UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 17, 2023

BIOAFFINITY TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-41463**	**46-5211056**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

22211 W Interstate 10
Suite 1206
San Antonio, Texas 78257
(210) 698-5334
(Address of principal executive offices and Registrant's telephone number, including area code)

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.007 per share	BIAF	The Nasdaq Stock Market LLC
Tradeable Warrants to purchase Common Stock	BIAFW	The Nasdaq Stock Market LLC

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Amendment to Warrants

On September 17, 2023, Mr. Girgenti, the Cranye Girgenti Testamentary Trust, Gary Rubin, The Harvey Sandler Revocable Trust, a trust of which Mr. Rubin is a co-trustee, Ms. Zannes and Dr. Joyce consented to an amendment of the terms of the outstanding warrants that they own. Such warrants include warrants (i) tradeable warrants (the "Tradeable Warrants") to purchase 98,198, 39,182, and 39,182 shares of Common Stock owned by Mr. Girgenti, The Harvey Sandler Revocable Trust, and Ms. Zannes, respectively); (ii)non-tradeable warrants (the "Non-Tradeable Warrants") to purchase 102,286, 40,813, and 40,813 shares of Common Stock owned by Mr. Girgenti, The Harvey Sandler Revocable Trust, and Ms. Zannes, respectively; and (iii) other outstanding warrants (the "Pre-IPO Warrants") to purchase 469,063, 8,332, 571,373, 23,571, 17,137, and 14,285 shares of Common Stock owned by Mr. Girgenti, the Cranye Girgenti Testamentary Trust, Mr. Rubin, The Harvey Sandler Revocable Trust, Ms. Zannes and Dr. Joyce, respectively. The warrant amendment (the "Warrant Amendment") provides that such warrants will not be exercisable until the date that we file a certificate of amendment to our certificate of incorporation with the State of Delaware which increases the number of shares of our authorized Common Stock to allow for sufficient authorized and unissued shares of Common Stock for the full exercise of all of the outstanding Pre-IPO Warrants, Tradeable Warrants and Non-Tradeable Warrants of the Company and the issuance of all of the shares of Common Stock underlying such warrants.

Acquisition

On September 18, 2023, bioAffinity Technologies, Inc.'s (the "Company") wholly-owned subsidiary, Precision Pathology Laboratory Services LLC ("PPLS"), consummated the acquisition (the "Acquisition") of a clinical anatomic and clinical pathology laboratory and related services business in San Antonio, Texas (the "Laboratory Assets") pursuant to the terms of an Asset Purchase Agreement (the "Asset Purchase Agreement") dated September 18, 2023 that PPLS entered into with Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services ("Village Oaks Pathology") and Dr. Roby P. Joyce, M.D. As a result of the Acquisition, the clinical pathology laboratory is owned by PPLS. Dr. Joyce was the Medical Director and Laboratory Director of the clinical pathology laboratory prior to the Acquisition and he continues to serve as Medical Director and Laboratory Director after the Acquisition. The laboratory is accredited by the College of American Pathologists ("CAP") and certified under the Clinical Laboratory Improvement Amendments of 1988 ("CLIA"). Pursuant to the terms of the Asset Purchase Agreement, PPLS acquired the Laboratory Assets, which included all of the assets owned by Village Oaks other than medical assets, which Laboratory Assets Village Oaks used in connection with its management and operation of a clinical pathology laboratory, now owned by PPLS, and related services business, and assumed certain liabilities and obligations.

Pursuant to the terms of the Asset Purchase Agreement, Village Oaks received $3,500,000 in consideration for the Laboratory Assets purchased by PPLS, of which $1,000,000 was paid by the issuance of 564,972 shares of the Company's restricted common stock to the Joyce Living Trust, dated March 19, 2013, a trust (the "Trust") of which Roby Joyce, MD ("Dr. Joyce"), the principal of Village Oaks Pathology, is trustee, which number of shares was determined by dividing $1,000,000 by $1.77, the average of the trading day closing prices for the thirty (30) days prior to September 15, 2023, rounded to the nearest whole share, pursuant to a Subscription Agreement, dated September 18, 2023, by and between the Trust and the Company (the "Subscription Agreement").

The Asset Purchase Agreement contains customary representations, warranties and covenants made by PPLS and Village Oaks Pathology. Subject to certain customary limitations, Village Oaks Pathology agreed to indemnify PPLS, its successors and assigns, and each of their affiliates, and PPLS' officers, directors, employees and other authorized agents against certain losses related to, among other things, breaches of Village Oaks Pathology's representations, warranties, covenants and agreements as well as any excluded liabilities and excluded assets described therein. Subject to certain customary limitations, PPLS also agreed to indemnify Village Oaks Pathology, its successors and assigns, and each of their affiliates, and Village Oaks Pathology's officers, directors, employees and other authorized agents against certain losses related to, among other things, breaches of PPLS' representations, warranties, covenants and agreements as well as any assumed liabilities. Upon consummation of the transaction, the following ancillary agreements described below were entered into.

Pursuant to the Asset Purchase Agreement, PPLS assumed all liabilities and obligations under and obtained any and all rights, title and interest of Village Oaks in and to (i) all leases for equipment and personal property related to the Laboratory Assets (the "Assumed Leases"), pursuant to an Assumption Agreement by and between Village Oaks and PPLS (the "Assumption Agreement") and, (ii) certain other contracts related to the Laboratory Assets, including the license to develop, manufacture, use, market and sell CyPath® Lung (the "Assumed Contracts") pursuant to the Assumption Agreement; (iii) all accounts payable of Village Oaks as of September 18, 2023 that were incurred in the ordinary course of business consistent with past custom and practice; and (iv) the lease of the premises used in connection with operation of the CLIA-certified and CAP-accredited clinical pathology laboratory, pursuant to an Assignment and Assumption of Lease by and between Village Oaks and PPLS (the "Assignment of Lease"), which Assignment of Lease was consented to by the landlord of the leased premises. The monthly rent is currently $10,143.83 per month and the term of the Lease is five years.

In connection with the Asset Purchase Agreement, PPLS entered into a Management Services Agreement with Village Oaks Pathology (the "Management Services Agreement") pursuant to which PPLS agreed to provide comprehensive management and administrative services to Village Oaks Pathology in connection with the operation of Village Oaks Pathology's professional cytopathology, histopathology, clinical and anatomic pathology interpretation medical services practice. PPLS will provide space, equipment, administrative, management and clinical personnel, billing and collection, and related management services to Village Oaks Pathology in exchange for a management fee of 70% of the net revenues received by Village Oaks Pathology from the provision of the medical services. The Management Services Agreement has an initial term of twenty years and provides that upon expiration of the initial term, it will be automatically extended for two additional successive terms of five years each, unless either party delivers written notice of its intention not to extend the term of the agreement not less than ninety days prior to the expiration of the preceding term. The Management Services Agreement also provides that until the fifth anniversary of its effective date, Village Oaks Pathology will not, without the prior written approval of PPLS own, operate or have any financial interest in any other person or entity that operates an independent laboratory or an enterprise within the United States that provides or promotes management or administrative services or any product or services substantially similar to those provided by PPLS.

In connection with the Asset Purchase Agreement, PPLS entered into a Succession Agreement with Village Oaks Pathology and Dr. Joyce (the "Succession Agreement") pursuant to which Dr. Joyce, as holder of 100% of the issued and outstanding stock of Village Oaks Pathology, is restricted from disposing of his equity interests in Village Oaks Pathology, subject to certain exceptions, without the prior written consent of us and Village Oaks Pathology. The Succession Agreement further provides that the entire equity interest held by Dr. Joyce in Village Oaks Pathology will be automatically assigned and transferred to a successor who meets the Eligibility Requirements of a Designated Physician (as such terms are defined and described in the Succession Agreement), in the event of, among other things, the death, disability, retirement, or a court's determination of incompetence of Dr. Joyce, as well as Dr. Joyce's failure to satisfy the eligibility requirements of a Designated Physician, exclusion or disqualification from participation in the Medicare program, conviction of a felony or crime or moral turpitude, bankruptcy filing, or material breach of the Succession Agreement. In the event of the automatic transfer of Dr. Joyce's equity interests in Village Oaks Pathology as provided in the Succession Agreement, such agreement provides that the board of directors of Village Oaks Pathology shall nominate a group of three candidates as the Designated Physician who satisfy the Eligibility Requirements. In the event the Company desires not to select any of such candidates, the Company shall select and appoint a successor Designated Physician from any other physician that satisfy the Eligibility Requirements. Subject in all cases to the Management Services Agreement, Dr. Joyce shall not cause any voluntary interruption of the conduct of Village Oaks Pathology's business and operations, and shall use commercially reasonable efforts to preserve (or assist us in preserving) all rights, privileges and franchises held by Village Oaks Pathology, including the maintenance of all contracts, copyrights, trademarks, licenses and registrations.

In connection with the Asset Purchase Agreement, PPLS entered into a Professional Services Agreement with Village Oaks Pathology (the "Professional Services Agreement") pursuant to which Village Oaks Pathology agreed to provide pathology interpretation services as requested on behalf of PPLS based on the professional fees approved for the CPT code for the services provided under the Medicare Physician Fee Schedule in the locality where the test is performed. The Professional Services Agreement has an initial term of twenty years and provides that upon expiration of the initial term, it will be automatically extended for successive terms of twelve months each, unless either party delivers written notice of its intention not to extend the term of the agreement not less than thirty days prior to the expiration of the preceding term.

In connection with the Asset Purchase Agreement, the Company also entered into an Executive Employment Agreement with Dr. Joyce (the "Joyce Employment Agreement"), for a term of three years, to serve as the Medical Director and Laboratory Director of PPLS at a base salary of $333,333.34 per year. Pursuant to the Joyce Employment Agreement, Dr. Joyce was also appointed to serve on the Company's Board of Directors. Dr. Joyce will be eligible to participate in or receive benefits under the Company's benefit plans generally made available to executives of similar status and responsibilities and will be provided use of a company car. In the event the Joyce Employment Agreement is terminated for any reason, including by Dr. Joyce upon 60 days' notice, by the Company for cause or by reason of Dr. Joyce's death, Dr. Joyce (or his estate as applicable) will receive his base salary for the remainder of the three-year employment term. However, the Joyce Employment Agreement provides that if Dr. Joyce breaches any of the restrictive covenants set forth in the Joyce Employment Agreement, including a covenant not to compete during his term of employment and a covenant not to knowingly disclose confidential information, such breach will be grounds for the immediate termination of Dr. Joyce and will result in the forfeiture of all compensation and benefits otherwise due to Dr. Joyce.

One of the Assumed Leases is Equipment Usage Attachment, dated effective as of August 9, 2019, by and between Gen-Probe Sales & Service, Inc., together with its subsidiaries and affiliates ("Hologic") and Village Oaks Pathology, as amended by that certain Amendment No. 1 to Equipment Usage Attachment dated November 2, 2020, as further amended by that certain Amendment No. 2 to Equipment Usage Attachment dated November 2, 2020, and as further amended by that certain Amendment No. 3 to Equipment Usage Attachment dated December 21, 2022 (the "Hologic Equipment Lease"), pursuant to which PPLS leases reagent equipment from Hologic and is required to purchase a minimum number of specified testing kits each year. The total monthly minimum purchase commitment PPLS is required to pay Hologic, inclusive of the lease of the reagent equipment, is $16,914 per month. The term of the Hologic Equipment Lease currently expires on December 20, 2027.

Another of the Assumed Leases is the Master Agreement, dated as of January 29, 2015, by and between Leica Microsystems, Inc. ("Leica") and Village Oaks Pathology, as amended by Amendment No. 1 to the Master Agreement, dated on or about April 4, 2018, as further amended by that certain Amendment No. 2 to Master Agreement, dated March 23, 2021 (the "Leica Equipment Lease"), pursuant to which PPLS leases reagent equipment from Leica and is required to purchase a minimum number of specified testing kits. The total monthly minimum purchase commitment PPLS is required to pay to Leica, inclusive of the lease of the reagent equipment, is $19,790 per month. The term of the Leica Equipment Lease currently expires on March 23, 2026.

One of the Assumed Contracts is a Strategic Relationship License Agreement, dated December 1, 2022, by and between Pathology Watch, Inc. ("Pathology Watch") and Village Oaks Pathology (the "License Agreement"). Pursuant to the License Agreement, Pathology Watch granted a license to its digital imaging cloud-based pathology platform to facilitate remote interpretation and billing of pathology specimens by qualified professionals to PPLS for a monthly fee of $25,000. In connection with the License Agreement, Pathology Watch also provides certain support services and marketing vendor services to PPLS for the monthly fee of $38,000, for a total monthly fee paid by

PPLS to Precision Watch of $63,000. The License Agreement is for an initial term of twelve months, unless terminated by either party upon 90 days' notice, and provides that upon expiration of the initial term (or any renewal term), it will be automatically extended for successive twelve month terms, unless either party notifies the other party of its intention not to renew the License Agreement not less than 90 days prior to the expiration of the current term.

In connection with the Asset Purchase Agreement, Dr. Joyce, on behalf of Village Oaks, executed a Bill of Sale (the "Bill of Sale"), pursuant to which all rights, title, and interest of Village Oaks in and to the permits listed on Exhibit A attached thereto, inclusive of the CLIA-certificate and CAP-accreditation, notwithstanding the transfer of the CLIA certificate by operation of law to PPLS upon consummation of the Acquisition, were confirmed to have been transferred and assigned to PPLS.

The foregoing descriptions of the Asset Purchase Agreement, Subscription Agreement, Management Services Agreement, Succession Agreement, Professional Services Agreement, Joyce Employment Agreement, Assignment and Assumption of Lease, Office Lease, Assumption Agreement, Hologic Equipment Lease, Leica Equipment Lease, License Agreement and Bill of Sale are a summary and are qualified in its entirety by reference to the Asset Purchase Agreement, Subscription Agreement, Management Services Agreement, Succession Agreement, Professional Services Agreement, Joyce Employment Agreement, Assignment and Assumption of Lease, Office Lease, Assumption Agreement, Hologic Equipment Lease, Leica Equipment Lease, License Agreement and Bill of Sale, which are attached hereto as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12 and 10.13 are incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 2.01, as applicable.

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

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 2.03, as applicable.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 3.02, as applicable. The shares of common stock issued to the Trust were issued in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on Section 4(a)(2) thereof and Rule 506(b) of Regulation D thereunder. The Investor represented that it was an "accredited investor," as defined in Regulation D, and was acquiring the shares for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof.

Item 5.02 Departures of Directors of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth under Item 1.01 above of this Current Report on Form 8-K is incorporated by reference in this Item 5.02, as applicable.

Roby P. Joyce, MD, age 75, was appointed to serve on the Company's Board of Directors on September 18, 2023, contingent upon and effective as of the consummation of the Acquisition. As previously described in Item 1.01, in connection with the Asset Purchase Agreement, the Company also entered into the Joyce Employment Agreement, for a term of three years, pursuant to which he serves as the Medical Director and Laboratory Director of PPLS at a base salary of $333,333.34 per year. He is also the owner of Village Oaks Pathology, the medical professional association whose pathologists work with PPLS. Dr. Joyce is board-certified in anatomic and clinical pathology by the College of American Pathologists and is a Diplomat in the American Board of Pathology. He is also board-certified in neurology by the American Academy of Neurology and is a Diplomat in the American Board of Psychiatry and Neurology. Dr. Joyce founded Village Oaks Pathology in 2007, where he created and operated a successful pathology laboratory that developed CyPath® Lung as a laboratory developed test ("LDT"). In addition, he has served in various capacities at Northeast Methodist Hospital in San Antonio, including Chairman of the Board of Trustees and Chief of Staff of the Methodist Healthcare System. Throughout a career in pathology that spans more than 40 years, he has been a highly regarded speaker at medical and scientific conferences, has served in leadership roles on dozens of professional organizations and committees, and has served as lead or co-author of numerous scientific articles. Dr. Joyce received his medical degree from Louisiana State University, where he also received a BS in zoology. He performed his internship at Fitzsimons Army Medical Center in Denver, his residency in neurology at the Letterman Army Medical Center at the University of California Moffett Hospital in San Francisco, and his residency in pathology at Brooke Army Medical Center in San Antonio. As previously described in Item 1.01, as principal of Village Oaks Pathology, Dr. Joyce has a direct material interest in the Acquisition. As consideration for the Acquisition, PPLS paid $3,500,000, of which $2,500,000 was paid to Village Oaks Pathology in cash and $1,000,000 was paid by the issuance of 564,972 shares of the Company's restricted common stock to the Trust, of which Dr. Joyce is trustee.

Xavier Reveles, age 54, who has served as the Company's Vice President of Operations as an employee at will since September 2022, was appointed to serve as the Company's Chief Operating Officer on September 18, 2023, contingent upon and effective as of the consummation of the Acquisition. In connection with such appointment, Mr. Reveles' annual base salary was increased from $150,000 to $175,000, effective September 18, 2023. The Company does not have an employment agreement with Mr. Reveles, but the Company intends to enter into an employment agreement with him, the form, terms and conditions of the which shall be substantially the same as the Company's current executive officers other than salary and title, pursuant to which he will earn his increased annual base salary of $175,000 per year. He has 30 years of experience as a clinical cytogeneticist skilled in the design/concept and management of CAP CLIA clinical laboratories, coding, CPT reimbursement valuations, and the development of LDTs. Mr. Reveles is board certified by the American Society of Clinical Pathology as a clinical specialist in cytogenetics. He joined bioAffinity as Director of Operations in 2017. Prior to joining bioAffinity, Mr. Reveles created the Oncopath Laboratory – START Cancer Center ("Oncopath") in San Antonio, Texas, and served as Laboratory Director. During his tenure at Oncopath, he commercialized eight LDTs, including bringing to market a proprietary cancer specific gene oligo array he designed for the deletions and amplifications of specific oncogenes for solid tumors. As the Director of the Cytogenetics Laboratory at UT Health San Antonio, Mr. Reveles' research included molecular evaluation of disease progression in prostate, breast and ovarian cancer, schizophrenia, diabetes and other constitutional genetic syndromes. He was a lecturer and instructor for the UT Health Graduate, Medical, and Allied Health Schools and the director of the NCI San Antonio Cancer Institute (SACI) Genetics and Cytogenetics Core facility. After leaving academia, Mr. Reveles was a genomic specialist for CombiMatrix Diagnostics, Irvine, CA, a diagnostic biotech company where he validated pre-natal, post-natal, and cancer gene arrays for commercialization as LDTs. Mr. Reveles is (co)author of 20 publications and six abstracts in peer-reviewed journals and is a member of the Association for Molecular Pathology.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of Village Oaks Pathology as of and for the year ended December 31, 2022 and 2021 are filed herewith as Exhibit 99.1 and are incorporated herein by reference.

The unaudited financial statements of Village Oaks Pathology as of and for the six months ended June 30, 2023 and 2022 are filed herewith as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro Forma Financial Information.

The unaudited pro forma combined financial statements of the Company after giving effect to the Acquisition consisting of the unaudited condensed combined balance sheet as of June 30, 2023 and December 31, 2022 and the unaudited pro forma combined statement of operations as of and for the six months ended June 30, 2023 and December 31, 2022 are attached hereto as Exhibit 99.3 and are incorporated herein by reference.

(d) Exhibits

The following exhibits are furnished with this Current Report on Form 8-K:

Exhibit Number	Exhibit Description
4.1	Form of Amendment to Common Share Purchase Warrants with schedule of warrant holders and warrants
4.2	Form of Amendment to Initial Public Offering Warrants with schedule of warrant holders and warrants
10.1	Asset Purchase Agreement, effective September 18, 2023, by and among, Precision Pathology Laboratory Services, LLC, Dr. Roby P. Joyce and Village Oaks Pathology Services, P.A.
10.2	Subscription Agreement, dated September 18, 2023, by and between The Joyce Living Trust, dated March 19, 2013, and bioAffinity Technologies, Inc.
10.3	Management Services Agreement, effective as of September 18, 2023, by and between Precision Pathology Laboratory Services, LLC and Village Oaks Pathology Services, P.A.
10.4	Succession Agreement, effective September 18, 2023, by and among, Precision Pathology Laboratory Services, LLC, Dr. Roby P. Joyce and Village Oaks Pathology Services, P.A.
10.5	Professional Services Agreement, effective as of September 18, 2023, by and between Precision Pathology Laboratory Services, LLC and Village Oaks Pathology Services, P.A.
10.6	Executive Employment Agreement, dated September 18, 2023, by and between bioAffinity Technologies, Inc. and Roby Joyce, M.D.
10.7	Assignment and Assumption of Lease Agreement, effective September 18, 2023, by and between Precision Pathology Laboratory Services, LLC and Village Oaks Pathology Services, P.A.
10.8	Office Lease, dated July 31, 2019, by and between Village Oaks Pathology Services, P.A. and 343 West Sunset, LLC
10.9	Assignment and Assumption Agreement, effective September 18, 2023, by and between Precision Pathology Laboratory Services, LLC and Village Oaks Pathology Services, P.A.
10.10	Equipment Usage Attachment, dated effective as of August 9, 2019, by and between Gen-Probe Sales & Service, Inc., together with its subsidiaries and affiliates and Village Oaks Pathology Services, P.A. d/b/a Precision Pathology, as amended by that certain Amendment No. 1 to Equipment Usage Attachment dated November 2, 2020, as further amended by that certain Amendment No. 2 to Equipment Usage Attachment dated November 2, 2020, and as further amended by that certain Amendment No. 3 to Equipment Usage Attachment dated December 21, 2022
10.11	Master Agreement, dated as of January 29, 2015, by and between Leica Microsystems, Inc. and Precision Pathology, as amended by Amendment No. 1 to the Master Agreement, dated on or about April 4, 2018, as further amended by that certain Amendment No. 2 to Master Agreement, dated March 23, 2021
10.12	Strategic Relationship License Agreement, dated December 1, 2022, by and between Pathology Watch, Inc. and Precision Pathology Services
10.13	Bill of Sale signed by Village Oaks Pathology Services, P.A., effective as of September 18, 2023
23.1	Consent of WithumSmith+Brown, PC, independent registered public accounting firm for Village Oaks Pathology Services, P.A.
99.1	Audited financial statements of Village Oaks Pathology Services, P.A. as of and for the year ended December 31, 2022 and 2021
99.2	Unaudited financial statements of Village Oaks Pathology Services, P.A. as of and for the six months ended June 30, 2023 and 2022
99.3	Unaudited pro forma combined financial statements of bioAffinity Technologies, Inc. as of and for the six months ended June 30, 2023 and for the year ended December 31, 2022
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within in the inline XBRL document)

SIGNATURES

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

BIOAFFINITY TECHNOLOGIES, INC.

By: */s/ Maria Zannes*
Maria Zannes
President and Chief Executive Officer

Dated: September 20, 2023

Exhibit 4.1

AMENDMENT TO COMMON SHARE WARRANTS

This AMENDMENT TO COMMON SHARE WARRANTS (this "Amendment") is entered into as of September 17, 2023, by and between bioAffinity Technologies, Inc., a Delaware corporation (the "Company"), and [ ] (the "Holder").

WHEREAS, the Holder is the holder of the following Common Share Purchase Warrants (each, a "Warrant" and together the "Warrants"): (1) a Warrant issued on December 2, 2021 to purchase [ ] shares of the Company's common stock, par value $0.007 per share (the "Common Stock");

WHEREAS, pursuant to Section 8.1 of the Warrants, the Warrants may be modified or amended with the written consent of the Company and the Holder; and

WHEREAS, the Company and the Holder desire to amend the Warrants as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Holder hereby agree as follows:

1. The first sentence of Section 1 is hereby amended by adding the definition of "Issuance Date" such that the end of the first sentence in Section 1 shall read: "have been issued this Purchase Warrant on _____ (the "**Issuance Date**")" with the blank to be replaced by the date that was used to define the term "Commencement Date" in such Warrant.

2. The second sentence of Section 1 is hereby amended by deleting the definition of "Commencement Date" and the date defined as such and replacing such date and definition with the following:

> and after the date on which the amendment to the Company's Amended and Restated Certificate of Incorporation is filed with and accepted by the Secretary of State of the State of Delaware which increases the number of shares of the Company's authorized common stock to allow for full sufficient authorized and unissued shares of common stock for the full exercise of this Purchase Warrant and all outstanding warrants and the issuance of all of the shares of common stock underlying such warrants (the "**Share Increase Date**"),

3. The reference to "Commencement Date" in Section 5.1.4 shall be deleted and replaced with "Issuance Date."

4. The first sentence of Section 6 is hereby amended and restated in its entirety as follows:

> 6. Reservation and Listing. From and after the Share Increase Date, the Company shall at all times reserve and keep available out of its authorized Shares, solely for the purpose of issuance upon exercise of the Purchase Warrants, such number of Shares or other securities, properties or rights as shall be issuable upon the exercise thereof.

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5. The following new Section 8.7 is added to the Warrants:

> 8.7 The Holder acknowledges and agrees that the Company currently does not have sufficiently authorized and unissued and otherwise unreserved common stock for the purpose of issuing all of the Shares upon the exercise of this Purchase Warrant and will not exercise this Purchase Warrant for Shares to the extent the shares of common stock issuable upon exercise of this Purchase Warrant will be in excess of the Company's available authorized and unissued and unreserved common stock. The Company shall no later than at its next annual meeting of stockholders submit to its stockholders a proposal for the approval of an increase in the number of authorized shares of common stock in an amount not less than the maximum amount of Shares issuable upon exercise of this Purchase Warrant and all other outstanding warrants without giving effect to any limitation on exercise set forth herein or therein (the "**Stockholder Resolution**"). In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its reasonable best efforts to solicit its stockholders' approval of such increase in authorized shares of common stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. If, despite the Company's reasonable best efforts, approval of the Stockholder Resolution is not obtained at such meeting, the Company shall cause an additional stockholder meeting to be held upon request of the Holder but no sooner than ninety (90) calendar days after any meeting until approval of the Stockholder Resolution is obtained.

6. Except as amended by this Amendment, the Warrants remain unaltered and shall remain in full force and effect.

7. This Amendment may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Signatures delivered by facsimile, electronic mail (including as a PDF file) or other transmission method shall be deemed to be original signatures, shall be valid and binding, and, upon delivery, shall constitute due execution of this Amendment.

8. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Company and the Holder.

9. This Agreement shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, each of the Company and the Holder has caused this Amendment to be executed by its officer thereunto duly authorized as of the date first above indicated.

COMPANY:

bioAffinity Technologies, Inc.

By: _____
Name: Maria Zannes
Title: Chief Executive Officer

HOLDER:

SCHEDULE OF WARRANT HOLDERS AND WARRANTS

Name of Holder	Date of Original Warrant*	Number of Shares of Common Stock Issuable Upon Exercise of Warrant		Exercise Price of Warrant
U/W Cranye Girgenti Testamentary TR FBO Scott Girgenti	November 22, 2021	5,952	$	5.25
U/W Cranye Girgenti Testamentary TR FBO Scott Girgenti	July 20, 2022	2,380	$	5.25
Steven Girgenti	November 22, 2021	5,952	$	5.25
Steven Girgenti	November 22, 2021	120,743	$	5.25
Steven Girgenti	November 22, 2021	47,619	$	5.25
Steven Girgenti	November 22, 2021	47,619	$	5.25
Steven Girgenti	December 2, 2021	4,275	$	5.25
Steven Girgenti	December 2, 2021	35,714	$	5.25
Steven Girgenti	December 2, 2021	11,904	$	5.25
Steven Girgenti	December 2, 2021	2,380	$	5.25
Steven Girgenti	December 2, 2021	9,523	$	5.25
Steven Girgenti	December 9, 2021	23,809	$	5.25
Steven Girgenti	July 20, 2022	123,811	$	5.25
Steven Girgenti	August 11, 2022	35,714	$	5.25
Gary Rubin	November 22, 2021	12,241	$	5.25
Gary Rubin	July 20, 2022	4,896	$	5.25
The Harvey Sandler Revocable Trust	November 22, 2021	47,619	$	5.25
The Harvey Sandler Revocable Trust	November 22, 2021	205,746	$	5.25
The Harvey Sandler Revocable Trust	November 22, 2021	73,809	$	5.25
The Harvey Sandler Revocable Trust	November 22, 2021	29,761	$	5.25
The Harvey Sandler Revocable Trust	November 22, 2021	51,190	$	5.25
The Harvey Sandler Revocable Trust	July 20, 2022	163,248	$	5.25
Maria Zannes	August 11, 2022	23,571	$	5.25
The Joyce Living Trust	November 22, 2021	14,285	$	5.25
The Joyce Living Trust	July 20, 2022	5,714	$	5.25

***** Definition of "Issuance Date" in Warrant, as amended by Agreement

Exhibit 4.2

AMENDMENT TO INITIAL PUBLIC OFFERING WARRANTS

This AMENDMENT TO INITIAL PUBLIC OFFERING WARRANTS (this "Amendment") is entered into as of September 17, 2023, by and between bioAffinity Technologies, Inc., a Delaware corporation (the "Company"), and [ ] (the "Holder").

WHEREAS, the Holder is the holder of the following warrants that were issued in connection with the Holder's purchase of [ ] Units in the Company's initial public offering (each, a "Warrant" and together the "Warrants"): (1) one five-year tradeable warrant to purchase [ ] shares of the Company's common stock, par value $0.007 per share (the "Common Stock"), issued on September 6, 2022, at an exercise price of $7.35 per share, and (2) one five-year non-tradeable warrant to purchase [ ] shares of Common Stock, issued on September 6, 2022, at an exercise price of $7.656 per share; and

WHEREAS, pursuant to Section 5(l) of the Warrants, the Warrants may be modified or amended or the provisions thereof waived with the written consent of the Company and the Holder; and

WHEREAS, the Company and the Holder desire to amend the Warrants as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Holder hereby agree as follows:

1. The first sentence of the Warrants is hereby amended to insert the following after (the "Holder"):

> was issued this Warrant on September 6, 2022 (the "Issuance Date") and such Holder

2. The first sentence of the Warrants is hereby further amended to amend the definition of "Initial Exercise Date" by deleting the words "the date hereof" and replacing such words with the following:

> the date on which the amendment to the Company's Amended and Restated Certificate of Incorporation is filed with and accepted by the Secretary of State of the State of Delaware which increases the number of shares of the Company's authorized Common Stock to allow for full sufficient authorized and unissued shares of Common Stock for the full exercise of this Warrant and all outstanding warrants and the issuance of all of the shares of Common Stock underlying such warrants (the "Share Increase Date"),

3. The "Termination Date" of the Warrants is hereby amended to be the date that is the fifth year anniversary of the Issuance Date, provided that, if such date is not a Trading Day, insert the immediately following Trading Day.

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4. The definition of "Warrant Agent Agreement" is hereby amended to replace the words "Initial Exercise Date" with "Issuance Date".

5. The first sentence of Section 5(d) is hereby amended and restated in its entirety as follows:

> The Company covenants that, from and after the Share Increase Date, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant.

5. The following new Section 5(p) is added to the Warrants:

> (p) The Holder acknowledges and agrees that the Company currently does not have sufficiently authorized and unissued and otherwise unreserved Common Stock for the purpose of issuing all of the Warrant Shares upon the exercise of this Warrant and will not exercise this Warrant for Warrant Shares to the extent the shares of Common Stock issuable upon exercise of this Warrant will be in excess of the Company's available authorized and unissued and unreserved Common Stock. The Company shall no later than at its next annual meeting of stockholders submit to its stockholders a proposal for the approval of an increase in the number of authorized shares of Common Stock in an amount not less than the maximum amount of Warrant Shares issuable upon exercise of this Warrant and all other outstanding warrants without giving effect to any limitation on exercise set forth herein or therein (the "**Stockholder Resolution**"). In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its reasonable best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. If, despite the Company's reasonable best efforts, approval of the Stockholder Resolution is not obtained at such meeting, the Company shall cause an additional stockholder meeting to be held upon request of the Holder but no sooner than ninety (90) calendar days after any meeting until approval of the Stockholder Resolution is obtained.

6. Except as amended by this Amendment, the Warrants remain unaltered and shall remain in full force and effect.

7. This Amendment may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Signatures delivered by facsimile, electronic mail (including as a PDF file) or other transmission method shall be deemed to be original signatures, shall be valid and binding, and, upon delivery, shall constitute due execution of this Amendment.

8. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Company and the Holder.

9. This Agreement shall be governed, construed and interpreted in accordance with the laws of the state of New York, without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, each of the Company and the Holder has caused this Amendment to be executed by its officer thereunto duly authorized as of the date first above indicated.

COMPANY:
bioAffinity Technologies, Inc.

By: _____

Name: Maria Zannes
Title: Chief Executive Officer

HOLDER:

SCHEDULE OF WARRANT HOLDERS AND WARRANTS

Name of Holder	Date of Original Warrant	Number of Shares Issuable Upon Exercise of Warrant	Exercise Price of Warrant
Steven Girgenti	September 6, 2022	40,916 Tradeable Warrants	$ 7.35
Steven Girgenti	September 6, 2022	40,916 Non-Tradeable Warrants	$ 7.656
Maria Zannes	September 6, 2022	16,326 Tradeable Warrants	$ 7.35
Maria Zannes	September 6, 2022	16,326 Non-Tradeable Warrants	$ 7.656
The Harvey Sandler Revocable Trust	September 6, 2022	16,326 Tradeable Warrants	$ 7.35
The Harvey Sandler Revocable Trust	September 6, 2022	16,326 Non-Tradeable Warrants	$ 7.656

Exhibit 10.1

ASSET PURCHASE AGREEMENT

BY AND AMONG

PRECISION PATHOLOGY LABORATORY SERVICES, LLC

VILLAGE OAKS PATHOLOGY SERVICES, P.A.,

AND

ROBY P. JOYCE, M.D.

Effective as of

SEPTEMBER 18, 2023

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "***Agreement***") is entered into and made effective as of September 18, 2023, by and among (i) Precision Pathology Laboratory Services, LLC, a Texas limited liability company (the "***Buyer***"), (ii) Dr. Roby P. Joyce, M.D. ("***Owner***") and (iii) Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services (the "***Seller***"). Each of the Buyer and the Seller may be referred to herein, individually, as a "***Party***" and, collectively, as the "***Parties***."

WHEREAS, the Seller owns certain Purchased Assets (as hereinafter defined) used, useful or held for use in connection with its ownership, management, and operation of the clinical anatomic and clinical pathology testing laboratory division or segment of Seller and related services business, other than the medical practice of Seller (the "***Business***");

WHEREAS, Owner is the sole owner of Seller and will receive direct and indirect benefits under this Agreement; and

WHEREAS, the Buyer desires to purchase, and Seller desires to sell, the Purchased Assets on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and the Seller hereby agree as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used in this Agreement have the respective meaning assigned such terms in Appendix I attached to this Agreement and incorporated herein.

ARTICLE 2
PURCHASE OF NON-MEDICAL ASSETS

2.1 Purchase and Sale.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Seller shall sell, assign, convey, transfer, and deliver to the Buyer, free and clear of all Encumbrances, and the Buyer shall purchase, all of the Seller's right, title, and interest in, to, and under all assets of the Seller relating to or used, useful or held for use in connection with the Business (collectively, the "***Purchased Assets***"), including, without limitation, the following assets, but specifically excluding the Excluded Assets:

(i) all of the assets listed or described on Schedule 2.1(a)(i);

(ii) all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures; (ii) trademarks, service marks, trade dress, trade names (including, the trade name "Precision Pathology Services"), logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing), Internet domain names, IP addresses, internet and mobile account names (including social media names, "tags," and "handles") and other source indicators, together with all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works, including computer software and all source code, executable code and documentation used in or related to same; (iv) registrations and applications for any of the foregoing; (v) confidential information, proprietary information and trade secrets, including know how, ideas, inventions, designs, technology, tools, methods, specifications, technical data, databases, data collections, customer lists, supplier lists, pricing and cost information and business and marketing plans and proposals; (vi) rights of privacy and publicity; (vii) other similar proprietary and intangible rights; and (viii) all causes of action (resulting from past and future infringement thereof), damages, and remedies relating to any and all of the foregoing;

(iii) all accounts receivable, notes receivable, rebate receivables, bid, performance, lease, utility or other deposits, employee advances, draws and other miscellaneous receivable of the Business, whether billed or unbilled, including any security, claim, remedy or right used in or related to any of the foregoing;

(iv) all cash or cash equivalents in the operating accounts of Seller as of the Closing Date ("***Cash in Bank Amount***");

(v) the entire operating assets of the Business, all tangible personal property located at the Laboratory Premises and/or used, useful in, held for use in or relating to the Business or its operations, including, without limitation, all vehicles, machinery, equipment (including, medical, office and other equipment), furniture, fixtures, finishings, computer equipment, telephones, tools, spare parts and medical instruments, together with any and all warranties thereon (to the extent same are assignable);

(vi) all inventory, raw materials, packaging, supplies, parts, disposables, consumables and other inventories located at the Laboratory Premises or used, useful in, held for use in or relating to the Business or its operations, including, but not limited to, medical supplies, bandages, and office materials, together with any and all warranties thereon (to the extent same are assignable);

(vii) all rights of Seller in and to the Laboratory Lease and all rights of Seller in and to any leases for equipment and personal property used in connection with the operation of the Business listed on Schedule 2.1(a)(vii) (all such assumed leases and the Laboratory Lease, the "***Assumed Leases***");

(viii) all right, title and interest in and to the Contracts listed onSchedule 2.1(a)(viii) (the "***Assumed Contracts***");

(ix) subject to applicable Law, the originals, or copies if originals are not readily available, of all documents, books, records, operating manuals, policies and procedures, forms and files in Seller's possession with respect to the operation of the Business and the Purchased Assets, including original paper and electronic equipment records, construction plans and specifications, medical and administrative libraries, financial records, and other records and files relating to the ownership and operation of the Business, but specifically excluding personnel records;

(x) to the extent assignable, all of the Seller's rights in and relating to computer programs and software (including billing, discharge and electronic medical records software) licensed by the Seller in connection with the Business (collectively, the "***Licensed Intellectual Property***");

(xi) all telephone numbers and listings used in connection with the operation of the Business; (for the avoidance of doubt not including owners and other physicians telephone numbers whether or not used in the Business)

all general intangibles and other intangible assets related to or connected with the Business, including (A) refunds, rights of offset and credits and deposits, (B) all Permits required for the conduct of the Business, for the operation thereof, or for the ownership and use of the Purchased Assets (to the extent the same are transferable under applicable Laws), (C) any claims, Actions, causes of action, rights of recovery, defenses or other action being pursued by, or available to Seller, to the extent related to the Business or the Purchased Assets, and (D) rights under warranties, indemnities and all similar rights against third parties to the extent related to any of the Purchased Assets.

(xii) all prepaid expenses and other deposits and advance payments of Seller with respect to the Business;

(xiii) all other property of every kind, character or description, tangible and intangible, known or unknown, owned or leased by Seller and used or held for use in the operation of the Business, whether or not described in this Agreement (other than the Excluded Assets);

(xiv) all additions, substitutions, replacements, repossessions, and products of any of the properties and Purchased Assets described above; and

(xv) the Business as a going concern, including all goodwill thereof.

(b) As full and complete consideration for the sale, assignment, conveyance, transfer, and delivery to the Buyer of the Purchased Assets, free and clear of all Encumbrances, the Buyer shall pay the Seller $3,500,000.00 (the "***Purchase Price***"). Subject to adjustment as herein provided, the Purchase Price will be payable as follows:

(i) on the Closing Date, the Buyer shall pay, in immediately available funds, to the Seller an amount equal to the Closing Payment, subject to adjustment; and

(ii) the issuance by bioAffinity Technologies, Inc., a Delaware corporation and parent of Buyer ("***Parent***"), of 564,972 shares of Parent common stock ("***Parent Equity***"), currently listed and traded as "BIAF" on the NASDAQ Capital Market, which share number was determined by dividing $1,000,000.00 by the average of the trading day closing prices for the thirty (30) days prior to September 15, 2023, rounded to the nearest whole share. The Seller acknowledges and agrees that the Parent Equity is restricted and not registered for resale; however, Parent, in its sole discretion, may register the Parent Equity in conjunction with Parent's next financing following the Closing Date in which Parent registers its common stock. The Seller hereby instructs Purchaser to cause the Parent to issue the Parent Equity to Owner, as trustee of the Joyce Living Trust, upon receipt and acceptance by Parent of the duly executed Subscription Agreement.

2.2 Allocation. The Buyer and the Seller shall mutually agree on the appropriate allocation of the Purchase Price and all other applicable capitalized costs and other relevant items in a manner complying with Section 1060 of the Tax Code and the Treasury Regulations promulgated thereunder in accordance with this Section 2.2 (the "***Allocation***"). The Buyer shall prepare the Allocation within sixty (60) days after the Closing Date, or as soon as is reasonably practicable thereafter, and shall deliver a copy thereof to the Seller for its review and comment. If the Seller notifies the Buyer in writing that the Seller objects to one or more items reflected in the Allocation and sets forth the Buyer's proposal regarding such item(s), the Seller and the Buyer shall negotiate in good faith to resolve such dispute; provided, however, that if the Seller and the Buyer are unable to resolve any dispute with respect to the Allocation within ninety (90) days following the Closing Date, such dispute shall be resolved by the Independent Accountant who, acting as an expert and not arbitrator, shall resolve the disputed items only and make any adjustments to the Allocation. The Independent Accountant shall only decide the specific items under dispute by the Parties and its decision for each disputed item must be within the range of values assigned to each such item in the draft Allocation prepared by the Buyer and the notice of objection submitted by the Seller, respectively. The fees and expenses of the Independent Accountant shall be borne equally by the Seller and the Buyer. The Buyer shall also prepare any revisions to the Allocation from time to time that may be required by Section 1060 of the Tax Code and the Treasury Regulations

thereunder (for example, to account for any adjustments to the Purchase Price or other relevant items) and shall promptly provide any such revisions to the Seller for its review and comment, which comments (if any) Buyer shall consider in good faith. The Buyer and the Seller agree that all Tax Returns of the Buyer and the Seller shall be prepared consistently with the Allocation as finally prepared and/or revised by Buyer.

2.3 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, the Buyer agrees, effective at the Closing, to assume only the following liabilities and obligations of the Seller (the "***Assumed Liabilities***"):

(a) all liabilities and obligations of the Seller under any Assumed Leases or Assumed Contracts, to the extent that any such liabilities and obligations accrue and first arise or are scheduled to be performed after the effectiveness of the Closing for reasons other than any breach, violation or default thereof by the Seller (excluding Excluded Liabilities and any liability for work performed prior to the effectiveness of the Closing);

(b) all accounts payable of the Seller at the Closing incurred in the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency) ("***Ordinary Course of Business***") and set forth on the Seller's Closing balance sheet, provided that the amount of such accounts payable shall not include any liabilities associated with any breach of contract, tort or violation of Law; and

(c) all cost and expenses associated with the conversion of QuickBooks Enterprise Desktop edition to QuickBooks Online edition.

2.4 Excluded Assets. The following assets of Seller (collectively the "***Excluded Assets***") are not part of the sale and purchase contemplated hereunder, are excluded from the Purchased Assets and shall remain the property of the Seller after the Closing:

(a) the assets listed on Schedule 2.4(a), none of which are tangible personal property used in the Business;

(b) the Medical Assets;

(c) any Employee Retention Credit Refund;

(d) any Contract of Seller other than an Assumed Contract or Assumed Lease;

(e) any and all Employee Benefit Plans;

(f) that certain Certificate of Deposit issued by Broadway National Bank currently in the name of the Seller with a value of approximately $100,823.00 as of December 31, 2022; and

(g) all physician, including Owner, mobile phone telephone numbers.

For the avoidance of doubt, any artwork or personal effects at the Laboratory Premises owned by Owner, rather than Seller, are excluded from the purchase by Buyer.

