date of this contract shall be timely paid by  Buyer  Seller.

7. EVIDENCE OF TITLE.

a. Evidence of Title; Survey. On or before Title Deadline (Section 2c), Seller shall cause to be furnished to Buyer, at Seller's expense, a current commitment for owner's title insurance policy in an amount equal to the Purchase Price certified to a current date. If a title insurance commitment is furnished, it  Shall  Shall Not commit to delete or insure over the standard exceptions which relate to:

- (1) parties in possession,
- (2) unrecorded easements,

(3) survey matters,

(4) any unrecorded mechanics' liens,

(5) gap period (effective date of commitment to date deed is recorded), and

(6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing.

Any additional premium expense to obtain this additional coverage shall be paid by  Buyer  Seller. An amount not to exceed \$ 2,500.00 for the cost of any survey shall be paid by  Buyer  Seller.

If the cost exceeds this amount, n/a shall pay the excess on or before Closing. The survey shall be received by Buyer on or before Survey Deadline (Section 2c). Seller shall cause the title insurance policy to be delivered to Buyer as soon as practicable at or after Closing.

b. Copies of Exceptions. On or before Title Deadline (Section 2c), Seller, at Seller's expense, shall furnish to Buyer, (1) a copy of any plats, declarations, covenants, conditions and restrictions burdening the Property, and (2) if a title insurance commitment is required to be furnished, and if this box is checked  Copies of any Other Documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions). Even if the box is not checked, Seller shall have the obligation to furnish these documents pursuant to this subsection if requested by Buyer any time on or before the Document Request Deadline (Section 2c). This requirement shall pertain only to documents as shown of record in the office of the clerk and recorder(s). The abstract or title insurance commitment, together with any copies or summaries of such documents furnished pursuant to this Section, constitute the title documents (Title Documents).

## 8. TITLE.

a. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by Buyer of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of Buyer and given to Seller on or before Title Objection Deadline (Section 2c), or within five (5) calendar days after receipt by Buyer of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to title. If Seller does not receive Buyer's notice by the date(s) specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.

b. Matters not Shown by the Public Records. Seller shall deliver to Buyer, on or before Off-Record Matters Deadline (Section 2c) true copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Buyer all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Buyer shall have the right to inspect the Property to determine if any third party(ies) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Buyer and given to Seller on or before Off-Record Matters Objection Deadline (Section 2c). If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of third parties of which Buyer has actual knowledge,

c. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION DEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED

GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

In the event the Property is located within a special taxing district and Buyer desires to terminate this contract as a result, if written notice is received by Seller on or before Off-Record Matters Objection Deadline (Section 2c), this contract shall then terminate. If Seller does not receive Buyer's notice by such date, Buyer accepts the effect of the Property's inclusion in such special taxing district(s) and waives the right to so terminate.

d. Right to Cure. If Seller receives notice of unmerchantability of title or any other unsatisfactory title condition(s) or commitment terms as provided in Section 8 a or b above, Seller shall use reasonable effort to correct said items without the obligation to incur any expense to correct the same prior to Closing. If such unsatisfactory title condition(s) are not corrected on or before Closing, this contract shall then terminate; provided, however, Buyer may, by written notice received by Seller, on or before Closing, waive objection to such items.

e. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property including without limitation boundary lines and encroachments, area, zoning, unrecorded easements and claims of easements, leases and other unrecorded agreements, and various laws and governmental regulations concerning land use, development and environmental matters. THE SURFACE ESTATE MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND TRANSFER OF THE SURFACE ESTATE DOES NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL RIGHTS. THIRD PARTIES MAY HOLD INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE PROPERTY. Such matters may be excluded from the title insurance policy. Buyer is advised to timely consult legal counsel with respect to all such matters as there are strict time limits provided in this contract (e.g., Title Objection Deadline [Section 2c] and Off-Record Matters Objection Deadline [Section 2c]).