2.5 Excluded Liabilities. The Buyer shall not and does not assume any of, and Seller shall remain solely liable for and cause to be paid and satisfied when due, all Liabilities of the Seller and its Affiliates other than the Assumed Liabilities (the "***Excluded Liabilities***"), including:

(a) any Taxes (i) imposed on Seller or its Affiliates for any taxable period, (ii) imposed with respect to the Excluded Assets for any taxable period, or (iii) relating to the Business (including the Purchased Assets) for any period (or portion thereof) ending on or prior to the Closing Date, including any Taxes imposed as a result of the transactions contemplated herein;

(b) any Liabilities or obligations of Seller relating to the Excluded Assets;

(c) any Liability or obligation of Seller arising or incurred in connection with the negotiation, preparation and execution of this Agreement and the consummation of the transactions contemplated hereby, including fees and expenses of its counsel, accountants and other advisors, and any Liabilities of Seller for commissions or fees owed to any finder or broker retained by Seller in connection with the transactions contemplated hereby;

(d) any Liability or obligation resulting from any formal or informal, written or unwritten, agreement with respect to employee compensation, severance pay, bonus, partner distributions, pension, retirement, profit sharing, health or medical benefit, welfare plan, or any other employee benefit or fringe benefit plan and any stock option arrangements, warrants or employment agreements for services, including any Liabilities or obligations under an Employee Benefit Plan;

(e) any Liability or obligation (actual or alleged) of Seller to Persons or properties arising from the ownership, possession or operation of the Business or any of the Purchased Assets prior to the Closing Date;

(f) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the operation of the Business, the Medical Assets, or the Purchased Assets to the extent such Action relates to such operation on or prior to the Closing Date, including any Actions brought by any present or former employees, independent contractors, consultants, customers, vendors or patients of Seller;

(g) any Liabilities of Seller for any present or former employees, officers, partners, retirees, independent contractors or consultants of Seller, including, without limitation, any Liabilities associated with any pre-Closing claims for wages or other benefits, bonuses, workers' compensation, severance, retention, termination or other payments;

(h) any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of Seller (including with respect to any breach of fiduciary obligations by same);

(i) any Liabilities under any Contracts of Seller (other than the Assumed Contracts and Assumed Leases) or any other Contracts of Seller (i) which are not validly and effectively assigned to the Buyer pursuant to this Agreement; (ii) which do not conform to the representations and warranties with respect thereto contained in this Agreement; or (iii) to the extent such Liabilities arise out of or relate to a breach by Seller of such Contracts prior to Closing;

(j) any Liabilities associated with debt, loans or credit facilities of Seller and/or the Business owing to financial institutions, including but not limited to, any debt pursuant to the Economic Injury Disaster Loan Program or Paycheck Protection Program; and

(k) any Liabilities arising out of, in respect of or in connection with the failure by Seller or any of its Affiliates to comply with any Law (including any failure to comply with Healthcare Laws) or Governmental Authority.

2.6 Fair Market Value. The Parties agree that the Purchase Price represents the fair market value of the Purchased Assets in an arm's length transaction and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated or to be generated between the Parties or any of their Affiliates for which payment may be made, in whole or in part, under Medicare or any state health care program, as defined under Section 1128B of the Social Security Act.

2.7 Withholding Tax. The Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that the Buyer is required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to the Seller hereunder.

2.8 Escrow Amount.

(a) On the Closing Date, Buyer shall deposit the Escrow Amount with J.P. Morgan Chase Bank, N.A. (the "***Escrow Agent***") to be held in an account established by the Escrow Agent pursuant to the terms of a mutually agreed upon form of Escrow Agreement to be entered into by the Seller, Buyer and Escrow Agent at Closing (the "***Escrow Agreement***"). The Escrow Amount shall be released on the terms of the Escrow Agreement and used solely to satisfy the Seller's contingent and non-contingent post-Closing obligations under this Agreement, including Seller's liabilities for indemnification matters arising under Section 6.3.

(b) On the date which is twelve (12) months following the Closing Date, Seller and Buyer will jointly instruct the Escrow Agent to release from escrow one-half of the then current balance of Escrow Amount, minus the aggregate amount of all pending indemnification claims by the Buyer Indemnified Parties pursuant to Section 6.3 (such amount, the "***Pending Claims Amount***," and the amount of the Escrow Amount to be paid by Buyer to Seller, the "***Escrow Release Amount***"), and on the date which is twenty-four (24) months following the Closing Date, the Seller and Buyer will jointly instruct Escrow Agent to release from escrow the remaining Escrow Amount minus any Pending Claims Amount. In each case the Escrow Release Amount shall be released to an account or accounts designated in writing by the Seller in accordance with the Escrow Agreement.

2.9 Agreement Not to Undergo a Change of Control or Dissolve Seller covenants that it shall not dissolve nor undergo a Change of Control, unless such dissolution or Change of Control is pursuant to the terms of the Management Services Agreement and Succession Agreement, each to be entered into at Closing by and among Buyer, Owner and the Seller, provided however, unless otherwise agreed upon in writing by Buyer, the Seller shall have paid, satisfied or discharged all of its Liabilities, or made adequate provision for payment, satisfaction or discharge thereof including the performance of its obligations under the Assumed Contracts to which the Seller is a party, if any. Further, the Seller shall not make any distributions to its owners that could result in its being insolvent or unable to pay, satisfy or discharge its Liabilities.

ARTICLE 3
THE CLOSING

3.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "***Closing***") shall take place as of the Effective Time. The Closing shall be accomplished by electronic transmission and exchange of all signatures and other Closing documents and deliverables, as required herein.

3.2 Seller Closing Deliverables. At the Closing, the Seller shall deliver (or shall have delivered), or cause to be delivered, to the Buyer the following:

(a) an executed and notarized Bill of Sale, in form and substance mutually acceptable to the Buyer and Seller (the "***Bill of Sale***");

(b) an executed Assignment and Assumption Agreement with respect to the Assumed Contracts and the Assumed Leases, in form and substance mutually acceptable to the Buyer and Seller (the "***Assumption Agreement***");

(c) an executed Assignment and Assumption of Lease (the "***Assignment and Assumption of Lease***"), by and between the Seller and Buyer, whereby the Seller will assign, transfer and convey to Buyer, free and clear of all Encumbrances, all of the Seller's right, title and interest in and to the Laboratory Lease, and an executed consent to assignment from the Landlord consenting to the assignment of the Laboratory Lease to Buyer, all in form and substance mutually acceptable to Buyer and the Seller;

(d) an executed Professional Services Agreement, in form and substance mutually acceptable to the Buyer and Seller (the "***Professional Services Agreement***");

(e) an executed Management Services Agreement, in form and substance mutually acceptable to the Buyer and Seller (the "***Management Services Agreement***");

(f) an executed Succession Agreement, in form and substance mutually acceptable to the Buyer, Seller and Owner (the "***Succession Agreement***");

(g) an executed Escrow Agreement;

(h) an executed Executive Employment Agreement, in form and substance mutually acceptable to Owner and Buyer (the "***Executive Employment Agreement***");

(i) an Employment Agreement, by and between Buyer and Maya Thukrail-Hair, duly executed by Maya Thukrail-Hair, in form and substance satisfactory to Buyer;

(j) an executed Subscription Agreement, in a form provided by Parent and completed by Owner as Trustee of the Joyce Living Trust in a manner satisfactory to Parent, regarding the Parent Equity that Seller has directed to be issued to the Joyce Living Trust as part of the Purchase Price (the "***Subscription Agreement***");

(k) evidence of transfer to accounts designated by Buyer of the Cash in Bank Amount;

(l) Certificates of fact issued by the Secretary of State of the State of Texas and account status issued by the Texas Comptroller of Public Accounts for the Seller and dated within ten (10) days prior to the Closing Date;

(m) Certificates from the Seller pursuant to Treasury Regulations Section 1.1445-2(b) that the Seller is not a foreign person within the meaning of Section 1445 of the Tax Code duly executed by the Seller, in form and substance reasonably satisfactory to the Buyer;

(n) a duly completed Form 01-917 Statement of Occasional Sale promulgated by the Texas Comptroller of Public Accounts executed by Seller;

(o) Resolutions of the Seller authorizing the execution and delivery of this Agreement and the other Transaction Documents to which Seller is a party and the signature and incumbency of the officer of Seller authorized to execute and deliver this Agreement and the other Transaction Documents to which Seller is a party, certified as

true and accurate as of the Closing by an appropriate officer of Seller;

(p) Payoff letters from lenders and creditors of the Seller providing for the payoff and release of all Encumbrances on the Purchased Assets, except for the Flow Cytometer Lease which is being assumed by Buyer, and otherwise in form and substance satisfactory to Buyer;

(q) Copies of consents set forth in Schedule Section 1.01(i) duly executed by the Person providing such consent; and

(r) Such other documents or instruments as the Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

3.3 Buyer Closing Deliverables. At the Closing, the Buyer shall deliver (or shall have delivered), or cause to be delivered, to the Seller the following:

(a) the Closing Payment;

(b) the Parent Equity issued by Parent;

(c) Assumption Agreement, duly executed by the Buyer;

(d) Assignment and Assumption of Lease duly executed by Buyer;

(e) Professional Services Agreement duly executed by Buyer;

(f) Management Services Agreement duly executed by Buyer;

(g) Succession Agreement duly executed by Buyer;

(h) Escrow Agreement duly executed by Buyer;

(i) Executive Employment Agreement duly executed by Parent;

(j) Resolutions of the Buyer authorizing the execution and delivery of this Agreement and the Transaction Documents to which Buyer is a party and the signature and incumbency of the officer of the Buyer authorized to execute and deliver this Agreement and the other Transaction Documents to which Buyer is a party, certified as true and correct as of the Closing by an appropriate officer of the Buyer;

(k) Resolutions of Parent authorizing the issuance of the Parent Equity and the election of Owner to the Board of Directors of Parent, certified as true and correct as of the Closing by an appropriate officer of the Parent; and

(l) Such other documents or instruments as Seller reasonably requests and are necessary to consummate the transactions contemplated by this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLER

As a material inducement for the Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, the Seller and Owner, jointly and severally, hereby make the following representations, warranties, and covenants, each of which is relied upon by the Buyer regardless of any investigation made or information obtained by the Buyer or its Affiliates.

4.1 Organization and Good Standing. The Seller is a professional association, duly organized, validly existing and in good standing under the laws of the state of Texas. The Seller has full power and authority to own, operate or lease the properties and Purchased Assets now owned, operated or leased by it and to carry on its business (including the Business) as currently conducted. The Seller (a) does not (i) have any direct or indirect subsidiaries, (ii) own any equity interests in any other Person, or (iii) except as disclosed on Schedule 4.1(a)(iii), provide medical or healthcare services through any other Person.

4.2 Due Authorization; Capacity. The Seller is duly empowered and authorized, and the Owner has the legal capacity, to enter into this Agreement and the other transaction documents to which the Seller or Owner, respectively, is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery, and performance of this Agreement and all other agreements, instruments, certificates, and documents executed and delivered by or on behalf of the Seller and the consummation of the transactions contemplated hereby by the Seller have been duly authorized, and no other approvals or authorizations are necessary in connection therewith. This Agreement and all other agreements, instruments, certificates, and documents executed and delivered by or on behalf of the Seller or Owner (assuming due authorization, execution and delivery by the Buyer)are the valid and binding obligations of the Seller and Owner, as the case may be, enforceable against the Seller and Owner in accordance with their respective terms.

4.3 No Violation; No Consents.

(a) The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of the Seller; (ii) constitute a breach or violation of any applicable Law, or any Contract to which the Seller is a party to which any of the Purchased Assets is subject; (iii) violate, conflict with or result in any breach of, result in any modification of the effect of, otherwise give any contracting party the right to terminate, or constitute (or with notice or lapse of time or both constitute) a default under, any Contract which is either binding upon or enforceable against the Seller, the Business, or the Purchased Assets; (iv) result in the imposition or creation of any Encumbrance on any of the Purchased Assets; or (v) breach, impair, or in any way limit any Permit of the Seller or the Business.

(b) Except for the consents and notice requirements specifically listed and described in Schedule 4.3(b), the execution and delivery of this Agreement by the Seller and the consummation of the transactions provided herein by the Seller will not require any consent, review, approval, Permit, waiver, notice, governmental order, declaration, filing with or other process of any Governmental Authority or of any party to any Contract to which the Seller is a party or by which any of the Purchased Assets is subject or may be bound.

4.5 Financial Statements.

(a) Complete copies of the financial statements consisting of (i) the audited balance sheet of the Business as at December 31, in each of the years, 2021 and 2022 and the related statements of income and retained earnings, shareholders' equity, and cash flow for the years then ended and (ii) unaudited statements of income and

retained earnings, shareholders' equity, and cash flow for the period ending June 30, 2023 (the "***Financial Statements***") are included in Schedule 4.5. The Financial Statements have been prepared in accordance with generally accepted accounting principles in effect in the United States from time to time, applied on a consistent basis throughout the period involved. The Financial Statements fairly present in all material respects the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated. The balance sheet of the Business as of December 31, 2022 is referred to herein as the "***Balance Sheet***" and the date thereof as the "***Balance Sheet Date***".

(b) Seller has no Liabilities with respect to the Business, except (i) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (ii) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

(c) Except as set forth on Schedule 4.5, since the Balance Sheet Date, and other than in the Ordinary Course of Business, there has not been any change, event, condition, or development that is, or could reasonably be expected to be, individually or in the aggregate, materially adverse to: (a) the business, results of operations, condition (financial or otherwise), or assets of the Business; or (b) the value of the Purchased Assets.

4.6 Title to Purchased Assets. The Seller has good and valid title to, or a valid leasehold interest in, all of the Purchased Assets, free and clear of Encumbrances as of the Closing Date. The Purchased Assets constitute all of the operating assets and tangible personal property currently in existence that are being used or are usable in connection with the Business (with the exclusion of the Excluded Assets). The Purchased Assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property, and assets necessary to conduct the Business as currently conducted. None of the Excluded Assets are material to the Business.

4.7 Certain Remuneration and Self-Referrals. Neither the Seller nor any employee of the Seller, or, to the Seller's Knowledge, any other Person has, at any time, directly or indirectly, (a) paid, delivered or received or agreed to pay, deliver or receive any fee, commission or other sum of money, item of property or remuneration of any kind, directly or indirectly, overtly or covertly, in cash or in kind, however characterized, to or from any Person to induce or reward the referral or any business or which is in any manner related to the operations or business of the Seller (including the Business) which is illegal under any applicable federal, state or local anti-kickback or fee splitting Law, or (b) submitted any claim for reimbursement to any third party payor, including any governmental payors, in connection with any referrals that violated any applicable federal, state, or local self-referral, kickback or bribery Law.

4.8 Assigned Contracts. Each Assumed Contract and Assumed Lease is valid and binding on the Seller in accordance with its terms and is in full force and effect. Neither Seller nor, to the Knowledge of Seller, any other party to any Assumed Contract or Assumed Lease is in default in connection with such Assumed Contract or Assumed Lease. No act or event has occurred which, with notice or lapse of time or both, would constitute a default under any Assumed Contract or Assumed Lease with respect to Seller or, to the Knowledge of the Seller, any other party. The Seller has not given or received any notice of cancellation or termination in connection with any Assumed Contract or Assumed Lease. Except as set forth on Schedule 4.8, no Assumed Contract or Assumed Lease will be materially affected by, or require the consent of or payment to any other party to avoid an event of default, an event of termination or other Material Adverse Effect, with respect to such by reason of the transactions contemplated by this Agreement.

4.9 Taxes. All Tax Returns with respect to the Purchased Assets and/or the Business required to be filed by or on behalf of the Seller for any Pre-Closing Tax Period have been, or will be, timely filed with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed. Such Tax Returns are, or will be, true, complete and correct in all material respects. All Taxes due and owing by the Seller (whether or not shown on any Tax Return) have been, or will be, fully and timely paid. The Seller withheld and paid (or has set apart for payment and will pay) each Tax required to have been withheld and paid (or set apart pending payment) in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, partner, Engaged Professional or other party, and complied with all information reporting and backup withholding provisions of applicable Law. The Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2. The Seller does not hold a sales tax permit of any kind and is not a retailer or seller of tangible personal property in the Ordinary Course of Business, and the Seller is not required to hold a sales tax permit under state Law.

4.10 Litigation and Proceedings. There are no Actions pending or, to the Seller's Knowledge, threatened against or by the Seller, the Business, the Purchased Assets, any Engaged Professional or any Person at any time employed, engaged, or otherwise associated with the Seller (i) arising out of, relating to or affecting the Business or the Purchased Assets; or (ii) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

4.11 Employees and Independent Contractors.

(a) Schedule 4.11 attached hereto contains a list of all individuals who are current employees, independent contractors or consultants of the Seller who provide ***non-medical services*** in connection with the Business, currently engaged or employed by the Seller or by any third party or other Person on behalf of the Seller, and including any employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized (collectively, the "***Business Personnel***"), and sets forth for each such individual the following: (a) name; (b) title or position (including whether full or part time); (c) hire date; (d) current annual compensation rate; (e) all Accrued PTO and severance pay; and (f) service credit recognized under any employee benefit plan for purposes of eligibility or vesting.

(b) Seller's employees are not unionized nor has there been in the past three years, any organized effort or demand for recognition or certification or attempt to organize employees of Seller by any labor organization. There is no labor strike, dispute, request for representation, slow down, or stoppage, pending or, to the Knowledge of the Seller, threatened against the Seller.

(c) As of the date of this Agreement and as of the Closing, all compensation, including, but not limited to, wages, commissions and bonuses payable to all current or former employees, independent contractors or consultants of the Seller for services performed on or prior to the date of this Agreement or the Closing Date have been or will be, as applicable, paid in full.

(d) No present or former employee of Seller has any Action against Seller (whether under federal, state or local Law) under any employment agreement, employment relationship, or otherwise, including on account of or for (i) breach of contract, (ii) unlawful termination, (iii) overtime pay, (iv) wages or salary, (v) vacation or time off (or pay in lieu thereof), or (vi) any violation of any Law relating to minimum wages or maximum hours of work.

(e) No present or former employee of the Seller has any Action, or a basis for any Action, nor have they filed any claim with any court or other Governmental Authority, against the Seller asserting wrongful termination, retaliation, sexual harassment, age, gender, or racial discrimination, or violation of the Occupational Safety and Health Act or any other laws relating to discrimination in employment, employment practices or occupational safety and health standards, by the Seller or any officer, director, employee, agent or Engaged Professional of the Seller.

(f) The Seller is and has been in compliance with all applicable Laws pertaining to employment, employment practices, terms and conditions of employment, and wages and hours, and the Seller is not engaged in any unfair labor practice or discrimination. All individuals characterized and treated by the Seller as consultants or

independent contractors of the Business are properly treated as independent contractors under all applicable Laws. All employees of the Business classified as exempt under the Fair Labor Standards Act and state and local wage and hour Laws are properly classified.

4.12 Employee Benefit Matters.

(a) To the extent that Seller has maintained an Employee Benefit Plan, each Employee Benefit Plan has been established, administered and maintained in accordance with its terms and in compliance with all applicable Laws, including ERISA and the Tax Code. With respect to each of the Employee Benefit Plans, there are no violations of any applicable Laws or violations of any Contract that would result in any liability being imposed on Buyer or an Affiliate of Buyer.

(b) No Employee Benefit Plan is, and the Seller has not maintained or participated in an employee benefit plan that is or has ever been, (i) covered by Title IV of ERISA, (ii) subject to the minimum funding requirements of Section 412 of the Tax Code, or (c) a "multiemployer plan" as defined in Section 3(37) of ERISA. No Employee Benefit Plan provides for any retiree health benefits for any employees or dependents of the Seller and its Affiliates other than as required by Part 6 of Subtitle B of Title I of ERISA and Tax Code Section 4980B, as amended ("***COBRA***"), or similar state Law. Each "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) which is a group health plan (within the meaning of Section 5000(b)(1) of the Tax Code) complies with and has been maintained and operated in accordance with each of the applicable requirements of COBRA and any applicable continuation of coverage requirements under state Law.

(c) All premiums required to be paid, all benefits, expenses and other amounts due and payable, and all contributions, transfers or payments required to be made to or under any employee benefit plan maintained by Seller or its Affiliates will have been paid, made or accrued for all services on or prior to the Closing Date.

(d) Except for routine claims for benefits arising in the Ordinary Course of Business with respect to any Employee Benefit Plan, there are no claims, actions, suits, proceedings, investigations or hearings pending or, to the Seller's Knowledge, threatened with respect to any Employee Benefit Plan.

(e) Seller has not incurred material Liability for any Tax imposed under Section 4975 of the Tax Code, Section 4980H of the Tax Code, or Part 5 Subtitle B of Title I of ERISA with respect to any Employee Benefit Plans.

4.13 Compliance with Law.

(a) The Seller and the Business have been operated at all times since inception, and currently are, in compliance with all Laws or other rules or regulations of any Governmental Authority applicable to such Persons, the operation of the Business as previously or currently operated, or the ownership and use of the Purchased Assets, including: (i) Laws or other rules or regulations of any Governmental Authority governing any health care program, including the Medicare and Medicaid programs and Laws relating to health care fraud and abuse and referrals; (ii) federal and state Laws or other rules or regulations relating to health care fraud and abuse and referrals; (iii) federal and state Laws or other rules or regulations relating to Medicare, Medicaid, or any other state governmental or private health care or health insurance programs, including any insurance Laws or Laws relating to payors other than federal or state healthcare programs; (iv) federal and state Laws or other rules or regulations (including those rules and regulations followed, promulgated or enforced by state boards of medicine) relating to the unlawful practice of medicine by physicians or corporations, aiding or abetting the unlicensed practice of medicine or provision of healthcare services, unprofessional conduct, false, deceptive or misleading advertising, filling prescriptions or providing medical care or healthcare services across state lines, fee-splitting, or the payment of referral fees; (v) federal or state Laws or other rules or regulations relating to the manner of handling, processing, and timely paying claims for payment for health care items or services; (vi) Laws or other rules or regulations of any Governmental Authority relating to patient or individual healthcare information, including the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104 191, as amended by the Health Information Technology for Economic and Clinical Health Act, and any rules or regulations promulgated thereunder ("***HIPAA***") and similar state Laws, including any requirements of such laws to provide notice to individuals affected by a breach of the privacy or security of their information; (vii) other federal or state Laws or other rules or regulations relating to fraudulent, abusive or unlawful practices connected in any way with the provision of health care items or services, the operation of any website related to such items or services, or the billing or payment for such items or services; (viii) Laws or other rules and regulations of any Governmental Authority relating to release of hazardous materials and other materials of environmental concern, pollution or protection of the environment; and (ix) Laws or other rules and regulations regarding the handling of medical waste.

(b) Neither the Seller, nor any director, officer, partner, employee, physician, physicians' assistant, nurse practitioner, nurse, or other healthcare professional employed or engaged by or under Contract with the Seller or by another Person on behalf or for the benefit of Seller, in each case in connection with the Business (each, an "***Engaged Professional***"), (i) has been assessed a civil money penalty under Section 1128A of the Social Security Act (42 U.S.C. § 1320a 7a) or any similar Law, or any regulations promulgated thereunder, (ii) has been barred or excluded from participation in any federal health care program or state health care program (as such terms are defined by the Social Security Act), (iii) has been convicted of any criminal offense or has engaged in any act or conduct that would be a grounds for mandatory or permissive exclusion from participation in any federal health care program under Section 1128 of the Social Security Act (42 U.S.C. § 1320a 7), or (iv) is a party to or subject to any Action concerning any of the matters described above in clauses (i) through (iii).

4.14 Permits and Licenses. All Permits required for the Seller and each Engaged Professional to operate the Business as currently operated or for the ownership and use of the Purchased Assets have been obtained by the Seller and each Engaged Professional and are valid and in full force and effect and, with respect to the Permits held by the Seller, and to Seller's knowledge, are transferable to the Buyer. All such Permits are listed on Schedule 4.14. The Seller and each Engaged Professional is in compliance with all such Permits.

4.15 Intellectual Property. All Contracts relating to the use or license of third party technology, know-how or processes by Seller that are part of the Purchased Assets (collectively, the "***Intellectual Property Licenses***") are set forth in Schedule 4.15. Seller has the right to use all Licensed Intellectual Property. The consummation of the transactions contemplated by this Agreement will not alter or impair Seller's rights to use the Licensed Intellectual Property and/or any of Seller's right, title or interest in, to or under any Intellectual Property License. All of the Licensed Intellectual Property is free and clear of all assignments, Encumbrances, charges or claims for infringement, and none is subject to any outstanding order, decree, judgment, stipulation or charge. To the Seller's Knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any intellectual property right of any third party. The Seller's use of the Purchased Assets does not infringe upon or otherwise violate the rights of others, and no one has asserted to Seller that Seller's use of the Purchased Assets infringes the patents, trade secrets, trade names, trademarks, service marks, copyrights or other intellectual property rights of any other Person. The transfer of the Licensed Intellectual Property to, and use by, the Buyer pursuant to the transactions contemplated by this Agreement will not violate or infringe on the rights of others with respect to any of such Licensed Intellectual Property.

4.16 Payor Participation.

(a) The Seller and the Business participate in the Medicaid and Medicare Programs, the TRICARE Program, and similar federal and state reimbursement and governmental health care programs (including "Federal health care programs" as defined in 42 U.S.C. §1320a 7b(f)) ("***Government Programs***") and in private, non-governmental programs (including any private insurance program) under which such Persons directly or indirectly are receiving or have received payments (such private, non-governmental programs are referred to, collectively, as the "***Private Programs***" and, together with the Government Programs, the "***Payor Programs***"). The Seller and the Business are in good standing with the Government Programs and the Private Programs with which it participates, and neither the Seller nor the Business has any outstanding overpayments or refunds due to any Government Program or any Private Programs, except those occurring in the Ordinary Course of Business.

(b) The Seller has timely filed all claims and reports required to be filed prior to the date of this Agreement and the Effective Time with respect to the Payor Programs, all fiscal intermediaries and/or carriers, and other insurance carriers, and all such claims and reports are complete and accurate in all material respects and have been prepared in material compliance with Laws and contractual obligations of such Payor Programs governing reimbursement and payment claims and all such Permits are identified on Schedule 4.14.

(c) The Seller has paid or caused to be paid all known and undisputed refunds, overpayments, discounts or adjustments that have become due pursuant to such claims and reports, have not claimed or received reimbursements from Payor Programs in excess of the amounts permitted by Law, and have no Liability under any Payor Program, other than any refund, overpayment, discount or adjustment that occurs in the Ordinary Course of Business.

(d) There are no pending or, to the Knowledge of the Seller, threatened appeals, adjustments, challenges, proceedings or notices of intent to audit with respect to the Seller or the Business. The Seller has not been audited, surveyed, or otherwise examined in connection with any Payor Program, excluding regular credentialing or accreditation activities that occur in the Ordinary Course of Business.

(e) Seller has not received notice that Seller or the Business or any Engaged Professional is subject to any restriction or limitation on the receipt of payment under any Government Program. Seller is a "provider" with valid and current provider agreements and with one or more provider numbers with the Government Programs through intermediaries.

(f) Neither Seller, nor any owner, partner, employee, officer or director of Seller, any Engaged Professional or any independent contractor of Seller, has been (i) excluded from participating in any Government Programs, (ii) subject to sanction pursuant to 42 U.S.C. §1320a-7a or 1320a-8, or (iii) convicted of a crime described at 42 U.S.C. §1320a-7b.

4.17 Conduct Business in the Ordinary Course. Since January 1, 2023, the Seller has conducted the Business only in the Ordinary Course of Business, including, without limitation, with respect to the payment and administration of accounts payable and the administration of accounts receivable, the purchase of capital assets and equipment and the management of inventories.

4.18 No Brokers or Finders. No Person has or will have, as a result of any act or failure to act by the Seller, any right or claim for any compensation as a broker, finder or in any similar capacity in connection with the transactions contemplated by this Agreement.

4.19 Solvency. The Seller is not now, and immediately after giving effect to the transactions contemplated hereby shall not be, insolvent within the meaning given that term under 11 U.S.C.§101(32) and other applicable Laws relating to fraudulent transfers and conveyances. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors of the Buyer or the Seller.

4.20 Full Disclosure. None of the representations, warranties, or disclosures made by the Seller herein, or in any agreement exhibit, schedule, list, certificate, or memorandum executed, furnished or to be executed or furnished by the Seller in connection herewith, contains or will contain any untrue statement of a material fact or omits or will omit any material fact, the omission of which would tend to make the statements made herein or therein misleading in any material respect.

4.21 No Other Representations or Warranties. Buyer has had an opportunity to inspect the Purchased Assets and perform due diligence regarding the Purchased Assets prior to entering into this Agreement. Accordingly, except for the representations and warranties contained in this Article 4, all Purchased Assets are purchased "AS IS – WHERE IS AND WITH ALL FAULTS" and no warranty of habitability, merchantability, or fitness for any particular purpose of any Purchased Assets is made by Seller.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYER

As a material inducement for the Seller to enter into this Agreement and to consummate the transactions contemplated hereby, the Buyer hereby makes the following representations and warranties, each of which is relied upon by the Seller regardless of any investigation made or information obtained by the Seller.

5.1 Organization and Good Standing. The Buyer is a corporation validly existing and in good standing under the laws of the State of Texas, with all requisite power and authority to carry on its business as presently conducted. The Buyer is qualified to do business and is in good standing under the laws of the State of Texas.

5.2 Due Authorization. The Buyer is duly empowered and authorized to enter into this Agreement and the other transaction documents to which the Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery, and performance of this Agreement and all other agreements, instruments, certificates, and documents executed and delivered by or on behalf of the Seller and the consummation of the transactions contemplated hereby by the Buyer have been duly authorized, and no other approvals or authorizations are necessary in connection therewith. This Agreement and all other agreements, instruments, certificates, and documents executed and delivered by or on behalf of the Buyer (assuming due authorization, execution and delivery by the Seller)are the valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

5.3 No Conflicts. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby will not: (i) conflict with or result in a violation or breach of, or default under, the certificate of formation, bylaws or other organizational documents of the Buyer; or (ii) constitute a violation of any applicable Law, or a breach of any Contract or other agreement, instrument, or commitment to which the Buyer is a party or by which the Buyer is bound.

5.4 No Finders or Brokers. No Person has or will have, as a result of any act or failure to act by the Buyer or any of its Affiliates, any right, interest, or claim upon the Seller for any commission, fee, or other compensation as a finder, broker or in any similar capacity in connection with the transactions contemplated by this Agreement.

ARTICLE 6
INDEMNIFICATION

6.1 Survival. The representations and warranties contained herein (or in any other agreement or certificate executed in connection herewith) shall survive the Closing for a period of twenty-four (24) months after the Closing Date; provided, however, that the representations and warranties contained in Section 4.1, 4.2, 4.5, 4.9, 4.18, 5.1, 5.2, and 5.4 shall survive the Closing until the expiration of the applicable statute of limitations. All covenants and obligations of the Parties contained herein or in any other agreement or certificate executed in connection herewith shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding anything herein to the contrary, if written notice of a claim has been given prior to the expiration of the applicable representations and warranties, then the relevant representations and warranties shall survive as to such claim until such claim has been finally resolved.

6.2 Indemnification by the Buyer. The Buyer covenants and agrees to indemnify, defend and hold harmless the Seller, its successors and assigns, each of their

respective Affiliates, officers, directors, shareholders, managers, members, partners, employees and agents, and each of their respective successors and assigns (collectively, the "***Seller Indemnitees***") from and against any Loss based upon, caused by, or arising out of or in connection with (a) any breach of any representation or warranty of the Buyer contained in this Agreement any other agreement executed in connection herewith or in any certificate delivered by the Buyer pursuant hereto, (b) any breach or nonfulfillment of any covenant or obligation to be performed by the Buyer pursuant to this Agreement, any other agreement executed in connection herewith or any certificate delivered by the Buyer pursuant hereto; (c) the Assumed Liabilities; (d) the business or operation of the Business or use of the Purchased Assets after the Effective Time (except to the extent any such Loss is a Loss for which Seller is obligated to indemnify Buyer pursuant to Section 6.23).

6.3 Indemnification by Seller. The Seller covenants and agrees to indemnify, defend and hold harmless the Buyer, its successors and assigns, each of their respective Affiliates, officers, directors, shareholders, managers, members, partners, employees and agents, and each of their respective successors and assigns (collectively, the "***Buyer Indemnitees***") from and against any Loss based upon, caused by or arising out of or in connection with (a) any breach of any representation or warranty of the Seller contained in this Agreement, any other agreement executed in connection herewith or in any certificate delivered by the Seller pursuant hereto, (b) any breach or nonfulfillment of any covenant or obligation to be performed by the Seller pursuant to this Agreement, any other agreement executed in connection herewith or any certificate delivered by the Seller pursuant hereto, (c) any Excluded Liability or Excluded Asset, (d) the business or operation of the Business or use of the Purchased Assets prior to the Effective Time (except to the extent any such Loss is a Loss for which Buyer is obligated to indemnify Seller pursuant to Section 6.22), and (e) all Transfer Taxes.

6.4 Certain Limitations. The indemnification provided for in Section 6.2 and Section 6.3 shall be subject to the following limitations:

(a) Seller shall not be liable to the Buyer Indemnitees for indemnification under Section 6.3(a) until the aggregate amount of all Losses in respect of indemnification under Section 6.3(a) exceeds $35,000.00 (the "**Basket**"), in which event Seller shall be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which Seller shall be liable pursuant to Section 6.3(a) shall not exceed $350,000.00 (the "**Cap**"). Notwithstanding the foregoing, the limitations set forth herein shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any Fundamental Representation or in the case of fraud.

(b) Buyer shall not be liable to the Seller Indemnitees for indemnification under Section 6.2(a) until the aggregate amount of all Losses in respect of indemnification under Section 6.2(a) exceeds the Basket, in which event Buyer shall be required to pay or be liable for all such Losses from the first dollar. The aggregate amount of all Losses for which Buyer shall be liable pursuant to Section 6.2(a) shall not exceed the Cap.

(c) For purposes of this Article 6 (including for purposes of determining the existence of any inaccuracy in, or breach of, any representation or warranty and for calculating the amount of any Loss with respect thereto), any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

6.5 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification (the "***Indemnified Party***") shall promptly provide written notice of such claim to the other party (the "***Indemnifying Party***"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

6.6 Payments.

(a) Subject to Section 6.5(b) once a Loss is agreed to by the Indemnifying Party, finally adjudicated to be payable, or is accepted or deemed (in accordance with Section 6.4) to be accepted by the Indemnifying Party, the Indemnifying Party shall satisfy its obligations within ten days thereafter, and any past due amount shall accrue interest at the statutory rate of interest in the State of Texas for judgments.

(b) Notwithstanding anything herein to the contrary, any Loss payable to a Buyer Indemnitee shall be first satisfied by offsetting the amount of such Losses from the then-remaining Escrow Amount payable to the Seller (if any) and, then, by exercising the Buyer's rights under Section 8.4.

6.7 Characterization of Indemnity Payment for Tax Purposes. All amounts payable under this Article 6 shall be treated for all Tax purposes as adjustments to the Purchase Price, except as otherwise required by Law.

6.8 Cumulative Remedies. The rights and remedies provided in this Article 6 are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE 7
COVENANTS

7.1 Further Assurances.

(a) Each Party shall execute, acknowledge and deliver to the other Party any and all other assignments, consents, approvals, conveyances, assurances, documents, certificates and instruments reasonably requested by the other Party at any time and shall take any and all other actions reasonably requested by the other Party at any time for the purpose of carrying out the transactions contemplated hereby.

(b) After consummation of the transactions contemplated herein, the Parties agree to cooperate with each other in regards to all matters arising from the transition of ownership of the Purchased Assets from Seller to Buyer.

7.2 Certain Consents. To the extent that Seller's rights under any Assumed Contract or Assumed Lease to be assigned to Buyer hereunder may not be assigned without the consent of another person which has not been obtained prior to the Closing Date, and which is important to the ownership, use or disposition by Buyer of an Asset, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and following the Closing Date, Seller at its expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective, have a Material Adverse Effect, or would otherwise materially impair Buyer's rights under or to the Asset in question so that Buyer would not in effect acquire the benefit of substantially all such rights, Seller shall, to the maximum extent permitted by law and at Buyer's expense, act after the Closing as Buyer's agent in order to obtain for Buyer the benefits thereunder, and Seller shall cooperate, to the maximum extent permitted by law, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer, including any sublease or subcontract or similar arrangement.

7.3 Certain Employee Matters.

(a) The Seller shall terminate the Business Personnel immediately prior to closing. In consultation with the Seller, the Buyer and/or an Affiliate of the Buyer shall offer employment to the particular Business Personnel that Buyer determines to employ on the Closing Date (the "***Transferred Employees***"). As to any Business Personnel who become Transferred Employees, it is agreed that: (i) such Transferred Employees will be considered "new hires" by the Buyer or its applicable Affiliate, and for a minimum of six (6) months after Closing the terms and conditions of any such Transferred Employees' employment with Buyer will be no less favorable than each Transferred Employee's current employment arrangement with the Seller, provided that any right to participate in an employee benefit plan of Buyer, if any, or an Affiliate of the Buyer, if any, shall be provided as soon as administratively practicable and in all cases subject to the terms of the applicable employee benefit plan, if any (ii) each Transferred Employee shall receive service credit for the number of years of service to the Seller, (iii) each Transferred Employee shall receive credit in the form of additional paid time off while employed by Buyer for any Accrued PTO as of the Closing Date properly earned by such Transferred Employee while an employee of Seller, (iv) the Buyer or its applicable Affiliate shall thereafter have the sole right with respect to establishing all terms and conditions relating to the employment or engagement of any Transferred Employees, and (v) nothing shall obligate Buyer beyond the six (6) month period specified in (i) above, to continue to employ or engage any Transferred Employee for any length of time or prohibit Buyer from exercising its independent business judgment in modifying any of the terms and conditions of the employment or engagement of any Transferred Employee.

(b) Buyer shall have no obligations whatsoever for any Liabilities related to or arising in connection with the Seller's Employee Benefit Plans at any time. The Seller shall be exclusively responsible for all Liabilities (i) under any Employee Benefit Plan in which the Seller participates or has participated or arising as a result of Seller's affiliation with an ERISA Affiliate arising at any time, (ii) arising out of or in connection with the cessation of employment of any current or former employee, independent contractor, consultant or other service provider of the Seller, including any Engaged Professional, at or prior to the Closing (including any severance obligation and compliance with, and any obligations arising under, the continuation of coverage requirements of COBRA or other similar state Law), (iii) arising out of or relating to any grievance against the Seller which accrues prior to the Closing Date, (iv) relating to payroll, vacation, and sick pay for any current or former employee, independent contractor, consultant or other service provider of the Seller, or (v) with respect to any actual or alleged compensation for any current or former employee, independent contractor, consultant or other service provider of the Seller accruing prior to Closing. Seller will be solely responsible for compliance with, and any obligations arising under, COBRA, including but not limited to required notifications, (x) with respect to any Business Personnel or any other employee or other service provider of the Seller (or any beneficiary or dependent thereof), arising at any time or (y) for any Transferred Employee (or any beneficiary or dependent thereof) who experienced a COBRA "qualifying event" prior to the Effective Time under any Employee Benefit Plan subject to COBRA.

(c) No provision of this Agreement shall (i) create any third party beneficiary rights in any current or former employee, independent contractor, consultant or other service provider of the Seller, any beneficiary or dependent thereof, or any collective bargaining representative thereof; (ii) be deemed or construed to be an amendment or other modification of any Employee Benefit Plan or an employee benefit plan of the Buyer; or (iii) obligate the Buyer or its Affiliates to adopt, enter into or maintain any employee benefit plan or other compensatory plan, program or arrangement at any time.

(d) Pursuant to Rev. Proc. 2004-53, 2004-2 CB 320, the Buyer and the Seller agree to follow the "Standard Procedure" for purposes of satisfying the federal wage and employment tax reporting and filing requirements with respect to wages paid to the Business Personnel for the calendar year which includes the Closing Date.

7.4 Post-Closing Access. After the Closing, the Parties shall make reasonably available to the other Party and its agents, independent auditors, and/or counsel, as appropriate, such documents and information as may be available relating to the Business, including audit, tax, payroll, and cost report records and work papers, for periods prior and subsequent to the Closing to the extent necessary to facilitate concluding the transactions herein contemplated (including as necessary to transfer any Permits constituting part of the Purchased Assets), audits, compliance with Laws, and the prosecution and defense of claims against or involving the requesting Party; provided, however, neither Party shall be obligated to provide the other Party with access to any books and records where such access would violate applicable Law. The Party requesting any of the foregoing shall make an advance written request for any documents or information requested pursuant to this section, and such requesting Party shall bear any and all costs incurred to obtain such documents or information. Seller shall preserve and keep a copy of all books and records that relate to the use or ownership of Purchased Assets on or prior to the Closing in Seller's possession for a period of at least five (5) years after the Closing Date.

7.5 Confidentiality Covenants of Seller and Certain Other Persons.

(a) For purposes of this Agreement, the term "***Confidential Information***" includes all information or documentation, whether written or oral, related to the Business, the Buyer, or any Affiliate thereof, or their respective operations or Purchased Assets (including the Purchased Assets), including, by way of illustration and not by way of limitation: (i) lists containing the names of patients, customers, employees, principals, providers, payors and suppliers of the Business, or the Buyer or any of its Affiliates; (ii) the past, present, and prospective methods, procedures and techniques utilized in identifying prospective referral sources, patients, customers, providers, payors and suppliers and in soliciting the business thereof; (iii) the methods, procedures and techniques used in the operation of the Business or the Buyer or any of its Affiliate's business, including the methods, procedures and techniques utilized in marketing, pricing, applying, and delivering health products and services; and (iv) compilations of information, records and processes which are used in the operation of the Business.

(b) The Seller and Owner acknowledge that the Confidential Information gives the Buyer and the Business an advantage over their competitors and that the same is not available to, or known by, the Buyer's competitors or the general public. The Seller and Owner acknowledge that the Seller and Owner and their respective predecessors have devoted, and the Buyer will devote, substantial time, money and effort in the development of the Confidential Information and in maintaining the proprietary and confidential nature thereof. From and after the Closing, the Seller and Owner shall protect and safeguard any of the Confidential Information that is known to the Seller or Owner or that at any time is in the Seller's or Owner's possession. Except as required by Law or a valid order issued by a court or governmental agency of competent jurisdiction, from and after the Closing or to Seller's legal and tax advisers who need to know Confidential Information to assist Seller or Owner in relation to this Agreement, the Seller and Owner agree that neither either of them, any of their respective Affiliates, nor any of their respective officers, partners or owners will, directly or indirectly, disclose, disseminate or distribute to another, or induce any other Person to disclose, disseminate, or distribute, directly or indirectly, any Confidential Information either for such Person's own benefit or for the benefit of another Person, whether or not acquired, learned, obtained, or developed by a Person alone or in conjunction with others, and neither the Seller, Owner any of their Affiliates, nor any of their respective officers, partners or owners will, directly or indirectly, use or cause to be used any Confidential Information in any way except as directed by the Buyer. The Seller acknowledges and agrees that all Confidential Information, whether prepared by or for the Seller or otherwise, shall remain the exclusive property of the Buyer or its Affiliate after the Closing. If the Seller, Owner or any of their Affiliates or any of their respective officers, partners or owners is compelled to disclose any information by judicial or administrative process or by other requirements of Law, then such Person shall promptly notify the Buyer in writing and shall disclose only that portion of such information which such Person is advised by its counsel in writing is legally required to be disclosed; *provided*, that Buyer may require such Person, at Buyer's expense, to use reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded to such information.

(c) Each covenant in this Section 7.5 shall be construed as an agreement that is independent of any other provision of this Agreement and, unless otherwise expressly set forth herein, each such covenant shall survive the Closing of the transactions contemplated by this Agreement. The existence of any claim or cause of action of the Seller or any other Person against the Buyer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Buyer of each of the

covenants set forth in this Section 7.5.

(d) The Seller and Owner agree that the breach or attempted breach of this Section 7.5 may cause irreparable injury to the Buyer and that any remedy at law may alone be inadequate. The Seller and Owner therefore agree, in addition to any other relief, that the Buyer and its Affiliates will be entitled to injunctive and other equitable relief in case of any such breach or attempted breach. The Seller and Owner expressly waive, on behalf of themselves and each of their Affiliates and their respective officers, partners or owners, any requirement that the Seller or any other such Person could assert for the securing or posting of any bond in connection with the obtaining of such injunctive or other equitable relief.

(e) If any of the restrictions set forth in this Section 7.5 are adjudicated by a court of competent jurisdiction to be excessively broad, those restrictions determined to be excessively broad shall be reduced to the minimum extent necessary to make such restrictions enforceable, and the restrictions shall be enforced subject to such reduction. Any provision of this Section 7.5 not so reduced shall remain in full force and effect as written.

7.6 Non-Competition; Non-Solicitation.

(a) Each of Seller and Owner (each a "Seller Party" and collectively the "***Seller Parties***") hereby acknowledges that they have knowledge of Confidential Information concerning the Seller and the Business and also have received or otherwise have had access to certain of the Buyer's and Parent's (the "***Buyer Parties***") Confidential Information. The Seller Parties acknowledge and agree that the Business and the Buyer Parties, including their Affiliates, would be irreparably damaged if either of the Seller Parties were to provide services or to otherwise participate (including as an investor or any other capacity) in the business of any Person competing with the Business during the Restricted Period (as defined below) and that any such competition by either of the Seller Parties would result in a significant loss of goodwill by the Business and the Buyer Parties. The Seller Parties further acknowledge and agree that the covenants and agreements set forth in this Section 7.6 were a material inducement to the Buyer Parties to enter into this Agreement and to perform their respective obligations hereunder, and that the Buyer Parties would not obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the Parties hereto if either of the Seller Parties breached the provisions of this Section 7.6. Therefore, in further consideration of the amounts to be paid hereunder for the Parent Equity, each of the Seller Parties agrees that for a period of three (3) years following the Closing Date (the "***Restricted Period***") it shall not, and shall not permit any of its Affiliates to, directly or indirectly, either for itself, himself or herself or through any other Person, engage in, participate in, or permit such Person's name to be used by any enterprise engaging in or participating in, any business located in the United States of America that is competitive with the Business. For purposes of this Agreement, the term "participate" includes any direct or indirect interest in any enterprise, whether as a stockholder, member, partner, joint venturer, franchisor, franchisee, executive, consultant or otherwise (other than by ownership of less than two percent (2%) of the stock of a publicly held corporation) or rendering any direct or indirect service or assistance to any Person, provided that nothing herein shall prohibit either of the Seller Parties from owning any interests in Parent, Buyer, or any of their respective successors or assigns or participating in the business of any such Person. The Seller Parties agree that this covenant is reasonably designed to protect Buyer's substantial investment and is reasonable with respect to its duration, geographical area and scope. Notwithstanding anything to the contrary herein, to the extent any of the restrictions in this Section 7.6 are intended to apply to an Affiliate of either of the Seller Parties, such restrictions shall be deemed to only apply to the Affiliates of such Seller or Owner, as applicable, that are controlled by Seller or Owner, as applicable. Notwithstanding the foregoing, the Owner may continue to be engaged as a physician providing pathology services to patients of the Seller.

(b) During the Restricted Period, the Seller Parties shall not (and shall cause their Affiliates not to) directly, or indirectly through another Person, (i) induce or attempt to induce any employee of the Buyer Parties to leave the employ of the Buyer Parties, or in any way interfere with the relationship between the Buyer Parties and any such employee, (ii) hire any person who was an employee of either of the Buyer Parties at any time during the 12-month period immediately prior to the date on which such hiring would take place (it being conclusively presumed by the Seller Parties and Buyer Parties so as to avoid disputes under this Section 7.6(b) that any such hiring within such 12-month period is in violation of clause (i) above), or (iii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Buyer Parties in order to induce or attempt to induce such Person to cease doing, decrease or materially change the terms of their business with the Buyer Parties, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Buyer Parties (including making any negative statements or communications about the Buyer Parties or any of their respective Affiliates), provided however the foregoing restrictions of this Section 7.6(b) shall not apply to any Person who is acting on behalf of and at the direction of the Seller Parties, any of their Affiliates, or any of their successors or assigns within the scope of any responsibilities such Person may have as an employee, contractor, consultant, or other agent of the Seller Parties, any or their Affiliates, or any of their successors or assigns.

(c) If, at the time of enforcement of any of the provisions of this Section 7.6, a court determines that the restrictions stated herein are unreasonable under the circumstances then existing, then the Seller Parties and Buyer Parties agree that the maximum period, scope or geographical area reasonable under the circumstances shall be substituted for the stated period, scope or area. It is further agreed that such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope or geographical area permitted by Law. In the event of a breach or violation by either of the Seller Parties of this Section 7.6, the Restricted Period with respect to such Seller shall be tolled until such breach or violation has been duly cured by such Seller.

(d) If a Seller Party or any of its Affiliates (the "***Restricted Persons***") breaches, or threatens to commit a breach of, any of the provisions of this Section 7.6 (the "***Restrictive Covenants***"), Buyer shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Buyer at law or in equity:

(i) The right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Buyer Parties and that money damages would not provide an adequate remedy to either of the Buyer Parties.

(ii) The right and remedy to require the Restricted Persons to account for and pay over to either of the Buyer Parties any profits, moneys, accruals, increments or other benefits derived or received by the Restricted Persons as the result of any transactions constituting a breach of the Restrictive Covenants.

7.7 Transfer Taxes and Payment of Other Taxes. The Seller shall (a) be responsible for and pay when due any and all sales, use, stamp, documentary, filing, recording, value-added, transfer, real estate transfer, stock transfer, gross receipts, registration, duty, securities transactions or similar fees or Taxes or governmental charges (together with any interest or penalty, addition to Tax or additional amount imposed) as levied by any taxing authority in connection with the transactions contemplated by this Agreement (collectively, "***Transfer Taxes***"), regardless of the Person liable for such Transfer Taxes under applicable Law; (b) timely file or cause to be filed (with the reasonable cooperation of the Buyer to the extent required) all necessary documents (including all Tax Returns) with respect to Transfer Taxes; and (c) provide the Buyer with documentation confirming such payment satisfactory to the taxing jurisdiction responsible for collecting such Taxes.

7.8 Receivables. From and after the Effective Time, if the Seller or any of its Affiliates receives, collects or causes to be collected any funds relating to the post-Closing operation of the Business or otherwise constituting an Asset, the Seller or the applicable Affiliate shall promptly remit such funds to the Buyer. From and after the Closing, if the Buyer or its Affiliate receives or collects any funds relating to any Excluded Asset, the Buyer shall, and shall cause such Affiliates to, promptly remit any such funds to the Seller.

7.9 Post-Closing Filing Obligations. If requested by the Buyer, the applicable third party payor, or Governmental Authority after the Closing Date, the Seller shall prepare and file, on or before the applicable due date, all reports, applications, notices, and other documents relating to any Liabilities retained by the Seller, Excluded Assets, or to any period on or before the Effective Time (collectively, the "***Post-Closing Filings***"), and will perform any action required of, or requested by, any third party payor or

Governmental Authority. The Seller shall provide the Buyer with a copy of all Post-Closing Filings contemporaneously with the filing of all of such Post-Closing Filings.

7.10 New Lease. If upon the expiration of the current term of the Laboratory Lease the Buyer determines in its discretion that it desires to continue use of the Premises (as defined in the Laboratory Lease), then Buyer shall use its commercially reasonable efforts to negotiate and enter into a new lease agreement pertaining to the Premises on terms mutually agreeable to Buyer (or an Affiliate), as tenant, and the then current landlord of the Premises, rather than exercise any option to extend the term of the current Laboratory Lease.

ARTICLE 8
MISCELLANEOUS

8.1 Publicity. Neither Buyer nor Seller shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media prior to the Closing Date without the prior consent of the other party. Nothing in this Section 8.1 shall be considered to prohibit any Party from making any disclosure required by any Law.

8.2 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

8.3 Notices. All notices, requests, consents, claims, demands, waivers and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.3):

If to Buyer:	Precision Pathology Laboratory Services, LLC c/o bio Affinity Technologies, Inc. 22211 West I-10, Suite 1206 San Antonio, Texas 78257 Attention: Maria Zannes, President and Chief Executive Officer Email: mz@bioaffinitytech.com
With a copy (which shall not constitute notice) to:	Jackson Walker L.L.P. 1900 Broadway, Suite 1200 San Antonio, Texas 78215 Attention: Patrick B. Tobin Email: ptobin@jw.com
If to Seller or Owner:	Village Oaks Pathology Services, P.A. 1092 Madeline Street New Braunfels, TX 78132 Attention: Dr. Roby P. Joyce, M.D. Email: rjoyce@precisionpath.us
With a copy (which shall not constitute notice) to:	Pulman, Cappuccio & Pullen, LLP 2161 N.W. Military Highway, Suite 400 San Antonio, Texas 78213 Attention: James Cheslock Email: jcheslock@pulmanlaw.com

8.4 Offset and Withholding. In addition to any other remedies available at Law, in equity or under Contract (including this Agreement), the Buyer shall be entitled to offset and withhold any amounts which are payable by the Seller from and against any amounts that are otherwise payable to the Seller by the Buyer.

8.5 Governing Law; Venue.

(a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction).

(b) THE PARTIES HERETO AGREE THAT ALL DISPUTES, ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT EXCLUSIVELY IN THE FEDERAL AND STATE COURTS LOCATED IN SAN ANTONIO, BEXAR COUNTY, TEXAS (COLLECTIVELY THE "***DESIGNATED COURTS***"). EACH PARTY HERETO HEREBY CONSENTS AND SUBMITS TO THE SOLE AND EXCLUSIVE JURISDICTION OF THE DESIGNATED COURTS.

8.6 Headings. The section headings contained herein are for purposes of convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning or interpretation of this Agreement in any way.

8.7 Entire Agreement. This Agreement (including the other transaction documents, Schedules and Exhibits referred to herein) sets forth the entire agreement and understanding of the Parties with respect to the transactions contemplated hereby and supersedes all prior agreements, arrangements, and understandings, whether written or oral, related to the subject matter hereof except for the Non-Disclosure and Confidentiality Agreement entered into by the Parties, dated effective as of March 4, 2022, which shall remain binding prior to (but not after) the Closing in accordance with its terms.

8.8 Successors and Assigns. All of the terms, provisions, covenants, representations, warranties and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors and permitted assigns.

8.9 Amendment; No Waiver. This Agreement may only be amended, modified, superseded, or canceled, and any of the terms, provisions, covenants, representations, warranties, or conditions hereof may only be waived, by a written instrument executed by the Buyer and the Seller, or, in the case of a waiver, by the Party waiving compliance. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No failure to exercise, or delay

in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof.

8.10 Severability. If any one or more terms or provisions of this Agreement is found to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon the determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

8.11 Assignment; No Third Party Beneficiary. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. The Seller shall not assign (whether directly or indirectly, by operation of law or otherwise) any of its rights or obligations hereunder without the prior written consent of the Buyer. Except for any such valid assignment or as otherwise expressly set forth herein, this Agreement is for the sole benefit of the undersigned Parties and is not for the benefit of any third party.

8.12 Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents and instruments, and take such other actions, as either Party may reasonably request in order to more fully vest and perfect in the Buyer all right, title, and interest in and to the Purchased Assets, free and clear of all Encumbrances, and otherwise to effectuate the transactions contemplated by this Agreement.

8.13 Attorneys' Fees. In any Action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful Party to such litigation, as determined by the court in any final judgment or decree, shall pay the successful Party or parties all costs, expenses, and reasonable attorneys' fees incurred therein by such Party or parties (including such costs, expenses, and fees on any appeal or in connection with any bankruptcy proceeding), and if the successful Party recovers judgment in any such Action or proceeding, such costs, expenses, and attorneys' fees shall be included in and as a part of such judgment.

8.14 Interpretation of Agreement.

(a) The Parties acknowledge and agree that this Agreement has been negotiated at arm's length and between parties equally sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the Parties as set forth in this Agreement.

(b) If any period for giving notice or taking action under this Agreement expires on a day that is not a business day, the time period is to be automatically extended to the business day immediately following such day. When calculating the period of time before which, within which, or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period is to be excluded.

(c) Except as otherwise explicitly specified in this Agreement to the contrary, (i) references to an Article, Section, Schedule or Exhibit means an Article or Section of, or Schedule or Exhibit to, this Agreement, unless another agreement is specified, (ii) the word "including" is to be construed as "including, without limitation," (iii) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole, (iv) words in the singular or plural form include the plural and singular form, respectively, (v) pronouns are to be deemed to refer to the masculine, feminine or neuter, as the identity of the Person or Persons requires, (vi) references to a particular Person include such Person's successors and permitted assigns, (vii) references to a particular statute, rule or regulation include all rules and regulations thereunder and any predecessor or successor statutes, rules, or regulations, in each case as amended or otherwise modified from time to time, (viii) references to a particular agreement, document, instrument, or certificate mean such agreement, document, instrument, or certificate as amended, supplemented, or otherwise modified from time to time if permitted by the provisions thereof, (ix) references to "Dollars" or "$" are references to United States Dollars, and (x) an accounting term not otherwise defined in this Agreement has the meaning ascribed to such term in accordance with GAAP.

8.15 Counterparts. Separate copies of this Agreement may be signed by the Parties, with the same effect as though all of the Parties had signed one copy of this Agreement. Signatures sent by facsimile, e-mail or other means of electronic transmission shall be deemed to be originals for all purposes of this Agreement.

[*Remainder of page left intentionally blank. Signature page follows.*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be made effective as of the Effective Time.

BUYER:

PRECISION PATHOLOGY LABORATORY SERVICES, LLC

By: /s/ Maria Zannes
Name: Maria Zannes
Title: Manager

SELLER:

VILLAGE OAKS PATHOLOGY SERVICES, P.A.

By: /s/ Roby P. Joyce, M.D.
Name: Roby P. Joyce, M.D.
Title: President

OWNER:

/s/ Roby P. Joyce, M.D.
Roby P. Joyce, M.D.

APPENDIX I

DEFINITIONS

1.1 "***Accrued PTO***" means, with respect to any Business Personnel, such Person's accrued but unused vacation, holiday, sick leave, or other paid time off, in each case as of the date in question in accordance with applicable employer policies.

1.2 "***Action***" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

1.3 "***Affiliate***" of a Party means (a) a Person controlling, controlled by, or under common control with such party, and (b) Persons that control, are controlled by, or are under common control with any Person described in the foregoing clause (a).

1.4 "***Allocation***" has the meaning set forth in Section 2.2.

1.5 "***Assignment and Assumption of Lease***" has the meaning set forth in Section 3.2(c).

1.6 "***Assumed Contracts***" has the meaning set forth in Section 2.1(a)(viii).

1.7 "***Assumed Leases***" has the meaning set forth in Section 2.1(a)(vii).

1.8 "***Assumed Liabilities***" has the meaning set forth in Section 2.3.

1.9 "***Assumption Agreement***" has the meaning set forth in Section 3.2(b).

1.10 "***Balance Sheet***" has the meaning set forth in Section 4.5(a).

1.11 "***Balance Sheet Date***" has the meaning set forth in Section 4.5(a).

1.12 "***Bill of Sale***" has the meaning set forth in Section 3.2(a).

1.13 "***Business Personnel***" has the meaning set forth in Section 4.11(a).

1.14 "***Buyer Indemnitees***" has the meaning set forth in Section 6.3.

1.15 "***Buyer Parties***" has the meaning set forth in Section 7.6(a).

1.16 "***Cash Consideration***" means $2,500,000.00.

1.17 "***Cash in Bank Amount***" has the meaning set forth in Section 2.1(a)(iv).

1.18 "***Certificate of Deposit***" has the meaning set forth in Section 2.4 (f)

1.19 "***Closing***" has the meaning set forth in Section 3.1.

1.20 "***Closing Date***" means the date of this Agreement.

1.21 "***Closing Payment***" means the Cash Consideration minus (i) the Escrow Amount.

1.22 "***COBRA***" has the meaning set forth in Section 4.12(b).

1.23 "***Confidential Information***" has the meaning set forth in Section 7.5(a).

1.24 "***Contract***" means a contract, commitment, lease, or other agreement, instrument, undertaking or legally binding arrangement, whether written or oral.

1.25 "***Designated Courts***" has the meaning set forth in Section 8.5(b).

1.26 "***Effective Time***" means 11:59 P.M. San Antonio, Texas time on the Closing Date.

1.27 "***Employee Benefit Plan***" means each pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including without limitation each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Seller or any ERISA Affiliate for the benefit of any current or former Business Personnel (or any spouse or dependent of such individual), or under which Seller or any ERISA Affiliates has or may have any Liability, or with respect to which Buyer or any of its Affiliates would reasonably be expected to have any Liability, contingent or otherwise.

1.28 "***Employee Retention Credit Refund***" means any refund of Taxes (whether paid in cash or received as a credit in lieu of Tax), with respect to any taxable period (or portion thereof) ending on or before the Closing Date, that is attributable to any employee retention credit provided for by the Coronavirus Aid, Relief, and Economic Security Act (including as amended by the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021) and any similar credit under state or local Law.

1.29 "***Encumbrance***" means any lien, mortgage, encroachment, easement, right of way, pledge, claim, charge, option, license, lease, security interest, community property interest, title defect, charge, condition, right of another, or other restriction or encumbrance.

1.30 "***Engaged Professional***" has the meaning set forth in Section 4.13(b).

1.31 "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

1.32 "***ERISA Affiliate***" means any entity that is, or at any relevant time was, a member of a "controlled group of corporations" with, under "common control" with, or a member of an "affiliated service group" with, Seller within the meaning of Section 414(b), (c), (m) or (o) of the Tax Code and the regulations promulgated thereunder.

1.33 "***Escrow Agent***" has the meaning set forth in Section 2.8(a).

1.34 "***Escrow Agreement***" has the meaning set forth in Section 2.8(a).

1.35 "***Escrow Amount***" means $350,000.00 (deposited in the Escrow Account at Closing), plus interest accrued in the Escrow Account, less any disbursements made to Seller or Buyer under the terms of the Escrow Agreement.

1.36 "***Escrow Release Amount***" has the meaning set forth in Section 2.8(b).

1.37 "***Excluded Assets***" has the meaning set forth in Section 2.4.

1.38 "***Excluded Liabilities***" has the meaning set forth in Section 2.3.

1.39 "***Executive Employment Agreement***" has the meaning set forth in Section 3.2(h).

1.40 "***Financial Statements***" has the meaning set forth in Section 4.5(a).

1.41 "***Flow Cytometer Lease***" means that certain Equipment Lease Agreement, dated effective as of December 4, 2018, by and between Beckman Coulter, Inc., as Lessor, and Village Oaks Pathology d/b/a Precision Pathology Services, as Lessee."

1.42 "***Fundamental Representation***" means the representations and warranties in Section 4.1 (Organization and Good Standing), Section 4.2 (Due Authorization; Capacity), Section 4.3 (No Violation; No Consents), Section 4.5 (Title to Purchased Assets), Section 4.9 (Taxes) and Section 4.18 (No Brokers or Finders).

1.43 "***GAAP***" means United States generally accepted accounting principles in effect from time to time, consistently applied. Any financial or accounting term that is set forth in this Agreement and not otherwise defined shall have the meaning given such term under GAAP.

1.44 "***Governmental Authority***" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority, or any arbitrator, court or tribunal of competent jurisdiction, as well as any contractor or designee of any of the foregoing, whether an administrative contractor, reviewing contractor, audit contractor, or otherwise.

1.45 "***Government Programs***" has the meaning set forth in Section 4.16(a).

1.46 "***Healthcare Laws***" means any Law relating to healthcare regulatory matters, including, but not limited to: Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended (the Stark Law), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA and all applicable implementing regulations, rules, ordinances, judgments, and orders; and any similar state and local statutes, regulations, rules, ordinances, judgments, and orders; and all applicable federal, state, and local licensing, certificate of need, regulatory and reimbursement, corporate practice of medicine, and physician fee splitting regulations, rules, ordinances, orders, and judgments applicable to healthcare service providers providing the items and services that Seller provides.

1.47 "***HIPAA***" has the meaning set forth in Section 4.13(a).

1.48 "***Indemnified Party***" has the meaning set forth in Section 6.4.

1.49 "***Indemnifying Party***" has the meaning set forth in Section 6.4.

1.50 "***Independent Accountant***" means an impartial nationally or regionally recognized firm of independent certified public accountants selected by the mutual agreement of the Buyer and the Seller.

1.51 "***Intellectual Property Licenses***" has the meaning set forth in Section 4.15.

1.52 "***Joyce Living Trust***" means The Joyce Living Trust dated March 19, 2023 of which Owner is a trustee.

1.53 "***Knowledge of the Seller***" or "***Seller's Knowledge***" or any other similar knowledge qualification shall mean the actual knowledge of Owner, Stacey Gates and Abigail Dunphey, after due inquiry and investigation.

1.54 "***Laboratory Lease***" means that certain Office Lease dated July 31, 2019, for the Laboratory Premises, by and between the Landlord and the Seller.

1.55 "***Laboratory Premises"*** means 3300 Nacogdoches Road, Suites 108,110, 115 and 120 San Antonio, Texas 78217.

1.56 "***Landlord***" means 343 West Sunset, LLC, a Texas limited liability company, its successors and assigns.

1.57 "***Law***" means any law, statute, ordinance, code, rule, order, regulation, policy or common law of any Governmental Authority, court, or administrative or regulatory agency.

1.58 "***Liabilities***" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

1.59 "***Licensed Intellectual Property***" has the meaning set forth in Section 2.1(a)(x).

1.60 "***Loss***" means any claim, Action, Liability, loss, damage, cost, deficiency, award, penalty, Tax, fine or expense (including, without limitation, diminution in value, lost profits, attorneys' fees and costs of investigation and litigation).

1.61 "***Management Services Agreement***" has the meaning set forth in Section 3.2(d).

1.62 "***Material Adverse Effect***" means any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, prospects, working capital, management, ownership, structure, condition (financial or otherwise) or

Purchased Assets of the Seller or the Business, (b) the value or condition of the Purchased Assets, or (c) the ability of the Seller to consummate the transactions contemplated hereby on a timely basis.

1.63 "***Medical Assets***" means all assets associated with the practice of medicine pursuant to applicable state and federal Law, including but not limited to, (i) all agreements related to any Payor Programs, (iii) all employment agreements or consulting agreements between the Seller and existing Seller pathologists, and (iv) all licenses, certifications and approvals of Seller Pathologists.

1.64 "***Ordinary Course of Business***" has the meaning set forth in Section 2.3(b).

1.65 "***Parent***" has the meaning set forth in Section 2.1(b)(ii).

1.66 "***Parent Equity***" has the meaning set forth in Section 2.1(b)(ii).

1.67 "***Payor Programs***" has the meaning set forth in Section 4.16(a).

1.68 "***Pending Claims Amount***" has the meaning set forth in Section 2.8(b)

1.69 "***Permits***" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

1.70 "***Person***" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

1.71 "***Post-Closing Filings***" has the meaning set forth in Section 7.9.

1.72 "***Pre-Closing Tax Period***" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

1.73 "***Professional Services Agreement***" has the meaning set forth in Section 3.2(d).

1.74 "***Private Programs***" has the meaning set forth in Section 4.16(a).

1.75 "***Purchase Price***" has the meaning set forth in Section 2.1(b).

1.76 "***Purchased Assets***" has the meaning set forth in Section 2.1(a)

1.77 "***Restricted Covenants***" has the meaning set forth in Section 7.6(d).

1.78 "***Restricted Period***" has the meaning set forth in Section 7.6(a).

1.79 "***Restricted Persons***" has the meaning set forth in Section 7.6(d).

1.80 "***Seller Indemnitees***" has the meaning set forth in Section 6.2.

1.81 "***Seller Parties***" has the meaning set forth in Section 7.6(a).

1.82 "***Seller Pathologists***" means any board certified or board eligible pathologist employed by or contracted with Seller to provide professional interpretation services on behalf of Seller.

1.83 "***Subscription Agreement***" has the meaning set forth in Section 3.2(i).

1.84 "***Succession Agreement***" has the meaning set forth in Section 3.2(f).

1.85 "***Tax***" means (a) any present and future income, franchise, payroll, social security, Medicare, unemployment insurance, gross receipts, withholding, sales, use, ad valorem, value added, excise, transfer, alternative minimum, estimated, environmental, stamp, real or personal property, and other taxes, levies, imposts, deductions, charges and withholdings in the nature of taxes, (b) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (a), and (c) any transferee liability in respect of any items described in clauses (a) or (b) payable by reason of Contract, assumption, transferee liability, operation of Law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof and any analogous or similar provision under Law) or otherwise.

1.86 "***Tax Code***" means the U.S. Internal Revenue Code of 1986, as amended.

1.87 "***Tax Return***" means any return, report, schedule, form, claim, declaration or statement filed or required to be filed with any Governmental Authority with respect to any Tax (including any attachments thereto), including any information return, claim for refund, amended return or declaration of estimated Tax.

1.88 "***Transaction Documents***" means this Agreement, the Bill of Sale, the Assumption Agreement, the Assignment and Assumption of Lease, the Escrow Agreement, the Management Services Agreement, the Professional Services Agreement, the Succession Agreement, the Executive Employment Agreement and the other agreements, instruments and documents required to be delivered at the Closing.

1.89 "***Transfer Taxes***" has the meaning set forth in Section 7.7.

1.90 "***Transferred Employees***" has the meaning set forth in Section 7.3(a).

EXHIBIT 10.2

BIOAFFINITY TECHNOLOGIES, INC.
SUBSCRIPTION AGREEMENT

bioAffinity Technologies, Inc.
Attn: Maria Zannes, Chief Executive Officer
22211 West I-10, Suite 1206
San Antonio, Texas 78257

To Whom It May Concern:

You, the undersigned (the "***Subscriber***"), have been informed that bioAffinity Technologies, Inc., a Delaware corporation ("***bioAffinity***"), intends to offer (the "***Offering***") to issue 564,972 shares of restricted common stock of bioAffinity (the "***Restricted Stock***") as partial payment of amounts owed pursuant to that certain Asset Purchase Agreement, dated September 18, 2023, (the "***Purchase Agreement***") by and among Precision Pathology Laboratory Services, LLC., a Texas limited liability company and wholly-owned subsidiary of bioAffinity, as buyer ("***Buyer***"), Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services, as seller ("***Seller***"), and Dr. Roby P. Joyce, M.D. ("***Owner***"). Pursuant to the Purchase Agreement the Seller has directed that the Restricted Stock to be issued to Seller shall instead be issued to Subscriber, of which the sole owner of Seller is a trustee.

The Offering amount was determined by dividing $1,000,000.00 by the average of the trading day closing prices of bioAffinity common stock listed and traded as "BIAF" on the NASDAQ Capital Market for the 30 days prior to September 15, 2023, rounded to the nearest whole share (the "***Offering Amount***"); *provided, however* that, bioAffinity reserves the right to issue more or less than such amount to Subscriber, provided that such change in the Offering is in accordance with the terms and conditions set forth Purchase Agreement and bioAffinity's certificate of incorporation (as amended and/or restated, the "***Certificate***") and bylaws (as amended and/or restated, the "***Bylaws***," and together with the Purchase Agreement and Certificate, the "***Governing Documents***"). All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

1. Subscription. The Subscriber hereby tenders this subscription agreement (this "***Subscription Agreement***") as a condition to receiving the Restricted Stock in the amount of the Offering Amount to be issued as part of the Purchase Price under the Purchase Agreement. For the avoidance of doubt, the Restricted Stock subscribed for herein is the Parent Equity to be issued in accordance with the terms, limitations and conditions in the Purchase Agreement, which Parent Equity Seller has directed to be issued to Subscriber.

2. Subscriber's Acknowledgments and Understandings. The Subscriber hereby acknowledges, understands, and agrees that:

(a) this Subscription Agreement, properly executed, must be received by bioAffinity on or before the date of Closing of the Purchase Agreement (the "***Expiration Time***"), subject to earlier termination by bioAffinity of the Offering, for any reason or as provided herein and in the Purchase Agreement;

(b) with respect to the attempt to subscribe for Restricted Stock pursuant to this Subscription Agreement, in the event the Subscriber is not currently an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "***Securities Act***") bioAffinity's board of directors or any of its officers, as the case may be, in their sole and absolute discretion, may reject such subscription;

(c) by executing this Subscription Agreement, the Subscriber acknowledges that Subscriber has been furnished with and carefully read the Purchase Agreement, the Certificate and the Bylaws and, subject to acceptance by bioAffinity, accepts, adopts and agrees to be bound by each and every provision contained in the Governing Documents;

(d) notwithstanding certain of bioAffinity's securities being registered under the Securities Act and actively trading on a public exchange under ticker symbol "BIAF" or "BIAFW," as the case may be, **none of the Restricted Stock have been registered under the Securities Act or any state securities law in reliance on applicable exemptions**;

(e) there are substantial restrictions on the Transferability of Restricted Stock by law and under the Governing Documents and bioAffinity has not agreed to comply with any exemption under the Securities Act for the resale of all or any part of Restricted Stock, to register any Restricted Stock or to comply with any provision contained in the Bylaws or otherwise that would permit a transfer, assignment, sale, disposition, hypothecation, pledge or other encumbrance (each, a "***Transfer***"); *therefore*, the Restricted Stock acquired and issued pursuant hereto (whether in connection with the Purchase Agreement) may have to be held indefinitely and may not be Transferred, unless and until subsequently registered under the Securities Act and/or applicable state securities law, or unless an exemption from such registration is available, in which case a limitation as to the amount of said securities that could be sold may still exist and unless and until the Subscriber complies with all provisions of the Governing Documents;

(f) in the event bioAffinity determines to accept this subscription, the Subscriber agrees that Subscriber will not Transfer any of Subscriber's Restricted Stock unless bioAffinity receives an opinion of legal counsel, satisfactory to bioAffinity in its sole and absolute discretion, that the Subscriber's Restricted Stock can be Transferred without violation of the registration requirements of the Securities Act and the rules and regulations of the United States Securities and Exchange Commission (the "***Commission***"), and any applicable state securities laws or regulations, or bioAffinity receives evidence, satisfactory to bioAffinity in its sole and absolute discretion, that the Restricted Stock has been validly registered under the Securities Act and any applicable state securities laws, and the Subscriber complies with all provisions of the Governing Documents;

(g) no representation or promise has been made concerning the marketability or value of Restricted Stock;

(h) no federal or state agency has made any finding or determination as to the fairness of this Offering for investment or made any recommendation or endorsement of the Restricted Stock;

(i) notwithstanding the issuance of any Restricted Stock pursuant to this Subscription Agreement or as consideration under the Purchase Agreement, all Restricted Stock should be treated as an illiquid investment;

(j) bioAffinity, in entering into and performing under this Subscription Agreement, is relying on the accuracy of the representations and warranties contained in this Subscription Agreement (including all exhibits, schedules or other attachments hereto) and the Form W-9 and the information contained therein (the "***Tax Form***") delivered by the Subscriber to bioAffinity, all of which the Subscriber represents and warrants to be true, complete and correct as of the date of delivery and will be true and correct in all material respects as of the date and/or dates of the acceptance of this subscription and, as of each such date, do not and will not omit to state any material fact necessary in order to make the statements contained therein not misleading and that bioAffinity is fully entitled to rely upon each and all of the same without further inquiry;

(k) bioAffinity's financial and other operating history can be found by reviewing the documents made publicly available by the Commission at https://www.sec.gov/edgar/search/#/q=bioaffinity&dateRange=all (the "***Detailed Corporate History***") or upon request to bioAffinity, and Subscriber has reviewed all of the Detailed Corporate History to Subscriber's full satisfaction;

(l) the Restricted Stock are speculative investments which involve a high degree of risk of loss by the Subscriber of Subscriber's entire investment and that due to the high degree of risk of loss of the Subscriber's entire investment in bioAffinity, Restricted Stock may only be sold to persons who understand the nature of bioAffinity and for whom the investment is suitable, with suitability being determined by taking into account all facts and circumstances, including the Subscriber's net worth and income, education, sophistication, experience in investments and investment objectives;

(m) the Restricted Stock has no voting rights except for those expressly provided by the Certificate, Bylaws or governing law (to the extent not modified by the Certificate or the Bylaws);

(n) neither bioAffinity nor any person acting on behalf of bioAffinity offered to sell or otherwise issue Restricted Stock to the Subscriber by means of any form of general or public advertising or solicitation, including without limitation, by means of media advertising or seminars;

(o) the Subscriber may not, at any given time, own in the aggregate more than 19.9% of bioAffinity's securities, including any publicly traded securities or the Restricted Stock.

3. Subscriber's Representations, Warranties and Covenants. Each shareholder, member, partner, beneficiary, trustee, manager, director and officer, as applicable, of the Subscriber represents, warrants and covenants to bioAffinity and each manager, officer, director, employee and agent of bioAffinity that:

(a) the Subscriber is not a nonresident alien or foreign entity;

(b) the Subscriber has received a copy of, carefully read and is familiar with this Subscription Agreement (including the Risk Factors), the Governing Documents and the Detailed Corporate History;

(c) the Subscriber has not, in evaluating the suitability of an investment in bioAffinity, relied upon any representations or other information (whether oral or written) other than as set forth in this Subscription Agreement (including the Risk Factors), Governing Documents or Detailed Corporate History, specifically, the Subscriber acknowledges that Subscriber has not relied on any representation by any person, whether such representation was made directly or indirectly, regarding the amount, percentage or type of profit or loss to be realized, if any, from an investment in Restricted Stock and further that the prior experience of any other person is not in any way a prediction of the results which may be obtained as a result of an investment in Restricted Stock;

(d) the Subscriber has utilized the information in this Subscription Agreement (including the Risk Factors) and the Governing Documents and Detailed Corporate History to the Subscriber's satisfaction for the purpose of obtaining information concerning bioAffinity, an investment in Restricted Stock and the terms and conditions of the Offering;

(e) the Subscriber has obtained, in the Subscriber's judgment, sufficient information to evaluate the merits and risks of an investment in bioAffinity, understands the business in which bioAffinity is engaged and has, alone, such knowledge and experience in business and financial matters, that the Subscriber is capable of evaluating the merits and risks of a prospective investment in Restricted Stock;

(f) the Subscriber has been furnished, and continues to have the opportunity to request, any additional information, to the extent possessed or obtainable without unreasonable effort and expense, necessary to evaluate the merits and risks of this proposed investment, and the Subscriber has concluded, based on the information presented to Subscriber, Subscriber's own understanding of investments of this nature and of this investment in particular, and the advice of such consultants as the Subscriber has deemed appropriate (including Subscriber's own legal counsel), that the Subscriber wishes to subscribe for the amount of Restricted Stock indicated above;

(g) the Subscriber has had an opportunity to ask questions of and receive answers from bioAffinity, or a person or persons acting on their behalf, concerning the terms and conditions of this investment; no statement or additional information provided to the Subscriber which is contrary to the information contained in this Subscription Agreement has been given, or made by or on behalf of bioAffinity;

(h) the Subscriber realizes that the Subscriber may not be able to liquidate the investment in Restricted Stock in the event of an emergency or to pledge Restricted Stock as collateral for loans;

(i) the Subscriber has been advised to rely on the Subscriber's own professional accounting, tax, legal and financial advisors with respect to an investment in bioAffinity, tax, stockholder rights and other considerations involved with respect to the acquisition by and issuance to the Subscriber of Restricted Stock and has relied on such advisors;

(j) under the penalties of perjury, the Subscriber is not subject to the backup withholding provision of Section 3406(a)(1)(c) of the Internal Revenue Code of 1986, as amended (the "***Code***");

(k) no person who is treated as an individual under Code §542(a)(2) (determined after taking into account Code §856(h)) Beneficially Owns (as defined below) more than 9.8% by value of the Subscriber (for purposes of this representation, "***Beneficially Owns***" means ownership by a person who would be treated as an owner of the Subscriber either directly, indirectly, or constructively through the application of Code §544 (as modified by Code §856(h)));

(l) the Subscriber has its principal place of business at the address set forth below, the Subscriber has not been organized for the specific purpose of acquiring Restricted Stock and its governing instruments permit and it is duly qualified, authorized and empowered to execute this Subscription Agreement and the Tax Form, make this investment, and to consummate the transactions contemplated by this Subscription Agreement, that the execution of this Subscription Agreement and the Tax Form has been made by a duly authorized officer, trustee or representative of the Subscriber;

(m) the Subscriber is not required to obtain the consent, approval, authorization, declaration or order of, or to make any filing or registration with, any court or governmental body in connection with the Subscriber's execution and delivery of, and the performance of Subscriber's obligations hereunder or thereunder and when countersigned and delivered by bioAffinity, this Subscription Agreement will constitute the valid, binding and enforceable agreement of the Subscriber;

(n) the execution and delivery of and/or adherence to, as applicable, this Subscription Agreement and the Tax Form by or on behalf of the Subscriber, the consummation of the transactions contemplated hereby and the performance of Subscriber's obligations under this Subscription Agreement will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to the Subscriber, or any agreement or other instrument to which the Subscriber is a party or by which the Subscriber or any of its properties are bound, or any U.S. or non-U.S. permit, franchise, judgment, decree, statute, order, rule or regulation applicable to the Subscriber or the Subscriber's business or properties;

(o) all of the information that the Subscriber has furnished to bioAffinity, or that is set forth herein and in the Tax Form, is correct and complete as of the date hereof and, if there should be any material change in the information prior to the acceptance of this Subscription by bioAffinity, the Subscriber will immediately furnish the revised or corrected information to bioAffinity;

(p) the Subscriber is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act;

(q) the Subscriber understands that: (1) bioAffinity does not intend to register as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "***Investment Company Act***"), and (2) the Subscriber will not be afforded the protections provided to investors in registered investment companies under the Investment Company Act;

(r) the Subscriber is not an account or entity subject to Title I of the Employee Retirement Income Section Act of 1974, as amended ("***ERISA***") or Code §4975, and it is not otherwise a "benefit plan investor" (as such term is defined in Section 2510.3-101(f) of the Department of Labor Regulations (as modified by Section 3(42) of ERISA);

(s) neither the Subscriber nor any person for whom the Subscriber is acting as agent or nominee in connection with its investment is a senior foreign political figure or an immediate family member or close associate of a senior foreign political figure, as such terms are defined in the footnotes herein;[1]

(t) the Subscriber was not formed or reformed (as interpreted under this Investment Company Act) for the specific purpose of making an investment in bioAffinity, and, under the ownership attribution rules promulgated under Section 3(c)(1) of the Investment Company Act, no more than one person will be deemed a beneficial owner of the Subscriber's Restricted Stock;

(u) the Subscriber can bear the economic risk of losing the Subscriber's entire investment in Restricted Stock and, consequently, without limiting the generality of the foregoing, Subscriber is able to hold Restricted Stock for an indefinite period and has sufficient net worth to sustain a loss of Subscriber's entire investment in bioAffinity in the event of such loss should occur;

(v) the Subscriber's financial capacity is such that the total cost of Subscriber's investment in Restricted Stock is not material when compared to Subscriber's total financial capacity;

(w) the Subscriber has adequate means of providing for the Subscriber's current needs and personal contingencies and has no need for liquidity in the Subscriber's investment in Restricted Stock;

(x) the Subscriber has substantial experience in making investment decisions of this type;

(y) the Restricted Stock for which the Subscriber hereby subscribes is being acquired solely for the Subscriber's own account for investment, and is not being purchased with a view to or for resale, distribution, other Transfer, subdivision or fractionalization thereof; the Subscriber has no present plans to enter into any contract, undertaking, agreement or arrangement for resale, distribution, other Transfer, subdivision or fractionalization of Restricted Stock; and bioAffinity will have no obligation to recognize the ownership, beneficial or otherwise, of such Restricted Stock by anyone other than the Subscriber;

[1] Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(z) the Subscriber is purchasing Restricted Stock solely for the account of the Subscriber and, in making such purchase, is not acting in concert with any other person, including but not limited to other stockholders of bioAffinity or other purchasers of Restricted Stock in this Offering or any other offering;

(aa) the Subscriber understands that the Restricted Shares may be notated with one or all of the following legends:

(i) "THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933," or

(ii) any legend required by the securities laws of any state to the extent such laws are applicable to the Restricted Stock represented by the certificate, instrument, or book entry so legended;

(bb) the Subscriber has not been subject to any event specified in Rule 506(d)(1) of the Securities Act or any proceeding or event that could result in any such disqualifying event ("***Disqualifying Event***") that would either require disclosure under the provisions of Rule 506(e) of the Securities Act or result in disqualification under Rule 506(d)(1) of bioAffinity's use of the Rule 506 exemption. The Subscriber will immediately notify the General Partner in writing if the Subscriber becomes subject to a Disqualifying Event at any date after the date hereof. In the event that the Subscriber becomes subject to a Disqualifying Event at any date after the date hereof, the Subscriber agrees and covenants to use its best efforts to coordinate with the bioAffinity (i) to provide documentation as reasonably requested by bioAffinity related to any such Disqualifying Event and (ii) to implement a remedy to address the Subscriber's changed circumstances such that the changed circumstances will not affect in any way bioAffinity's or its affiliates' ongoing and/or future reliance on the Rule 506 exemption under the Securities Act. The Subscriber acknowledges that, at the discretion of the bioAffinity, such remedies may include, without limitation, the waiver of all or a portion of the Subscriber's voting power in bioAffinity (if any) and/or the Subscriber's cessation of being a stockholder (including all rights, benefits and privileges associated therewith) of bioAffinity through the Transfer of Subscriber's Restricted Stock and other interests (if any) in bioAffinity. The Subscriber also acknowledges that bioAffinity may periodically request assurance that the Subscriber has not become subject to a Disqualifying Event at any date after the date hereof, and the Subscriber further acknowledges and agrees that the General Partner shall understand and deem the failure by the Subscriber to respond in writing to such requests to be an affirmation and restatement of the representations, warranties and covenants in this Section 3(bb);

(cc) the Subscriber hereby represents and warrants to bioAffinity that the Subscriber is not a "banking entity" as such term is defined under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "***Volcker Rule***") or qualifies for an exclusion, an exemption and/or other relief under the Volcker Rule with respect to the ownership of interests in bioAffinity, based on the currently available published regulatory guidance, including the joint notice of final rulemaking issued on December 10, 2013 with respect to the Volcker Rule;

(dd) the Subscriber will not, at any given time, purchase, seek the Transfer of, or otherwise own in the aggregate more than 19.9% of bioAffinity's securities, including any publicly traded securities or the Restricted Stock;

(ee) on the date of the execution of this Agreement the only bioAffinity securities owned by Subscriber are an aggregate of 25, 921 shares of bioAffinity common stock and warrants to purchase an additional 30, 611 shares of bioAffinity common stock; and

(ff) the Subscriber acknowledges that bioAffinity seeks to comply with all applicable anti-money laundering, economic sanctions, anti-bribery and anti-boycott laws and regulations. In furtherance of these efforts, the Subscriber represents, warrants and agrees that: (1) the Subscriber is not the target of economic or financial sanctions imposed, administered, or enforced by the United States government, including the U.S. Department of the Treasury Office of Foreign Assets Control (collectively, "***Sanctions***," and any person the subject of such Sanctions or majority-owned or controlled by a person the subject of such Sanctions a "***Sanctioned Person***") (2) to the Subscriber's actual knowledge, no commitment, contribution or payment to bioAffinity by the Subscriber and no distribution to the Subscriber shall cause bioAffinity to be in violation of any applicable U.S. federal or state or non-U.S. laws or regulations, including anti-money laundering, Sanctions, anti-bribery or anti-boycott laws or regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, and the Foreign Corrupt Practices Act, (3) all capital contributions or payments to bioAffinity by the Subscriber will be made through an account located in a jurisdiction that does not appear on the list of boycotting countries published by the U.S. Department of Treasury pursuant to Code §999(a)(3), as in effect at the time of such contribution or payment, (4) neither the Subscriber nor any persons acting for or on behalf of the Subscriber are or have engaged, or will engage, or are owned or controlled by any party that is or has engaged, or will engage, in activities that could result in being designated a Sanctioned Person or on any list of restricted parties maintained by the U.S. federal government and (5) the Subscriber otherwise will not engage in any business or other activities that could cause bioAffinity to be in violation of applicable anti-money laundering, Sanctions, anti-bribery or anti-boycott laws or regulations. The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in the Governing Documents, to the extent required under any anti-money laundering, Sanctions, anti-bribery or anti-boycott law or regulation, bioAffinity may prohibit additional capital contributions, restrict distributions or take any other action required by such law or regulation with respect to the Subscriber's Restricted Stock, and the Subscriber shall have no claim, and shall not pursue any claim, against bioAffinity in connection therewith; *provided*, *however*, that bioAffinity shall not take any of the foregoing remedial measures without first notifying the Subscriber of its intent to do so and providing the Subscriber with a reasonable opportunity to demonstrate to bioAffinity that such remedial action is not required by law.

4. Terms of Subscription.

(a) This Subscription Agreement, properly completed and executed, as well as the payment or other consideration tendered for Restricted Stock, must be delivered to bioAffinity at the address set forth above and received by bioAffinity in accordance with Section 2(a) of this Agreement or as otherwise specified in the Purchase Agreement.

(b) This Subscription Agreement will (i) be held by bioAffinity for the benefit of the Subscriber and (ii) be and remain the sole property of the Subscriber.

(c) Subject to the provisions of Section 2(a) of this Agreement, the Subscriber's right to participate in the Offering will terminate at the Expiration Time.

(d) bioAffinity reserves the right at any time prior to the Expiration Time to terminate the Offering for any reason. In the event bioAffinity terminates the Offering, the Offering will expire. Thereafter, bioAffinity will cause the subscription funds, plus any profits or interest earned or accruing thereon, to be returned promptly.

(e) If this Subscription Agreement is rejected, in whole or in part, by written notice from bioAffinity to the Subscriber, bioAffinity will cause the subscription funds attributable to that portion of the rejected subscription, plus any profits or interest earned or accruing thereon, to be returned promptly to the Subscriber. bioAffinity shall retain any profits or interest earned or accruing from the investment of subscription funds attributable to accepted subscriptions.

5. Closing of Transaction; Withdrawal of Offering.

(a) If, and when, this subscription has been received, and if the other conditions precedent to a closing of the sale of Restricted Stock have been satisfied, a closing of the subscription will be held (a "***Subscription Closing***"). At such Subscription Closing, this subscription, subject to the terms and conditions associated with this Subscription Agreement, will be accepted, and the Certificate and Bylaws shall become binding upon the Subscriber, which together with this Subscription Agreement shall be a valid and binding agreement or instrument, as applicable, enforceable against the Subscriber in accordance with their terms.

(b) The Subscriber hereby agrees, upon the Subscription Closing pursuant to this Subscription Agreement, (i) to become a stockholder of Restricted Stock in bioAffinity on the terms of the Certificate and Bylaws, as applicable, as each may be modified, supplemented amended or restated from time to time in accordance with their terms, and (ii) to adhere to, comply with, be bound by and receive the benefits of the terms of the Certificate and Bylaws (which terms are hereby incorporated herein by reference). bioAffinity's acceptance of this Subscription Agreement shall bind the Subscriber to the terms of the Certificate and Bylaws and as a stockholder of Restricted Stock and, as a result of such acceptance, the Subscriber shall automatically be stockholder of Restricted Stock and shall have all the rights of, and shall comply with all of the obligations of, a stockholder as set out in the Certificate and Bylaws.