#### 10. PROPERTY DISCLOSURE AND INSPECTION.

a. Inspection Obligation Deadline. Buyer shall have the right to have inspection(s) of the physical condition of the Property and Inclusions, at Buyer's expense. If the physical condition of the Property or Inclusions is unsatisfactory in Buyer's subjective discretion, Buyer shall, on or before Inspection Objection Deadline (Section 2c):

(1) notify Seller in writing that this contract is terminated,

or

(2) provide Seller with a written description of any unsatisfactory physical condition which Buyer requires Seller to correct (Notice to Correct).

If written notice is not received by Seller on or before Inspection Objection Deadline (Section 2c), the physical condition of the Property and Inclusions shall be deemed to be satisfactory to Buyer.

b. Resolution Deadline. If a Notice to Correct is received by Seller and if Buyer and Seller have not agreed in writing to a settlement thereof on or before Resolution Deadline (Section 2c), this contract shall terminate one calendar day following the Resolution Deadline, unless before such termination Seller receives Buyer's written withdrawal of the Notice to Correct.

c. Damage; Liens; Indemnity. Buyer is responsible for payment for all inspections, surveys, engineering reports or for any other work performed at Buyer's request and shall pay for any damage which occurs to the Property and Inclusions as a result of such activities. Buyer shall not permit claims or liens of any kind against the Property for inspections, surveys, engineering reports and for any other work performed on the Property at Buyer's request. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller in connection with any such inspection, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to enforce this subsection, including Seller's reasonable attorney fees. The provisions of this subsection

shall survive the termination of this contract.

11. CLOSING. Delivery of deed(s) from Seller to Buyer shall be at Closing (Closing). Closing shall be on the date specified as the Closing Date (Section 2c) or by mutual agreement at an earlier date. The hour and place of Closing shall be as designated by Seller.

12. TRANSFER OF TITLE. Subject to tender or payment at Closing as required herein and compliance by Buyer with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient special warranty deed to Buyer, at Closing conveying the Property free and clear of all taxes except the general taxes for the year of Closing. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:

a. those specific Exceptions described by reference to recorded documents as reflected in the Title Documents accepted by Buyer in accordance with Section 8a [Title Review],

b. distribution utility easements,

c. those specifically described rights of third parties not shown by the public records of which Buyer has actual knowledge and which were accepted by Buyer in accordance with Section 8b [Matters Not Shown by the Public Records], and

d. inclusion of the Property within any special taxing district, and

e. the benefits and burdens of any declaration and party wall agreements, if any, and

f. other n/a  
-----

13. PAYMENT OF ENCUMBRANCES. Any encumbrance required to be paid shall be paid at or before Closing from the proceeds of this transaction or from any other source.

14. CLOSING COSTS; DOCUMENTS AND SERVICES. Buyer and Seller shall pay, in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate Closing services shall be paid at Closing by  One-Half by Buyer and One-Half by Seller  Buyer  Seller  Other \_\_\_\_\_.

The local transfer tax of n/a% of the Purchase Price shall be paid at Closing by  Buyer  Seller. Any sales and use tax that may accrue because of this transaction shall be paid when due by  Buyer  Seller.

15. PRORATIONS. The following shall be prorated to Closing Date (Section 2c), except as otherwise provided:

a. Taxes. Personal property taxes, if any, and general real estate taxes for the year of Closing, based on  The Taxes for the Calendar Year Immediately Preceding Closing  The Most Recent Mill Levy and Most Recent Assessment  Other

n/a  
-----

c. Other Prorations. Water, sewer charges; and interest on continuing loan(s), if any; and

d. Final Settlement. Unless otherwise agreed in writing, these prorations shall be final.

16. POSSESSION. Possession of the Property shall be delivered to Buyer on Possession Date and Possession Time (Section 2c), subject to the following lease(s) or tenancy(s):  
n/a

-----  
If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and shall be additionally liable to Buyer for payment of \$n/a, per day from the Possession Date (Section 2c) until possession is delivered.

17. ASSIGNABLE: This contract shall be assignable by Buyer without Seller's prior written consent. Except as so restricted, this contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.