(c) Anything in this Subscription Agreement to the contrary notwithstanding, this Offering may be withdrawn by bioAffinity at any time.

6. Indemnification. The Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations and warranties contained herein, and agrees to defend (using counsel of bioAffinity's choosing in its sole and absolute discretion), indemnify and hold harmless bioAffinity and its officers, directors, agents (including attorneys) and employees from and against any and all actions, claims, settlements, judgments, demands, liens, losses, damages, fines, penalties, interest, costs, expenses (including, without limitation, expenses attributable to the defense of any actions or claims), attorneys' fees and liabilities due to, or arising out of, any breach, inaccuracy or misrepresentation of any representation, warranty, agreement or covenant of the Subscriber contained herein.

7. Assignment. The Subscriber may not Transfer this Subscription Agreement (including any signature pages, exhibits, schedules or other attachments hereto), or any interest in this Subscription Agreement, nor delegate or otherwise assign or transfer any of Subscriber's obligations or performance, under this Subscription Agreement (including any signature pages, exhibits, schedules or other attachments hereto), whether voluntarily, involuntarily, by operation of law or otherwise, without bioAffinity's prior written and signed consent. bioAffinity may Transfer this Subscription Agreement (including any signature pages, exhibits, schedules or other attachments hereto) or any of bioAffinity's rights, duties, obligations or performance under this Subscription Agreement (including any signature pages, exhibits, schedules or other attachments hereto), in whole or in part, (a) to any of its respective affiliates or (b) in the case of any merger, consolidation or reorganization (regardless of whether bioAffinity is a surviving or disappearing entity) or sale or other Transfer of bioAffinity's assets, to the successor in a merger, consolidation or reorganization of bioAffinity or to any entity that acquires all or substantially all of bioAffinity's assets. Any purported Transfer or delegation in violation of this Section 7 shall be null and void. No Transfer or delegation shall relieve

Subscriber of any of Subscriber's obligations hereunder unless expressly agreed to in a signed writing by bioAffinity.

8. Revocation. The Subscriber may not cancel, terminate or revoke this Subscription Agreement, or any agreement made by the Subscriber under or in connection herewith. The Subscriber understands and agrees that this Subscription Agreement will survive the death, incapacity or disability of the Subscriber, except as provided in Section 9.

9. Termination of Subscription Agreement. If each of the representations and warranties of the Subscriber contained herein are not true prior to the purchase of any of the Restricted Stock by the Subscriber, and written notice of that fact has been given to bioAffinity, then and in any of such events, in bioAffinity's sole discretion, this Subscription Agreement shall be null and void and of no further force or effect. In such event, neither party shall have any rights against the other party hereunder this Subscription will be canceled, and the Subscriber will be paid the Subscriber's proportion of the subscription funds, plus any profits or interests earned or accrued thereon.

10. Survival; Further Assurances. Notwithstanding anything herein to the contrary, all representations, warranties, covenants and indemnities contained in this Subscription Agreement shall survive (a) the acceptance or rejection of the subscription by bioAffinity, and (b) the death, incapacity or disability of the Subscriber. The Subscriber agrees to provide such further assurances and to execute or re-execute such documents that may be required for bioAffinity to sustain the exemption from registration of its securities offered hereby under applicable federal and state laws and to effect the subscription hereby made.

11. Notice. All notices and communications relating to this Subscription Agreement must be in writing and will be deemed to have been received when delivered (i) by email (with read receipt requested) on the date sent if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, (ii) personally (with written confirmation of receipt) on the date received, (iii) by overnight delivery service by a nationally recognized overnight courier with return receipt requested on the date received or (iv) by first class prepaid mail with return receipt requested on the third day after the date mailed. Such notices and communications shall be sent to (a) in the case of bioAffinity, its address as first set forth above or to mz@bioaffinitytech.com, as applicable, and (b) in the case of Subscriber, to 1092 Madeline Street, New Braunfels, TX 78132 or to rjoyce@precisionpath.us, as applicable. Either party may change the mailing and email address(es) or addressee(s) for notice or communication upon written notice to the other party. Any notice or communication will be effective upon receipt by the other party to which such notice is addressed.

12. Entire Agreement. This Subscription Agreement (together with all signature pages, exhibits, schedules or other attachments hereto) constitutes the entire agreement between the parties with respect to its subject matter, superseding all previous agreements, promises, proposals, representations, understandings and negotiations, whether written or oral, between the parties pertaining to such subject matter. Each party hereby acknowledges that it has not been induced to enter into this Subscription Agreement by virtue of, and is not relying on, any representations made by the other party not included herein, any term sheets or other correspondence preceding the execution of this Subscription Agreement, or any prior course of dealing between the parties..

13. Governing Law. In all respects this Subscription Agreement will be governed by and construed in accordance with the substantive laws of the State of Delaware without regard to any conflict of laws principles that would result in the application of the law of any other jurisdiction.

14. Jurisdiction and Exclusive Venue. Any legal suit, action, or proceeding arising out of or relating to this Subscription Agreement or the transactions contemplated hereby shall be instituted in the federal courts of the United States of America or the courts of the State of Delaware in each case located in the City of Wilmington and County of New Castle, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice, or other document by certified mail in accordance with Section 11 shall be effective service of process for any suit, action, or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to venue of any suit, action, or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

15. No Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set out in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Subscription Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

16. Severability. If any term, provision or part of this Subscription Agreement is to any extent held invalid, void or unenforceable by a court of competent jurisdiction, the remainder of this Subscription Agreement will not be impaired or affected thereby, and each term, provision and part will continue in full force and effect and will be valid and enforceable to the fullest extent permitted by applicable law.

17. Construction. To the fullest extent permitted by law, the parties hereto intend that any ambiguities shall be resolved without reference to which party may have drafted this Subscription Agreement. The headings of Articles, Sections and subsections in this Subscription Agreement are provided for convenience only and shall not affect the construction or interpretation hereof. Unless the context otherwise requires: (a) a term has the meaning assigned to it and any defined term used in one tense or case (including using nouns as verbs and vice versa) shall include all other appropriate tenses or cases; (b) "or" is not exclusive; (c) words in the singular include the plural, and words in the plural include the singular; (d) provisions apply to successive events and transactions; (e) the words "herein," "hereof" and other words of similar import refer to this Subscription Agreement as a whole and not to any particular Article, Section, subsection, paragraph, subparagraph, clause or other subdivision; (f) all references herein to Exhibits, Articles, Sections, subsections, paragraphs, subparagraphs, clauses, schedules and attachments shall be deemed to be references to Exhibits, Articles, Sections, subsections, paragraphs, subparagraphs, clauses, schedules and attachments of this Subscription Agreement unless the context shall otherwise require; (g) any pronoun used in this Subscription Agreement shall include the corresponding masculine, feminine or neuter forms; (h) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (i) the word "extent" in the phrase "to the extent" or "to the fullest extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if"; (j) references to "$" or "dollars" shall mean United States dollars; (k) unless otherwise expressly provided herein, any agreement, instrument, statute or regulation defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, statute or regulation as from time to time amended, restated, waived or otherwise modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes or regulations and references to all attachments thereto and instruments incorporated therein; (l) the word "federal" shall be deemed to be preceded by the words "United States" or "U.S." (to the extent not actually preceded by such words); and (m) the word "foreign" shall mean non-United States..

18. Counterparts. This Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original copy of this Subscription Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement. This Subscription Agreement may be signed by electronic signature, including any portable document format ("***PDF***") or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (e.g., www.docusign.com), and delivery of an executed counterpart of a signature page to this Subscription Agreement by facsimile, electronic mail in PDF or other means of electronic transmission is deemed to have the same binding legal effect as physical delivery of the paper document bearing the original signature.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement to be effective as of September 18, 2023.

SUBSCRIBER:

/s/ Roby P. Joyce, M.D., as trustee

Roby P. Joyce, M.D., as trustee of THE JOYCE LIVING TRUST, dated March 19, 2013

Subscriber's Tax Identification No.:_____

ACCEPTANCE BY BIOAFFINITY

By its execution and delivery of this bioAffinity Acceptance Page, bioAffinity hereby accepts the Subscriber's Subscription Agreement on the terms set forth in the Subscription Agreement for the Offering Amount of Restricted Stock, and by such acceptance the Subscriber shall become a stockholder of bioAffinity, which Restricted Stock shall be bound by the terms and conditions of the Certificate, the Bylaws and the Subscription Agreement. For the avoidance of doubt, if and when this bioAffinity Acceptance Page is executed, it shall be deemed to be part of an incorporated in the Subscription Agreement and Sections 6 through 18 of the Subscription Agreement shall apply to this bioAffinity Acceptance Page. Capitalized terms used and not defined on this Acceptance Page shall have the meanings set forth in the Subscription Agreement.

Date of Delivery September 18, 2023

bioAFFINITY TECHNOLOGIES, INC.:

By: /s/ Maria Zannes

Maria Zannes, President and Chief Executive Officer

EXHIBIT "A"

CERTAIN RISK FACTORS

Any investment in bioAffinity will be subject to numerous risk factors. Any person making an investment in bioAffinity will need to be prepared to hold the Restricted Stock for an indefinite period. If bioAffinity is not successful, each of the investors could lose their entire investment.

Please closely review all risk factors presented in the Detailed Corporate History, as all such risk factors apply to the Restricted Stock and an investment therein.

No Market for Restricted Stock. There will be no public market for the Restricted Stock, including any issued or sold in the Offering, and it is highly unlikely that such a market will exist in the future. The Restricted Stock has not been registered under the Securities Act, or any state securities law, in reliance on applicable exemptions. No representation or promise has been made concerning the marketability or value of the Interests.

Restrictions on Transferability of Restricted Stock. There are substantial restrictions on the Transferability of Restricted Stock by law and by bioAffinity. Therefore, the Restricted Stock may have to be held indefinitely and may not be Transferred, unless and until subsequently registered under the Securities Act and/or applicable state securities law, or unless an exemption from such registration is available, in which case a limitation as to the amount of said securities that could be sold may still exist and unless and until the Subscriber complies with all provisions of the Governing Documents.

Subscriber's purchase of Restricted Stock is a long-term and illiquid investment. An investment in the Restricted Stock offered by bioAffinity may be long-term and illiquid. The offer and sale of the Restricted Stock will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration. The Subscriber is being required to represent in writing that Subscriber is purchasing the Restricted Stock for Subscriber's own account, for long-term investment, and not with a view towards resale, distribution, other Transfer, subdivision or fractionalization thereof. Accordingly, Subscriber must be willing and able to bear the economic risk of Subscriber's investment for an indefinite period. It is likely that Subscriber will not be able to liquidate Subscriber's investment, even in the event of a personal financial emergency.

Tax implications to Subscriber's decision to purchase the Restricted Stock. bioAffinity will be classified as a corporation for U.S. federal income tax purposes. The income tax consequences of an investment in bioAffinity may be complex and may not be the same for all taxpayers. ACCORDINGLY, EACH POTENTIAL INVESTOR, INCLUDING THE SUBSCRIBER, MUST DEPEND SOLELY UPON THE ADVICE OF ITS OWN PROFESSIONAL ADVISORS WITH RESPECT TO ITS INVESTMENT IN BIOAFFINITY AND THE POTENTIAL TAX CONSEQUENCES THEREOF.

Additional risks and uncertainties are not presently known.In addition to the risks specifically identified in these Risk Factors, bioAffinity may face additional risks and uncertainties not presently known to bioAffinity or its board of directors, or that bioAffinity and its board of directors currently deem immaterial but which may later impair bioAffinity's business, results of operations and financial condition.

[*Remainder of page intentionally left blank.*]

Exhibit 10.3

MANAGEMENT SERVICES AGREEMENT

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MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "**Agreement**") is made and entered into effective as of September 18, 2023 (the "**Effective Date**"), by and between Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("**Manager**") and Village Oaks Pathology Services, P.A., a Texas professional association ("**VOPS**" or "**Company**"). Manager and Company are individually referred to herein as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Company provides professional cytopathology, histopathology, clinical and anatomic pathology interpretation services ("Pathology Services") in support of independent laboratories and hospital laboratories providing pathology testing services; and

WHEREAS, Manager is an anatomic and clinical pathology testing laboratory that provides histology and related services and is also in the business of providing administrative, non-medical services for pathologists to support community-based pathology medical groups, with its principal office located in San Antonio, Texas; and

WHEREAS, the Company, in order to enable its employed and contracted physicians and allied health professionals and personnel who are licensed or certified by a State agency to provide professional services to patients and to focus their time and efforts on the practice of medicine and the delivery of Pathology Services, has requested that the Manager provide management and administrative services to the Company upon the terms and conditions set forth herein; and

WHEREAS, the Manager has agreed to provide such management and administrative services in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the foregoing and in further consideration of the premises hereinafter set forth, the Parties hereto agree as follows:

ARTICLE I.
ENGAGEMENT, EXCLUSIVITY AND RELATED MATTERS

1.1. Engagement. On the terms and subject to the conditions contained in this Agreement, Company hereby appoints the Manager, and the Manager hereby accepts such appointment, as its sole and exclusive agent for the administration of the functions and affairs of the Company that are not directly related to the practice of medicine as regulated under state law, including those services described in ARTICLE II (the "Management Services"). This Agreement shall be non-exclusive with respect to the Manager, and the Manager shall be entitled to engage in other administrative and business activities with other physicians anywhere as the Manager elects in its sole discretion. The Company expressly acknowledges and agrees that the Manager may subcontract with third parties for the performance of certain of the Management Services in accordance with the terms set forth herein, in a commercially reasonable manner consistent with customary industry performance standards, to meet the requirements of the business functions of the Company.

1.2. Exclusivity. The Affiliation is an exclusive arrangement among the Parties during the term of this Agreement, as more specifically described in Section 3.7.

1.3. Company Operations. During the term of this Agreement, Company shall remain responsible for all Pathology Services constituting the practice of medicine.

1.4. Patient Referrals. Manager and Company agree that nothing in this Agreement requires, constitutes payment for, or is contingent upon, the referral, admission, or any other arrangement for the provision of any item or service of (a) any patient of Company or any [physician] affiliated therewith to any health care facility, laboratory, or other health care operation controlled, managed, or operated by Manager, or (b) any patient of any medical practice of or affiliated with Manager to Company, any physician affiliated with the Company, or any health care facility, laboratory or other health care operation controlled, managed, or operated by Company or a physician affiliated with the Company. Moreover, nothing in this Agreement shall be interpreted to prohibit Company or any Physician from referring any patients to, or treating patients at, any medical services center not operated or managed by Manager, Company or any of their respective Affiliates.

ARTICLE II.
RESPONSIBILITIES OF MANAGER

2.1. General. During the Term of this Agreement, Manager shall, as more specifically set forth herein, provide Company with management, administrative and financial services to facilitate the delivery of Pathology Services (the "**Manager Services**"). The Parties agree that the purposes and intent of this Agreement are (a) to facilitate and coordinate the performance of Pathology Services; and (b) to relieve Company of the administrative, regulatory, accounting and business aspects of its medical practice to the maximum extent possible. Manager is hereby expressly authorized to perform the Manager Services hereunder in a commercially reasonable manner as it deems reasonably appropriate. Company will not act in a manner which would prevent Manager from efficiently managing the operations of Company as set forth in this Agreement.

2.2. Billing and Collection. Manager will process and submit all bills and statements to patients and third party payors, and collect accounts receivable, for all services rendered by Company. All collections made and received for or on account of such services rendered by Company shall be paid to Company in accordance with this Article II. Subject to the provisions contained in Article IV below, Manager will maintain accounting, billing and collection records of Company and will furnish to Company a monthly

volume report and accounts receivable statement of Company. If Company receives payments directly for Pathology Services, Company will turn over such payments to Manager, which will be reconciled and credited to Company.

2.3. Power of Attorney. In connection with the billing and collection services to be provided hereunder, Company hereby grants to Manager an exclusive special power of attorney and appoints Manager as Company's exclusive true and lawful agent and attorney-in-fact, and Manager hereby accepts such special power of attorney and appointment, for the following purposes:

(a) To supervise and coordinate the billing to patients and third party payors (in the name of Company or Manager, as applicable) for all Pathology Services provided by or on behalf of Company to patients.

(b) To ensure the collection and receipt of all accounts receivable generated by such billings and claims for reimbursement, to administer such accounts including, but not limited to, (i) extending the time of payment of any such accounts for cash, credit or otherwise; (ii) discharging or releasing the obligors of any such accounts; (iii) suing, assigning or selling at a discount such accounts to collection agencies; or (iv) taking other commercially reasonable measures to require the payment of any such accounts.

(c) To deposit all amounts collected in Company's name and on behalf of Company, into a Company bank account which shall be and at all times remain in Company's name ("**Company Depository Account**"). Company covenants to cooperate with and transfer and deliver to Manager for deposit into the Company Depository Account all funds received directly by Company for Pathology Services. Upon receipt by Manager of any funds from patients or third-party payors or from Company pursuant hereto for Pathology Services, Manager shall immediately reconcile and deposit same into the Company Depository Account.

(d) To take possession of, endorse in the name of Company, and deposit into the Company Depository Account any notes, checks, money orders, cash, credit card payments, ACH payments, insurance payments, and any other instruments received in payment for Pathology Services.

(e) To sign checks, drafts, bank notes or other instruments on behalf of Company, and to make withdrawals from the Company Depository Account for expenses incurred on behalf of Company hereunder and as requested from time to time by Company.

Upon the request of Manager, Company shall execute and deliver to the financial institution at which the Company bank account(s) is (are) maintained, such additional documents or instruments as may be necessary to evidence or effect the special and limited power of attorney granted to Manager by Company pursuant to this Section 2.3. The special and limited power of attorney granted herein shall be coupled with an interest and shall be irrevocable except with Manager's written consent. The irrevocable power of attorney shall expire on the later of the date upon which (i) this Agreement has been terminated, or (ii) all fees due to Manager under this Agreement have been paid.

2.4. Accounting and Financial Services. Manager shall provide the following financial services:

(a) Manager shall provide such bookkeeping services which may be required to keep the books and accounts of Company, and may retain a professional accountant to perform same;

(b) Manager shall ensure that all state and federal tax returns of Company are prepared and filed on a timely basis;

(c) Manager shall track and pay all accounts payable from funds deposited into the bank accounts opened to manage the finances of Company pursuant to this Agreement.

(d) Manager shall prepare (i) quarterly unaudited financial statements containing balance sheet and statements of income from Company's practice, and (ii) annual unaudited financial statements.

2.5. Cash Management. In addition to the Company Depository Account described in Section 2.3, Manager is authorized to open one or more bank accounts ("**Operations Accounts**") necessary to manage the finances of Company, and may appoint one or more individuals to have authority to sign checks, make deposits and transact such other business as may be reasonably necessary. Manager shall on a daily basis sweep and deposit into the Operations Account such amounts from the Company Depository Account as shall be necessary to satisfy Company's and Manager's obligations hereunder. Manager shall account to Company for all such deposits and prepare and provide Company a monthly reconciliation of all bank accounts.

2.6. Personnel Services. Manager shall arrange for or provide, through its employed or leased employees, management and administrative personnel, couriers, bookkeeping, collection and clinical laboratory personnel as may be reasonably necessary to facilitate the delivery of Pathology Services. For purposes of billing and reimbursement for laboratory services only, such clinical laboratory personnel shall be considered joint employees of the Company subject to direction and supervision by Company Physicians.

2.7. Payroll. Manager shall provide such administrative and ministerial services as are necessary to facilitate the administration of the Company Payroll System by the Company's provider of third-party payroll processing services. For the avoidance of doubt, consistent with the Company's status as the employer of the Professionals, the Company shall remain at all times in control of the Company Payroll System and the wages, benefits and other amounts paid and payable to Professionals with respect to their service for the Company.

2.8. Human Resources. Manager shall provide the oversight, general management and administration of the human resources functions of the Company.

2.9. Space and Equipment. In the Laboratory, Manager shall arrange for or provide sufficient space and equipment to provide the Pathology Services.

2.10. Quality Assurance. Manager shall assist Company in its duties for the establishment and implementation of College American Pathologist Standards and procedures necessary to ensure the consistency, quality, appropriateness, and conformity to standard operating procedures related to Pathology Services.

2.11. Planning. Manager shall advise Company in short and long-range planning, including the projection of personnel needs, space requirements, and other necessary planning services.

2.12. Supplies. Manager shall assure that reasonable inventories of medical and other supplies required by Company are available at all times, and shall purchase and arrange for the payment and delivery of such supplies at Company's expense. Manager shall order, procure, purchase and provide, on behalf of and as agent for Company, all reasonable medical supplies, unless otherwise prohibited by state or federal law. Company shall reimburse Manager the costs of such supplies utilized by Company.

2.13. Insurance. Manager shall obtain in Company's name and maintain in full force and effect during the Term of this Agreement all necessary general and professional liability and casualty insurance of every kind, name and nature with insurance companies mutually agreeable to Manager and Company and in mutually agreeable amounts, to protect the Parties against loss in the nature of fire, other catastrophe, theft, public liability and medical or non-medical negligence. Company shall pay directly or reimburse Manager the expenses associated with covering Company under such insurance.

2.14. Information Technology Services. Manager shall provide, oversee, manage and administer, under the direction of the chief information officer, all information technology services necessary for the operation of the Company and the provision of the Management Services hereunder, including the provision of all hardware and software applications and any purchasing, leasing, and licensing related thereto. Such services shall include dictation and transcription services. In addition, Manager shall provide general information technology and health information management consulting and advisory services on an as-needed basis.

2.15. Compliance Program Oversight. Manager shall administer and oversee the Company's compliance function, including the provision of a qualified compliance officer, compliance hotline, the provision and maintenance of appropriate the Company compliance policies and Manager compliance policies applicable to Professionals and Manager Personnel, the provision of appropriate education programs to ensure compliance by the Company with all Applicable Laws and regulations (including compliance with HIPAA, blood borne pathogens, lab safety, ergonomics, safe driver courses and similar training programs) and the development and maintenance of a reporting process for concerns regarding compliance issues. Without limiting the foregoing, and subject to the limitations on Manager's authority set forth in this Agreement, Manager shall take such actions reasonably required to ensure that Company is complying with all applicable federal, state, and local rules, regulations, statutes, laws, and ordinances governing the Company and its medical activities, including the creation and maintenance of records, reports, applications, returns, and other documents required by federal, state, and local governmental entities or instrumentalities of any type, third party payors and clients of Company. Manager shall coordinate filing of all state and federal mandated clinical and financial reports.

2.16. Third-Party Providers and Payors. Manager shall assist the Company with the administration and negotiation of contracts to provide services to hospitals, medical groups and other facilities ("Provider Agreements"), and all third-party payor agreements, including without limitation, HMO, PPO, employee health benefit plans, and other insurers, to be entered into between the Company and such third parties ("Payor Agreements"). Manager shall act as the liaison of the Company with all third-party payors for purposes of such administration and negotiation. Prior to execution by Company, any Provider Agreements or Payor Agreements and any amendments thereto, shall require the prior written approval of Manager, which approval shall not be unreasonably withheld, it being understood that Company's preferences with respect to its provider network relationships and relationships with referral sources shall be respected and implemented. Manager shall monitor performance of the respective parties to such Payor Agreements and Provider Agreements for compliance with the terms, conditions and requirements of the payors of Government Receivables, such Payor Agreements and Provider Agreements, as well as all applicable federal and state laws, rules and regulations. Manager shall also provide recommendations regarding financial modeling, health plan level scorecards, development of pricing strategies for health plans, under-payment recovery and denial reduction consulting.

2.17. Licenses, Certification, Permits and Accreditations. Manager shall assist the Company in obtaining and maintaining any necessary licensure, certification, permits and accreditation necessary for the operation of the Company, including practitioner credentialing with payors and healthcare facilities.

2.18. Loans. In the event Company does not have sufficient cash to pay for its liabilities or financial obligations (including any portion of the Clinic Expenses or Manager Consideration), Manager in its discretion may extend loans or lines of credit, as may be necessary, to Company under commercially reasonable terms and subject to Applicable Law.

2.19. Sales and Use Taxes. Manager and Company acknowledge and agree that to the extent that any of the services to be provided by Manager hereunder may be subject to any state sales and use taxes, Manager may have a legal obligation to collect such taxes from Company and to remit same to the appropriate tax collection authorities. Any such state sales and use taxes in respect of the portion of the Manager Consideration (as hereinafter defined) attributable to such services shall be a Clinic Expense, and Manager agrees to provide Company with an invoice with respect to such Manager Consideration, separately stating: (i) the portion of the Manager Consideration that relates to services that are subject to applicable sales and use taxes, and specifying the amount of the sales and use taxes payable on such portion of the Manager Consideration and the state to which such taxes are payable, and (ii) the portion of the Manager Consideration that relates to services that are not subject to applicable sales and use tax.

2.20. No Warranty. Company acknowledges that Manager has not made and will not make any express or implied warranties or representations that the services provided by Manager will result in any particular amount or level of Pathology Services or income to Company.

2.21. Additional Services. Manager shall provide such additional and further services as may be mutually agreed upon by Manager and Company.

ARTICLE III.
RESPONSIBILITIES OF COMPANY

3.1. Organization and Operation; Cooperation. Company, as a continuing condition of Manager's obligations under this Agreement, shall at all times during the Term be and remain legally organized and operated to provide Pathology Services in a manner consistent with all state and federal laws. Company shall cooperate with Manager to the extent reasonably necessary for Manager to perform its obligations under this Agreement.

3.2. Professional Standards. Company shall use best efforts to ensure that each Physician at all times, as applicable: (a) has a valid and unrestricted license to practice medicine or the applicable profession in the state in which such Physician or Professional Staff member practices that has never been suspended, revoked or otherwise restricted or terminated, shall be in good standing with the applicable medical board of the applicable state, and shall have appropriate board and other certifications required to render the Pathology Services; (b) is board certified or board eligible; (c) has malpractice insurance in the amounts set forth in Section 3.3; and (d) is qualified and enrolled to provide reimbursable services under Medicare, Medicaid and each other applicable federal and state health care program and third-party payer program in which Company participates, and shall not have been suspended, excluded, debarred or otherwise not permitted to continue to participate in the Medicaid and/or Medicare programs or any other applicable federal or state health care or third-party payer program. Company also shall comply, and shall use best efforts to ensure that all Physicians and Professional Staff comply, with all Applicable Law, including without limitation the federal and state anti-kickback statutes, federal false claims act, The Ethics in Patient Referrals Act, 42 U.S.C. § 1395nn, and the regulations promulgated thereunder, the self-referral statutes, false claims act and antikickback statutes of any state and those requirements imposed on Company by any licenses, permits, certificates of authority or authorizations that Company is required to maintain, and the Laboratory Lease. Company shall immediately notify Manager in writing upon becoming aware that any Physician or Professional Staff member does not meet the qualifications of this Section 3.2, and Company shall not permit any Physician or Professional Staff member who does not meet such qualifications to provide Pathology Services unless approved in writing in advance by Manager. Company has entered into or will enter into and maintain with each Physician and Professional Staff a written agreement, as applicable, pursuant to which Company requires each Physician to be bound by and comply with all applicable terms of this Agreement, including without limitation this Section 3.2, Section 6.2 and Section 6.4. Company shall not amend the written agreements, as applicable, in any manner that would cause such agreements to be in breach of the terms of this Agreement.

3.3. Physicians; Professional Staff. Company shall, as a Physician Expense, retain and make available Physicians who meet the standards set forth inSection 3.2 to provide Pathology Services to patients and customers of the Company. Company shall provide a sufficient and appropriate number of Physicians to ensure that Pathology Services are made available to patients and customers of the Company as required by the Company's contracts and customers. Company shall be responsible for the supervision and performance by the Physicians of Pathology Services, including, without limitation, assuring the Physicians comply with all applicable laws, contracts and Company

policies. Company Physicians may be employees or independent contractors of Company or made available through *locum tenens* arrangements. For the avoidance of doubt, Company shall have ultimate authority with respect to personnel decisions regarding Company Physicians, including without limitation hiring, termination or nonrenewal and, subject to approved Budgets, compensation and benefits; provided that Manager shall provide the necessary administrative support for Company to meet such responsibilities, such as recruitment services, human capital, and employee relations support, as further described in Section 2.8.

3.4. Negotiation of Contracts. Company agrees not to negotiate, make, propose, or execute any contract, or amend or modify any contract for Pathology Services, without the prior written consent of Manager, which consent shall not be unreasonably withheld, conditioned or delayed.

3.5. Professional Liability Insurance. Throughout the Term of this Agreement, Company shall maintain professional liability insurance pertaining to its professional services related to Pathology Services, in amounts no less than $200,000 per occurrence and $600,000 in the aggregate, and shall obtain, to the extent possible, an endorsement naming Manager as an additional named insured thereunder. Manager is hereby authorized to obtain such insurance on Company's behalf, as provided in Section 2.13.

3.6. Access. The Company shall permit Manager to inspect the properties, assets and books and records of the Company and to make copies of the same, during normal business hours upon request by Manager.

3.7. Exclusivity. During the Term of this Agreement, and at a minimum until the fifth (5th) anniversary of the Effective Date, Company shall not without the written consent of Manager, contract with another management services provider to provide services similar to or competitive with, the services provided by Manager for Company pursuant to this Agreement.

3.8. Security Interest.

(a) Grant of Security Interest. To secure its obligations to pay the Management Services Fee, to pay the Clinic Expenses and to transfer to the Manager collections based on Receivables purchased by Manager (the "Payment Obligations"), the Company hereby unconditionally grants, conveys and assigns to the Manager a first priority lien and continuing security interest in all of the Company's right, title and interest in and to, whether now owned or hereafter acquired or arising and wherever located, Deposit Accounts (as defined in the UCC), accounts receivable, and other Accounts (as defined in the UCC) of the Company and the Proceeds (as defined in the UCC) and products thereof, whether tangible or intangible (the "Collateral"), resulting from services rendered by the Company after the Effective Date, and all additions and substitutions thereto, which shall secure payment of all amounts owed by the Company to the Manager under this Agreement and any other obligations or liabilities of the Company to the Manager arising, from time to time, pursuant to this Agreement; provided that such security interest shall not apply to Deposit Accounts and other Accounts and Proceeds the assignment of which is prohibited by law (such security interest prohibited by law, a "Prohibited Assignment"), except that immediately and automatically upon any prohibition of law no longer being applicable to such Deposit Accounts, Accounts or Proceeds thereof, whether by the amounts in such Deposit Accounts or related to Accounts being transferred to another Deposit Account or otherwise, such amounts, Deposit Accounts or Accounts shall constitute and be considered Collateral. The security interest granted herein, and any other of the Manager's rights or remedies set forth herein, are not intended to alter, modify, substitute or otherwise restrict any other rights or remedies which the Manager may have or which may be available to the Manager by operation of law or otherwise.

(b) Filing of Financing Statements and other Documentation to Perfect Security Interest. The Company hereby authorizes the Manager to file a record or records, including, without limitation, financing or continuation statements, intellectual property security agreements and amendments and supplements to any of the foregoing, in any jurisdictions and with any filing offices as the Manager may determine, in its sole discretion, are necessary or advisable to perfect or otherwise protect the security interest granted to the Manager herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of Collateral that describes such property in any other manner as the Manager may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Manager herein. As requested by the Manager, the Company shall promptly execute and deliver to Manager financing or continuation statements covering the Collateral. The Company shall furnish to the Manager from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Manager may reasonably request, all in reasonable detail.

(c) Company Representations and Warranties. The Company represents and warrants (a) upon the Manager filing a financing statement with the Texas Secretary of State covering the Collateral within ten (10) days after the Effective Date, and Manager filing financing statement or continuation statements with the Texas Secretary of State within the time required by law, that the Manager will have, and will at all times thereafter have a first priority and perfected security interest in all of the Collateral, and (b) at all times that a true, correct and complete list of all Deposit Accounts maintained by the Company (including the name of the depository institution, address of the depository institution, account number of the Deposit Account, and ABA number of the depository institution) are set forth on Exhibit 3.8 (which Exhibit may be updated from time to time with the written consent of the Manager).

(d) Remedies with Respect to Collateral. Upon any default or breach of any provision or covenant (not cured within thirty (30) days' written notice thereof, or such shorter time as is expressly noted herein for the applicable provisions or covenant) or the proven material untruthfulness of any warranty or representation made, in each case, herein:

(i) The Manager may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the related documents, or otherwise available to it, all the rights and remedies of a secured party on default under the UCC or any other applicable law.

(ii) The Manager may, in addition to other rights and remedies provided for herein, in the related documents, or otherwise available to it under applicable law and without the requirement of notice to or upon the Company or any other person or entity (which notice is hereby expressly waived to the maximum extent permitted by the UCC or any other applicable law), with respect to any of the Company's Deposit Accounts in which the Manager's liens or security interests are perfected by control under Section 9-104 of the UCC, instruct the bank maintaining such Deposit Account for the Company to pay the balance of such Deposit Account to or for the benefit of the Manager.

3.9. Proceeds. Any cash held by the Manager as Collateral and all cash Proceeds received by the Manager in respect of any collection from or other realization upon all or any part of the Collateral shall be applied against the payment obligations and other obligations owed by Company under this Agreement and the related documents. In the event the Proceeds of Collateral are insufficient to satisfy all of the Payment Obligations and other obligations owed under this Agreement and the related documents in full, the Company shall remain liable for any such deficiency.

3.10. Company Payment Obligations. For the avoidance of doubt, any Company Payment Obligations are not the responsibility of any shareholders, directors or officers of Company, and Manager's sole recourse in satisfaction of such Payment Obligations is as provided in this Agreement.

ARTICLE IV.
FISCAL MATTERS

4.1. Manager Consideration.

(a) In consideration of the services to be provided by Manager under this Agreement, Company agrees to pay to Manager a fee as follows:

(i) On a monthly basis, seventy percent (70%) of all Company Net Revenues (the "**Manager Fee**"); and

(ii) On a quarterly basis, if earned, and as calculated in Section 4.5 below, the Manager Performance Bonus.

All amounts above collectively shall be referred to as "**Manager Consideration**." On an annual basis, the Parties shall in good faith review the methodology for calculating the Manager Consideration and shall make any adjustments deemed necessary by mutual agreement of Manager and the Company to ensure that the Company is paying fair market value for the Management Services the Company is receiving from Manager. The payment of the Management Consideration shall be subject to the priority of payments from the Operating Account as set forth in Section 4.3 below.

(b) Manager shall calculate the Manager Consideration on a monthly or quarterly basis, as applicable, and provide a reasonably detailed accounting thereof to the Company. Company shall pay the Manager Consideration within five (5) days after receipt of such invoice.

4.2. Clinic Expenses. Manager shall pay when due all reasonable and ordinary expenses associated with the delivery of the Pathology Services, including but not limited to employee expenses, office and medical supplies, billing and collection, space and equipment expenses, insurance, communications, and other usual and customary expenses associated with supporting the practice of medicine (collectively "**Clinic Expenses**").

4.3. Priority of Payments. Each month, Manager shall apply funds that are in the Operations Account in the following order of priority:

(a) Physician Expenses;

(b) Clinic Expenses;

(c) Manager Fee;

(d) On a quarterly basis, the Manager Performance Bonus.

4.4. Reconciliation. The obligation to make the payments outlined above in Section 4.1 and 4.3 is dependent on the Company having adequate funds in the Operating Account in an applicable month. Subject to the last sentence of this Section 4.4, Manager shall, on a quarterly basis, within thirty (30) days after each calendar quarter, determine if any disbursement listed in Section 4.3 was due, but unpaid, in a given month within that quarter due to a shortfall in funds available in the Operating Account, and in such a case, Manager shall receive, as applicable, any unpaid portion of the disbursements listed in Section 4.3. Such reconciliation shall also take into account any amounts due to Manager to repay any loans or advances to Company. If any amounts remain which are owed and not paid by Company to Manager following this quarterly true-up ("Rollover Charges"), then such Rollover Charges shall remain payable and shall be paid by Company to Manager in the immediately-succeeding month (together with the Manager Fee due in such succeeding month), but again only to the extent Company has sufficient resources to pay it in such month, or, in the event previously not paid pursuant hereto, at such time as Company has sufficient resources to pay it. Notwithstanding the foregoing, Company and Manager shall perform an annual review of Company's financial statements and future projections to assess the possibility of any Rollover Charges being uncollectible by Manager. Rollover Charges shall be deemed uncollectible if per such annual review of Company's financial statements and future projections, the anticipated future cashflows are less than adequate to settle outstanding Manager Consideration aged over 360 days. In the event Manager determines that such Rollover Charges would be uncollectible, then Manager may institute debt forgiveness for such uncollectible Rollover Charges, on terms and timing to be agreed by the parties.

4.5. Performance Bonus. Following each such quarterly reconciliation under Section 4.4, to the extent that funds are available in the Operating Account after such reconciliation, Manager shall pay itself any such balance, less any appropriate amounts reserved as working capital, (the "**Manager Performance Bonus**.")

4.6. Management Consideration. Payment of the Manager Consideration is not intended to be and shall not be interpreted or implied as permitting Manager to share in Company's fees for Professional Services, but is acknowledged as the Parties' negotiated agreement as to the reasonable fair market value of the services furnished by Manager to Practice pursuant to this Agreement, considering the risks undertaken and assumed by Manager. The Parties acknowledge that Manager will incur substantial costs and business risks in providing services to Company pursuant to this Agreement. The Parties also acknowledge that such costs and business risks can vary to a considerable degree according to the extent of Company's business and services. The Parties agree that the Manager Consideration has been determined in arm's-length bargaining, and is consistent with fair market value in arm's-length transactions. Manager and Company acknowledge and agree that (a) Manager's administrative expertise will contribute great value to Company's performance, and (b) Manager has incurred and will continue to incur substantial costs and business risks in arranging for Company's use of facilities and services that are the subject matter of this Agreement.

ARTICLE V.
TERM AND TERMINATION

5.1. Term of Agreement.

(a) The term of this Agreement shall commence on the Effective Date and shall continue until the twentieth (20^{th}) anniversary of such date (the "**Initial Term**"), unless earlier terminated pursuant to the terms hereof.

(b) Upon the expiration of the Initial Term, the term of this Agreement shall be automatically extended for two (2) additional successive terms of five (5) years each, unless either Party delivers to the other Party, not less than ninety (90) days prior to the expiration of the preceding term, written notice of such Party's intention not to extend the Term of this Agreement. The Initial Term and any successive term are herein referred to as the "***Term***."

5.2. Termination by Company**.** Company may also terminate this Agreement upon any of the following:

(a) The filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Manager, or upon other action taken or suffered, voluntarily or involuntarily, under any federal or state law for the benefit of debtors by Manager, except for the filing of a petition in involuntary bankruptcy against Manager which is dismissed within thirty (30) days thereafter; or

(b) An act by Manager constituting gross negligence or fraud or any other felonious act which is materially detrimental to Company; provided, however, that prior to any termination pursuant to this subsection (b), Company shall have provided Manager with written notice of such act and a period of thirty (30) days (or a reasonable extension thereof if such act is not susceptible to cure within thirty (30) days) in which to cure to completion (the time for cure in any event not to exceed sixty (60) days after the date that Manager receives such written notice of default), then Company may give written notice of the immediate termination of this Agreement.

(c) In the event Manager shall materially default in the performance of any duty or obligation imposed upon it by this Agreement, and such default shall continue for a period of thirty (30) days after the date that Manager receives written notice thereof from Company, or in the event of a default that cannot reasonably be cured within such thirty (30) day period and Manager shall fail thereafter to diligently and in good faith pursue such cure to completion (the time for cure in any event not to exceed sixty (60) days after the date that Manager receives such written notice of default), then Company may give written notice of the immediate termination of this Agreement.

5.3. Termination by Manager.

(a) In the event of the filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Company or upon other action taken or suffered, voluntarily or involuntarily, under any federal or state law for the benefit of debtors by Company, except for the filing of a petition in involuntary bankruptcy against Company which is dismissed within thirty (30) days thereafter, Manager may give notice of immediate termination of this Agreement.

(b) An act by Company constituting gross negligence or fraud or any other felonious act which is materially detrimental to Manager; provided, however, that prior to any termination pursuant to this subsection (b), Manager shall have provided Company with written notice of such act and a period of thirty (30) days (or a reasonable extension thereof if such act is not susceptible to cure within thirty (30) days) in which to cure to completion (the time for cure in any event not to exceed sixty (60) days after the date that Company receives such written notice of default), then Manager may give written notice of the immediate termination of this Agreement..

(c) In the event Company shall materially default in the performance of any duty or obligation imposed upon it by this Agreement, and such default shall continue for a period of thirty (30) days after the date that Company receives written notice thereof from Manager, or in the event of a default that cannot reasonably be cured within such thirty (30) day period and Company shall fail thereafter to diligently and in good faith pursue such cure to completion (the time for cure in any event not to exceed ninety (90) days after the date that Company receives such written notice of default), then Manager may give written notice of the immediate termination of this Agreement.

5.4. Remedies Upon Termination.

(a) Upon termination of this Agreement, no Party shall have any further obligations under this Agreement except pursuant to Section 3.4, and Article IV of this Agreement. Manager shall be entitled to receive payment of all amounts unpaid but earned up to the date of termination, including, without limitation, the Manager Consideration earned based upon Company revenues that are attributable to all periods prior to the date of termination, but received by Company after such date. All payments to Manager shall be due forty-five (45) days after the date of termination of this Agreement or the payment date, whichever is earlier ("**Termination Payment Date**"); provided, however, in the event of any Manager Consideration earned based upon Company revenues attributable to periods prior to the date of termination that is received after the Termination Payment Date, within five (5) days after the end of each month for receipts received by Company in such month.

(b) Upon termination of this Agreement, Manager shall retain all patient medical records pertaining to Pathology Services maintained or generated under this Agreement. Company shall be entitled to retain copies of such records, and Manager shall provide Company with reasonable access to such records.

(c) All records relating in any way to the operation of the non-medical functions of Company which are not the property of Company, shall at all times be the property of Manager, and upon the termination of this Agreement, Company shall immediately deliver or cause its employees to deliver in good condition all such property in its possession.

ARTICLE VI.
RESTRICTIVE COVENANTS

6.1. Restrictive Covenants. In the course of providing and receiving the Management Services, the Company and the Manager and their officers, directors, equity holders and employees will have access to the most sensitive and most valuable trade secrets, proprietary information of the other Party, and other confidential information, including management reports, marketing studies, marketing plans, business plans, financial statements, feasibility studies, financial, accounting and statistical data, price and cost information, customer lists, contracts, policies and procedures, internal memoranda, reports and other materials or records of a proprietary or confidential nature (collectively, "Confidential Information"), which constitute valuable business assets of the Company and the Manager and their respective Affiliates, and the use, application or disclosure of such Confidential Information will cause substantial and possibly irreparable damage to the business and asset value of the receiving Party. Therefore, as an inducement for the Parties to enter into this Agreement and to protect the Confidential Information and other business interests of the Parties, the Parties agree to be bound by the restrictive covenants contained in this Article VI.

6.2. Disclosure of Confidential Information.

(a) During the Term and thereafter, the Parties will, and will cause each of their respective Affiliates, directors, managers, officers, equity holders, employees, agents, successors and permitted assigns ("Associated Persons") to, keep confidential and not disclose to any other Person or use for their own benefit or the benefit of any other Person any Confidential Information relating to the other Party; *provided, however*, that the obligations under this Section 6.2 will not apply to Confidential Information that (i) is or becomes generally available to the public without breach of the commitments contemplated by this Section 6.2, (ii) was available to a Party or its Associated Persons on a non-confidential basis before the date of this Agreement or (iii) is required to be disclosed by any Law or Order; *provided that* as soon as practicable before such disclosure, the Party intending to make such disclosure gives the other Party prompt written notice of such disclosure to enable the non-disclosing Party, at the non-disclosing party's sole cost and expense, to have the opportunity to seek a protective order or otherwise preserve the confidentiality of such information. Promptly after the expiration or termination of this Agreement, the disclosing Party will, and will cause each of its Associated Persons to (i) either return to the other Party or destroy, delete or erase (with written certification of such destruction, deletion or erasure provided to the other Party) all written, electronic or other tangible forms of Confidential Information, or to the extent it is not reasonably possible or practicable to return, destroy, delete or erase Confidential Information, and (ii) keep such Confidential Information confidential at all times. After the expiration or termination of this Agreement, the Company and the Manager will not, and will cause their Associated Persons not to, retain any copies, summaries, analyses, compilations, reports, extracts or other materials containing or derived from any Confidential Information of the other Party; provided that this provision shall not apply to any copies saved in a Party's archival or back up system. Notwithstanding such return, destruction, deletion or erasure, all oral Confidential Information and the information embodied in all written Confidential Information will continue to be held confidential pursuant to the terms of this Section 6.2.