18. CONDITION OF AND DAMAGE TO PROPERTY AND INCLUSIONS. Except as otherwise provided in this contract, the Property, Inclusions or both shall be delivered in the condition existing as of the date of this contract, ordinary wear and tear excepted.

a. Casualty; Insurance. In the event the Property or Inclusions shall be damaged by fire or other casualty prior to Closing, in an amount of not more than ten percent of the total Purchase Price, Seller shall be obligated to repair the same before the Closing Date (Section 2c). In the event such damage is not repaired within said time or if the damages exceed such sum, this contract may be terminated at the option of Buyer by delivering to Seller written notice of termination. Should Buyer elect to carry out this contract despite such damage, Buyer shall be entitled to a credit, at Closing, for all the insurance proceeds resulting from such damage to the Property and Inclusions payable to Seller but not the owners' association, if any, plus the amount of any deductible provided for in such insurance policy, such credit not to exceed the total Purchase Price.

b. Damage; Inclusions; Services. Should any Inclusion(s) or service(s) (including systems and components of the Property, e.g. heating, plumbing, etc.) fail or be damaged between the date of this contract and Closing or possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion(s) or service(s) with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion(s), service(s) or fixture(s) is not the responsibility of the owners' association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. The risk of loss for any damage to growing crops, by fire or other casualty, shall be borne by the party entitled to the growing crops, if any, as provided in Section 3 and such party shall be entitled to such insurance proceeds or benefits for the growing crops, if any.

c. Walk-Through; Verification of Condition. Buyer, upon reasonable notice, shall have the right to walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this contract.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this document, Buyer and Seller acknowledge that the Selling Company or the Listing Company has advised that this document has important legal consequences and has recommended the examination of title and consultation with legal and tax or other counsel before signing this contract.

20. TIME OF ESSENCE AND REMEDIES. Time is of the essence hereof. If any note or check received as Earnest Money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

a. If Buyer Is In Default:

(2) Liquidated Damages. All payments and things of value received hereunder shall be forfeited by Buyer and retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection c) are SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to perform the obligations of this contract. Seller expressly waives the remedies of specific performance.

b. If Seller is in Default: Buyer may elect to treat this contract as canceled, in which case all payments and things of value received hereunder

shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have the right to specific performance.

c. Costs and Expenses. In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney fees.

21. MEDIATION. If a dispute arises relating to this contract, prior to or after Closing, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved 30 calendar days from the date written notice requesting mediation is sent by one party to the other(s). This Section shall not alter any date in this contract, unless otherwise agreed.

22. EARNEST MONEY DISPUTE. Notwithstanding any termination of this contract, Buyer and Seller agree that, in the event of any controversy regarding the Earnest Money and things of value held by broker or Closing Company (unless mutual written instructions are received by the holder of the Earnest Money and things of value), broker or Closing Company shall not be required to take any action but may await any proceeding, or at broker's or Closing Company's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney fees.

23. TERMINATION. In the event this contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to Sections 10c, 21 and 22.

24. ADDITIONAL PROVISIONS. (The language of these additional provisions has not been approved by the Colorado Real Estate Commission.)

SEE ATTACHED CONTRACT ADDENDUM.

25. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION: SURVIVAL. This contract constitutes the entire contract between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this contract. No subsequent modification of any of the terms of this contract shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any obligation in this contract which, by its terms, is intended to be performed after termination or Closing shall survive the same.

26. FACSIMILE. Signatures  May  May Not be evidenced by facsimile. Documents with original signatures shall be provided to the other party at Closing, or earlier upon request of any party.

27. NOTICE OF ACCEPTANCE; COUNTERPARTS. This proposal shall expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of acceptance pursuant to Section 27 on or before Acceptance Deadline Date and Acceptance Deadline Time (Section 2c). If accepted, this document shall become a contract between Seller and Buyer. A copy of this document may be executed by each party, separately, and

when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

Urban Group, LLC, a Colorado limited liability company, and/or assigns  
7437 Village Square Drive, Suite 200, Castle Rock, CO 80104  
Bus. # 303-660-1338 Fax #: 303-660-4089

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BUYER

<C>

DATE

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By: Don Weaver, President

NOTE: IF THIS OFFER IS BEING COUNTERED OR REJECTED, DO NOT SIGN THIS DOCUMENT. REFER TO SECTION 29.