(b) Notwithstanding anything to the contrary in this Agreement, the Parties agree that the Manager will need to use and disclose Confidential Information of the Company in connection with the Management Services, and in certain circumstances use and disclose, Confidential Information of the Company to its agents, subcontractors and other representatives as well as other affiliated medical practices participating in the Manager's network of medical practices in furtherance of its activities to assist such practices in achieving performance goals and to enable such practices to provide industry leading medical and related health care services (collectively "Covered Uses and Disclosures"). These Covered Uses and Disclosures shall specifically include, but are not limited to, disclosure to the Manager's practice network of (i) performance metrics and scorecards of the Company's performance, (ii) the Company's clinical and operational protocols, policies and procedures and (iii) other Company know how. However, no Covered Uses and Disclosures of Company Confidential Information shall be considered a breach of the terms of this Section 6.2; provided, that the Manager obtains from any of its representatives and affiliated medical practices written assurances that any such Confidential Information will be kept confidential by any such persons with at least the same degree of care as is required under this Section 6.2.

(c) The Manager shall additionally be permitted to de-identify and aggregate Confidential Information of the Company, including Protected Health Information as defined under HIPAA, and use and disclose such de-identified and/or aggregated information for Covered Uses and Disclosures to the extent permitted by applicable law.

(d) The Company shall at all times give the Manager unrestricted access to its operational and financial information in order for Manager to meet its obligations hereunder and, upon request by the Manager, the Company shall execute directives to any third party having a commercial relationship with the Company to cause such third party to share the Company's information with the Manager to the same extent shared with the Company. The Company will use commercially reasonable efforts to amend any third-party agreement that it believes restricts full information-sharing with the Manager to allow such information-sharing, or else will terminate such agreement, if possible, without financial penalty. Further, the Company will not enter into, or allow to renew, any agreement that it believes restricts full information-sharing with the Manager.

6.3. Covenant Not to Solicit. Until the fifth (5^{th}) anniversary of the Effective Date, Company will not, directly or indirectly on its own behalf or in conjunction with any person or firm, partnership, corporation, limited liability company, limited liability partnership, association or business of any kind, as a principal, shareholder, stockholder, officer, partner, member, manager, employee, independent contractor, agent or in any other manner whatsoever:

(a) solicit or induce or attempt to solicit or induce (including by recruiting, interviewing or identifying or targeting as a candidate for recruitment) any member, director, limited liability company manager, officer, employee, independent contractor or other agent of the Manager or any of its Affiliates (including any other professional practice groups to which the Manager or any of its Affiliates provides business, administrative and back office services) (an "Affiliated Person") to terminate, restrict or hinder such Affiliated Person's association with the other Party or any of its Affiliates or interfere in any way with the relationship between the Affiliated Person and the other Party or any of its Affiliates; *provided*, *however*, that after the termination or expiration of this Agreement, general solicitations published in a journal, newspaper or other publication or posted on an internet job site and not specifically directed toward Affiliated Persons will not constitute a breach of the covenants in this Section 6.3(a);

(b) induce or attempt to influence any hospital, licensed health facility, health care organization, physician or other business, entity or professional with a relationship with the Manager to terminate or modify that relationship; and/or

(c) interfere with the relationship between any entity and any Person who is a supplier, lessor, lessee, dealer, distributor, licensor, licensee, proprietor, partner, joint venturer, investor, lender, consultant, agent, customer, patient, referral source, third party payer or any other Person having a business relationship with the other Party or its Affiliates (including laboratories or physicians affiliated with other practice groups or entities managed by the Manager or its Affiliates), or attempt or assist anyone else to do so.

6.4. Covenant Not to Compete. Until the fifth (5^{th}) anniversary of the Effective Date, within the United States, the Company shall not, without the prior written approval of the Manager, directly or indirectly, own, manage, operate, control or participate in any manner in the ownership, management, operation or control of, or serve as a partner, employee, principal, agent, consultant or otherwise contract with, or have any financial interest in, or aid or assist any other person or entity that operates an independent laboratory or an enterprise that provides or promotes management or administrative services or any product or services substantially similar to those provided by the Manager. This Section 6.4 shall not be construed to restrict: (i) the Company and/or any of its physicians, from providing professional medical services or otherwise engaging in the practice of medicine within the United States; or (ii) the Company and/or any of its physicians from providing medical director services to any hospital, medical group and/or any other healthcare facility.

6.5. Non-Disparagement. After the date of this Agreement, neither Party will, and will use commercially reasonable efforts to require its Associated Persons not to, directly or indirectly, make any disparaging, derogatory, negative or knowingly false statement about the other Party, any of its Associated Persons, or any of their respective businesses, operations, financial condition or prospects, except as required by any applicable Law or Order.

6.6. Scope of Covenants; Equitable Relief. The Company acknowledges and agrees that (i) the restrictive covenants contained in this Article VI and the territorial, time, activity and other limitations set forth herein are commercially reasonable and do not impose a greater restraint than is necessary to protect the goodwill and legitimate business interests of the Manager, (ii) any breach of the restrictive covenants in this Article VI will cause irreparable injury to the Manager and that actual damages may be difficult to ascertain and would be inadequate, (iii) if any breach of any such covenant occurs, then the Manager will be entitled to seek injunctive relief in addition to such other legal and equitable remedies that may be available (without limiting the availability of legal or equitable, including injunctive, remedies under any other provisions of this Agreement), and (iv) Company hereby waives the claim or defense that an adequate remedy at law exists for such a breach.

6.7. Equitable Tolling. If Company breaches any covenant in this Article VI, then the duration of such covenant will be tolled for a period of time equal to the time of such breach and, if the Manager seeks injunctive relief or other remedies for any such breach, then the duration of such covenant will be tolled for a period of time equal to the pendency of such proceedings (including all appeals).

ARTICLE VII.
LIMITED INDEMNITY AND DISPUTE RESOLUTION

7.1. Indemnity. Solely with respect to claims related to clinical laboratory personnel employed under Section 2.6, the Parties agree as follows:

(a) The Company will indemnify, defend and hold harmless the Manager, its Affiliates and their respective directors, managers, officers, equity holders, employees, agents, successors and permitted assigns (collectively, the "Manager Indemnified Parties") from and against all losses, liabilities, demands, claims, actions or causes of action (including reasonable attorneys', accountants', investigators' and experts' fees and expenses) ("Damages") arising from or related to the joint employment status of clinical laboratory personnel, based upon, caused by, or arising out of or in connection with illegal activity, intentional misconduct, gross negligence or material breach of this Agreement (including the breach of any representations or warranties of the Company contained herein) by the Company or any of its employees, contractors or agents.

(b) The Manager will indemnify, defend and hold harmless the Company, its Affiliates and their respective directors, managers, officers, equity holders, employees, agents, successors and permitted assigns (collectively, the "Company Indemnified Parties") from and against all Damages arising from or related to the joint employment status of clinical personnel, based upon, caused by, or arising out of or in connection with illegal activity, intentional misconduct, gross negligence or material breach of this Agreement (including the breach of any representations or warranties of the Manager contained herein) by the Manager or any of its employees, contractors or agents.

7.2. Controversy, Dispute or Claim. Any controversy, dispute or claim arising out of the interpretation, performance or breach of this Agreement shall be resolved by binding arbitration before a single arbitrator, at the request of any Party, in accordance with the Commercial Rules of the American Arbitration Association. Such arbitration

shall occur in San Antonio, Texas, unless the Parties mutually agree to have such proceeding in some other locale. The arbitrator shall apply Texas substantive law, but not its conflicts of laws provisions. Civil discovery for use in such arbitration may be conducted in accordance with the provisions of Texas law, and the arbitrator selected shall have the power to enforce the rights, remedies, duties, liabilities and obligations of discovery by the imposition of the same terms, conditions and penalties as can be imposed in like circumstances in a civil action by a court of competent jurisdiction of the State of Texas. The provisions of Texas law concerning the right to discovery and the use of depositions in arbitration are incorporated herein by reference and made applicable to this Agreement.

7.3. Arbitrator. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by Texas law, except that punitive damages shall not be awarded. The arbitrator shall prepare in writing and provide to the parties an award including factual findings and the legal reasons on which the award is based. The arbitrator shall not have the power to commit errors of law or legal reasoning.

7.4. Request Injunctive Relief or Temporary Restraining Order. Notwithstanding the above, in the event any Party wishes to obtain injunctive relief or a temporary restraining order as authorized by this Agreement, such party may initiate an action for such relief in a court of general jurisdiction in the State of Texas. The decision of the court with respect to the requested injunctive relief or temporary restraining order shall be subject to appeal only as allowed under Texas law. However, the courts shall not have the authority to review or grant any request or demand for damages.

ARTICLE VIII.
MISCELLANEOUS

8.1. Rights Cumulative. The various rights and remedies herein provided for shall be cumulative and in addition to any other rights and remedies the Parties may be entitled to pursue under the law. The exercise of one or more of such rights or remedies shall not prejudice the rights or remedies of any Party to exercise any other right or remedy at law or in equity or pursuant to this Agreement.

8.2. Changes in Applicable Law. In the event that any state or federal laws or regulations now existing or enacted or promulgated after the date of this Agreement, are interpreted by judicial decision or a regulatory agency in such a manner as to indicate that this Agreement or any provision hereof may be in violation of any such laws or regulations, Manager and Company shall suspend payments if determined to be unlawful and amend this Agreement as necessary to preserve the rights and obligations of the Parties hereunder without substantial economic detriment to any Party. To the extent that any act or service required by Manager in this Agreement should be construed or deemed, by any governmental authority, agency or court to constitute the practice of medicine, the performance of said act or service by Manager shall be deemed waived and thereafter unenforceable and the provisions of this Section 8.2 shall apply. No Party shall claim or assert illegality as a defense to the enforcement of this Agreement or any provision hereof; instead, any such purported illegality shall be resolved pursuant to the terms of this Section 8.2.

8.3. Severability. If any provision of this Agreement or its application to any person or circumstance shall be held to be illegal, invalid or unenforceable to any extent under present or future laws effective during the term of this Agreement, such provision shall be fully severable from this Agreement; the remainder of this Agreement and the application of its provisions to other persons or circumstances shall not be affected thereby and shall be construed and enforced as though such illegal, invalid or unenforceable provision never comprised a part of this Agreement and shall remain in full force and effect to the greatest extent permitted by law. Furthermore, in lieu of such invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in its terms to such invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

8.4. Assignment. Manager shall have the right to assign any or all of its right, title and interest hereunder to any third party, including, without limitation, the right to assign its right to payments hereunder to any lending institution for security purposes or as collateral from which Manager obtains financing. Company shall not have the right to assign any or all of its right, title and interest hereunder without the prior written consent of Manager.

8.5. Entire Agreement; Modification. This Agreement (together with its Exhibit(s)) constitutes the entire agreement of the Parties with respect to the subject matter hereof and, may not be amended or modified nor any provisions waived except in a writing signed by all of the Parties hereto.

8.6. Survival. The parties specifically agree that the provisions of Section 3.4 and Article IV shall survive termination of this Agreement for any reason, and any other provisions which by their terms require survival beyond the Term of this Agreement.

8.7. Notices. Any and all notices and demands by any Party hereto to any other Party, required or permitted to be given hereunder shall be in writing and shall be validly given or made only if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, or if made by Federal Express or other similar delivery service keeping records of deliveries and attempted deliveries, or if sent by facsimile. Service shall be conclusively deemed made on the first day delivery is attempted or upon receipt, whichever is sooner. Service by facsimile shall be conclusively deemed made upon confirmed transmission. All notices shall be addressed to the Parties at the address or facsimile number set forth below, or at such other address or facsimile numbers as a Party may give notice of in the manner provided herein:

(1) if to Manager:

Precision Pathology Laboratory Services, LLC
3300 Nacogdoches Rd, #110
San Antonio, TX 78217
Attention: Maria Zannes, Manager
Email: mz@bioaffinitytech.com

(2) if to Company:

Village Oaks Pathology Services, P.A.
1092 Madeline Street
New Braunfels, Texas 78132

8.8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to the rules governing conflicts of laws.

8.9. Further Assurances. Each Party, at any time, shall at its own expense execute, acknowledge and deliver any additional documents and instruments and shall take any other actions consistent with the terms of this Agreement that may reasonably be requested by any other Party for the purpose of confirming and effectuating any of the transactions contemplated by this Agreement.

8.10. Business Purpose. The Parties acknowledge and agree that the arrangement contemplated by this Agreement is for the sole purpose of furthering the Parties' legitimate business objectives and that all terms of this Agreement have been negotiated on an arms-length basis and are commercially reasonable. In particular, the Parties agree that the payments under this Agreement represent the fair market value for the services to be provided by Manager on behalf of the Company and do not take into account

the volume or value of any referrals between or among any of the Parties or any of their Affiliates or any other business generated between or among them. The Parties also acknowledge and agree that no benefit to be received by any Party under this Agreement, or any other agreement between or among the Parties or any of their Affiliates, is in exchange for, will require, or is intended, in any manner that is contrary to applicable laws, to induce any Party (a) to refer any person to the other Party for the furnishing, or arranging for the furnishing, of any item or service or (b) to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any good, facility, service, or item from any other Party. Regardless of any unanticipated effect of any provision of this Agreement or the Parties' course of dealing, no Party will knowingly or intentionally conduct itself in such a manner as to violate the federal anti-kickback statute in connection with federal healthcare programs (reflected by 42 USC §1320a-7b(b)).

8.11. Company Agreement. Upon any conflict of any terms of this Agreement with any terms of the Company Agreement, the terms of the Company Agreement will control as to the relationship between Manager and the operations of Company.

8.12. Construction. The Parties agree that this Agreement shall be construed as drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Unless otherwise specified in this Agreement, any "day" refers to a calendar day.

8.13. Article and Other Headings. The article or section and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.14. Waiver. The waiver by any party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the breaching party.

8.15. Counterparts. This Agreement will be executed in multiple counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement may be executed by facsimile, photo, email transmission (in PDF or other electronic form) or electronic signature and such facsimile, photo, email transmission or electronic signature shall constitute an original for all purposes.

8.16. Defined Terms. Defined terms shall have the meaning set forth on Exhibit 1 attached hereto and incorporated herein by this reference.

[***SIGNATURE PAGE FOLLOWS***]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Company:

Village Oaks Pathology Services, P.A.,
A Texas professional association

By: /s/ Roby P. Joyce, M.D.
Name: Roby P. Joyce, M.D.
Title: President

Manager:

Precision Pathology Laboratory Services, LLC
a Texas limited liability company

By: /s/ Maria Zannes
Name: Maria Zannes
Title: Manager

Signature Page – Management Services Agreement

EXHIBIT 1
Definitions

For the purposes of this Agreement, the following terms shall have the meanings ascribed thereto, unless otherwise clearly required by the context in which such term is used:

Affiliate shall mean any person or entity that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another person or entity. The term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract, or otherwise.

Agreement shall mean this Agreement by and among Company and Manager, and any amendments to this Agreement.

Applicable Laws means (i) Healthcare Laws (ii) other federal or state Laws or other rules or regulations relating to fraudulent, abusive or unlawful practices connected in any way with the provision of health care items or services, the operation of any website related to such items or services, or the billing or payment for such items or services; (iii) Laws or other rules and regulations of any Governmental Authority relating to release of hazardous materials and other materials of environmental concern, pollution or protection of the environment; and (iv) Laws or other rules and regulations regarding the handling of medical waste.

Bylaws shall mean the Bylaws of Company as adopted by its members, and as amended from time to time.

Clinic shall mean the space in which, from time to time, the Pathology Services are conducted by Company in San Antonio, Texas.

Clinic Expenses shall have the meaning in Section 4.2.

Collateral shall have the meaning in Section 3.8.

Company shall mean Village Oaks Pathology Services, P.A., a Texas professional association.

Company Depository Account shall have the meaning ascribed to it in Section 2.3(c).

Company Physician shall mean each licensed physician who is employed or contracted by Company, and provides Pathology Services on behalf of Company.

Company Net Revenues shall mean actual cash collections of the Company, less refunds and overpayments, attributable to laboratory services or Pathology Services performed by or under the supervision of Pathology Physicians.

Healthcare Laws means any Law relating to healthcare regulatory matters, including, but not limited to: Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended (the Stark Law), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA and all applicable implementing regulations, rules, ordinances, judgments, and orders; and any similar state and local statutes, regulations, rules, ordinances, judgments, and orders; and all applicable federal, state, and local licensing, certificate of need, regulatory and reimbursement, corporate practice of medicine, and physician fee splitting regulations, rules, ordinances, orders, and judgments applicable to healthcare service providers providing the items and services that Seller provides.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the implementing regulations at 45 CFR Parts 160 and 164, as amended by the Health Information Technology for Economic and Clinical Health Act.

Laboratory shall mean the independent clinical laboratory operated by Precision Pathology Laboratory Services, LLC.

Laboratory Lease means that certain Office Lease dated July 31, 2019, for the Laboratory Premises, by and between the Landlord and the Company.

Laboratory Premises means 3300 Nacogdoches Road, Suites 108,110, 115 and 120 San Antonio, Texas 78217.

Manager shall mean Precision Pathology Laboratory Services, LLC, a Texas limited liability company, or any entity that succeeds to its interests and to whom its obligations are assigned and transferred pursuant to Section 8.4.

Manager Consideration in respect of any period shall mean the amounts calculated under Article IV.

Manager Fee shall have the meaning in Section 4.1.

Manager Performance Bonus shall have the meaning in Section 4.5.

Operations Accounts shall have the meaning ascribed to it in Section 2.5.

Pathology Services shall mean professional cytopathology, histopathology, clinical and anatomic pathology interpretation services performed by Company Physicians in support of independent and hospital laboratories, or any other facility with which Company provides professional services.

Physician Expenses shall mean all physician related costs of delivering Pathology Services to patients that are directly incurred by the Company, including, but not limited to, i) salaries, wages and health, welfare and related benefits of all Physicians; ii) fees paid to temporary Physicians of the Company; iii) the cost of any continuing medical education and other professional development programs that are provided to the Company Physicians; iv) costs associated with professional liability, malpractice, and other insurance programs maintained by the Company in the delivery of patient care;

Term shall mean the initial and any renewal periods of duration of this Agreement as described in Section 5.1.

Exhibit 10.4

SUCCESSION AGREEMENT

THIS SUCCESSION AGREEMENT (this "Agreement") is made, entered into and effective on and as of September 18, 2023 (the "Effective Date"), by and among Village Oaks Pathology Services, P.A., a Texas professional association (the " Practice"), Precision Pathology Laboratory Services, LLC, a Texas limited liability company (the "Company"), and Roby Joyce, M.D., a physician licensed in the State of Texas (the "Equityholder").

RECITALS

A. Equityholder owns 100% of the issued and outstanding stock of the Practice (the "Equity Interests").

B. Pursuant to the terms of that certain Management Services Agreement, dated as of September 18, 2023 (as may be amended, restated or supplemented from time to time, the "Management Services Agreement"), by and between the Practice and the Company, the Company provides management and operational services to the Practice.

C. For the benefit of the Company and its relationship with the Practice, the parties hereto wish to enter into this Agreement to provide for the election and removal of the Equityholder, to provide for the Transfer (as defined in Section 1 below) of the Equity Interests under the circumstances and pursuant to the terms and conditions set forth below, and to establish qualifications and succession mechanisms for the Equityholder.

D. The Practice, the Company and the Equityholder believe that, in light of the Practice's active and ongoing relationship with the Company, it is in the best interest of the Practice to restrict the transferability of the Equity Interests upon the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual agreements, covenants, conditions and other terms contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Restrictions on Equity Interests. Except as otherwise provided in this Agreement, neither the Practice nor the Equityholder shall, directly or indirectly, create, issue, sell, purchase, reacquire, assign, exchange, gift, pledge, hypothecate, reclassify, encumber, or otherwise dispose of or transfer (individually or collectively, a " Transfer", including any derivation thereof as a noun, verb or adjective), whether voluntarily, involuntarily, by operation of law or otherwise, or whether for value or no value, any Equity Interests or any right or interest therein, at any time or in any manner whatsoever, except as expressly permitted or required in accordance with this Agreement, without the prior written consent of both of the Company and the Practice, which consent may be given, withheld or conditioned in the Company's and/or the Practice's sole discretion. Notwithstanding the foregoing, (a) for the avoidance of doubt, a Transfer in accordance with the terms of this Agreement occurring as a result of a Transfer Event shall not constitute a breach of this Section 1, (b) an involuntary Transfer occurring as a result of the Equityholder's divorce or the death of the Equityholder's spouse (an "Involuntary Family Transfer") shall not constitute a breach of this Section 1, provided that the Equityholder subsequently exercises its option under the Practice Bylaws to reacquire all Equity Interests that have been so Transferred; provided further that the Equityholder's spouse shall deliver a spousal consent dated as of the date of this Agreement providing for the automatic transfer of any interest that the Equityholder's spouse may have in the Equity Interests immediately upon the Equityholder's divorce or the death of the Equityholder's spouse.

2. Automatic Transfer of Equity Interests upon Certain Events.

(a) The Equityholder hereby agrees that all of the Equity Interests held by the Equityholder shall be deemed to be assigned and transferred automatically and immediately to the Successor, as identified by the Physician Designator (as defined in Section 4) in his or her sole discretion in compliance with the selection process contemplated by Section 4, upon the earlier to occur of (i) the occurrence of any of a Transfer Event or (ii) receipt by the Equityholder of a written notice from the Company setting forth the terms of such transfer and citing the prior occurrence of any of the following (each, a "Transfer Event"):

(i) the death of the Equityholder;

(ii) the full retirement of the Equityholder from the active practice of pathology;

(iii) the date on which the Equityholder is determined by a court of competent jurisdiction to be incompetent;

(iv) the date upon which the Equityholder becomes disabled, which shall be defined as the Equityholder's inability to substantially perform his or her duties as a director, manager and/or officer of the Practice, despite reasonable accommodations as required by law, for a period of 90 consecutive days or 120 nonconsecutive days in any 365-day period;

(v) the date the Equityholder does not, or at any time fails to, meet all requirements for ownership of the Equity Interests under applicable law or does not enter into and remain bound by: (i) this Agreement or a successor agreement substantially similar to this Agreement, or (ii) the Pledge Agreement or a successor pledge agreement substantially similar to the Pledge Agreement and agreed to in writing by the Company; provided, however, termination of this Agreement (and the resulting termination of the Pledge Agreement) pursuant to Section 10 shall not be deemed a Transfer Event;

(vi) the date upon which the Equityholder (A) fails to continue to satisfy the Eligibility Requirements (as defined below), or (B) has resigned or been removed as the Designated Physician pursuant to the terms of this Agreement;

(vii) the date upon which any Equity Interests held by the Equityholder would otherwise be Transferred by the Equityholder or the Practice (whether voluntarily, involuntarily, by operation of law or otherwise) to any person or entity other than the Successor; provided, however, that in the event of an Involuntary Family Transfer, the Transfer Event shall be deemed to occur on the date upon which the Equityholder has failed to exercise its option under the Practice Bylaws to reacquire the Equity Interests that have been so Transferred;

(viii) the date upon which the Equityholder is no longer party to an employment agreement between the Equityholder and Company or an affiliate of the Company;

(ix) the date upon which the Equityholder becomes excluded or disqualified from participation in the Medicare program or any other federally or state funded health care programs;

(x) the date upon which the Equityholder is (A) convicted (or enters a plea of guilty or nolo contendere) for a felony or any crime involving moral turpitude, or (B) convicted (or enters a plea of guilty or nolo contendere) for a violation of any laws concerning the practice of medicine that, in case of this subpart (B), results or would be reasonably expected to result in harm to the Practice;

(xi) the date of taking any affirmative action in furtherance of (A) the filing of any voluntary petition for or other document causing or intended to cause a judicial, administrative, voluntary or involuntary dissolution of the Practice, bankruptcy of the Practice or assignment for the benefit of the Practice's creditors or (B) ceasing or changing in any material respect the nature of the operations of the Practice;

(xii) the material breach by the Practice or the Equityholder of any provision of this Agreement that, if curable, is not cured within thirty (30) days after written notice thereof is provided by the Company unless such material breach cannot be cured within such thirty (30) day period and Equity Holder commences curing such breach within such thirty (30 day period and diligently completes the cure as promptly as reasonably possible thereafter, but in no event more that ninety (90) calendar days following receipt of such notice;

(xiii) the material breach by the Practice of the Management Services Agreement that, if curable, is not cured within the applicable cure period set forth therein such that the Company has a right to terminate the Management Services Agreement;

(xiv) the incurrence of any indebtedness or guarantee of indebtedness for borrowed money by the Practice in excess of $500,000 from any person other than the Company or an Affiliate of the Company without the consent of the Company; or

(xv) any other action or inaction by the Equityholder which would reasonably be expected to have a significant adverse effect on the quality of professional medical services provided by the Practice that, if curable, is not cured within thirty (30) days after written notice thereof is provided by the Company unless such action or inaction cannot be cured within such thirty (30) day period and Equity Holder commences curing such breach within such thirty (30 day period and diligently completes the cure as promptly as reasonably possible thereafter, but in no event more that ninety (90) calendar days following receipt of such notice.

(b) The Equityholder, or the Equityholder's legal representative acting on behalf of the Equityholder, shall promptly give the Company and the Practice written notice of the occurrence of any Transfer Event; provided, however, the occurrence of a Transfer Event shall not be deemed to have been delayed, voided, subject to or otherwise conditioned upon the giving of or failure to give such written notice by the Equityholder or his or her legal representative (as appropriate) or the timing thereof.

(c) Upon the occurrence of a Transfer Event, all of the Equity Interests held by the Equityholder, including without limitation all right, title and interest (including any purported community property interest of the Equityholder's spouse, if applicable) in and to such Equity Interests, shall be deemed to be assigned and transferred automatically and immediately to the Successor, without notice and without further action by the Equityholder. Such assignment and transfer of right, title and interest shall thereafter be reflected on the books of the Practice in the manner set forth in Section 3 below.

(d) The purchase price for all of the Equity Interests transferred to the Successor pursuant to thisSection 2 shall be One Thousand Dollars ($1,000.00).

(e) Payment of the purchase price for the transferred Equity Interests shall be made to the Equityholder by the Successor within five (5) business days after receipt by the Company of an equity transfer power, in substantially the form attached hereto as Exhibit A (the "Transfer Power"), evidencing the assignment and transfer of the Equity Interests to the Successor. Notwithstanding anything in this Agreement to the contrary, upon the occurrence of a Transfer Event, such Equity Interests shall be deemed to be assigned and transferred to the Successor effective upon the date of such Transfer Event, irrespective of the date of payment for such Equity Interests or the date upon which the Company receives the Transfer Power.

(f) In the event of an Involuntary Family Transfer that results in a Transfer Event pursuant toSection 2(a)(vi), (i) all Equity Interests held by the Equityholder shall be transferred to the Successor pursuant to the procedure set forth above and (ii) the Practice shall exercise its option under the Practice Bylaws to purchase the remaining Equity Interests and shall cause such Equity Interests to be transferred to the Successor.

3. Deposit and Pledge of Equity Interests. Concurrently with the execution of this Agreement, the Equityholder shall execute and deliver to the Company all documents necessary in the event of a Transfer of the Equity Interests pursuant to Section 2 hereof and to secure the Equityholder's performance hereunder, including any stock certificates, stock powers or consents that must be obtained, duly executed in blank with all appropriate transfer stamps affixed thereto, and the form pledge agreement attached as Exhibit B (the "Pledge Agreement"). Upon the execution of this Agreement and continuously until any Transfer as provided in Section 2 or the termination of this Agreement in accordance with its terms, the Equity Interests shall be pledged to the Company to secure the Equityholder's performance hereunder and shall be held by the Company in the capacity of pledgee; provided, that nothing contained herein shall be construed as a voting trust, proxy or other arrangement vesting the Company with the authority to exercise the voting power of the Equity Interests. The Equityholder hereby acknowledges and agrees that, upon any Transfer as provided in Section 2, the Company shall have the right and authority to administer the Transfer to a Successor identified in accordance with Section 4.

4. Selection of Successor. For purposes of this Agreement, "Successor" shall mean an individual who meets the Eligibility Requirements selected to serve as the Designated Physician pursuant to the following procedure:

(a) The Practice Board of Directors (the "Practice Board") (other than the Physician Designator, if any) shall nominate a group of three (3) candidates that satisfy the Eligibility Requirements (the "Slate") by written notice to the Company. The Company will consider such candidates in order to select the replacement Designated Physician from among such candidates on the Slate. In the event that the Company does not believe that any of such candidates satisfy the Eligibility Requirements, or if the Company desires not to select any of such candidates for any reason, then the Company shall so advise the Practice Board of the same in writing.

(b) If the Company reasonably rejects all candidates set forth on the Slate, the Company shall select and appoint a single Successor from any other physicians that then satisfy the Eligibility Requirements to serve in the role of Designated Physician.

(c) The Practice Board and the Company shall work with such necessary care and speed as is reasonably practicable so as to not deprive the Practice of a Designated Physician for any material period of time, including taking such action as reasonably practicable for Successor to become the Designated Physician effective as of the occurrence of the Transfer Event. The process for selecting a Successor as set forth in this Section 4 shall take no more than thirty (30) days. The Equityholder hereby irrevocably grants to the Company the fully assignable right, but not the obligation, to designate, in the Company's sole discretion, a physician meeting the Eligibility Requirements (the "Physician Designator") who shall be responsible for (x) identifying a Successor in accordance with thisSection 4 and (y) serving as the temporary Successor following a Transfer Event until a Successor is selected in accordance with this Section 4.

(d) For purposes of this Agreement, "Eligibility Requirements" for the Designated Physician (or any person nominated to be a Designated Physician) are as follows: (i) such individual is a licensed Texas physician employed by the Practice and board eligible or board certified by an ABMS member board, (ii) such individual is granted the right to vote in the election of the Practice Board through the receipt of Voting Interests in accordance with the terms and conditions therefor in the Practice Bylaws, (iii) such individual has served in a formal leadership role for a clinical practice group of the Practice, and (iv) such individual has executed (A) an Succession agreement in form and substance substantially the same as this Agreement, subject to any substantive changes approved by both the Practice Board and the Company and (B) a medical advisory agreement, in form and substance acceptable to the Company, each of which shall remain in full force and effect. Notwithstanding the foregoing provisions of this Section 4(e), if during a ninety (90)-day period a Designated Physician and two (2) successive Successors have been required (due to the occurrences of Transfer Events) by the Company to transfer the Equity Interests (a "Special Turnover Event"), then the Eligibility Requirements shall not apply to the third (3rd) Successor, who shall instead be

required to meet the following requirements (the "Modified Eligibility Requirements"): (x) such individual is a licensed Texas physician and board eligible or board certified by an ABMS member board, (y) such individual may be an employee, officer or director of the Practice or an affiliated practice managed by the Company or its Affiliates, and (z) such individual has executed (A) an Succession agreement in form and substance substantially the same as this Agreement, subject to any substantive changes approved by the Company and (B) a medical advisory agreement, in form and substance acceptable to the Company, each of which shall remain in full force and effect. For the avoidance of doubt, the Modified Eligibility Requirements shall not apply to any subsequent Successor unless there has been a new Special Turnover Event following the appointment of the Successor appointed pursuant to the foregoing sentence, it being understood that the Eligibility Requirements shall apply in all other circumstances. Without limitation to the above, the Equityholder shall execute such further documents and instruments as may be deemed necessary or desirable by Successor, Physician Designator or the Company, in their sole discretion, to effect the provisions of this Section 4.

(e) Upon and after the occurrence of a Transfer Event, the Equityholder (including the estate of the Equityholder, if applicable) shall neither have nor exercise any right or privilege as a holder of Equity Interests.

(f) For the avoidance of doubt, as of the Effective Date, Company agrees that James Humphreys, M.D. is a qualified and approved Successor, provided that Company reserves the right to reevaluate Dr. Humphreys should he be proposed as a Successor at the time of a future Transfer.

5. Restrictions on Transfers, Dividends, Distributions and Liquidation. During the term of this Agreement, neither the Equityholder nor any of the Equityholder's agents, executors, administrators, trustees, receivers or other legal representatives shall at any time announce, attempt, commence or effect a Transfer, except for a Transfer made pursuant to Section 2. Any attempted Transfer in violation of these restrictions is null and void ab initio. The Practice shall not effect any Transfer prohibited under this Agreement on the books of the Practice, and shall not recognize any other rights in governance of the Practice, in connection with a prohibited Transfer. In addition, the Equityholder shall not, and shall not cause or permit the Practice to, (a) declare or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to the Equity Interests or (b) liquidate the Practice.

6. Consent to Amend Practice Bylaws. Neither the Designated Physician nor the Practice shall, without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, amend, restate, waive or otherwise modify or permit to be modified the Practice Bylaws in any manner. Any amendment, restatement, waiver or modification of the Practice Bylaws (including any approval thereof or consent thereto) made without the prior written consent of the Company in violation of this Section 6 shall be void ab initio.

7. Conduct of Business; Practice of Medicine by Licensed Physicians; Indemnification. Subject in all cases to the Management Services Agreement, the Equityholder shall not cause any voluntary interruption of the conduct of the Practice's business and operations, and shall use commercially reasonable efforts to preserve (or assist the Company in preserving) all rights, privileges and franchises held by the Practice, including the maintenance of all contracts, copyrights, trademarks, licenses and registrations. The Practice shall pay all taxes and assessments owed by the Practice when due. Notwithstanding anything to the contrary in this Agreement, the Company shall have no authority over any action of the Practice requiring the professional medical judgment of a licensed physician. The Practice Board shall have the exclusive authority over any action requiring professional medical judgment.

(a) The Equityholder shall not take any action preventing the Practice or the Company from maintaining, preserving and protecting the properties, assets and books and records of the Practice or preventing diminution in value of the Practice.

(b) The Equityholder, upon becoming aware, shall notify the Company promptly in writing of any default or material breach by the Equityholder or the Practice under this Agreement or the Management Services Agreement, any default by the Company alleged by the Equityholder to have occurred under this Agreement or the Management Services Agreement, any Transfer Event or any development that might reasonably be expected to have a material adverse effect on the Practice's assets or the Equity Interests, or any litigation involving the Practice.

(c) The Practice shall indemnify the Company and its Affiliates against any and all damages, judgments, fines, fees, losses, settlement payments, obligations, liabilities, claims, actions or causes of action, encumbrances and actual costs and expenses (including attorneys' fees, interest and penalties), incurred by the Company or its Affiliates for any material breach by the Practice or the Equityholder of this Agreement, except to the extent such costs and expenses are incurred as a result of the Company's gross negligence, willful misconduct or material breach of this Agreement or the Management Services Agreement. The foregoing shall not in any way limit any legal or equitable remedies that the Company may have against the Equityholder for breach by the Equityholder of this Agreement.

(d) The Company and the Practice shall jointly and severally indemnify, defend and hold harmless the Equityholder from and against any and all damages, judgments, fines, fees, losses, settlement payments, obligations, liabilities, claims, actions or causes of action, encumbrances and actual costs and expenses (including attorneys' fees, interest and penalties) sustained, incurred, paid, payable or for which the Equityholder may become legally obligated to pay as a result of any threatened, pending or completed proceeding, demand, assessment, judgment, claim, suit, action or cause of action (collectively, "Actions" and each, an "Action"), whether civil, criminal, arbitrational, administrative or investigative, brought against the Equityholder in any way related to, arising out of, or connected with (x) the Practice or any of the Practice's subsidiaries (including any activities taken by the Equityholder on behalf of, or in connection with the operations or activities of, the Practice or any of its subsidiaries, in the capacity of an agent, officer, employee, manager, director or any other similar agent; provided, that such activities taken by the Equityholder do not constitute intentional misconduct, gross negligence, fraud or the Equityholder's willful breach of this Agreement) or (y) any taxes, whether imposed on the Equityholder or the Practice and borne by the Equityholder, related to the ownership or operation, from and after the effectiveness of this Agreement, of the Practice or any of the Practice's subsidiaries, in each case, regardless of when such Action is brought. The indemnification provided for in this Agreement shall be in addition to, and not in substitution of, any and all other rights to indemnification or rights the Equityholder may have under (a) insurance policies as an agent, officer, employee, manager, director or any other similar agent of the Practice or any of its subsidiaries or Affiliates; and (b) the Practice's organizational documents. Any payment made under clause (y) of this Section 7(d) shall be paid to the Equityholder on an after-tax basis, such that to the extent any taxes are required to be paid by or withheld from the Equityholder by the Practice or any other person, such amounts are increased as necessary such that the Equityholder receives the full amount without regard to such payment or withholding.

8. Security Interests. As security and collateral for the obligations of the Equityholder to the Company under this Agreement, the Equityholder hereby grants, to the fullest extent permitted by law, a first priority security interest to the Company in all of the Equity Interests and any proceeds with respect to the Equity Interests. The Equityholder and the Practice shall execute such further documents and instruments as are reasonably requested by the Company to effect the provisions of this Section 8.

9. Certificate Legends. In addition to any other legends required by law or otherwise, if the Equity Interests are certificated, then the Practice shall endorse upon each certificate evidencing Equity Interests, now owned or hereafter acquired by the Equityholder, a legend in substantially the following form, which contains the notice of Transfer restrictions described more particularly above:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED OR QUALIFIED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS THEY ARE REGISTERED UNDER THE ACT AND ALL APPLICABLE STATE SECURITIES LAWS OR AN

EXCEPTION FROM REGISTRATION IS AVAILABLE THEREUNDER.

THE SALE, RESALE, REACQUISITION, ASSIGNMENT, HYPOTHECATION, OR OTHER TRANSFER OR DISPOSITION OF ANY EQUITY INTERESTS REPRESENTED BY THIS CERTIFICATE, OR ANY RIGHT OR INTEREST THEREIN, IS SUBJECT TO CERTAIN RESTRICTIONS CONTAINED IN THE ORGANIZATIONAL AND GOVERNING DOCUMENTS OF THIS COMPANY AND IN AN SUCCESSION AGREEMENT ON FILE WITH A DULY APPOINTED OFFICER OR MANAGER OF THE COMPANY. NO TRANSFER OF THE EQUITY INTERESTS REPRESENTED HEREBY OR OF EQUITY INTERESTS ISSUED IN EXCHANGE THEREFOR SHALL BE VALID OR EFFECTIVE UNTIL THE TERMS AND CONDITIONS OF SUCH ORGANIZATIONAL AND GOVERNING DOCUMENTS AND THE SUCCESSION AGREEMENT SHALL HAVE BEEN FULFILLED IN THE JUDGMENT OF THE COMPANY.

A STATEMENT OF THE RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS GRANTED TO OR IMPOSED UPON THE EQUITY INTERESTS REPRESENTED BY THIS CERTIFICATE AND THE HOLDER THEREOF SHALL BE PROVIDED TO THE HOLDER OF SUCH EQUITY INTERESTS WITHOUT CHARGE AND UPON REQUEST TO THE SECRETARY OR MANAGER OF THE COMPANY."

10. Termination. This Agreement shall commence on the Effective Date and shall remain in effect until the first to occur of (a) termination by mutual agreement of the Company and the Equityholder, (b) termination of the Management Services Agreement or (c) consummation of a transfer of the Equity Interests to any Successor or Physician Designator (unless such Successor or Physician Designator enters into a joinder to this Agreement) at such time as the Equityholder no longer owns any Equity Interests (and at such time this Agreement shall terminate automatically with respect to the Equityholder).

11. Relationship of the Parties. None of the provisions of this Agreement are intended to create, and none shall be deemed or construed to create, any relationship between parties other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither the parties hereto nor any of their respective employees shall be construed by operation of this Agreement to be the partner, joint venturer, agent, employer or representative of the other.

12. Cooperation. Each of the parties hereto agrees to cooperate with the other(s) to carry out the purpose and intent of this Agreement, including without limitation the execution and delivery to the appropriate party of any further agreements and other documents and the taking of any actions as may reasonably be required to effectuate the terms hereof.

13. No Third-Party Beneficiaries. Except as expressly provided in this Agreement, nothing herein is intended to confer any rights or remedies on any person other than the parties hereto and their respective successors and assigns (as permitted hereunder), and no other person is intended to be nor shall be a third-party beneficiary of this Agreement. Except as expressly provided in this Agreement, nothing herein is intended to relieve or discharge the obligation or liability of any third persons to any party hereto, and nothing herein shall give any third person any right of subrogation or action over or against any party hereto.

14. Entire Agreement. This Agreement, together with all exhibits hereto and the other agreements referenced herein, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, supersedes all other and prior agreements on the same subject, whether written or oral, and contains all of the covenants and agreements between the parties with respect to the subject matter hereof. Each party hereto acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by the other party(ies), or by anyone acting on behalf of any party, that are not embodied herein. The Equityholder represents to the Company that the Equityholder has not granted, and is not a party to, any proxy, voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement. During the term of this Agreement, the Equityholder shall not grant any proxy or become party to any voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement.

15. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns. The Company may not assign this Agreement (or any or all of its rights) or delegate any or all of its obligations hereunder without the prior written consent of the Practice, except that the Company may assign this Agreement (or any or all of its rights) or delegate any or all of its obligations hereunder to (a) any of its Affiliates or (b) an assignee of the Management Services Agreement, in the event of an assignment of the Management Services Agreement which is permitted under the terms thereof. The Company may assign this Agreement to an entity of any kind succeeding to the business of the Company in connection with the merger, consolidation or transfer of all or substantially all of the assets and business of the Company to such successor. Neither the Equityholder nor the Practice may assign any of its rights or delegate any of its duties or obligations hereunder without the prior written consent of the Company. Any assignment or delegation in contravention of this Section 15 shall be null and void and without force or effect. For purposes of this Agreement, the term "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. For purposes of this definition of Affiliate, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

17. Headings. The section headings used herein are for convenience only and are not to be construed to be part of this Agreement or to be used in determining or construing the intent or context of this Agreement.

18. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and will be deemed to have been given (a) when personally delivered (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by e-mail (with non-automated written confirmation of transmission) or (c) one (1) business day following the day sent by a nationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses (or to such other address as a party may have specified by notice given to the other parties pursuant to this provision):

If to the Practice:
Village Oaks Pathology Services, P.A.
1092 Madeline Street
New Braunfels, Texas 78132
Email: rjoyce@precisionpath.us

With a Copy to:
Pulman, Cappuccio & Pullen, L.L.P.
2161 NW Military Hwy, Suite 400
San Antonio, Texas 78213
Email: jcheslock@pulmanlaw.com
Attention: James S. Cheslock

If to the Company: Precision Pathology Laboratory Services, LLC
3300 Nacogdoches Rd, #110
San Antonio, TX 78217
Attn: Maria Zannes, Manager
Email: mz@bioaffinitytech.com

With Copies To: Jackson Walker, L.L.P.
1900 Broadway, Suite 1200
San Antonio, Texas 78215
E-mail: jmorrison@jw.com
ptobin@jw.com

Attention: Edgar C. Morrison, Jr.
Patrick B. Tobin

If to the Equityholder: Roby Joyce, M.D.
1092 Madeline Street
New Braunfels, Texas 78132
Email: rjoyce@precisionpath.us

19. Governing Law. This Agreement shall be governed by the internal laws of the State of Texas, without reference to conflicts of law principles. If any party commences a proceeding relating to or arising from this Agreement, the parties agree that a state or federal court located in San Antonio, Texas shall have sole and exclusive jurisdiction over any such proceeding. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties waive any objection to such venue. The parties consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

20. Amendment. Any modification to this Agreement must be made in writing and signed by the parties.

21. Severability; Reformation. If any provision contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and a suitable and equitable provision that preserves to the greatest extent feasible the substance in all material respects of the arrangements originally agreed upon by the parties and expressly set forth herein shall be substituted therefor in order to carry out, so far as may be valid or enforceable, such provision. Notwithstanding the foregoing, any provision of this Agreement held invalid, illegal or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable, and the determination that any provision of this Agreement is invalid, illegal or unenforceable as applied to particular circumstances shall not affect the application of such provision to circumstances other than those as to which it is held invalid, illegal or unenforceable. To the extent permitted by law, the parties hereby to the same extent waive any applicable federal, state, and local laws, rules and regulations that renders any provision hereof prohibited or unenforceable in any respect.

22. Time of Essence. Time is expressly made of the essence with regard to this Agreement and each and every provision hereof of which time of performance is a factor.

23. Waivers. No waiver by any party hereto, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such party's rights under such provision at any other time or a waiver of such party's rights under any other provision of this Agreement. No failure by any party to take any action against any breach or default by another party shall constitute a waiver of the former party's right to enforce any provision of this Agreement or to take action against such breach or default or any subsequent breach or default by the other party. Notwithstanding the foregoing provisions of this section, any waiver hereunder must be in writing and signed by the waiving party in order to be effective.

24. Remedies. The remedies provided to the parties by this Agreement are not exclusive or exhaustive, but cumulative and in addition to any other remedies the parties may have, at law or in equity. In order to effect the purposes of this Agreement, each of the parties agrees that the remedy at law for failure of any party to perform would be inadequate, that any such failure would cause irreparable harm and monetary damages would be insufficient and not easily calculated, and that in the event of a breach or threatened breach of this Agreement, the non-breaching party or parties, at his/her/its or their option, has the right to compel the specific performance of this Agreement in a court of competent jurisdiction without the necessity of proving actual damages or posting bond. This right is in addition to and not in lieu of any additional or alternative right or remedy which may be available to a party at law or in equity.