SELLER	DATE
-----	
Robert L. Hier	
801 South Perry Street, Suite 100, Castle Rock, CO 807104	
Bus.#: 303-688-3105 Fax #: 303-688-3108	

SELLER	DATE
-----	
H. R. Gannon	

29. COUNTER; REJECTION. This offer is  Countered  Rejected.

Initials only of party (Buyer or Seller) who countered or rejected offer. \_\_\_\_\_

END OF CONTRACT

Note: Closing Instructions should be signed on or before Title Deadline.

BROKER ACKNOWLEDGMENTS. The undersigned Broker(s) acknowledges receipt of the Earnest Money deposit specified in Section 4 and, while not a party to the contract, agrees to cooperate upon request with any mediation conducted under Section 21.

Selling Company Brokerage Relationship. The Selling Company and its licensees have been engaged in this transaction as  Buyer Agent  Seller Agent/Subagent  Dual Agent  Transaction-Broker.

Listing Company Brokerage Relationship. The Listing Company and its licensees have been engaged in this transaction as  Seller Agent  Dual Agent  Transaction-Broker.

BROKERS' COMPENSATION DISCLOSURE.

Selling Company's compensation or commission is to be paid by:  Buyer  Seller  Listing Company

Other n/a  
-----

To be completed by Listing Company) Listing Company's compensation or commission is to be paid by:  Buyer  Seller

Other n/a  
-----

Selling Company:  
Coldwell Banker Commercial American Spectrum  
1777 South Harrison Street  
Penthouse 2  
Denver, CO 80210  
Phone: 303-409-1400, Fax: 303-409-6000

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<S> \_\_\_\_\_ <C>  
By:

Signature	Date
James T. Brubaker	

Listing Company: Hier & Company, Inc. (Name of Company)

Listing Company's Address: 801 South Perry Street, Suite 100, Castle Rock, Co 80104

Listing Company's Telephone No: 303-688-3105 Listing Company's Fax No: 303-688-3108

By:

Signature

Robert L. Hier

Date

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#### CONTRACT ADDENDUM

This addendum has not been approved by the Colorado Real Estate Commission. It was prepared by Coldwell Banker Commercial American Spectrum.

Addendum to Contract dated January 22, 2002 between Urban Group, LLC, and/or assigns, as Buyer(s), and Robert L. Hier, as Seller(s), concerning property to be platted as Lots 1-3, Brookside Business Center Filing #5, Castle Rock, Colorado 80601. If any provision in the printed form of said Contract is inconsistent with any provision contained herein, then in that event, the provision contained in this Addendum shall govern and control the rights and obligations of the parties.

ALL PARTIES SHOULD CONSULT LEGAL AND TAX COUNSEL BEFORE SIGNING.

#### 24. ADDITIONAL PROVISIONS:

24(a). NEXT BUSINESS DAY. In the event any date described herein for payment or performance of the provisions hereof falls on a Saturday, Sunday or legal holiday, the time for such payment or performance shall be extended to the next business day.

Any date references to "Execution" are referring to the date this Contract is mutually accepted and executed by Buyer and Seller.

24(b). NOTICES. Any notices which a party desires or is required to give hereunder shall be in writing and shall be deemed given when delivered personally to each party, delivered by facsimile, or deposited in the United States mails, postage prepaid, either registered or certified, return receipt requested, to the parties at the following addresses:

Buyer:

Mr. Don Weaver  
Urban Group, LLC  
7437 Village Square Drive, Suite 200  
Castle Rock, CO 80104  
OFC: 303-660-1338  
FAX: 303-660-4089

With Copies To:

Mark J. Overton, Esq.  
Overton, Babiarz & Sykes, P.C.  
7720 East Bellview Avenue, Suite 200  
Englewood, CO 80111  
OFC: 303-779-5900  
FAX: 303-779-6006

Mr. James T. Brubaker  
Coldwell Banker Commercial American Spectrum  
1777 South Harrison Street, Penthouse 2  
Denver, CO 80210  
OFC: 303-409-6002  
FAX: 303-409-6000

Seller:

Mr. Robert L. Hier  
801 South Perry Street  
Castle Rock, CO 80104  
OFC: 303-688-3105  
FAX: 303-688-3108

With Copies To:  
Walter Slatkin, Esq.  
Wolf and Slatkin, P.C.  
44 Cook Street, Suite 1000  
Denver, CO 80206-5827  
OFC: 303-355-2999  
FAX: 303-329-6826

24(c). SURVEY. Seller shall provide to Buyer, at Seller's cost, pursuant to Paragraph 7(a) a current or updated and signed ALTA/ACSM Survey of the Property on or before the Survey Deadline and said survey shall be certified to the title company issuing title insurance, the Buyer, the Seller, and Coldwell Banker Commercial American Spectrum. If at Buyer's sole discretion Buyer is not satisfied with this survey, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer.

24(d). ENVIRONMENTAL ASSESSMENT. Seller shall provide, at Seller's cost, Buyer with a current or updated copy of a Phase I Environmental Site Assessment Report ("ESA") on or before the Survey Deadline. The ESA shall be performed in accordance with the American Society of Testing and Materials ("ASTM") publication, "Standard Practice for Environmental Site Assessment Process" ("ASTN Standard"). If at Buyer's sole discretion Buyer is not satisfied with the results of this environmental study, Buyer shall notify Seller in writing on or before the Inspection Objection Deadline, and at Buyer's option; (i) this Contract shall be null and void and all earnest money deposits shall be immediately refunded to Buyer; or (ii) all time periods under this Contract shall be extended for 30 days while Buyer conducts further tests and examinations of the Property at its expense. At the end of that 30-day period, Buyer may elect to terminate this Contract, in which case all Earnest Money deposits shall be returned to it; or to proceed pursuant to this Contract. Buyer will not harm in any way, before or after Closing, the Preble's Meadow Jumping Mouse Conservation Habitat area adjacent to the Property. Buyer will execute, at Closing, any reasonable documents agreeing to the existing Conservation Plan to protect the adjacent Preble's Meadow Jumping Mouse Conservation Habitat, a copy of said documents shall be delivered by Seller to Buyer on or before March 1, 2002.

24(e). INSPECTIONS. Paragraph 10 in this Contract regarding Inspections shall include Buyer's inspections without limitation, at Buyer's expense for, availability of legal, access, utility services cost and availability, current zoning, environmental risks, soil conditions, and any other items Buyer deems necessary. If, at Buyer's sole discretion, Buyer is not satisfied with the results of any inspections, Buyer shall notify Seller per the inspection Objection Deadline and Resolution Deadline in Contract Paragraph 10.

24(f). BROKERS, THOSE NAMED ONLY. The Buyer and Seller represent to each other that they have had no negotiations through or brokerage services performed by any other broker or intermediary other than Coldwell Banker Commercial American Spectrum and Hier & Company, Inc. in connection with the execution and delivery of this contract. Robert L. Hier is the Seller and is also licensed to sell real estate in the State of Colorado.

24(g). TITLE COMPANY. Title insurance shall be issued by Land Title Guarantee Company ("Title Company"), 512 Wilcox, Castle Rock, CO 80104.

24(h). EARNEST MONEY. All Earnest Money shall be deposited in an interest bearing Land Title Guarantee company (Castle Rock office) trust account with interest accruing to Buyer's benefit unless Buyer is in default and interest thereby, will accrue to Seller's benefit.