25. Additional Assurances. At the request of any party, the other parties shall execute any additional instruments and take any additional acts as may be reasonably required to carry out the intent and purposes of this Agreement; provided, however, that the foregoing shall not enlarge the parties' respective obligations under this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Succession Agreement effective as of the Effective Date hereof.

COMPANY:

PRECISION PATHOLOGY LABORATORY SERVICES, LLC

By: */s/ Maria Zannes*
Name: Maria Zannes
Title: Manager

PRACTICE:

VILLAGE OAKS PATHOLOGY SERVICES, P.A.

By: */s/ Roby P. Joyce, M.D.*
Name: Roby P. Joyce, M.D.
Title: President

EQUITYHOLDER:

/s/ Roby P. Joyce, M.D.
Roby P. Joyce, M.D.

[*Signature Page to Succession Agreement*]

EXHIBIT A

Equity Transfer Power

FOR VALUE RECEIVED, the undersigned, _____, does hereby sell, assign and transfer unto _____, _____ **[_____ equity interests]** (the "Equity Interests"), of VILLAGE OAKS PATHOLOGY SERVICES, P.A., a Texas professional association (the "Company"), and does hereby irrevocably constitute and appoint _____, Attorney, to transfer said Equity Interests on the books of the Company with the full power of substitution in the premises. The Equity Interests represent 100% of the outstanding and issued **[_____ equity interests]** of the Company.

Dated: _____

_____

[NAME]

EXHIBIT B

FORM OF STOCK PLEDGE AGREEMENT

This **STOCK PLEDGE AGREEMENT** (this "Pledge Agreement") is made and entered into as of September 18, 2023, by and between Roby Joyce, M.D. ("Pledgor"), and Precision Pathology Laboratory Services, LLC, a Texas limited liability company (together with its successors and permitted assigns in such capacity, the "Pledgee"). Capitalized terms used but not defined in this Pledge Agreement shall have the meanings given to such terms in the Succession Agreement (as defined below).

RECITALS

WHEREAS, this Pledge Agreement is entered into pursuant to that certain Succession Agreement, dated September 18, 2023, by and among Village Oaks Pathology Services, P.A. a Texas professional association (the "Company"), Pledgor, and Pledgee (the "Succession Agreement").

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth and in the Succession Agreement, and intending to be legally bound, the parties hereby agree as follows:

1. Definitions. Each capitalized term used but not defined herein shall have the meaning ascribed to such term in the Succession Agreement. As used herein, the following terms shall have the following meanings:

"Equity" shall mean and include all of the Equity Interests of the Company held by Pledgor.

"Pledged Collateral" shall have the meaning ascribed to such term in Section 2(a) hereof.

"Power" shall have the meaning ascribed to such term in Section 2(a) hereof.

2. Pledge; Pledgee's Duties.

(a) Pledgor hereby pledges, assigns, transfers, sets over and delivers to Pledgee, for its benefit, and hereby grants to Pledgee or its nominee, for its benefit, a security interest in all of the Equity, herewith delivered to Pledgee or its nominee, for its benefit, accompanied by transfer powers ("Powers") duly executed in blank, with signatures properly attested, and all proceeds thereof and all dividends or distributions at any time payable in connection therewith (said Equity, Powers, proceeds and dividends or distributions hereinafter collectively called the "Pledged Collateral"), as security for Pledgor's performance under and compliance with the terms of the Succession Agreement.

(b) Except with respect to Pledgee's obligations under the Management Services Agreement, Pledgee shall have no duty with respect to any of the Pledged Collateral other than the duty to use reasonable care in the safe custody of any tangible items of the Pledged Collateral in its possession. Without limiting the generality of the foregoing, except with respect to Pledgee's obligations under the Management Services Agreement, Pledgee shall be under no obligation to sell any of the Pledged Collateral or otherwise to take any steps to preserve the value of any of the Pledged Collateral or to preserve rights in the Pledged Collateral against any other Persons, but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of Pledgor.

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3. Voting Rights. During the term of this Pledge Agreement, and so long as the Equity is owned by Pledgor, Pledgor shall have the right to vote all or any portion of the Equity on all corporate questions for all purposes not inconsistent with the terms of this Pledge Agreement or the Succession Agreement.

4. Collection of Dividend Payments. During the term of this Pledge Agreement, and so long as the Equity is owned by Pledgor, Pledgor shall have the right to receive and retain any and all dividends or distributions, if any, payable by the Company on account of any of the Pledged Collateral, except as otherwise provided in the Succession Agreement.

5. Representations and Warranties of Pledgor. Pledgor represents and warrants to Pledgee as follows (which representations and warranties shall be deemed continuing throughout the term of this Pledge Agreement), that: (a) all of the Equity is owned by Pledgor free of any liens or encumbrances, except for Pledgee's security interest hereunder; (b) Pledgor has not taken any action to issue any equity in the Company, and the Equity constitutes all of the issued and outstanding equity of the Company; (c) except as provided in the Succession Agreement, there are no contractual, charter or other restrictions upon the voting rights or upon the transfer of any of the Pledged Collateral, and Pledgor has the right to vote, pledge and grant a security interest in or otherwise transfer the Pledged Collateral, consistent with applicable law, without the consent of any other party; (d) this Pledge Agreement and the performance of Pledgor's obligations hereunder have been duly authorized, and this Pledge Agreement has been duly executed and delivered, by Pledgor and constitutes a legal, valid and binding obligation of Pledgor, enforceable in accordance with its terms, except to the extent that the

enforceability thereof may be limited by the Medical Practice Act, by Chapter 301 of the Texas Business Organizations Code ("TBOC"), or by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights; (e) the execution, delivery and performance by Pledgor of this Pledge Agreement and the exercise by Pledgee of its rights and remedies hereunder do not and will not result in (i) the violation of the organizational documents of the Company or (ii) a material violation of any agreement, indenture, instrument or applicable law by which Pledgor or the Company is bound or to which Pledgor or the Company is subject; and (f) no consent, filing, approval, registration or recording is required (i) for the pledge by Pledgor of the Pledged Collateral pursuant to this Pledge Agreement or (ii) to perfect the lien created by this Pledge Agreement, except in each case to the extent that such consent, filing, approval, registration or recording has been obtained or made.

6. Affirmative Covenants of Pledgor. During the term of this Pledge Agreement, Pledgor covenants that it will promptly deliver to Pledgee all material written notices, and promptly give written notice to Pledgee of any other material notices received by Pledgor, with respect to the Pledged Collateral.

7. [Reserved.]

8. Subsequent Changes Affecting Pledged Collateral. Pledgor represents to Pledgee that Pledgor has made its own arrangements for keeping informed of changes or potential changes affecting the Pledged Collateral (including rights to convert, rights to subscribe, payment of dividends or distributions, reorganization or other exchanges, tender offers and voting rights), and Pledgor agrees that Pledgee shall have no responsibility or liability for informing Pledgor of any such changes or potential changes or for taking any action or omitting to take any action with respect thereto.

9. Consent. Any of the obligations secured hereby may be changed, altered, renewed, extended, continued, surrendered, compromised, waived or released, in whole or in part, as Pledgee may see fit, and Pledgor shall remain bound under this Pledge Agreement and the Agreement with respect to the Pledged Collateral notwithstanding any such exchange, surrender, release, alteration, renewal, extension, continuance, compromise, waiver or inaction, extension of further credit or other dealing.

10. Remedies Upon Succession Event. Upon or after the occurrence of a Transfer Event, Pledgee or its nominee shall have, in addition to any other rights given by law or the rights given hereunder or under the Succession Agreement, all of the rights and remedies with respect to the Pledged Collateral of a secured party under the Texas Uniform Commercial Code—Secured Transactions provide that such rights and remedies do not conflict with the Medical Practice Act or Chapter 301 of the TBOC. In addition, Pledgee or its nominee may, at any time upon or after the occurrence of a Transfer Event, at Pledgee's or its nominee's option and without notice to Pledgor, cause all or any part of the Pledged Collateral to be transferred into or registered in the name or the names of such Physician Designator as may be determined by Pledgee or its nominee in accordance with the Succession Agreement, with or without any indication that such Pledged Collateral is subject to the security interest hereunder.

11. Redemption; Marshaling. Pledgor hereby waives and releases to the fullest extent permitted by applicable law any right of equity of redemption with respect to the Pledged Collateral before or after any transfer or sale conducted pursuant to the Succession Agreement. Pledgor agrees that Pledgee shall not be required to marshal any present or future security (including this Pledge Agreement and the Pledged Collateral pledged hereunder) for, or guaranties of, obligations secured hereby or any of them, or to resort to such security or guaranties in any particular order; and all of Pledgee's rights hereunder and in respect of such security and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the fullest extent that it lawfully may, Pledgor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Pledgee's rights under this Pledge Agreement or under any other instrument evidencing any of the obligations secured hereby or under which any of the obligations secured hereby is outstanding or by which any of the obligations secured hereby is secured or guaranteed, and, to the fullest extent that it lawfully may, Pledgor hereby irrevocably waives the benefits of all such laws.

12. Term. This Pledge Agreement shall become effective only when accepted by Pledgee (as evidenced by Pledgee's execution of this Pledge Agreement) and, when so accepted, shall constitute a continuing agreement and shall remain in full force and effect until the earlier of (a) the termination of the Succession Agreement as to Pledgor in accordance with its terms and the full and final satisfaction and discharge of all of Pledgor's obligations secured hereby, and (b) the transfer of all of the Equity by Pledgor to a Successor or Physician Designator in accordance with the Succession Agreement, at which time this Pledge Agreement shall automatically terminate, and Pledgee shall deliver to Pledgor, at Pledgor's expense, any of the Pledged Collateral that has not been sold, transferred or otherwise applied pursuant to this Pledge Agreement and the Succession Agreement. Notwithstanding the foregoing, in no event shall any termination of this Pledge Agreement (as to one or more parties) terminate any indemnity set forth in this Pledge Agreement or the Succession Agreement, all of which indemnities shall survive any termination of this Pledge Agreement or the Succession Agreement.

13. Rules and Construction. The singular shall include the plural and vice versa, and any gender shall include any other gender as the text shall indicate. All references to "include," "includes" or "including" shall be deemed to be followed by the words "without limitation."

14. Successors and Assigns. This Pledge Agreement shall be binding upon Pledgor and his/her heirs and permitted assigns, and shall inure to the benefit of Pledgee and its respective successors and permitted assigns.

15. Construction and Applicable Law. Whenever possible, each provision of this Pledge Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Pledge Agreement shall be held to be prohibited or invalid under any applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Pledge Agreement. This Pledge Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to the conflict of laws principles thereof.

16. Cooperation and Further Assurances. Pledgor agrees that it will cooperate with Pledgee and will, upon Pledgee's request, execute and deliver, or cause to be executed and delivered, all such other Equity powers, instruments, financing statements, certificates, and other documents, and will take all such other action as Pledgee may reasonably request from time to time, in order to carry out the provisions and purposes hereof.

17. Pledgee's Exoneration. Under no circumstances shall Pledgee be deemed to assume any responsibility for, or obligation or duty with respect to, any part or all of the Pledged Collateral of any nature or kind, other than the physical custody thereof, or any matter or proceedings arising out of or relating thereto. Pledgee's prior recourse to any part or all of the Pledged Collateral shall not constitute a condition of any demand, suit or proceeding for satisfaction of the obligations secured hereby.

18. Notices. All notices, requests and demands to or upon either party hereto shall be given in the manner and become effective as stipulated in the Succession Agreement.

19. Pledgor's Obligations Not Affected. The obligations of Pledgor hereunder shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of Pledgor; (b) any exercise or nonexercise, or any waiver, by Pledgee of any right, remedy, power or privilege under or in respect of any of the obligations secured hereby or any security thereof (including this Pledge Agreement); (c) any amendment to or modification of the Succession Agreement; (d) any amendment to or modification of any instrument (other than this Pledge Agreement) securing any of the obligations secured hereby; or (e) the taking of additional security for, or any guaranty of, any of the obligations secured hereby or the release or discharge or termination of any security or guaranty for any of the obligations secured hereby, whether or not Pledgor shall have notice or knowledge of any of the foregoing.

20. No Waiver, Waivers, Etc. No act, failure or delay by Pledgee shall constitute a waiver of any of its rights or remedies hereunder or otherwise. No single or partial waiver by Pledgee of any right or remedy which Pledgee may have shall operate as a waiver of any other right or remedy or of the same right or remedy on a future occasion. Pledgor hereby waives: (a) notice of Pledgee's acceptance of this Pledge Agreement; (b) to the fullest extent permitted by law, the right to trial by jury (which Pledgee also waives) in any action, suit, proceeding or counterclaim concerning this Pledge Agreement or any of the Pledged Collateral; (c) presentment and demand; (d) protest and notice of dishonor or default; (e) protest of all instruments included in or evidencing any of the obligations secured hereby or the Pledged Collateral; and (f) all other notices and demands to which Pledgor might otherwise be entitled, except as herein otherwise expressly provided.

21. Section Headings. The section headings herein are for convenience of reference only and are not to be used to interpret or construe any provision hereof.

22. Pledgee Appointed Attorney-In-Fact. Pledgor hereby constitutes and appoints Pledgee or its nominee, with full power of substitution, as Pledgor's attorney-in-fact for the purpose of carrying out the provisions of this Pledge Agreement and taking any action and executing any instrument which Pledgee may deem necessary or advisable, to the fullest extent permissible by law, to accomplish the purposes hereof, which appointment is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, Pledgee or its nominee shall have the power to arrange for the transfer, upon or at any time after a Transfer Event, of any of the Pledged Collateral on the books of the Company to the name of the Successor or Physician Designator selected in accordance with the Succession Agreement. Pledgor agrees to indemnify and save Pledgee harmless from and against any liability or damage which Pledgee may suffer or incur, in the exercise or performance of any of Pledgee's powers and duties specifically set forth herein.

IN WITNESS WHEREOF, Pledgor has executed and delivered this Pledge Agreement as of the date first above written.

PLEDGOR:

By: /s/ Roby P. Joyce, M.D.
Name: Roby P. Joyce, M.D.

PLEDGEE:

Precision Pathology Laboratory Services, LLC, a Texas limited liability company

By: /s/ Maria Zannes
Name: Maria Zannes
Title: Manager

Exhibit 10.5

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made and entered into effective as of September 18, 2023 (the "Effective Date") by and between Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("Company"), and Village Oaks Pathology Services, P.A., a Texas professional association ("Group").

WITNESSETH:

WHEREAS, Company operates a CLIA-certified & CAP-accredited commercial clinical laboratory located in San Antonio, TX that offers pathology testing services ("Laboratory Services"); and

WHEREAS, to better serve its patients, from time to time Company requires the professional pathology services of a board certified pathologist ("Pathology Services"); and

WHEREAS, Group employs or contracts with duly licensed and trained physicians ("Physicians") who have the training, experience and qualifications necessary to provide Pathology Services for the Company's patients and Group, through its Physicians, desires to accept responsibility to practice medicine on behalf of the Company in the capacity as a pathologist; and

WHEREAS, the Company has determined that a reasonable compensation will be paid to the Group and has offered the Group such compensation hereinafter set forth, and the Group is willing to provide services on such terms;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and conditions set forth herein, Company and Group agree as follows:

1. Professional Interpretation Services. The Group shall provide pathology interpretation services as requested on behalf of the Company, in the Company offices, at Methodist Hospital Atascosa and/or at the site of service and shall sign out all testing performed. All clinical work performed by the Group shall be subject to review by the Company.

2. Qualifications.

(a) Group shall ensure that each of its Physicians providing services hereunder maintains i) an unrestricted license to practice medicine in the State of Texas, ii) board certification in pathology, and iii) unrestricted participation in the Medicare and Medicaid programs.

(b) Group warrants that neither it nor any of its Physicians have been, and during the term of this Agreement will not be, excluded by the Department of Health and Human Services Office of the Inspector General (the "OIG") as set forth on the List of Excluded Individuals/Entities, or excluded by the General Services Administration as set forth on the Excluded Parties List System [see http://exclusions.oig.hhs.gov and https://www.epls.gov];

(c) Group shall at all times comply with Company policies and requests regarding adequately completing and updating medical records of Company patients.

(d) Group shall at all times cooperate to provide adequate documentation and information regarding Group credentialing, as well as regarding patient billing information to facilitate payment for services rendered by Group.

(e) Group shall use commercially reasonable efforts and negotiate in good faith to participate in all managed care plans in which Company participates.

3. Professional Practice. This Agreement is not intended nor will it be construed to influence the manner in which Group or Physician practices medicine. Company will have no influence or control over how Physician provides professional medical services. Nothing in this Agreement contemplates or requires the referral of any patient or other healthcare business. This Agreement is not intended to influence the judgment of Company or Physician in selecting the medical facility, provider or supplier that is appropriate for the proper care and treatment of patients. Neither Company, Group, nor Physician will receive or be paid any compensation or remuneration for referrals, if any. Neither is this Agreement exclusive, and Group is not prohibited from providing professional services to other patients or clients, so long as such other services do not interfere with Group's obligations hereunder.

4. Compensation.

(a) Professional Interpretation. Company will compensate Group in the amounts set forth on Exhibit A for all services provided under this Agreement.

(b) Fair Market Value. The parties acknowledge and agree that all compensation paid hereunder is based on arm's length negotiations and represents the reasonable, fair market value for the services provided under this Agreement.

5. Billing.

(a) The Parties acknowledge that various governmental and third party payors on occasion may prefer for laboratory services to be billed globally, combining the professional and technical components into a single charge or single bill. It is the Parties' intention that Group is entitled to the fair market value fee for its Pathology Services provided under this Agreement, as further set forth on Exhibit A, whether such services are billed on its behalf and under its EIN, or whether such services are billed by Company under its EIN.

(b) In either case, Company will bill and collect for such services on behalf of Group, pursuant to the Management Services Agreement (MSA) of even date herewith, to the extent permitted by Medicare and other third party payors, All fees collected and paid under this Agreement shall be subject to the management fee payable to Company under the MSA.

(c) In cases where Company will bill under its own EIN, Group and Physicians hereby assign their right to payment for such services to Company, and agree to execute such additional documents as shall be required to ensure such assignment. In any event, Group acknowledges that it shall look solely to Company for compensation for services provided under this Agreement, as provided in Section 4.

6. Insurance. Group will maintain throughout the term of this Agreement professional liability insurance coverage covering the services of Physician in amounts no less than $200,000.00 per occurrence and $600,000.00 annual aggregate.

7. Term and Termination.

(a) The initial term of this Agreement is twenty (20) years, subject to earlier termination as provided herein. The term of this Agreement will extend automatically for successive periods of twelve (12) months each, unless either party gives written notice of non-renewal at least thirty (30) days' prior to the end of any such twelve-month period.

(b) If either party fails to comply in all material respects with the terms of this Agreement, the non-defaulting party may terminate this Agreement upon thirty (30) days prior written notice to the defaulting party, unless the defaulting party cures such default within such ten-day period. If this Agreement terminates during the initial twelve-month term, the parties may not enter into another agreement for the same or similar services during the remainder of the initial twelve-month term.

8. Exclusivity. This Agreement shall be an exclusive contract and during the term of this Agreement, Company agrees that it shall not, during the term of this Agreement, contract with, employ or retain any other pathologists or other physician/specialists to perform the same or similar services as those services required to be performed by Group under the terms of this Agreement. For the sake of clarity, all Pathology Services for the Company's patients are to be provided by Group.

9. Confidentiality. Group shall keep confidential any of the Company's proprietary or confidential information, including medical records, information relating to such matters as finances, methods of operation and competition, pricing, marketing plans and strategies, equipment and operational requirements and information concerning personnel, referral sources, patients and suppliers, unless such information (a) is or becomes generally available to the public other than as a result of disclosure by Group, or (b) is required to be disclosed by law or by a judicial, administrative or regulatory authority. Group shall not use such information except in providing services under this Agreement.

10. HIPAA Compliance. Group will appropriately safeguard all data that is protected health information (including information that is transmitted, maintained or received electronically), as defined in the Health Insurance Portability and Accountability Act of 1996, as it may be amended from time to time ("HIPAA"). Group may use and disclose protected health information solely to provide services under this Agreement, and in accordance with applicable law.

11. Independent Contractor Relationship. Company and Group will not by virtue of this Agreement be deemed partners or joint venturers. Group is retained by Company to provide services under this Agreement as an independent contractor. This Agreement does not restrict Group or Physician from performing services for others. To the extent applicable, each Group Physician shall be deemed a "physician in the group" for purposes of 42 U.S.C. §1395nn.

12. Notices. All notices and other communications required or permitted pursuant to this Agreement shall be in writing, addressed to the party as set forth at the end of this Agreement, or as either party may otherwise designate from time to time. All notices and other communications shall be mailed, hand-delivered or transmitted by facsimile or other means of electronic transmission.

13. Assignment. Neither party may assign this Agreement or any of its rights under this Agreement without the other party's prior written consent.

14. Waiver. No covenant or condition of this Agreement can be waived except by the written consent of the parties.

15. Entire Agreement and Amendments. This Agreement contains the entire understanding of the parties with respect to its subject matter and may be amended only by a written instrument duly executed by all parties hereto.

16. Severability. In the event any provision of this Agreement is held by an arbitrator or a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, and this Agreement will then be construed as if such provision had not been contained in this Agreement, but only to the extent of such invalidity, illegality or unenforceability.

17. Binding Effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective heirs, legal representatives, successors and permitted assigns.

18. Rights Cumulative; No Waiver. No right or remedy conferred in this Agreement upon or reserved to either Company or Group is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy provided in this Agreement. The failure of Company or Group to insist upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy shall not impair any such right or remedy or be construed as a waiver or relinquishment with respect to subsequent defaults.

19. No Third-Party Beneficiaries. This Agreement is not intended to confer any right or benefit upon, or permit enforcement of any provision by, anyone other than the parties to this Agreement.

20. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas without giving effect to its principles regarding conflicts of laws.

21. Compliance with Law. The parties recognize that this Agreement at all times is to be subject to applicable state, local, and federal law. The parties further recognize that the Agreement shall be subject to amendments in such laws and regulations and to new legislation. Any provisions of law that invalidate, or otherwise are inconsistent with, the terms of this Agreement or that would cause one or both of the parties to be in violation of law, shall be deemed to have superseded the terms of this Agreement; provided, the parties shall exercise their best efforts to accommodate and fulfill the terms and intent of this Agreement to the greatest extent possible, consistent with the requirements of law.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date(s) set forth below.

COMPANY:	GROUP:
PRECISION PATHOLOGY LABORATORY SERVICES, LLC	VILLAGE OAKS PATHOLOGY SERVICES, P.A.
/s/ Maria Zannes	/s/ Roby P. Joyce, M.D.
By: Maria Zannes	By: Roby P. Joyce, M.D.
Its: Manager	Its: President
Date: September 18, 2023	Date: September 18, 2023
Address:	Address:

EXHIBIT A

COMPENSATION

I. Fees.

A. **Professional Fees**. Group is entitled to the fees for Pathology Services ("Professional Fees"), calculated as follows:

a. **Global**. The Parties agree that to the extent authorized by third party payors, Company shall submit "global" bills including the technical component (TC) and the professional component (PC) of all Laboratory Services. Out of such global payment, whether billed under the EIN of Company or Group, the Group shall be entitled, as full and fair market value consideration for the provision of the Pathology Services, the professional fees approved for such CPT code under the Medicare Physician Fee Schedule in the locality where the test is performed.

b. **Professional Only**. For bills submitted for professional services only, Group shall be paid such actual amounts collected.

B. **Technical Fees**. For the avoidance of doubt, technical fees received as part of a global payment in all cases shall be retained by Company.

C. **Payment**. The Group acknowledges and agrees that it shall look solely to the Company for compensation for the Pathology Services performed under this Agreement.

D. **Management Fee**. All Professional Fees paid to Group hereunder shall be subject to Group's obligations under that certain Management Services Agreement between the Parties, of even date herewith.

II. **General**.

Group shall be responsible for all taxes and withholding on such compensation as required by law. Group shall be paid by the 10th of each month for services provided in the preceding month. The parties will review the compensation and services provided hereunder, at least on an annual basis, to ensure that payments continue to be fair market value.

Exhibit 10.6

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("***Agreement***") is made and entered into as of this September 18, 2023 (the "***Effective Date***"), by and between bioAffinity Technologies, Inc., a Delaware corporation ("***Company***") and ROBY JOYCE, M.D. ("***Executive***").

WHEREAS, the Company desires to employ Executive on the terms and conditions set forth herein; and

WHEREAS, Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth in this Agreement, the parties hereto agree as follows:

1. EMPLOYMENT.

The Company shall employ Executive, and Executive shall be employed by the Company upon the terms and subject to the conditions set forth in this Agreement.

2. TERM OF EMPLOYMENT.

The period of Executive's employment under this Agreement shall begin as of the Effective Date and shall continue for a period of three (3) years thereafter (the "***Employment Term***"), subject to earlier termination pursuant to the terms of this Agreement.

3. DUTIES AND RESPONSIBILITIES.

a) Executive shall serve as the Laboratory Director and Medical Director of Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("***PPLS***"), a subsidiary of the Company. In his capacity as Laboratory Director and Medical Director, Executive shall have such duties, authority and responsibility as is typically required of such position.

b) Executive shall faithfully serve the Company and perform the duties under this Agreement to the best of Executive's abilities.

c) Executive shall comply with any and all (i) rules and regulations of applicable regulatory, self-regulatory, and administrative bodies and (ii) rules, procedures, policies, requirements, and directions.

d) The parties hereto recognize that Executive will serve as a director on the Company's board of directors (the "***Board***"), until he shall resign, die or be removed in accordance with the governance documents of the Company, for such additional compensation as provided to members of the Board. Any and all references in this Agreement to decisions that are to be made by the Company or at the discretion or judgment of the Company shall be interpreted to mean that of the Board, provided however, Executive shall NOT take part in any such decisions or the deliberations in his capacity as a member of the Board related to: (i) Executive, (ii) Executive's duties, or (iii) any decision that is currently, or could later become, in conflict with the business or personal interests of Executive, including but not limited to, any and all decisions related to Village Oaks Pathology Services, P.A., a Texas professional association, an entity for which Executive serves, and shall continue to serve, as its President.

e) During the Employment Term, Executive shall devote such time and effort as is required to perform his duties and to discharge his responsibilities hereunder in a manner that will faithfully and diligently further the business and interest of the Company and PPLS. Notwithstanding the foregoing and subject to the provisions of Section 7, Executive may have other employment to the extent it does not unreasonably interfere with his duties as the Laboratory Director and Medical Director of PPLS, and be compensated for such employment as a medical physician. Executive shall advise the Company of such employment in a timely manner.

4. COMPENSATION AND BENEFITS.

a) BASE SALARY. During the Employment Term, the Company shall pay Executive a base salary at the annual rate of $333,333.34 per year ("***Base Salary***"). Such Base Salary shall be paid in accordance with the Company's standard payroll practice for Executives, less all applicable withholding for income and employment taxes.

b) EXPENSE REIMBURSEMENT. The Company shall promptly reimburse Executive for the ordinary and necessary business expenses incurred by Executive in the performance of Executive's duties hereunder in accordance with the Company's customary practices applicable to Executives, provided that such expenses are incurred and accounted for in accordance with the Company's policy. To the extent any reimbursements due to Executive under this Agreement constitute "deferred compensation" under Section 409A, any such reimbursements shall be paid to Executive in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv).

c) BENEFIT PLANS. Executive shall be eligible to participate in or receive benefits under any pension plan, profit sharing plan, medical and dental benefits plan, life insurance plan, short-term and long-term disability plans, supplemental and/or incentive compensation plans, or any other benefit plan or arrangement generally made available by the Company to Executives of similar status and responsibilities in accordance with the terms and conditions of each plan.

d) VEHICLE. During the Employment Term, Executive shall have the use of the **2018 Mercedes Benz S560, Texas License Plate No. PK2 4056** owned by PPLS which he is in possession of on the Effective Date. Executive shall be responsible for all fuel, maintenance and repairs of the vehicle; however, the Company will provide Executive a monthly automobile allowance in the amount of $400.00/month to support covering those expenses.

5. TERMINATION OF EMPLOYMENT. Executive's employment hereunder (i) shall be automatically terminated upon the Executive's death or if Executive becomes Totally Disabled (as defined below), and also (ii) may be terminated by the Company for Cause (as defined below). Executive may terminate his employment by providing the Company with not less than sixty (60) days prior written notice.

6. COMPENSATION FOLLOWING TERMINATION OF EMPLOYMENT.

a) TERMINATION COMPENSATION. In the event that Executive's employment is terminated for any reason, Executive, or in the event of Executive's death Executive's beneficiary or estate, shall be entitled to the following compensation and benefits upon such termination:

i) continued payment of the Executive's Base Salary for the remainder of the Employment Term, paid in accordance with the regular payroll practices of the Company and less all applicable withholding for income and employment taxes, commencing on the first scheduled payroll date following Executive's termination and continuing on each scheduled payroll date thereafter through the end of the Employment Term;

ii) any accrued but unpaid expenses as of the date of termination that are eligible for reimbursement shall be paid in accordance with Section 4(b) of this Agreement and the terms of the Company's reimbursement policy;

iii) any accrued but unused vacation as of the date of termination which shall be paid in a cash lump sum within 60 days following the date of termination; and

iv) any benefits to which Executive may be entitled as of the date of termination under the plans, policies and arrangements referred to in Section (4)(c) hereof as determined and paid in accordance with the terms of such plans, policies and arrangements. For the avoidance of doubt, Executive shall cease participation in all benefit plans, policies, and arrangements as of Executive's date of termination.

Notwithstanding as otherwise provided above, if the Executive is a "specified employee" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***" and the "***Code***", respectively) as of the Executive's date of termination, payments to which the Executive would otherwise be entitled to receive pursuant to this Section 6(a) during the first six months following the date of termination shall be accumulated and paid on the Specified Employee Payment Date (as defined in Section 6(d)) to the extent required to comply with Section 409A.

b) DEFINITIONS. For purposes of this Agreement, the following defined terms shall have the meanings set forth below.

i) Executive shall be considered "***Totally Disabled***" if the Executive is (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months; (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income or replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company; or (iii) shall be deemed disabled if the Executive is determined to be totally disabled by the Social Security Administration.

ii) "***Cause***" shall mean: a) the loss, revocation, failure to renew or failure to file for renewal of Executive's license to practice medicine in the state of Texas; b) Executive's failure to perform his or her duties (other than any such failure resulting from incapacity due to physical or mental illness) if Executive fails to cure such failure within thirty (30) days after receipt from Company of written notice specifying the failure; c) Executive's engagement in dishonesty, illegal conduct or misconduct, which is, in each case, injurious to the business or reputation of the Company or its affiliates; d) Executive's embezzlement, misappropriation, fraud or other intentional tort, whether or not related to the Executive's employment with the Company; or e) Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude.

c) NO OTHER BENEFITS OR COMPENSATION. Except as may be specifically provided under this Agreement, under the terms of any incentive compensation, employee benefit, or fringe benefit plan applicable to Executive at the time of Executive's termination or resignation of employment, Executive shall have no right to receive any other compensation, or to participate in any other plan, arrangement or benefit, with respect to future periods after such termination or resignation.

d) SECTION 409A – GENERAL COMPLIANCE. This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided for under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments, and each payment provided under this Agreement shall be treated as a separate payment within the meaning of Section 409A. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, if any payment or benefit provided to the Executive in connection with termination of his employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(B)(i) of the Code, then such payment or benefit will not be paid until the first payroll date to occur following the six-month anniversary of such termination or, if earlier, on the Executive's death (the "***Specified Employee Payment Date***"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date will be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments will be paid without delay in accordance with their original schedule. The Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A, and Executive acknowledges and agrees that Executive is solely responsible for any and all obligations arising as a result of the tax consequences associated with any payment under this Agreement, including without limitation, any taxes, interest or penalties associated with Section 409A.

e) SECTION 280G. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if (1) Executive is a "Disqualified Individual" (as defined in Section 280G of the Code and any applicable regulations thereunder ("***Section 280G***")) and (2) any of the payments or benefits received or to be received by Executive (including, without limitation, any payment or benefits received in connection with a Change in Control (as defined below) or Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) constitute "parachute payments" within the meaning of Section 280G of the Code (all such payments collectively referred to herein as the "***280G Payments***") and would, but for this Section 6(e) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "***Excise Tax***"), then such 280G Payments shall be reduced in a manner determined by the Company (by the minimum possible amounts) that is consistent with the requirements of Section 409A until no amount payable to Executive will be subject to the Excise Tax, if and only if such reduction produces a better net after-tax position (taking into account any applicable Excise Tax and any applicable income tax) than if the total payments owed to Executive were paid in full and subject to such tax. If two economically equivalent amounts are subject to reduction but are payable at different times, the amounts shall be reduced (but not below zero) on a pro rata basis. As used in this Section (6)(e), a "***Change in Control***" shall mean a transaction that constitutes a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets, in each case with the meaning of such term under Section 280G.

7. RESTRICTIVE COVENANTS.

a) COMPETITIVE ACTIVITY. Executive covenants and agrees that at all times during Executive's period of employment with the Company or while Executive is receiving payment pursuant to Section 6 of this Agreement ("***Restricted Period***"), Executive will not, directly or indirectly, engage in, participate in, or permit his name to be used by any enterprise engaging in or participating in, any business located in the United States of America that is engaged in the same or substantially the same business as that conducted and carried on by the Company or PPLS, without the Company's prior written consent to do so. Notwithstanding the foregoing, the Executive may continue to be engaged as a physician providing pathology services to patients of Village Oaks Pathology Services, P.A. a Texas professional association.

b) If, at the time of enforcement of any of the provisions of this Section 7, a court determines that the restrictions stated herein are unreasonable under the circumstances then existing, then Executive and the Company agree that the maximum period, scope or geographical area reasonable under the circumstances shall be

substituted for the stated period, scope or area. It is further agreed that such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope or geographical area permitted by applicable law. In the event of a breach or violation by Executive of this Section 7, the Restricted Period with respect to Executive shall be tolled until such breach or violation has been duly cured by Executive.

c) PROTECTED INFORMATION. Executive recognizes and acknowledges that Executive has had and will continue to have access to various confidential or proprietary information concerning the Company of a special and unique value which may include, without limitation, (i) books and records relating to operation, finance, accounting, sales, personnel and management, (ii) policies and matters relating particularly to operations such as customer service requirements, costs of providing service and equipment, operating costs and pricing matters, and (iii) various trade or business secrets, including business opportunities, marketing or business diversification plans, business development and bidding techniques, methods and processes, financial data and the like (collectively, the "***Protected Information***"). Executive therefore covenants and agrees that Executive will not at any time, either while employed by the Company or afterwards in perpetuity, knowingly make any independent use of, or knowingly disclose to any other person or entity (except as authorized by the Company) any of the Protected Information.

8. ENFORCEMENT OF COVENANTS.

a) TERMINATION OF EMPLOYMENT AND FORFEITURE OF COMPENSATION. Notwithstanding anything herein to the contrary, Executive agrees that any breach by Executive of any of the covenants set forth in Section 7 hereof shall be grounds for immediate termination of Executive and will result in the forfeiture of all compensation and benefits otherwise which were due or may have become due to Executive.

b) RIGHT TO INJUNCTION. Executive acknowledges that a breach of the covenants set forth inSection 7 hereof will cause irreparable damage to the Company with respect to which the Company's remedy at law for damages will be inadequate. Therefore, in the event of breach or anticipatory breach of the covenants set forth in this section by Executive, Executive and the Company agree that the Company shall be entitled to the following particular forms of relief, in addition to remedies otherwise available to it at law or equity: injunctions, both preliminary and permanent, enjoining or restraining such breach or anticipatory breach and Executive hereby consents to the issuance thereof forthwith and without bond by any court of competent jurisdiction.

c) SEPARABILITY OF COVENANTS. The covenants contained in Section 7 hereof constitute a series of separate covenants, one for each applicable State in the United States and the District of Columbia, and one for each applicable foreign country. lf in any judicial proceeding, a court shall hold that any of the covenants set forth in Section 7 exceed the time, geographic, or occupational limitations permitted by applicable laws, Executive and the Company agree that such provisions shall and are hereby reformed to the maximum time, geographic, or occupational limitations permitted by such laws. Further, in the event a court shall hold unenforceable any of the separate covenants deemed included herein, then such unenforceable covenant or covenants shall be deemed eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining separate covenants to be enforced in such proceeding. Executive and the Company further agree that the covenants in Section 7 shall each be construed as a separate agreement independent of any other provisions of this Agreement, and the existence of any claim or cause of action by Executive against the Company whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of the covenants of Section 7.

9. WITHHOLDING OF TAXES.

The Company may withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes.

10. NON-DISCLOSURE OF AGREEMENT TERMS.

Executive agrees that Executive will not disclose the terms of this Agreement to any third party other than Executive's immediate family, attorney, accountants, or other consultants or advisors providing advice or counsel with regard to this Agreement, or otherwise as may be required by any governmental authority.

11. ASSIGNMENT.

Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and assigns. This Agreement shall not be assignable by Executive.

12. ENTIRE AGREEMENT; AMENDMENT.

This Agreement shall supersede any and all existing oral or written agreements, representations, or warranties between Executive and the Company or any of its affiliates relating to the terms of Executive's employment by the Company. It may not be amended except by a written agreement signed by both parties.

13. GOVERNING LAW; VENUE.

a) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, applicable to agreements made and to be performed in that State, without regard to its conflict of law provisions.

b) THE PARTIES HERETO AGREE THAT ALL DISPUTES, ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT EXCLUSIVELY IN THE FEDERAL AND STATE COURTS LOCATED IN SAN ANTONIO, BEXAR COUNTY, TEXAS (COLLECTIVELY THE "***DESIGNATED COURTS***"). EACH PARTY HERETO HEREBY CONSENTS AND SUBMITS TO THE SOLE AND EXCLUSIVE JURISDICTION OF THE DESIGNATED COURTS. VENUE

14. NOTICES.

All notices, requests, consents, claims, demands, waivers and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14):

To the Company:	bioAffinity Technologies, Inc. 22211 West I-10, Suite 1206 San Antonio, Texas 78257 Attn: Maria Zannes, President and Chief Executive Officer
To Executive:	At the address for Executive set forth below.

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

Pulman, Cappuccio & Pullen, LLP
2161 N.W. Military Highway, Suite 400
San Antonio, Texas 78213
Attention: James Cheslock
Email: jcheslock@pulmanlaw.com

15. MISCELLANEOUS.

a) INTENDED THIRD PARTY BENEFICIARY. Notwithstanding any provision herein to the contrary, the parties to this Agreement agree that it is appropriate, in furtherance of the intent of such parties as set forth herein, that PPLS receives the benefit of the provisions of this Agreement as an intended third party beneficiary of this Agreement, entitled to enforce any rights hereunder for its benefit.

b) WAIVER. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the tight thereafter to insist upon strict adherence to that term or any other term of this Agreement.

c) SEPARABILITY. Subject to Section 8 hereof, if any term or provision of this Agreement is declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such term or provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

d) HEADINGS. Section headings are used herein for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

e) RULES OF CONSTRUCTION. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

f) COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts will together constitute but one and the same Agreement. A signature, including a digital or electronic signature, by a party to this Agreement on a copy of this Agreement delivered by facsimile, .pdf, DocuSign, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

COMPANY:

bioAffinity Technologies, Inc.

By: /s/ Maria Zannes
Maria Zannes,
President & Chief Executive Officer

EXECUTIVE:

/s/ Roby Joyce, M.D.
Roby Joyce, M.D.

Address:
1092 Madeline Street
New Braunfels, Texas 78132

Exhibit 10.7

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT (this "***Agreement***") is made and entered into to be effective as of 12:01 a.m. Central Time, September 18, 2023 (the "***Effective Date***"), by and between Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services ("***Assignor***"), and Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("***Assignee***"), pursuant to that certain Asset Purchase Agreement, dated as of September 18, 2023, by and between Assignor and Assignee (the "***Purchase Agreement***").

WHEREAS, Assignor, as tenant, and 343 West Sunset, LLC, a Texas limited liability company (the "***Previous Landlord***"), entered into that certain Office Lease attached hereto as Exhibit A (the "***Lease***"), pertaining to that certain leased premises containing approximately 11,066 rentable square feet commonly known as Suites 100, 105, 108, 110, 115 and 120, located in the building whose address is 3300 Nacogdoches Road, San Antonio, Texas 78217 and more particularly described in the Lease (the "***Leased Premises***");

WHEREAS, pursuant to that certain Commercial Contract of Sale dated May 25, 2023, as of August 16, 2023, PHP Isom Venture, L.P., a Texas limited partnership ("***Landlord***") purchased the Leased Premises from the Previous Landlord and assumed all of the Previous Landlord's rights, benefits and obligations in, to and under the Lease;

WHEREAS, pursuant to the Purchase Agreement, Assignee will acquire all or substantially all of the non-medical assets of Assignor and succeed to the pathology laboratory business of Assignor; and

WHEREAS, Assignor desires to assign its rights and obligations, as tenant, under the Lease to Assignee, and Assignee has agreed to assume the rights and obligations of Assignor, as tenant, under the Lease, subject to the terms and conditions of this Agreement;

NOW THEREFORE, for the covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Defined Terms. For purposes of this Agreement, all capitalized terms used but not defined herein shall have the meaning ascribed to them in the Lease.

2. Assignment and Assumption. As of the Effective Date, Assignor assigns, transfers and conveys to Assignee all of Assignor's right, title and interest in the Lease, and Assignee assumes and agrees to pay, perform and discharge the Assignor's obligations under the Lease.

3. Amendment and Modification; Waiver. This Agreement may be amended, modified and supplemented by written instrument authorized and executed by Assignor and Assignee. No waiver of any provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by the party charged therewith. No delay or omission in the exercise of any remedy accruing upon the breach of this Agreement shall impair such remedy or be construed as a waiver of such breach.

4. Governing Law. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Texas (without regard to its conflict of laws provisions).

5. Miscellaneous. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Each individual signing this Agreement on behalf of an entity that is a party hereto hereby represents and warrants in his or her individual capacity that he or she has full authority to do so on behalf of such entity. A facsimile, DocuSign, scanned copy (PDF) or other electronically formatted signature to this Agreement shall have the same effect as an original for all purposes. All of the parties to this Agreement have agreed to its particular language, and any question regarding the meaning of this Agreement shall not be resolved by any rule providing for construction against the party who caused the uncertainty to exist or against the draftsman. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. In the event any provision of this Agreement shall be prohibited by or invalidated under applicable law, the remaining provisions of this Agreement shall be fully effective. This Agreement and the Purchase Agreement represent the entire agreement between Assignor and Assignee as to the terms of the assignment transaction described herein, and all prior understandings and agreements between the parties are merged in this Agreement and the Purchase Agreement, which together fully and completely express the agreement of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption of Lease Agreement as of the Effective Date.

ASSIGNEE:

Precision Pathology Laboratory Services, LLC, a Texas limited liability company

By: */s/ Maria Zannes*
Name: Maria Zannes
Title: Manager

ASSIGNOR:

Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services

By: */s/ Roby P. Joyce, M.D.*
Name: Roby P. Joyce, M.D.
Title: President

In accordance with Section 10.6 of the Lease, Landlord, as evidenced by its signature below, hereby approves of the form of this Assignment and Assumption of Lease Agreement and acknowledges and agrees to the assignment to Assignee hereunder, on the following conditions:

1. Landlord's consent does not extend to any assignment of the Lease or sublease or subletting of the Leased Premises to persons other than to Assignee.

2. Landlord's consent does not release Assignor from any liability it has to Landlord under the terms and conditions of the Lease, and nothing in this consent waives or

modifies any provision of the Lease. All rights and remedies of Landlord enumerated herein or in the Lease shall be cumulative, and none shall exclude any other remedies allowed at law or in equity. All of Landlord's rights and remedies against Assignor, as Tenant, arising out of the Lease, or otherwise, shall continue in full force and effect notwithstanding, and in addition to, the new rights of Landlord, created hereunder, to proceed directly against Assignee.

3. Within 15 days after the Effective Date, Assignee must provide Landlord with a certificate of insurance evidencing that Assignee is in compliance with all of the obligations of "Tenant" under Section 8.2 of the Lease as applicable to the Leased Premises and in compliance with the requirements of such policies set forth in Section 8.4 of the Lease.

LANDLORD:

PHP ISOM VENTURE, L.P.,
a Texas limited partnership

By: PHP ISOM GENPAR, LLC,
a Texas limited liability company,
its General Partner

By: PHP Capital Partners, LLC,
a Texas limited liability company,
its manager

By: */s/ Hunter Harrison*
Name: Hunter Harrison
Title: Manager

Exhibit 10.8

OFFICE LEASE

This Office Lease (the "Lease"), dated for reference purposes only as of July 31, 2019, is made by and between 343 West Sunset, LLC, a Texas limited liability company ("Landlord"), with an address of c/o Endura Advisory Group, 9311 San Pedro, Suite 850, San Antonio, Texas 78316, Attention: Property Manager, and Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology ("Tenant"), with an address of 3300 Nacogdoches Road, Suite 110, San Antonio, Texas 78217, Attention: Dr. Roby Joyce (with a copy to: Shelley Morkovsky, Attorney at Law, P.O. Box 10173, San Antonio, Texas 78210). This Lease amends and restates one certain Short Form Medical Office Lease dated March 31, 2015, by and between AEA Investments Ill, LLC, as Landlord, and Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology, as Tenant, covering the premises known commonly as 3300 Nacogdoches Road, Suites 108, 110, 115 and _120, San Antonio, Texas 78217, as amended by Commercial Lease Amendment dated May 15, 2018 (as amended, the "Prior Lease"). Landlord, successor-in-interest to the landlord in the Prior Lease, and Tenant hereby agree to add additional lease space and modify and terms and conditions of the Prior Lease, as provided herein.

ARTICLE 1 - REAL PROPERTY BUILDING AND PREMISES

1.1 Real Property, Building and Premises. Upon and subject to the terms, covenants and conditions set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain space containing approximately 11,066 rentable square feet (the "Premises") commonly known as Suite 100 (approx. 1659 square feet), Suite 105 (approx. 1093 square feet), Suite 108 (approx. 2148 square feet), Suite 110 (approx. 2844 square feet), Suite 115 (approx. 2146 square feet), and Suite 120 (approx. 1176 square feet), located min that certain office building known as Building One containing approximately 47,455 rentable square feet (the "Building") whose address is 3300 Nacogdoches Road, San Antonio, Texas 78217. The Building is part of that multibuilding office business project commonly known as "3300 Nacogdoches". The floor plan of the Premises is attached hereto as Exhibit A. The Building, including the surface parking areas serving the Building ("Building Parking Area"), the other buildings in the project, the outside plaza areas, land and other improvements surrounding the Building which are designated from time to time by Landlord as common areas appurtenant to or servicing the Building, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the "Real Property" or the "Building Complex" or the "Project." Tenant shall have the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other common areas of the Building, the other buildings in the Building Complex and/or Real Property; provided, however, that the use thereof shall be subject to such reasonable, non-discriminatory rules and regulations as Landlord may make from time-to-time. Landlord reserves the right to make alterations or additions to or to change the location of elements of the Real Property and the common areas thereof, so long as the changes do not change the nature of the Real Property to something other than a first class office building project or materially, adversely interfere with Tenant's use of the Premises for the permitted use.

1.2 Remeasurement of Premises. The rentable square feet of the Premises is approximately as set forth in Section 1.1 above. For purposes hereof, the rentable square feet of the Premises and the Building shall be calculated by Landlord pursuant to the standard method of measurement for the Building used by Landlord. The rentable square feet of the Premises and the Building are subject to verification from time to time by Landlord's planner/designer and such verification shall be made in accordance with the provisions of this Section 1.2. Tenant's architect may consult with Landlord's planner/designer regarding such verification, except to the extent it relates to the rentable square feet of the Building; provided, however, the determination of Landlord's planner/designer shall be conclusive and binding upon the parties. If Landlord's planner/designer determines that the rentable square footage amounts shall be different from those set forth in this Lease, all amounts, percentages and figures appearing or referred to in this Lease based upon such incorrect rentable square footage (including, without limitation, the amount of the Base Rent and Tenant's Share) shall be modified in accordance with such determination. If such determination is made, it will be confirmed in writing by Landlord to Tenant.

1.3 Condition of Premises; Landlord's Work. Except as specifically set forth hereinbelow and elsewhere in this Lease:

(i) Tenant shall accept the Premises, the Building, and the Real Property, including the base, shell, and core of (A) the Premises and (B) the floor of the Building on which the Premises is located (collectively, the "Base, Shell, and Core") in their "AS-IS" condition as of the Lease Commencement Date; (ii) Landlord shall not be obligated to provide or pay for any improvements to or for the Premises other than performing the Landlord's Work, defined below; and (iii) Landlord has made no representation or warranty regarding the condition of the Premises, the Building or the Real Property. Notwithstanding the foregoing to the contrary, Tenant shall be entitled to receive from Landlord a refurbishment allowance (the "Tenant Improvement Allowance") in the amount of up to, but not exceeding $6,636.00 (i.e., $4.00 per rentable square foot for Suite 100 (the "New Premises") to help reimburse Tenant for the actual out-of-pocket costs incurred and paid for by Tenant (collectively, the "Tenant Improvement Costs") during the Allowance Availability Period (as defined hereinbelow) in connection with the design, construction, acquisition and installation of any permanently affixed tenant improvements and alterations which are made and/or installed by or for Tenant in or to the Premises (the "Tenant Improvement Work"). Landlord shall reimburse Tenant $1,064.00 of the cost for Tenant's replacement of the lighting fixtures in Suite 105 immediately upon receipt of notice from Tenant that such installation is complete. As used herein, the "Allowance Availability Period" shall mean the period commencing on the Lease Commencement Date and expiring on the date that is one (1) year thereafter. The Tenant Improvement Work shall constitute "Alterations" under this Lease and shall be undertaken by Tenant in accordance with the terms of Article 7 below. Disbursement from the Tenant Improvement Allowance shall be made to Tenant within ten (10) days after Tenant's final completion of the Tenant Improvement Work. "Landlord's Work" as used herein, shall mean the work that Landlord is obligated to perform on the New Premises based on the list of items/projects set forth on Exhibit C attached hereto and incorporated herein by reference.

ARTICLE 2 - LEASE TERM

2.1 Lease Term. The terms and provisions of this Lease shall be effective as of the date of execution of this Lease except for the provisions of this Lease relating to the payment of Rent. The initial term of this Lease (the "Lease Term") shall be for a five (5) year period commencing on the earlier of (i) sixty (60) days after the date Landlord delivers possession of the Premises to Tenant with Landlord's Work Substantially Complete (the "Lease Commencement Date"), or (ii) the date Tenant opens for business in the New Premises, and expiring on the last day of the calendar month in which the fifth (5^{th}) anniversary of the Lease Commencement Date occurs (or, if the Lease Commencement Date occurs on the first (l^{st}) day of a calendar month, then expiring on the day immediately prior to the date upon which the fifth (5^{th}) anniversary of the Lease Commencement Date occurs). Tenant's obligation to pay Rent shall commence upon the Lease Commencement Date, except as otherwise expressly provided in Section 3.1 below. Landlord anticipates that Landlord will deliver possession of the Premises with Landlord's Work Substantially Complete on or about the date that is twenty (20) days from the date of the mutual execution and delivery of this Lease (the "Estimated Lease Commencement Date"). This Lease shall not be void, voidable or subject to termination, nor shall Landlord be liable to Tenant for any loss or damage, resulting from Landlord's inability to deliver the Premises to Tenant with Landlord's Work Substantially Complete (or in fact to deliver the Premises to Tenant at all) by the Estimated Lease Commencement Date or by any other date. Following the Lease Commencement Date, Landlord may deliver to Tenant a notice of Lease Term dates confirming the Lease Commencement Date and that Landlord has completed Landlord's Work and Tenant has accepted the Premises, which notice Tenant shall execute and return to Landlord within five (5) days after Tenant's receipt thereof.

2.2 Existing Lease. Landlord currently leases to Tenant and Tenant currently leases from Landlord that certain premises commonly known as Suites 108, 110, 115 and 120 and located in the Building pursuant to the Prior Lease described above. The Prior Lease is currently scheduled to expire on September 30, 2020. Landlord and Tenant hereby agree that, notwithstanding anything to the contrary contained in the Prior Lease, the Prior Lease shall terminate as of 11:59 P.M. on the day before the Lease Commencement Date (the "Lease Termination Date") and, if the Lease Commencement Date occurs on a date that is after September 30, 2020, then the lease term of the Prior Lease shall be automatically extended to expire upon the Lease Termination Date upon the same terms and at the same rent as in effect as of March 31, 2019. Notwithstanding such termination of the Prior Lease: (A) Landlord shall apply the existing Security Deposit under the Prior Lease (which is currently $8,000.00) (the "Existing Security Deposit") towards the Security Deposit to be provided by Tenant for this Lease as set forth in Section 3.3 below, and, accordingly, Landlord shall not be obligated to return the Existing Security Deposit to Tenant pursuant to the provisions of the Prior Lease; and (B) Tenant shall remain liable for: (l) all of its obligations as tenant under the Prior Lease arising prior to the Lease Termination Date, including its obligation to pay Additional Rent (as defined in the Existing Lease) for the Existing Premises during the term of the Prior Lease; and (2) all of Tenant's indemnification and other obligations under the Prior Lease which expressly survive termination of the Prior Lease.

2.3 Early Occupancy. If prior to the Lease Commencement Date Tenant uses or occupies the New Premises or any part thereof with Landlord's prior written consent for the purpose of completing alterations to the New Premises, Tenant agrees to observe and perform all the provisions of this Lease except those which require payment of Base Rent and Tenant's Share of Operating Expenses.

ARTICLE 3 - RENT

3.1 Base Rent. Tenant shall pay to Landlord, at the place from time-to-time designated by Landlord, in U.S. currency or a check for U.S. currency, base rent ("Base Rent") in the amount and for the periods set forth in the following schedule (pro-rated by Landlord for any partial months during the Lease Term):

Month of Lease Term	Monthly Base Rent	Annual Base Rent Rate Per Square Foot of Net Rentable Area of the Premises
1 - 12	$ 8,760.58	$ 9.50
13 -24	$ 9,221.67	$ 10.00
25 -36	$ 9,452.21	$ 10.25
37 — 48	$ 9,682.75	$ 10.50
49 -60	$ 10,143.83	$ 11.00

There shall be no adjustment in the Base Rent based upon the actual rentable square footage of the Premises (if different from that stated in Section 1.1 above). The Base Rent shall be paid in advance on or before the 1st day of each and every month during the Lease Term, without any notice, demand, setoff or deduction, except that the Base Rent for the 1st full month of the initial Lease Term shall be paid at the time of Tenant's execution of this Lease.

3.2 Additional Rent. In addition to paying the Base Rent specified in Section 3.1 above, Tenant shall pay as additional rent, Tenant's Share of the Operating Expenses (as those terms are defined below) for each calendar year, or portion thereof. Such additional rent, together with other amounts of any kind (other than Base Rent) payable by Tenant to Landlord under this Lease, shall be collectively referred to in this Lease as "Additional Rent", and, collectively with Base Rent, shall be referred to herein as "Rent". Tenant's obligations to pay the Additional Rent provided for in this Section 3.2 shall survive the expiration of the Lease Term. For purposes hereof, "Tenant's Share" shall equal 23.32% (i.e., 11,066 rentable square feet in the Premises/47,455 rentable square feet in the Building).

3.2.1 Calculation and Payment of Additional Rent. Tenant's Share of Operating Expenses for any calendar year, or portion thereof, shall be calculated and paid as follows:

3.2.1.1 Estimated Operating Expenses. On or before the 1st day of the calendar year in which the Commencement Date occurs and for each calendar year thereafter, Landlord shall endeavor to deliver to Tenant an estimate statement (the "Estimate Statement") of Landlord's good faith calculation of Tenant's Share of Operating Expenses to be due by Tenant for the f01thcoming calendar year (the "Estimate Amount"). Thereafter, unless Landlord delivers to Tenant a revision of the Estimate Statement, Tenant shall pay to Landlord monthly, coincident with Tenant's payment of Base Rent, l/ 12 th of the Estimate Amount; provided, however, if any such Estimate Statement is delivered to Tenant for any calendar year after the 1st day of such calendar year, Tenant shall pay to Landlord, within thirty (30) days after receipt of such Estimate Statement, a fraction of the Estimate Amount; such fraction shall have as its numerator the number of months which have elapsed in such current calendar year as of the date such Estimate Statement has been delivered to Tenant to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Landlord may estimate and re-estimate Tenant's Share of Operating Expenses to be due by Tenant for that calendar year and adjust the monthly installments of the Estimate Amount accordingly.

3.2.1.2 Actual Operating Expenses. Landlord shall deliver to Tenant as soon as available following the end of each calendar year, but in no event later than ninety (90) days following year-end, a reconciliation statement (the "Statement") of the actual Operating Expenses incurred or accrued for the preceding calendar year, and Tenant's Share thereof, with the Estimated Amount previously paid by Tenant pursuant to Section 3.2.1.1 for such preceding calendar year. Within thirty (30) days after Tenant receives the Statement for each Expense Year, Tenant shall pay any underpayment of Tenant's Share of Operating Expenses shown by the Statement. If there is an overpayment of Tenant's Share of the Operating Expenses set forth on the Statement, the amount of such overpayment shall be credited against payments of Tenant's Share of the estimated Operating Expenses as they become due for the then current calendar year (or, if such overpayment occurs for the last calendar year of the Lease Term, such overpayment amount shall be paid by Landlord to Tenant within thirty (30) days of Landlord's delivery to Tenant of the Statement). Landlord's failure to provide Tenant with a Statement for a particular calendar year within 18 months after the end of such calendar year shall constitute a waiver of Landlord's right to collect any Operating Expenses in addition to those already collected by Landlord except for any additional expenses levied by any governmental authority or by any public utility companies (including, without limitation, as a result of any new or supplemental tax bills issued by the applicable taxing authority) after such 18-month period but attributable to such calendar year.

3.2.2 Operating Expenses. "Operating Expenses" shall mean all costs and expenses (including, without limitation, real and personal property taxes and assessments) which Landlord pays or accrues by virtue of the ownership, use, management, leasing, maintenance, service, operation, insurance or condition of the Real Property and all improvements thereof, including, without limitation, the Building and the Building Parking Area, during a particular calendar year or portion thereof as determined by Landlord or its accountant in accordance with standard real estate accounting practices. Operating Expenses shall also include, but not be limited to, the annual amortization (including interest on the unamortized cost at the Amortization Interest Rate) of the cost (the "Capital Expenditures") of any capital alterations, capital additions, capital repairs and capital improvements (i) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Real Property but only to the extent of the cost savings reasonably anticipated to be achieved therefrom, (ii) made to the Real Property after the Lease Commencement Date that are required under any governmental law or regulation (or amendment thereof) not in effect on the Lease Commencement Date, (iii) pertaining to replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, or (iv) which are reasonably determined by Landlord to be reasonably required to maintain the functional character of the Real Property as a first-class office building project. Capital Expenditures shall be amortized over the useful life of the particular capital item in question as Landlord shall reasonably determine in accordance with standard real estate management and accounting practices consistently applied by Landlord and consistent with standard real estate management and accounting practices used by landlords of other first-class office buildings in San Antonio, Texas (the "Comparable Buildings"). As used herein, the "Amortization Interest Rate" shall mean a rate equal to the floating commercial loan rate announced from time to time by Bank of America, a national banking association, or its successor, as its reference rate, plus one percent (1%) per annum. If the occupancy of the Building during any part of any calendar year is less than one hundred percent (100%), Landlord shall make an appropriate adjustment of the Operating Expenses for that calendar year, as reasonably determined by Landlord using sound accounting and management principles, to determine the amount of Operating Expenses that would have been incurred had the Building been one hundred percent (100%) occupied. This amount shall be considered to have been the amount of Operating Expenses for that calendar year. Notwithstanding the foregoing to the contrary, Landlord shall not (A) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others, and (B) collect Operating Expenses from Tenant and all other tenants/occupants in the Building in an amount in excess of what Landlord incurred for the items included in Operating Expenses.

3.2.3 Operating Expense Exclusions. "Operating Expenses" shall not include the following: (i) expenditures classified as Capital Expenditures in accordance with standard real estate accounting practices, except as set forth in Section 3.2.2 above; (ii) costs for which Landlord receives reimbursement by Tenant, by any other tenant of the Building or by any other third party (other than through the operating expense pass-through provisions of their leases); (iii) marketing costs, leasing commissions, brokerage fees, attorneys' fees and other costs incurred by Landlord in connection with leasing or attempting to lease space within the Real Property; (iv) debt service on any indebtedness secured by the Real Property (except debt service on indebtedness to purchase or pay for items specified as permissible Operating Expenses); (v) sums which constitute repairs or other work necessitated by fire or other casualty for which Landlord receives insurance proceeds; (vi) sums incurred for the alteration or renovation of vacant space in the Building; (vii) expenditures paid to a related corporation, entity or persons which are in excess of the amount which would be paid in the absence of such relationship; (viii) expenditures resulting from the relocation or moving of tenants in the Building to another location within the Building; (ix) any net income, franchise or corporate tax, any leasehold taxes on other tenants' personal property, sales, capital levy, capital stock, excess profits, and documentary transfer taxes; (x) attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants of the Real Property, or any other attorneys' fees incurred in connection with the Real Property (including, without limitation, any financing, sale or syndication of the Real Property), except (A) as specifically enumerated as an Operating Expense in this Lease and/or (B) to the extent the expenditure of such attorneys' fees generally benefits all of the tenants of the Real Property; (xi) costs incurred by Landlord due to the violation by Landlord or a tenant of the terms and conditions of any lease of space within the Real Property; (xii) Landlord's general corporate overhead and administrative expenses, except for Landlord's property management fee; (xiii) any compensation paid to clerks, attendants or other persons in commercial concessions operated by or on behalf of Landlord; (xiv) costs (including, without limitation, fines, penalties, interest, and costs of repairs, replacements, alterations and/or improvements) incurred in bringing the Real Property into compliance with applicable Laws in effect as of the Lease Commencement Date and as interpreted by applicable governmental authorities as of such date, including, without limitation, any costs to correct building code violations pertaining to the design or construction of the Building or any other improvements to the Real Property, to the extent such violations exist as of the Lease Commencement Date under any applicable Laws in effect and as interpreted by applicable governmental authorities as of such date; (xv) utility costs to the extent Tenant or any other tenant of the Real Property is directly paying such utility costs to the applicable utility provider; (xvi) costs of correcting defects in, or significant design error relating to, the initial design or construction of the Building or any other improvements to the Real Property or equipment or materials used therewith, and costs incurred in connection with the original construction of the Real Property; and (xvii) costs incurred to comply with Laws with respect to cleanup, removal, investigation and/or remediation of any Hazardous Materials in, on or under the Real Property and/or the Building to the extent such Hazardous Materials are: (A) present in the soil or groundwater of the Real Property; (B) in existence as of the Lease Commencement Date and in violation of Laws in effect as of the Lease Commencement Date; and/or (C) introduced into or onto the Real Property and/or Building after the Lease Commencement Date by Landlord or any of Landlord's agents, employees, contractors or tenants in violation of Laws in effect as of the date of introduction.

3.2.4 Audit Rights. If Tenant disputes the amount of the Operating Expenses set forth in the Statement for the particular calendar year delivered by Landlord to Tenant pursuant to Section 3.2. I .2 above, Tenant shall have the right, at Tenant's cost, after reasonable notice to Landlord, to have Tenant's authorized employees inspect, at Landlord's office (or property manager's office) in Bexar County during normal business hours, Landlord's books, records and supporting documents concerning the Operating Expenses for such calendar year set forth in such Statement (but not for any prior calendar year); provided, however, Tenant shall have no right to conduct such inspection, have an audit performed by the Accountant as described hereinbelow, or object to or otherwise dispute the amount of the Operating Expenses set forth in any such Statement unless Tenant notifies Landlord of such objection and dispute, completes such inspection, and has the Accountant commence and complete such audit within six (6) months _immediately following Landlord's delivery of the particular Statement in question (the "Review Period"); provided, further, that notwithstanding any such timely objection, dispute, inspection, and/or audit, and as a condition precedent to Tenant's exercise of its right of objection, dispute, inspection and/or audit as set forth in this Section 3.2.4, Tenant shall not be permitted to withhold payment of, and Tenant shall timely pay to Landlord, the full amounts as required by the provisions of this Article 3 in accordance with such Statement. However, such payment may be made under protest pending the outcome of any audit which may be performed by the Accountant as described below. In connection with any such inspection by Tenant, Landlord and Tenant shall reasonably cooperate with each other so that such inspection can be performed pursuant to a mutually acceptable schedule, in an expeditious manner and without undue interference with Landlord's operation and management of the Building Complex. If after such inspection and/or request for documentation, Tenant still disputes the amount of the Operating Expenses set forth in the Statement, Tenant shall have the right, within the Review Period, to cause an independent certified public accountant (which is not paid on a commission or contingency basis) selected by Tenant and reasonably approved by Landlord (the "Accountant") to complete an audit of Landlord's books and records to determine the proper amount of the Operating Expenses incurred and amounts payable by Tenant for the calendar year which is the subject of such Statement (but not for any prior calendar year). Such audit by the Accountant shall be final and binding upon Landlord and Tenant. If Landlord and Tenant cannot mutually agree as to the identity of the Accountant within fifteen (15) days after Tenant notifies Landlord that Tenant desires an audit to be performed, then the Accountant shall be of the "Big 4" accounting firms (which is not paid on a commission or contingency basis), as selected by Tenant and reasonably approved by Landlord. If such audit reveals that Landlord has over-charged Tenant, then within thirty (30) days after the results of such audit are made available to Landlord, Landlord shall reimburse to Tenant the amount of such over-charge, together with interest on the amount of the over-charge. If the audit reveals that the Tenant was under-charged, then within thirty (30) days after the results of such audit are made available to Tenant, Tenant shall reimburse to Landlord the amount of such under-charge. Tenant agrees to pay the cost of such audit unless it is subsequently determined that Landlord's original Statement which was the subject of such audit overstated Operating Expenses by six percent (6%) or more of the actual Operating Expenses which was the subject of such audit, in which case all reasonable and documented costs incurred by Tenant in connection with said audit (but not in excess of the over-charge) shall be reimbursed by Landlord within thirty (30) days after demand therefor. The payment by Tenant of any amounts pursuant to this Article 3 shall not preclude Tenant from questioning, during the Review Period, the correctness of the particular Statement in question provided by Landlord, but the failure of Tenant to object thereto, conduct and complete its inspection and have the Accountant conduct the audit as described above prior to the expiration of the Review Period for such Statement shall be conclusively deemed Tenant's approval of the Statement in question and the amount of Operating Expenses shown thereon. In connection with any inspection and/or audit conducted by Tenant pursuant to this Section 3.2.4, Tenant agrees to keep, and to cause all of Tenant's employees and consultants and the Accountant to keep, all of Landlord's books and records and the audit, and all information pertaining thereto and the results thereof, strictly confidential (except if required by any court to disclose such information or if such information is available from an inspection of public records), and in connection therewith, Tenant shall cause such employees, consultants and the Accountant to execute such reasonable confidentiality agreements as Landlord may require prior to conducting any such inspections and/or audits.

3.3 Security Deposit. The Existing Security Deposit shall serve as the security deposit (the "Security Deposit") under this Lease. As set out in the Prior Lease, Landlord shall apply $2,000.00 of the remaining balance of the Security Deposit against the monthly installment of Base Rent payable by Tenant for the fifty-third (53rd) month of the Initial Lease Term, as such term is defined in the Prior Lease, so long as Tenant is not then in default under the Lease and Landlord has not used any portion of the Security Deposit to cure a default by Tenant under the Prior Lease. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease (and, during the term of the Existing Lease, the Existing Lease) to be kept and performed by Tenant during the Lease Term. The Security Deposit shall not be mortgaged, assigned or encumbered in any manner whatsoever by Tenant without the prior written consent of Landlord. If Tenant defaults with respect to any provisions of this Lease (or, during the term of the Existing Lease, the Existing Lease), including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a material default under this Lease (and, during the term of the Existing Lease, the Existing Lease). The use, application or retention of the Security Deposit, or any portion thereof, by Landlord shall not (i) prevent Landlord from exercising any other right or remedy provided by this Lease (or, during the term of the Existing Lease, the Existing Lease) or by law, it being intended that Landlord shall not first be required to proceed against the Security Deposit, nor (ii) operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant acknowledges that Landlord has the right to transfer or mortgage its interest in the Real Property, any of the other buildings in the Building Complex, and the Building and in this Lease and Tenant agrees that in the event of any such transfer or mortgage, Landlord shall have the right to transfer or assign the Security Deposit to the transferee or mortgagee. Upon such transfer or assignment of the Security Deposit, Landlord shall thereby be released by Tenant from all liability or obligation for the return of such Security Deposit and Tenant shall look solely to such transferee or mortgagee for the return of the Security Deposit. If Tenant shall fully and faithfully perform every provision of this Lease (and the Existing Lease) to be performed by it, the Security Deposit, or any balance thereof, shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Lease Term.

3.4 Late Charge/Interest. If any installment of Rent is not received by Landlord or Landlord's designee within five (5) days after it is due, then Tenant shall pay to Landlord, as Additional Rent and not as liquidated damages, a late charge equal to five percent (5%) of the amount due. Such late charge _represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment of Rent by Tenant. In addition to such late charge, any Rent owing hereunder which is not paid by the date due shall thereafter bear interest until paid at a rate (the "Interest Rate") equal to the lesser of (i) twelve percent (12%) per annum, or (ii) the highest rate permitted by applicable Laws.

ARTICLE 4 - USE OF PREMISES

4.1 Use. Subject to the restrictions and limitations set forth below in this Article 4, Tenant shall use the Premises solely for general office purposes and as a pathology laboratory, all consistent with the character of the Project as a first-class medical office building project (herein, the "Permitted Use"), and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance, or other governmental rule, regulation, or requirement now in force or which may hereafter be enacted or promulgated (collectively, "Laws"). At its expense, Tenant shall promptly comply with all such Laws, other than the making of structural changes to the Building or changes to the Base, Shell and Core (collectively the "Excluded Changes"); provided, however, Tenant shall reimburse Landlord, within thirty (30) days after invoice, for the cost of any such Excluded Changes to the extent the same are required due to Tenant's alterations to or specific manner of use of the Premises. In addition, Tenant shall, at Tenant's expense, comply with (i) all recorded covenants, conditions, and restrictions now or hereafter affecting the Building Complex and which have been provided to Tenant in writing, (ii) all insurance company requirements pertaining to the use of the Premises and which have been provided to Tenant in writing, and (iii) the Rules and Regulations attached hereto as Exhibit B and such other reasonable, non-discriminatory modifications thereto as Landlord may from time-to-time adopt. Landlord shall not be responsible to Tenant for the nonperformance of any of such Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building Complex. Tenant shall be responsible, at its sole cost and expense, for obtaining all operating permits, licenses and governmental approvals necessary for the operation of Tenant's Permitted Use and for determining that the Premises, the Building and the Building Complex are suitable for Tenant's Permitted Use (including, without limitation, zoning and capacity of the Building's systems and equipment) and neither Landlord nor its agents has made or is making any representations or warranties as to the suitability of the Premises, the Building or the Building Complex for Tenant's Permitted Use or that Tenant's use is permitted under current zoning or other applicable Laws. In addition, Tenant agrees to conduct the practice of Tenant's profession in the Premises in compliance with the code of ethics of Tenant's professional association.

4.2 Specific Restricted Uses. Without limiting the provisions in Section 4.1 above, Tenant agrees not to engage in or permit the Premises to be used for the practice of radiology, or to maintain any x-ray, or other electromagnetic medical equipment, machines or devices, radiation therapy, nuclear medicine, or diagnostic ultrasound in the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. Tenant specifically agrees that it shall not be permitted to perform any abortion services from the Premises. If any of the services provided from the Premises result in protests or demonstrations at the Building Complex, Tenant shall discontinue such services upon notice from Landlord. Tenant also agrees not to dispense drugs, eyeglasses, surgical devices or medicine except to Tenant's own patients as an incidental part of, and in the ordinary course of business of, Tenant's practice. Tenant shall not allow any patient to reside in or remain in the Premises on an overnight or inpatient basis. Tenant shall not use any apparatus, machinery or device in or about the Premises which would make any noise or set up any vibration outside of the Premises. Tenant further agrees not to connect with electric wires, water or air pipes any apparatus, machinery or device not shown on suite improvement plans without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All walls, ceilings, floors and doors of any rooms used for examination, diagnosis, testing or therapy shall be properly shielded and shall comply with all applicable laws and other requirements from time to time in effect. Tenant shall have the right, after written notice to Landlord, to contest by appropriate legal proceedings the validity or application of any law, ordinance or other legal requirement and to delay compliance therewith pending the prosecution of such proceedings, provided that (i) no civil or criminal penalty would be incurred by Landlord and no lien or charge would be imposed upon the Premises or the Building Complex by reason of such delay, (ii) in Landlord's reasonable opinion, such delay would not result in any material interference or disruption with Landlord's operation of the Building Complex or the ability of Landlord to lease space in the same, and (iii) in Landlord's reasonable opinion, such delay would not result in any increased risk of injury or harm to persons or damage to property.

4.3 Hazardous Materials.

4.3. I Restrictions on Use. Neither Tenant nor its agents, employees, contractors, licensees, sublessees, assignees or invitees shall use, generate, handle, store, treat, practice or dispose of any Hazardous Materials (as defined below) in, on, under or about the Premises, the Building or the Building Complex, except that Tenant may use in the Premises: (i) general office supplies typically used in an office area in the ordinary course of business, such as copier toner, liquid paper, glue, ink, and cleaning solvents, but only to the extent the same are used by Tenant in the manner for which they were designed and in compliance with all applicable Laws and the provisions of this Lease; and (ii) customary medical materials, wastes and substances as are used in a pathology laboratory (A) a list of which and the materials safety data sheets for which shall be available at all times in the Premises for review by Landlord, (B) which are used only in connection with and as part of, and in such amounts as may be normal for, Tenant's Permitted Use conducted by Tenant in the Premises, and (C) which are handled and disposed of in a safe and healthful manner, in accordance with all applicable Laws, in accordance with any requirements, conditions, rules and regulations as are imposed by the College of American Pathology (CAP) in connection therewith ("Permitted Pathology Materials"). If Landlord consents (which consent may be withheld in Landlord's sole but good faith discretion) to the generation, production, use, handling, storage, treatment or disposal of Hazardous Materials (other than Permitted Pathology Materials) in the Premises by Tenant, its agents, employees, contractors, sublessees or invitees, then in addition to any other requirements or conditions that Landlord may impose in connection with such consent, Tenant shall promptly deliver to Landlord copies of all permits, approvals, filings, reports and hazardous wastes manifests, _if any are required, reflecting the legal and proper generation, production, use, storage, treatment or disposal of all such Hazardous Materials. Upon expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Materials, including Permitted Pathology Materials and those consented to by .Landlord, arising out of or related to the use or occupancy of the Premises by Tenant, or its agents, employees, contractors, sublessees, invitees or assigns, to be removed from the Premises, the Building and the Building Complex, and transported for use, storage or disposal in accordance with all applicable Laws.

4.3.2 Tenant's Indemnity and Covenants. Tenant shall be solely responsible for and shall indemnify, defend and hold harmless Landlord and the Landlord Parties (as defined below) from and against any and all Claims (as defined below) incurred in connection with or arising from: (i) the generation, production, use, handling, storage, treatment or disposal of any Hazardous Materials in or about the Premises, the Building or Building Complex by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant; and (ii) the breach of this Section 4.3 by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant. This indemnification of Landlord and the Landlord Parties by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to remediate any such Hazardous Materials introduced by Tenant, or any person claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant, and return the Premises, Building and/or Building Complex to the condition existing prior to the introduction of any such Hazardous Materials, provided Landlord's approval of such actions shall first be obtained and Tenant shall fully cooperate in connection with any such clean-up, restoration or other work, at Tenant's sole cost and expense. Furthermore, Tenant shall immediately notify Landlord in writing of: (A) any accidental, unexpected or illegal spill, release, discharge or disposal of any Hazardous Materials in, on or under the Premises, the Building or Building Complex, or any portion thereof; (B) any enforcement, clean up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws or ordinances; (C) any claim made or threatened by any person against Tenant, the Premises, the Building or the Building Complex relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from, or claim to result from, any Hazardous Materials; and (D) any reports of Tenant made to any environmental agency arising out of or in connection with any Hazardous Materials in, on or removed from the Premises, the Building or the Building Complex, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within ten (10) business days after Tenant first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Building or Building Complex, or Tenant's

use thereof. Tenant acknowledges that Landlord, at Landlord's election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued by any governmental authority with regard to any Hazardous Material contamination which Tenant is obligated hereunder to remediate. Except as disclosed in any environmental report provided to Tenant by Landlord or as otherwise disclosed to Tenant in writing by Landlord, to Landlord's actual knowledge no Hazardous Materials currently exist in the Premises in violation of applicable Laws. For purposes of this Section, "Landlord's actual knowledge" shall be deemed to mean and limited to the current actual knowledge of the property manager for the Building at the time of execution of this Lease and not any implied, imputed, or constructive knowledge of said individual or of Landlord, any of its agents, employees or contractors or any other party related to Landlord and without any independent investigation or inquiry having been made or any implied duty to investigate or make any inquiries; it being understood and agreed that such individual shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby.

4.3.3 Definition of Hazardous Materials. As used herein, the term "Hazardous Materials means any hazardous or toxic substances, materials or wastes which are or become regulated by any local governmental authority, the State of Texas or the United States Government, including, without limitation, any materials or substances which are (i) defined or listed as a "hazardous waste, extremely hazardous waste, restricted hazardous waste, hazardous substance hazardous material infectious waste," "toxic substance," "medical waste" or "biohazardous waste" under any applicable federal, state or local law or administrative code promulgated thereunder, (ii) petroleum, (iii) asbestos, PCBs and similar compounds, (iv) explosives, or (v) radioactive materials.

4.3.4 Survival. The provisions of this Section 4.3 shall survive the expiration or sooner termination of this Lease.

ARTICLE 5 - SERVICES AND UTILITIES

5.1 Services and Utilities. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below:

(i) Tenant shall be entitled to use the independent heat, ventilation and air conditioning ("HVAC") currently servicing the Premises (the "HVAC Units") when necessary for normal comfort for normal office use in the Premises; and prior to Lease commencement, Landlord shall deliver to Tenant a certification that the HVAC Units serving the New Premises are in good working order from a licensed HVAC contractor selected by Tenant.

(ii) adequate electrical wiring and facilities and power for equipment that does not require more than 1 10 volts and whose electrical energy consumption does not exceed standard usage for offices located in other comparable office buildings in the vicinity of the Building, as determined by Landlord. Tenant shall pay directly to the utility company pursuant to the utility company's separate meters (or to Landlord in the event Landlord provides sub-meters instead of the utility company's meters), the cost of all electricity provided to and/or consumed in the Premises (including electricity consumed by the HVAC Units), which electricity shall be separately metered, at Tenant's cost. Landlord shall designate the electricity utility provider from time to time; (iii) city water from the regular Building outlets for drinking, lavatory and toilet purposes; and

(iv) nonexclusive automatic passenger elevator service at all times.

5.2 Janitorial Services, Dumpster. Landlord shall not provide janitorial services to the Premises; provided, however, that Landlord shall maintain one or more dumpsters, in a size as is necessary for Building tenants' use, and Landlord and Tenant (to the extent within Tenant's control) shall take commercially reasonable measures to secure the dumpster to prevent unauthorized use of the dumpster by other persons. In the event that the dumpster is found to be too full for Tenant's use on a regular basis, Tenant shall notify Landlord of such fact, and Landlord shall be given 24 hours to rectify the immediate dumpster problem and 30 days to change the trash collection process in an effort to correct any ongoing issue. At any time, Tenant can secure a dumpster for their own exclusive use at Tenant's sole expense and Landlord will work to accommodate and maintain adequate space for such dumpster. Tenant shall be solely responsible, at Tenant's sole cost and expense, for performing all janitorial services and other cleaning of the Premises appropriate to maintain the Premises in a first-class manner consistent with the first-class nature of the Real Property.

5.3 Over standard Tenant Use. Tenant shall not, without Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed, use equipment in the Premises which may increase the water normally furnished for the normal office use for the Premises by Landlord pursuant to the terms of Section 5.1 above. If such consent is given, Landlord (or Landlord's property manager) shall have the right to install supplementary or additional metering devices to measure the amount of water consumed in the Premises, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord or Landlord's property manager within ten (10) days after Tenant's receipt of an invoice therefor. In addition, Tenant shall not use electricity in the Premises in excess of the capacity of the electricity feeders and risers serving the Premises. If Tenant uses water in excess of that required to be supplied by Landlord (or Landlord's property manager) pursuant to Section 5.1 above, Tenant shall pay to Landlord or Landlord's property manager, within ten (10) days after billing, (i) the cost of such excess consumption, including a five percent (5%) administrative fee, (ii) the cost of the installation, operation and maintenance of equipment which is installed in order to supply such excess consumption, and (iii) the cost of the increased wear and tear on existing equipment caused by such excess consumption (including, if necessary, the cost of any replacement of such existing equipment necessitated thereby); and Landlord (or Landlord's property manager) may install devices to separately meter any increased use, and in such event Tenant shall pay the increased cost directly to Landlord or Landlord's property manager, within ten (10) days after demand, including the cost of installing, maintaining and repairing such additional metering devices and a five percent (5%) administrative fee to cover the additional cost incurred by Landlord in keeping account of any chilled water so consumed.

5.4 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Real Property after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 5.

5.5 Additional Services. Landlord shall also have the exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing, replacement of lamps, starters and ballasts for the Premises, and additional repairs and maintenance, provided that (i) such services are provided promptly and at a commercially reasonable rate, and (ii) Tenant shall pay to Landlord, within ten (10) days after billing, and as Additional Rent hereunder, the sum of all costs to Landlord of such additional services plus a five percent (5%) administration fee. If Tenant requests such additional services from Landlord and the services are not provided within a reasonable period of time after such request, then Tenant may send written notice of cancellation of such request to Landlord and thereafter engage the appropriate professional to perform such services.

5.6 Access to Building and Parking Facilities. Subject to the other provisions of this Lease (including, without limitation, the Rules and Regulations and any commercially reasonable modifications thereof adopted by Landlord from time to time), Tenant shall be granted access to the Building, the Premises, and the Parking Facilities twenty-four (24) hours per day, seven (7) days per week, every day of the year.

ARTICLE 6 – REPAIRS

6.1 Tenant's Repairs. Subject to Landlord's repair obligations in Section 6.2 below, Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation: (i) the obligation to repair and maintain (and replace as necessary notwithstanding that such replacements may be considered capital expenditures) all tenant improvements, Alterations, additions, equipment, restrooms, fixtures and furnishings in the Premises (including all of the systems and equipment located within the Premises and the HVAC equipment serving the Premises), all ceilings and items above the ceilings and all floors and items below the floors (but not the floor slabs) of the Premises, all of Tenant's signs, locks and closing devices, and all window sashes, casements or frames, doors and door frames of the Premises, and all walls and wall coverings, items within walls, and the equipment providing distribution within the Premises of all electricity and all other utilities required for the Premises (including all electrical panels serving the Premises); and (ii) the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures, door closures, cracked or broken glass and appurtenances in the Premises. Tenant shall, at its own cost and expense, enter into regularly scheduled preventive maintenance/service contracts (and with maintenance contractors) approved by Landlord for the maintenance and service of all of the items listed in this Section 6.1 above which Tenant is obligated to maintain. Tenant shall deliver to Landlord full and complete copies of all such contracts entered into by Tenant prior to entering into same. If Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a ten percent (10%) administration fee sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same.

6.2 Landlord's Repairs. Anything contained in Section 6.1 above to the contrary notwithstanding, Landlord shall maintain or cause to be maintained, as part of Operating Expenses, the common areas of the Project, the structural portions of the roof (including the roof membrane), and the foundation and floor slabs of the Premises and the load-bearing portions of walls (excluding wall coverings, painting, glass and doors) of the Premises; provided, however, to the extent such maintenance and repairs are caused by the act, neglect, fault of or omission of any duty by Tenant, its agents, contractors, employees, licensees or invitees, Tenant shall pay to Landlord, as Additional Rent, the reasonable cost of such maintenance and repairs. Landlord shall not be liable to Tenant for any failure to make any such repairs, or to perform any maintenance hereunder, and there shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of or failure to make any repairs, alterations or improvements in or to any portion of the Premises, Building or Real Property or in or to fixtures, appurtenances and equipment therein, unless (i) Landlord fails to exercise commercially reasonable diligence in performing its maintenance and repair obligations hereunder, and (ii) such failure continues for ten (10) or more consecutive days after Tenant notifies Landlord of the needed repair in writing. Tenant hereby waives and releases its right to make repairs any Texas state law, statute, or ordinance now or hereafter in effect.

ARTICLE 7 – ALTERATIONS; NO LIENS; SURRENDER

7.1 Alterations. Tenant may not make any improvements, alterations or changes to the Premises (collectively, the "Alterations") without first procuring Landlord's prior written consent thereto, which consent (i) shall be requested by Tenant at least fifteen (15) days prior to the commencement thereof, and (ii) may not be unreasonably withheld, conditioned or delayed; except that Landlord may withhold its consent, in its sole and absolute discretion, with respect to such Alterations which (A) affect any area, or which can be seen from any area, outside the Premises or the Building, and/or (B) affect the structural components or systems and equipment of the Building. If Landlord consents to any Alterations: (A) Tenant shall pay for all costs of such Alterations, including a supervision fee to Landlord equal to five percent (5%) of such costs; (B) all such Alterations and the construction thereof by Tenant shall be in compliance with all applicable Laws and such requirements, rules and regulations as Landlord, in its sole discretion may deem desirable (including the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved and/or designated by Landlord); and (C) such Alterations shall become the property of Landlord upon the expiration or termination of the Lease Term, except that Landlord may require that Tenant, at Tenant's expense, remove any such Alterations upon the expiration or early termination of this Lease and repair any damage to the Premises and Building caused by such removal. Notwithstanding the foregoing to the contrary, Tenant may make non-structural alterations, additions or improvements to the interior of the Premises (collectively, the "Acceptable Changes") without Landlord's consent, provided that (I) Tenant delivers to Landlord written notice of such Acceptable Changes at least fifteen (15) days prior to the commencement thereof, (II) the cost of each such Acceptable Change does not exceed $5,000.00 per job, and the aggregate cost of all Acceptable Changes does not exceed $10,000.00 in any consecutive twelve (12)-month period, (III) such Acceptable Changes shall be performed by or on behalf of Tenant in compliance with the other provisions of this Article 7, (IV) such Acceptable Changes do not require the issuance of a building permit or other governmental approval, (V) such Acceptable Changes do not affect any systems and equipment of the Building, (VI) such Acceptable Changes are not visible from outside the Premises, and (VII) such Acceptable Changes shall be performed by qualified contractors and subcontractors which normally and regularly perform such work in the Comparable Buildings.

Landlord acknowledges that Tenant will need to install ventilation equipment (including, without limitation, exhaust vents and ventilation hoods) in the Premises in connection with Tenant's performance of the Permitted Use (collectively, the "Ventilation Equipment") and Tenant shall have the right to install such Ventilation Equipment provided that (i) Tenant obtains Landlord's prior written consent to the plans, specifications and components thereof, which shall not be unreasonably withheld, conditioned or delayed, and (ii) Tenant otherwise complies with the terms and conditions of this Article 7 with respect to such installation. If the installation of any Ventilation Equipment requires any penetrations in any _portion of the walls located outside of the Premises or in the roof of the Building, then such penetrations (A) must be in a location and of a number as designated by Landlord, in its sole but good faith discretion, (B) may not void, impair or otherwise materially or adversely affect any warranties of the Building (including, without limitation, any roof warranties), and (C) must be performed by a contractor approved by Landlord (in Landlord's sole discretion).

7.2 No Liens. Tenant shall not cause or permit any lien of mechanics or materialmen or others to be placed against the Real Property, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant shall use best efforts to cause it to be immediately released and removed of record. Landlord may at all times post and keep posted on the Premises any notice which it deems necessary for protection from such liens. If any such lien is not released and removed on or before the date notice of such lien is delivered by Landlord to Tenant, Landlord may immediately take all action necessary to release and remove such lien and Tenant shall pay to Landlord all costs associated therewith within thirty (30) days after receipt of an invoice therefor.

7.3 Surrender. No act or thing done by Landlord or any agent or employee of Landlord shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease. Upon the expiration or earlier termination of this Lease, Tenant shall (i) quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear excepted, (ii) remove all personal property owned or installed by Tenant in the Premises and repair, at Tenant's own expense, all damage caused by such removal, and (iii) to the extent required under Section 7.1 above, remove the Alterations in the Premises.