24(i). Final Purchase Price Adjustment. The Purchase Price set forth in Paragraph 4 of this Contract is based on a price of \$5.00 per Square Foot of land as shown on the ALTA/ACSM Survey described in Section 24(c) and assumes that the Property contains 5.00 usable acres net of street right of way or floodplain. The Final Purchase price at time of Closing shall be based on a price of \$5.00 per Square foot times the total square footage of land stated on the Survey

referenced in Paragraph 7(a) net of street right of way or floodplain area. The Purchase Price shall be reduced by the total cost estimates obtained by both the Buyer and Seller for the construction of all off lot infrastructure required by the City to allow development of the individual lots. Said estimates shall be mutually acceptable to both the Buyer and Seller on or before March 25, 2002.

24(j). LAND USE APPROVALS. This Contract is Conditional upon Seller obtaining approvals on or before March 25, 2002, at Seller's expense, from the City of Castle Rock, Colorado ("City"), for Final Plat for the Property and a recorded Final Plat with a recorded Subdivision Improvement Agreement, and Buyer obtaining City Site Plan approval, building permits for Lot 1, construction permits for infrastructure, and other required approvals at Buyer's expense all in forms and pursuant to terms acceptable to Buyer in its sole discretion or this contract shall be null and void solely at the discretion of the Buyer and all Earnest Money shall be returned to Buyer. If the aforementioned land use approvals have not been obtained, then Buyer, at Buyer's option, may extend the aforementioned March 25, 2002 date and the Closing Date by 30 days to obtain all required approvals and permits.

24(k). ASPEN BIO. This contract is conditional upon Buyer entering into a build-to-suit agreement, with required loans approved, with Aspen Rio, Inc., Roger Hurst, or related entities, on or before March 25, 2002, to build a light manufacturing/office/warehouse facility on the Property. This Contract shall be null and void solely at the discretion of the Buyer and all earnest money shall be returned in the event said contract is not entered into and all loans approved by March 25, 2002.

24(l). DELIVERY OF MATERIALS TO BUYER. Within ten (10) business days after the mutual execution and delivery of this Contract, Seller shall provide to Buyer, at no expense to Buyer, any and all engineering studies, warranties, guaranties, contracts affecting the Property, licenses and permits respecting the Property, any environmental property assessments including documents regarding the Prebble's Meadow Jumping Mouse, zoning information, construction drawings, surveys, plats, preliminary drawings, Development Plans, documents submitted or to be submitted to The City of Castle Rock Planning Department, or any quasi-governmental agency having jurisdiction over the Property, Declaration of Protective Covenants, and all other materials and documents concerning the Property owned by Seller or in Seller's possession.

24(m). CONTRACT IS ASSIGNABLE. This Contract may be assigned to any legal entity controlled by the Buyer, Don Weaver, Aspen Bio, or Roger Hurst.

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Buyer:

Urban Group; LLC, and/or assigns

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Don Weaver, President

Seller:  
By: \_\_\_\_\_ Date: \_\_\_\_\_  
Robert L. Hier

By: \_\_\_\_\_ Date: \_\_\_\_\_  
H. R. Gannon

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EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

I consent to the incorporation of my report dated February 4, 2002 on the financial statements of AspenBio, Inc. as of December 31, 2001 and 2000 and for the year ended December 31, 2001 and for the period from inception July 24, 2000 to December 31, 2000 and my report dated January 18, 2000 on the financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 1999, which is included in this Amendment to Form S-1 dated June 6, 2002 of AspenBio, Inc. and to the reference to my Firm under the caption "Experts" in the Form S-1.

/s/ Larry O'Donnell

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LARRY O'DONNELL, CPA, P.C.  
Aurora, CO  
June 6, 2002

EXHIBIT 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation of our report dated December 22, 2000 on the financial statements of Vitro Diagnostics, Inc. for the year ended October 31, 2000, which is included in this Form S-1 A-1 dated June 6, 2002 of AspenBio, Inc. and to the reference to our Firm under the caption "Experts" in the Form S-1 A-1.

/s/ Cordovano and Harvey, P.C.

-----  
CORDOVANO AND HARVEY, P.C.  
Denver, Colorado  
June 6, 2002