ARTICLE 8 - INDEMNIFICATION AND INSURANCE

8.1 Indemnification. Tenant hereby assumes all risk of damage to property and injury to persons, in, on, or about the Premises from any cause whatsoever and agrees that Landlord, and its partners and subpartners, and their respective officers, agents, property managers, employees, and independent contractors (collectively, "Landlord Parties") shall not be liable for, and are hereby released from any responsibility for, any damage to or loss of property or injury to persons, which damage or injury is sustained by Tenant or by other persons claiming by, through or under Tenant, or of the contractors, agents, employees, licensees or invitees of Tenant or any such person (collectively, the "Tenant Parties"). Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability including, without limitation, court costs and reasonable attorneys' fees (collectively, "Claims") incurred in connection with or arising from any cause in, on or about the Premises (including Tenant's installation, placement and removal of Alterations, improvements, and/or other property in, on or about the Premises), and any acts or negligence of Tenant or any Tenant Parties, in, on or about the Premises, Building and Real Property. Notwithstanding the provisions of this Section 8.1 to the contrary: (i) except for lost profits, loss

of business or other consequential damages incurred or suffered by Tenant or any of the Tenant Parties, the assumption of risk and release by Tenant in this Section 8.1 above shall not apply to any Claims to the extent resulting from the gross negligence or willful misconduct of Landlord or the Landlord Parties and not insured or required to be insured by Tenant under this Lease (collectively, the "Excluded Claims"); and (ii) Tenant's indemnity of Landlord in this Section 8. I above shall not apply to (A) any Excluded Claims, (B) any loss of or damage to Landlord's property to the extent Landlord has waived such loss or damage pursuant to Section 8.5 below. Notwithstanding anything to the contrary contained in the foregoing or elsewhere in this Lease, in no event shall Landlord be liable to Tenant for any loss of business, lost profits or other consequential damages resulting from or in connection with this Lease, including any matter related to or arising out of the occupancy or use of the Premises and/or any other areas of the Building or Real Property. This Section 8.1 shall survive the expiration or sooner termination of this Lease.

8.2 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts.

8.2.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Broad Form Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 8.1 above (and with owned and non-owned automobile liability coverage, and liquor liability coverage if alcoholic beverages are served on the Premises), for limits of liability not less than $2,000,000.00 per occurrence and annual aggregate for bodily injury, property damage liability and personal injury liability.

8.2.2 Physical Damage Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, and (ii) all improvements, alterations and additions now existing or hereafter made to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

8.2.3 Workers' compensation insurance as required by law, and loss-of-income, business interruption and extra-expense insurance in such amounts as will reimburse Tenant for loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention loss of access to the Premises or to the Building as a result of such perils.

8.3 Landlord Insurance. During the Lease Term, Landlord shall maintain in effect the following insurance:

(i) Physical damage insurance insuring the Building (excluding, at Landlord's option, the property required to be insured by Tenant pursuant to Section 8.2.2 above) against loss or damage due to fire and other casualties covered within the classification of "all risk" or "special form" coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage on building. Such coverage shall be in such amounts and with such deductibles as Landlord may from time to time determine, and at the option of Landlord, may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Real Property or the ground or underlying lessors of the Real Property, or any portion thereof; and

(ii) Commercial general liability insurance in the amount of at least $2,000,000.00, against claims of bodily injury, personal injury or property damage arising out of Landlord's operations, assumed liabilities, contractual liabilities, or use of the Building and Real Property, common areas and Parking Area. Such coverages may be carried under blanket insurance policies.

8.4 Form of Policies. The minimum limits of policies of insurance required to be carried by Landlord and Tenant under this Lease shall in no event limit the liability of Landlord or Tenant under this Lease. Such insurance shall (i) name Landlord, and any other party it so specifies, as an additional insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 8.1 above; (iii) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of Texas; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is noncontributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord; (vi) contain a cross liability endorsement or severability of interest clause reasonably acceptable to Landlord; and (vii) have commercially reasonable deductible amounts. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least ten (10) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificates, within such time periods, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 12.1 below, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within thirty (30) days after invoice.

8.5 Subrogation. Each party shall cause its respective insurance companies issuing property damage insurance to waive any rights of subrogation that such companies may have against the other party. Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property, but only to the extent the releasing party's loss or damage is covered under casualty insurance policies in effect at the time of such loss or damage or would have been covered by the casualty insurance required to be carried under Sections 8.2.2 and 8.3(ii) above had the releasing party complied with its applicable insurance obligations thereunder.

ARTICLE 9 - DAMAGE AND DESTRUCTION

If the Premises or Building is damaged by fire or other casualty then Landlord shall notify Tenant in writing ("Landlord's Damage Notice") of the estimated time, in Landlord's reasonable judgment, required to substantially complete the repairs of such damage (the "Landlord's Restoration Work"). In the event of such damage to the Premises or the Building by fire or other casualty: (i) Landlord may terminate the Lease if either (A) Landlord's Restoration Work cannot, in Landlord's opinion, reasonably be substantially completed within one hundred eighty (180) days after Landlord delivers Landlord's Damage Notice to Tenant (when such repairs are made by a qualified contractor without the payment of overtime or other premiums), or (B) the damage is not fully covered by Landlord's insurance policies obtained or required to be obtained by Landlord pursuant to Section 8.3(i) above the damage cannot, in the professional judgment of a licensed contractor engaged by Tenant, be substantially completed by the date which is the earlier of the Lease Expiration Date or one hundred eighty (180) days after the date of the damage; and (ii) if such damage is a Tenant Damage Event (as defined hereinbelow), Tenant may terminate this Lease. If either party so elects to terminate this Lease, it must do so by delivering written notice thereof to the other party within thirty (30) days after Landlord's delivery of Landlord's Damage Notice, which termination shall be effective upon the date such termination notice is delivered. As used herein, a "Tenant Damage Event" shall mean damage by fire or other casualty to all or a substantial part of the Premises or any common areas of the Building providing access or essential services to the Premises (l) which damage is not the result of the negligence or willful misconduct of Tenant or the Tenant Patties, (2) which damage would entitle Tenant to an abatement of Rent pursuant to the _following provisions of this Article 9, and (3) wherein Landlord's Restoration Work for such damage cannot, in Landlord's reasonable judgment, be substantially completed by the date which is the earlier of the expiration of the Lease Term or one hundred eighty (180) days after the date of the damage. If neither party elects to terminate this Lease: (x) Tenant shall assign to Landlord all insurance proceeds payable to Tenant under Tenant's insurance required under Section 8.2.2 (ii) above with respect to the tenant improvements and Alterations in the Premises; and (y) Landlord shall restore the Base, Shell, and Core of the Premises, the common areas of the Building providing access or essential services to the Premises, and the tenant improvements and Alterations in the Premises (but if the cost of such repair of such tenant improvements and Alterations exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, such excess repair costs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage). Landlord shall not be liable for any inconvenience or annoyance to Tenant, or

injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or the Tenant Parties, Landlord shall allow Tenant a proportionate abatement of Base Rent during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied and used by Tenant as a result thereof. The provisions of this Article 9 constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, any part of the Real Property, and each party hereby waives any applicable Laws with respect to any rights or obligations of such party concerning any such damage or destruction.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

10.1 Transfers. Except as otherwise provided in Section 10.6 below, Tenant shall not, without the prior written consent of Landlord (which shall not be unreasonably withheld, conditioned or delayed), assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than twenty (20) days nor more than one hundred eighty (180) after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the material terms of the proposed Transfer and the consideration therefor, including a calculation of the Transfer Premium (as defined below), in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Except as otherwise provided in Section 10.6 below, any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord shall grant consent, Tenant shall pay Landlord's actual, documented and reasonable legal fees incurred by Landlord (not to exceed $2,000.00 in any one instance), within ten (10) days after written request by Landlord. Landlord shall approve or disapprove of any Transfer (or exercise Landlord's right to recapture pursuant to Section 10.3 below) by delivery of written notice thereof to Tenant within twenty (20) days after Landlord's receipt of the Transfer Notice and all other documentation required to be delivered by Tenant in connection with such Transfer pursuant to this Section 10.1.

10.2 Transfer Premium. Except as otherwise provided in Section 10.6 below, if Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of the Transfer Premium received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent, parking charges and other consideration received from such Transferee in excess of the Rent, Additional Rent, parking charges and other consideration payable by Tenant under this Lease on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the actual, reasonable and documented expenses incurred by Tenant for (i) any changes, alterations and improvements made to the Premises, and/or any tenant improvement allowance provided by Tenant to the Transferee, in connection with the Transfer, (ii) any brokerage commissions and advertising expenses in connection with the Transfer, and (iii) reasonable legal fees incurred by Tenant in negotiating the Transfer and obtaining Landlord's consent thereto. "Transfer Premium" shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the Transferee in connection with such Transfer.

10.3 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 10, but subject to Section 10.6 below, if Tenant contemplates a Transfer to anyone other than an Affiliate pursuant to and in accordance with Section 10.6 below, and such Transfer, which when aggregated with all prior Transfers (other than prior Transfers to an Affiliate consummated in accordance with Section 10.6 below) pertains to more than twenty-five percent (25%) of the Premises, then Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture shall cancel and terminate this Lease, with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 10.3, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee.

10.4 Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or by an authorized officer of Tenant, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of this Lease from liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times and upon prior reasonable notice to Tenant to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within ten (10) days after demand, pay the deficiency together with interest thereon at the Interest Rate, and if found understated by more than five percent (5%), Landlord's cost of such audit.

10.5 Additional Transfers. Except as otherwise provided in Section 10.6 below, for purposes of this Lease, the term "Transfer" shall also include: (i) if Tenant is a partnership (including a limited liability partnership), the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof; and (ii) if Tenant is a closely held corporation or limited liability company (j&, whose stock or membership interests are not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, (B) the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares or membership interests of Tenant within a twelve (12)-month period (other than transfer of voting shares or membership interests to other existing members of Tenant upon the death or retirement of the transferring member, or to immediate family members by reason of gift or death) or (C) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12) month period.

10.6 Non-Transfers. Notwithstanding the foregoing provisions of this Article 10 to the contrary, Tenant may, without Landlord's approval or consent (i) assign this Lease in its entirety (or sublease all or any portion of the Premises) to any Affiliate of Tenant (as defined below), and/or (ii) enter into any of the transactions deemed an "assignment" pursuant to the provisions of Section 10.5 above (which is other than the dissolution of the partnership without immediate reconstitution thereof described in Section 10.5(i) above) with any such Affiliate, subject to the following conditions: (A) such assignment or sublease is not a subterfuge by Tenant, and such Affiliate was not created, to avoid Tenant's obligations under this Lease or this Article 10; (B) the Affiliate shall have assets sufficient, in Landlord's reasonable discretion, to meet (or provide Landlord with a letter of credit or other credit enhancements sufficient to secure) the Affiliate's obligations under the applicable assignment or sublease immediately after the effective date of the assignment or sublease, and shall continue to use the Premises for the permitted use set forth in this Lease; (C) any such assignment or sublease shall be subject and subordinate to all of the terms and provisions of this Lease, and any assignee under an assignment of this Lease (which for purposes hereof excludes any entity in a transaction involving only the transfer of Tenant's ownership interests so long as Tenant remains in existence after such transfer) shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord prior to the effective date of such assignment, all the obligations of Tenant under this Lease, and (D) such assignment or

sublease shall not relieve Tenant from any of its obligations under this Lease. As used herein, an "Affiliate" shall mean: (l) any entity resulting from a merger or consolidation of Tenant; (2) any entity succeeding to the business and assets of Tenant; or (3) any majority-owned or majority-controlled subsidiary or affiliate of Tenant. Under no circumstances shall any assignment or sublease to an Affiliate pursuant to the provisions of this Section 10.6 be subject to Landlord's right to receive any Transfer Premium or recapture the Premises pursuant to Sections 10.2 and 10.3 above.

ARTICLE 11- SUBORDINATION

This Lease is subject and subordinate to all present and future ground leases of the Real Property and to the lien of any mortgages or trust deeds, now or hereafter in force against the Real Property, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground leases, require in writing that this Lease be superior thereto. Notwithstanding any contrary provision of this Article II, a condition precedent to the subordination of this Lease to any future mortgage, deed of trust or ground lease is that Landlord shall obtain for the benefit of Tenant a commercially reasonable subordination, non-disturbance and attornment agreement from the mortgagee, beneficiary or lessor under such future instrument. Tenant covenants and agrees if any proceedings are brought for the foreclosure of any such mortgage, or if any ground lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds or ground leases. Tenant waives the provisions of any current or future Laws which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 12 - DEFAULTS AND REMEDIES

12.1 Tenant Default. The occurrence of any of the following shall constitute a default of this Lease by Tenant: (i) any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due, where such failure continues for five (5) days after written notice thereof from Landlord to Tenant; (ii) the abandonment of the Premises by Tenant; or (iii) any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, if the nature of Tenant's obligation is such that more than thirty (30) days are reasonably required for its performance then Tenant shall not be in default under this Lease if Tenant commences such performance within such 30-day period and thereafter diligently pursues the same to completion. Any such notice shall be in lieu of, and not in addition to, any notice required under any applicable Laws. Upon the occurrence of any such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive:

12.1.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor; and Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

12.1.2 Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying said Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, and relet the Premises and receive the rent therefor; and Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such reletting.

12.1.3 Enter upon the Premises, by force if necessary, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any reasonable, documented, out-of-pocket expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action, whether caused by the negligence of Landlord or otherwise.

12.1.4 Should Landlord at any time terminate this Lease for any Event of Default, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premises, and the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then-reasonable rental value of the Leased Premises for the remainder of the stated term such difference to be discounted to then-present value at a rate equal to Bank of America Prime plus one percent (1%) all of which amounts shall be immediately due and payable from Tenant to Landlord.

12.1.5 Require all rental payments by "subtenants" (including within that term the third parties occupying various portions of the building located on the Premises under the terms of sublease agreements with Tenant as sub-landlord) which would otherwise be paid to Tenant to be paid directly to Landlord and apply such rentals so paid to or collected by Landlord against any rents or other charges due to Landlord by Tenant hereunder. No direct collection by Landlord from any such "subtenants" shall release Tenant from the further performance of Tenants obligation hereunder. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. Failure by Landlord to enforce one or more of the remedies herein provided, upon any event of default shall not be deemed or construed to constitute a waiver of such default or of any other violations or breach of any of the terms, provisions and covenants herein contained. In determining the amount of loss or damage which Landlord may suffer by reason of termination of this Lease or the deficiency arising by reason of the reletting by Landlord as above provided, allowance shall be made for the expense of repossession and any repairs or remodeling undertaken by Landlord following repossession, and for any leasing commissions incurred by Landlord.

12.2 The following provisions of this Section 12.2 shall ove1Tide and control any conflicting provisions of this Lease as well as Section 93.002 of the Texas Property Code of 1990, as well as any successor statute governing the right of a Landlord to change the door locks of commercial tenants. In the event an event of default occurs, Landlord is entitled and is hereby authorized, without any further notice to Tenant whatsoever, to enter upon the Premises by use of a master key, a duplicate key, or other peaceable means, and to change, alter, and/or modify the door locks on all entry doors of the Premises, thereby permanently excluding Tenant and its principals, officers, agents, employees, representatives, invitees, licensees and assignees therefrom. In the event that Landlord has either permanently repossessed the Premises pursuant to the foregoing provisions of this Lease, or has terminated this Lease by reason of Tenant's default, Landlord shall not thereafter be obligated to provide Tenant with a key to the Premises at any time, regardless of any amounts subsequently paid by the Tenant; provided, however, that in any such instance, during Landlord's normal business hours and at the convenience of Landlord, and upon receipt of written request from Tenant accompanied by such written waivers and releases as the Landlord may require, Landlord will (at Landlord's option) either (i) escort Tenant or its authorized personnel to the Premises to retrieve any personal belongings or other property of Tenant not subject to the Landlord's statutory lien or the lien and security interest granted in this Lease, or (ii) obtain a list from Tenant of such personal property as Tenant intends to remove, whereupon, Landlord shall remove such property and make it available to Tenant at a time and place designated by Landlord. However, if Landlord elects option (ii), Tenant shall pay, in cash in advance, all costs and expenses estimated by Landlord to be incurred in removing such property and making it available to Tenant and all moving and/or storage charges theretofore incurred by Landlord with respect to such property. If Landlord elects to exclude Tenant from the Premises without permanently repossessing or terminating pursuant to the foregoing provisions of this Lease, then Landlord shall not be obligated to provide Tenant a key to re-enter the Premises until such time as all delinquent Rent and other amounts due under this Lease have been paid in full and all other defaults, if any, have been completely cured to Landlord's satisfaction (if such cure occurs prior to any actual permanent repossession or termination), and Landlord has been given assurance reasonably satisfactory to Landlord evidencing Tenant's ability to satisfy its remaining obligations under this Lease. During any such temporary period of exclusion, Landlord will, during Landlord's regular business hours and at Landlord's convenience, upon receipt of written request from Tenant (accompanied by such written waivers and releases as Landlord may require), escort Tenant or its authorized personnel to the Premises to retrieve personal belongings of Tenant or its employees, and such other property of Tenant as is not subject to the Landlord's statutory lien or the

lien and security interest granted in this Lease.

12.3 The following provisions of this Section 12.3 shall override and control any conflicting provisions of this Lease as well as Section 93.002 of the Texas Property Code of 1990, as well as any successor statute governing the abandonment of the Premises by a commercial tenant. Tenant hereby agrees that Tenant shall be presumed to have abandoned the Premises if (i) Tenant informs Landlord in writing or orally that Tenant intends to cease conducting its business in the Premises for a period of more than fifteen (15) consecutive days or (ii) the Tenant ceases to conduct its business activities on the Premises for a period of more than fifteen (15) consecutive days. Upon the abandonment of the Premises by Tenant, or upon either the termination of this Lease or the Tenant's right to possession of the Premises, Landlord may remove and store at a location acceptable to the Landlord any property of Tenant that remains on the Premises. The cost of such storage shall be at the expense of Tenant, and payable to Landlord upon demand. Tenant specifically authorizes Landlord to deliver any such property to third parties who make claims against such property or who claim to have a valid security interest in such property superior to the claim of Landlord. Landlord is entitled to rely (without any duty to investigate or corroborate independently such claim) upon any evidence of the rights and claims of such third parties presented to Landlord, which evidence Landlord believes in its sole judgement gives such third parties the right to possess the property, and Tenant hereby releases Landlord and the Landlord Parties from any and all liability, claims, causes of action and damages that Tenant may have because of any action or omission (including negligence) by such parties in connection with the return or delivery of such property to third parties. In addition to Landlord's other rights and remedies under this Lease or the law, as may exist from time to time, Landlord may dispose in any way of the remaining property left by Tenant in the Premises if Tenant does not physically claim and actually remove such property within fourteen (14) days after the date on which Landlord mails written notice by certified mail to Tenant at Tenant's last known address as reflected in records of Landlord stating that Landlord has recovered possession of the Premises and intends to dispose of the remaining property of Tenant located therein after such 14-day period. Nothing contained herein, however, shall be deemed to be construed to be a waiver or subordination of Landlord's statutory or contractual liens hereunder, and Landlord shall not be obligated to return any of Tenant's property remaining in the Premises after abandonment if such property is covered by any of Landlord's liens.

12.4 Landlord's Default. Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if (i) in the event a failure by Landlord is with respect to the payment of money, Landlord fails to pay such unpaid amounts within five (5) days after receipt of notice from Tenant that the same was not paid when due, or (ii) in the event a failure by Landlord is other than (i) above, Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for its performance, then Landlord shall not be in default under this Lease if Landlord commences such performance within such 30-day period and thereafter diligently pursues the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity (provided, however, in no event shall Landlord be liable to Tenant for lost profits, loss of business or other consequential damages).

12.5 No Waiver. Any waiver of any of the terms, provisions and covenants contained in this Lease must be in writing to be deemed effective. The acceptance of any Rent by Landlord following the occurrence of any default by Tenant, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

12.6 Landlord Lien. In addition to the statutory landlord's lien, Landlord shall have at all times, and Tenant does hereby grant to Landlord, a valid contractual lien and security interest upon all buildings and other improvements of Tenant and upon all goods, wares, equipment, fixtures, furniture and other personal property of the Tenant presently or which may hereafter be situated on the Premises, and all proceeds therefrom, to secure the payment by Tenant of all rentals and other sums of money due hereunder, and such property shall not be removed without the consent of Landlord until all arrearages in rent as well as any other sums of money then due to Landlord hereunder shall first have been paid and discharged. Upon the occurrence of an event of default by Tenant, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property of Tenant situated on the premises, without liability for trespass or conversion, and sell all or any part of the same at one or more public or private sales after giving Tenant reasonable notice of the time and place of any public sale or sales or of the time after which any private sale or sales are to be made, with or without having such property at the sale, at which Landlord or its assigns may purchase such property to be sold, being the highest bidder therefor. The requirement of reasonable notice to Tenant hereunder shall be met if such notice is given in the manner prescribed in Section 13.16 of this Lease at least five (5) days before the time of sale. The proceeds from any such disposition less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorney's fees and legal expenses) shall be applied as a credit against any sums due by Tenant to Landlord. Any surplus shall be paid to Tenant or as otherwise required by law. In addition to all of its rights hereunder, Landlord shall have all of the rights and remedies of a secured party under the Texas Uniform Commercial Code, as amended. Upon request by Landlord, at any time and from time to time, Tenant agrees to execute and deliver to Landlord financing statements and other instruments in form sufficient to perfect and maintain the security interest of Landlord in the above-mentioned property and proceeds thereof under the provisions of the Texas Uniform Commercial Code.

ARTICLE 13 - MISCELLANEOUS PROVISIONS

13.1 Terms: Captions. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

13.2 Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 10 above.

13.3 Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent and on keeping, observing and performing all the other terms, covenants and conditions required under this Lease, Tenant shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

13.4 Transfer of Landlord's Interest. Landlord has the right to transfer all or any portion of its interest in the Real Property and in this Lease, and in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease arising after such transfer, and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer.

13.5 Prohibition Against Recording. Neither party shall record this Lease or any writing with respect thereto.

13.6 Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

13.7 Tenant's Signs. Tenant shall be entitled, at its expense, to one (l) identification sign on or near the entry doors of the Premises only, which signage shall be consistent with the Building's signage program. Any signs, window coverings or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

13.8 Application of Payments. Landlord may apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

13.9 Time of Essence. Time is of the essence of this Lease and each of its provisions.

13.10 Partial Invalidity: Independent Covenants. If any term, provision or condition contained in this Lease shall be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and shall be valid and enforceable as permitted by law. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent, and Tenant agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

13.11 Landlord Exculpation. Notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable Law to the contrary, the liability of Landlord and the Landlord Parties under this Lease (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited to an amount which is equal to the interest of Landlord in the Real Property, and neither Landlord nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

13.12 Entire Agreement. There are no oral agreements between Landlord and Tenant affecting this Lease and this Lease (i) supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between the parties, (ii) contains all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, and (iii) shall be considered to be the only agreement between the parties. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by Landlord and Tenant.

13.13 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building and Real Property as Landlord shall determine in its sole discretion. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Real Property.

13.14 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "Force Majeure"), shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage caused by a Force Majeure.

13.15 Waiver of Redemption. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

13.16 Notices. All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier service (e.g., Federal Express) or delivered personally (i) to Tenant at the appropriate address set forth in the Preamble, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the address set forth in the Preamble, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (A) on the date delivered or rejected if it is mailed as provided in this Section 13.16, or (B) upon the date personal delivery is made or rejected, or (C) upon the date which is one (l) business day after it is sent by nationally recognized overnight courier, as the case may be.

13.17 Authority. Tenant represents and warrants that Tenant is in good standing and qualified to do business in Texas and has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

13.18 Jury Trial: Attorneys' Fees. IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, (i) THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY, AND (ii) THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY SUCH COSTS AND REASONABLE ATTORNEYS' FEES AS MAY HAVE BEEN INCURRED.

13.19 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Texas.

13.20 Estoppels. Within ten (10) days following a request by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be in the form required by Landlord or any prospective mortgagee or purchaser of the Building. Failure of Tenant to timely execute and deliver such estoppel certificate shall constitute an acceptance of the Premises and an acknowledgment that statements included in the estoppel certificate are true and correct, without exception.

13.21 Broker. Each party hereby warrants to the other party that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting Keller Williams City View, representing Tenant (the "Broker"), and that it knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Broker a commission in connection with this Lease pursuant to a separate agreement between Landlord and the Broker. Each party shall indemnify, defend and hold the other party harmless from and against any and all Claims with respect to any leasing commission or equivalent compensation alleged to be owing in connection with this Lease on account of the indemnifying party's dealings with any real estate broker or agent other than the Broker.

13.22 Entry by Landlord. Landlord may at all reasonable times and upon prior notice to Tenant enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants; (iii) post notices of non-responsibility; or (iv) alter or repair the Premises or the Building if necessary to comply with all applicable Laws, or for structural alterations, repairs or improvements to the Building. No notice shall be required in emergency situations and/or to perform janitorial or other services required of Landlord pursuant to this Lease. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any Injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord may use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

13.23 Landlord Renovations. Landlord may, at its option, renovate, improve, or modify (collectively, the "Renovations") all or any portion of the Real Property, and in connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Real Property, including portions of the common areas, or perform work in the Building and/or the Real Property, which work may create noise, dust or leave debris. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent and Tenant hereby waives all Claims against Landlord arising from such Renovations.

13.24 Parking. Tenant shall have the right during the Lease Term to use up to, but not exceeding, thirty-four (34) unassigned parking spaces, at the prevailing parking rate for unassigned parking spaces in the Building Parking Area (plus all applicable taxes). Landlord currently does not charge for parking in the Building Parking Area but reserves the right to do so in the future at a reasonable rate comparable to other such parking in the immediate geographical area and, in such event, parking charges shall be considered Additional Rent and shall be due and payable monthly without notice or demand, on or before the 1st day of each calendar month. Tenant's right to use such unassigned parking space, and Tenant's employees', customers', service suppliers' and/or invitees' use of the Building Parking Area from time-to-time during the Lease Term, shall at all times be subject to: (i) Landlord's right to establish reasonable rules and regulations applicable to such use and to exclude any person therefrom who is not

authorized to use the same or who violates such rules and regulations; (ii) the rights of Landlord and other tenants in the Building to use the same in common with Tenant and such employees, customers, service suppliers and invitees; (iii) the availability of parking spaces in said Building Parking Area; (iv) Landlord's right to change the configuration of the parking areas and any assigned and unassigned parking spaces as Landlord determines in its reasonable discretion; and (v) if applicable, the payment of parking rates for the use of any parking spaces in the Building Parking Area at the prevailing visitor parking rates for any parking spaces so used by Tenant and Tenant's employees, customers, service suppliers and invitees. Landlord shall not be liable for personal injury or theft, for damage to any motor vehicle, or for loss of property from within any motor vehicle, which is suffered by Tenant or any of its employees, customers, service suppliers or other invitees in connection with their use of the Building Parking Area.

13.25 Rules and Regulations. It is understood and agreed that the Rules and Regulations are supplemental to the terms and conditions of this Lease and shall not be construed or interpreted so as to amend, modify or waive any of the terms or conditions of this Lease. It is further understood and agreed that in the event of any conflict between the terms and conditions of this Lease and the provisions of the Rules and Regulations in force from time to time, then in such event, the terms and conditions of this Lease shall apply.

13.26 Holding Over. If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be a tenancy at sufferance only, and in such case Base Rent shall be payable at a monthly rate equal to twice the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such holdover shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 13.26 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease and such failure continues for at least ten (10) days after such termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all Claims resulting from such failure, including, without limitation, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

ARTICLE 14 - EXTENSION OPTION

14.1 Extension Option. Landlord hereby grants Tenant two (2) options (each, an "Extension Option") to extend the then current Lease Term for a period of three (3) years, each (each, an "Option Term"). Notwithstanding the foregoing, at Landlord's option, in addition to any other remedies available to Landlord under the Lease, at law and/or in equity, an Extension Option shall not be deemed properly exercised if as of the date of delivery of the Exercise Notice (as defined below) for such Extension Option by Tenant, Tenant is in default under the Lease beyond any applicable notice and cure period. Upon the proper exercise of the applicable Extension Option, the then-existing Lease Term shall be extended for the applicable Option Term. Each Extension Option is personal to the original Tenant executing this Lease (the "Original Tenant") and may only be exercised by the Original Tenant (and not any assignee, sublessee or other transferee of Tenant's interest in the Lease) if the Original Tenant occupies the entire Premises as of the date of Tenant's delivery of the Exercise Notice for such Extension Option.

14.2 Option Rent. The annual Base Rent payable by Tenant during each Option Term (the "Option Rent") shall be equal to the greater of: (i) the annual Base Rent payable by Tenant during the last year of the then-current Lease Term; or (ii) the Fair Market Rental Rate for the Premises. As used herein, the "Fair Market Rental Rate" for purposes of determining the annual Base Rent for the applicable Option Term shall mean the annual base rent at which non-equity tenants, as of the commencement of such applicable Option Term, will be leasing non-sublease, non-equity, unencumbered office space comparable in size, location and quality to the Premises for a comparable term, which comparable space is located in the Building Complex and in other comparable medical office buildings located in San Antonio, Texas, taking into consideration all free rent and other out-of-pocket concessions generally being granted at such time for such comparable space for such applicable Option Term (including, without limitation, any tenant improvement allowance provided for such comparable space, with the amount of such tenant improvement allowance to be provided for the Premises during such applicable Option Term to be determined after taking into account the age, quality and layout of the tenant improvements in the Premises as of the commencement of such applicable Option Term with consideration to the fact that the improvements existing in the Premises are specifically suitable to Tenant).

14.3 Exercise of Option. Each Extension Option shall be exercised by Tenant, if at all, only in the following manner: (i) Tenant shall deliver written notice ("Interest Notice") to Landlord not more than twelve (12) months nor less than six (6) months prior to the expiration of the then-current Lease Term stating that Tenant may be interested in exercising such Extension Option; (ii) Landlord, within thirty (30) days after receipt of Tenant's Interest Notice, shall deliver written notice (the "Option Rent Notice") to Tenant setting forth the Option Rent for the applicable Option Term; and (iii) if Tenant wishes to exercise such Extension Option, Tenant shall, on or before the date (the "Exercise Date") which is thirty (30) days after Landlord delivers the Option Rent Notice to Tenant, exercise such Extension Option by delivering written notice ("Exercise Notice") thereof to Landlord. Tenant's failure to deliver the Interest Notice or Exercise Notice for the applicable Extension Option on or before the applicable delivery dates therefor specified hereinabove, shall be deemed to constitute Tenant's waiver of such applicable Extension Option and any subsequent Extension Option.

14.4 Determination of Option Rent. Tenant shall have no right to object to the Option Rent for an Option Term provided by Landlord, and if Tenant disagrees with Landlord's determination of the Option Rent for an Option Term but Landlord and Tenant are unable to resolve such disagreement as to the Option Rent for such Option Term prior to the applicable Exercise Date, then either (i) Tenant shall accept Landlord's determination of the Option Rent for such Option Term by exercising the Extension Option by delivering Tenant's Exercise Notice to Landlord on or before the applicable Exercise Date, or (ii) Tenant shall be deemed to have relinquished the Extension Option in question, in which event the Extension Option and any subsequent Extension Option shall be null and void as of the Exercise Date, and Landlord and Tenant shall have no further liability to the other under this Article 14.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"Landlord":

343 West Sunset, LLC,
a Texas limited liability company

By: /s/ Peter J. Markwardt
Name: Peter J. Markwardt
Title: Partner
Date: 07/31/2019

"Tenant":

Village Oaks Pathology Services, P.A.,
a Texas professional association d/b/a Precision Pathology

By: /s/ Roby Joyce
Name: Roby Joyce
Title: President
Date:

Exhibit 10.9

Assignment and Assumption Agreement

This Assignment and Assumption Agreement (the "***Agreement***"), effective as of September 18, 2023 (the "***Effective Date***"), is by and between Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services ("***Seller***"), and Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("***Buyer***").

WHEREAS, Seller and Buyer have entered into a certain ASSET PURCHASE AGREEMENT, dated as of September 18, 2023 (the "***Purchase Agreement***"), pursuant to which, among other things, Seller has agreed to assign all of its rights, title and interests in, and Buyer has agreed to assume all of Seller's duties and obligations under, the Assumed Contracts and the Assumed Leases (each of the foregoing as defined in the Purchase Agreement).

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Purchase Agreement.

2. Assignment and Assumption. Seller hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller's right, title and interest in and to the Assumed Contracts and the Assumed Leases. Buyer hereby accepts such assignment and assumes all of Seller's duties and obligations under the Assumed Contracts and the Assumed Leases and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller under the Assumed Contracts and the Assumed Leases accruing on and after the Effective Date.

3. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assumed Contracts and the Assumed Leases are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction).

5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, .pdf, DocuSign, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

6. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

BUYER:

PRECISION PATHOLOGY LABORATORY SERVICES, LLC

By: /s/ Maria Zannes
Name: Maria Zannes
Title: Manager

SELLER:

VILLAGE OAKS PATHOLOGY SERVICES, P.A., D/B/A PRECISION PATHOLOGY SERVICES

By: /s/ Roby P. Joyce, M.D.
Name: Roby P. Joyce, M.D.
Title: President

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august 9 2019 to
august 9 2024
Panther Reagent Rental

Superceded 12/20/22
See amendment No.3

HOLOGIC®
The Science of Sure

Equipment Usage Attachment

Customer Name ("CUSTOMER")	Customer Number	Purchase Order Number
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Abigail Dunphey	(210) 646-0890	invoices@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery (210) 241-3334 mindy.thiery@hologic.com
Term of Agreement: 60 Months		

This Reagent Rental Attachment ("Attachment") by and between Gen-Probe Sales & Service, Inc., together with its subsidiaries and affiliates ("Hologic"), and Customer (as defined above) (collectively, the "Parties") is effective as of the date of full execution by the Parties (the "Effective Date") and is executed in connection with that certain Sale Agreement dated 08-09-2019 between Customer and Hologic, Inc., together with its subsidiaries and affiliates ("Sale Agreement") (this Attachment and the Sale Agreement are collectively referred to herein as the "Agreement"). To the extent not modified by this Attachment, the terms and conditions of the Sale Agreement are incorporated herein in full as if fully stated herein. Any capitalized terms contained in the Sale Agreement and not defined herein shall take the meaning as defined in the Sale Agreement.

General Terms:

1. **Equipment:** In consideration of the Purchase Commitment, Hologic will provide Customer with the use of the Equipment ("Equipment") specified below for the Term, which shall include on-site installation and training by Hologic authorized personnel. Hologic will retain title to the Equipment during the Term and may file a standard Uniform Commercial Code ("UCC") Form 1 to perfect its interest in the Equipment. Customer will notify Hologic immediately if any attachment, encumbrance, lien or security interest is filed or claimed and will indemnify Hologic for any loss or damage, including reasonable attorneys' fees. Customer shall remain responsible for the normal care and maintenance of the Equipment. Should Customer be in Material Breach, Hologic may immediately require Customer to arrange the return of any Hologic-owned Equipment to Hologic.
2. **Location and Care of Equipment; Labels.** Customer will not make any changes to the Equipment. Customer will use the same standard of care to protect the Equipment from loss and damage as it uses to protect its own equipment. Customer will use the Equipment only at the Customer address noted in this Attachment and shall not move or otherwise relocate the Equipment without Hologic's prior written consent. If Customer requires the Equipment to be relocated, Customer agrees to contact Hologic's service department to make arrangements for Hologic authorized personnel to relocate the Equipment and Customer shall pay for all costs associated with such relocation. Customer will not remove any labels, tags, symbols or serial numbers that may be affixed to any items of Equipment unless removal is required or approved by Hologic in writing.
3. **Order Management.** Customer shall place all orders concerning this Attachment directly with Hologic, at 250 Campus Drive, Marlborough, MA 01752. **Orders may be placed by: Phone at 800-442-9892, Fax at 800-409-7591 or at CustomerSupport@hologic.com.**
4. **Modifications.** The Sale Agreement shall continue in full force and effect in accordance with its terms as stated therein, but, to the extent expressly modified by this Attachment, the provisions of this Attachment shall supersede those of the Sale Agreement with respect to this Attachment only.
5. **Term Completion.** At the end of the Term, Customer agrees to arrange the return of any Hologic-owned Equipment promptly to Hologic.

Program Terms:

1. **Term.** The initial term of this Attachment shall begin on the Effective Date and terminate upon completion of the "Term of Agreement" period designated above ("Initial Term"). Following the Initial Term and, if Customer

has complied with all of the terms of the Agreement, including, but not limited to, paying all monies due and owed to Hologic, and is not in material breach hereof, this EUP Attachment shall automatically renew on an annual basis (each a "Renewal Term") unless either Party provides written notice to the other Party of its intention not to renew ninety (90) days before the end of the then current term. Hereinafter, the Initial Term and all Renewal Terms shall be collectively referred to as the "Term."

2. **Servicing of Equipment.** Hologic shall provide service for the Equipment during the Term.
3. **Training.** Hologic shall provide on-site training.
4. **Purchase Commitment.** The Customer agrees to pay to Hologic the total price per kit as indicated during the Term. Customer agrees to purchase enough kits or boxes (as applicable) to run ("Purchase Commitment"), each year for the duration of the Agreement. The Parties agree that the Commitment represents the minimum quantity to be purchased by Customer on an annual basis. All purchases made in a given annual period shall apply to the purchase commitment for that annual period only and shall not be applied to any future Contract Year. Each twelve (12) month period beginning on the Effective Date is a "Contract Year." If Customer does not order and pay for the quantity listed for each Product Category ("Estimated Yearly Quantity") within any 12 month period ("Minimum Purchase Obligation"), then Hologic may require Customer to pay, at the end of the 12 month period, the difference between the Minimum Purchase Obligation and the amount actually paid by Customer during that period for the Product ("Minimum Purchase Obligation Payment"). Customer must make this Minimum Purchase Obligation Payment within 30 days of the date of Hologic's invoice. Also, Hologic may increase pricing by up to 5% for the rest of the Term for any Product for which Customer does not meet the Minimum Purchase Obligation. Hologic's use of the remedies in this section does not preclude it from pursuing remedies stated elsewhere in the Agreement.

Panther Program Terms:

1. **Term.** The initial term of this Attachment shall begin on the Effective Date and terminate upon completion of the "Term of Agreement" period designated above ("Initial Term"). Following the Initial Term and, if Customer has complied with all of the terms of the Agreement, including, but not limited to, paying all monies due and owed to Hologic, and is not in material breach hereof, this Attachment shall automatically renew on an annual basis (each a "Renewal Term") unless either Party provides written notice to the other Party of its intention not to renew ninety (90) days before the end of the then current term. Hereinafter, the Initial Term and all Renewal Terms shall be collectively referred to as the "Term."
2. **Panther Service.**
    1. **SERVICES INCLUDED.** During the Term, the following service will be provided:
        1. Labor, necessary replacement parts (excluding disposables which include, but are not limited to, tips, MTU's, TTU's, waste bags, and bench covers), and Hologic travel expenses.
        2. Preventative maintenance by Hologic service technician according to operator's or user's manual, (Monday through Friday only).
        3. Equipment repair for reasons other than those listed below under Services Excluded.
        4. Access to Hologic Technical Support telephone support, Monday through Friday, 5:00 AM to 5:00 PM Pacific Standard Time (excluding Hologic holidays).
        5. Telephone Number for all Technical Support: 888-484-4747
        6. Factory authorized updates or modifications, including parts.
    2. **Service Representative Dispatch and PRO360° REMOTE DIAGNOSTICS**
        1. Representative on site within 24 hours (Monday – Friday) if PRO360° Remote Diagnostics Management is installed.
        2. Representative on site within 48 hours (Monday – Friday) if PRO360° Remote Diagnostics is not installed. Service response times are predicated upon the Equipment operator being willing and able to transfer Equipment log files to Hologic when instructed by Hologic Technical Support using the protocol described in the Equipment Operator's Manual.
    3. **SERVICES EXCLUDED.** The services excluded under the Standard Service option are the following:
        1. Any repair required because of causes other than use of the Equipment pursuant to the operator's or user's manual. Such causes include, but are not limited to: misuse, abuse, improper use, casualty loss, neglect, reprogramming error, malfunction or failure of environmental control Equipment, electrical Equipment malfunction or failure, repair maintenance, modification, relocation, or reinstallation by other than Hologic authorized personnel, installation of commercial or non-Equipment software, use of any other tips on the

Equipment other than TECAN Tips, or acts of God, fire, flood, earthquake, or other natural causes.

2. Routine tasks, other than those performed by Hologic during preventative maintenance visits, covered in the operator's or user's manual, such as cleaning and maintenance.
3. Supply items (including, but not limited to, those items listed in the package insert or manual as "materials required but not provided," TECAN Tips, bleach, squirt bottles, paper towels, and other such items that are needed for general use but not specifically by the Equipment) and consumable items.
4. Relocation of Equipment.
5. Note: Labor and materials charges for all of the excluded services will be billed at rates prevailing at the time of service.

4. **CUSTOMER OBLIGATIONS.** Prior to any shipment of repair parts or visit by Hologic service representative, Customer must perform all pertinent diagnostic programs, tests, simple/ basic troubleshooting and provide an accurate description of the failure/error.
5. **REPLACED OR REMOVED PARTS.** All parts replaced or removed under this Agreement become the property of Hologic.

3. **Training:** Hologic will provide training for two (2) operators, at Hologic's training facility to include roundtrip airfare, ground transportation, hotel accommodations and meals.
4. TECAN tips (catalog # 10612513) are the only tips that Hologic has validated for use on the Equipment. Hologic does not support the use of non-TECAN tips on the Equipment as stated in the Equipment Operator's Manual and pursuant to the terms of the warranty for the Equipment. TECAN tips (catalog #10612513) can be directly ordered from TECAN U.S. at 800-352-5128.
5. **Purchase Commitment.** The Customer agrees to pay to Hologic the total price per kit as indicated during the Term. Customer agrees to purchase enough kits or boxes (as applicable) to run ("Purchase Commitment"), each year for the duration of the Agreement. The Parties agree that the Commitment represents the minimum quantity to be purchased by Customer on an annual basis. All purchases made in a given annual period shall apply to the purchase commitment for that annual period only and shall not be applied to any future Contract Year. Each twelve (12) month period beginning on the Effective Date is a "Contract Year." If Customer does not order and pay for the quantity listed for each Product Category ("Estimated Yearly Quantity") within any 12 month period ("Minimum Purchase Obligation"), then Hologic may require Customer to pay, at the end of the 12 month period, the difference between the Minimum Purchase Obligation and the amount actually paid by Customer during that period for the Product ("Minimum Purchase Obligation Payment"). Customer must make this Minimum Purchase Obligation Payment within 30 days of the date of Hologic's invoice. Also, Hologic may increase pricing by up to 5% for the rest of the Term for any Product for which Customer does not meet the Minimum Purchase Obligation. Hologic's use of the remedies in this section does not preclude it from pursuing remedies stated elsewhere in the Agreement.
6. **Ramp Up Period.** For the first six (6) months after the installation of Equipment ("Ramp Up Period") the Customer may purchase supplies on an as needed basis. At the end of the six (6) months Ramp Up Period, and for the remainder of the Contract Term, the Annual Volume Purchase Commitment will be in effect. Should Customer not meet the Purchase Commitment after the first year, Hologic and Customer will renegotiate volume commitment and pricing in good faith.
7. **Catastrophic Business Loss.** If Customer suffers a catastrophic business loss, (defined by fifty percent (50%) of loss of current contracted business under the Agreement compared to the prior twelve months), Customer will notify Hologic of becoming aware of such catastrophic business loss. Upon such notification, Hologic and Customer agree to renegotiate in good faith the pricing and/or minimum purchase commitment. Any such changes will take effect on a prospective basis upon execution of a written amendment signed by the Parties memorializing the same. In the event that the Parties are unable to reach an amendment for new pricing and a new purchase commitment, either Party may terminate the Agreement by giving the other Party ninety (90) days' prior written notice of such termination. The Parties further agree and acknowledge that Customer shall be responsible for its obligations under the Agreement, including but not limited to the Purchase Commitment, until such termination becomes effective.

CT/NG

- Commitment Period: Annually
- Number of Committed Tests: 4,500
- Price Per Test: $12.00

Product #	Description	Quantity of Tests per Kit/Box	Price per Kit/Box	Included In Commitment
303094	APTIMA COMBO 2, 250-TEST KIT, PANTHER	250	$3,000.00	Yes
302923	APTIMA COMBO 2, 100-TEST KIT, PANTHER	100	$1,200.00	Yes

HPV

- Commitment Period: Annually
- Number of Committed Tests: 5,200
- Price Per Test: $13.60

Product #	Description	Quantity of Tests per Kit/Box	Price per Kit/Box	Included In Commitment
303570	HPV 100-TEST KIT, AS, US IVD	100	$1,360.00	Yes
303585	HPV 250 TEST KIT, PANTHER, US IVD	250	$3,400.00	Yes

Collection Devices

- Commitment Period: Annually
- Number of Committed Tests: 5,000
- Price Per Test: $1.25

Product #	Description	Quantity of Tests per Kit/Box	Price per Kit/Box	Included In Commitment
301040	KIT,APTIMA CMB2URINE SPEC COLL	50	$62.50	Yes
301041	KIT, UNISEX SPEC COLL, APTIMA	50	$62.50	Yes
PRD-03546	BOX OF SPECIMEN COLLECTION KITS, MULTITEST SWAB (IVD)(50 PK)	50	$62.50	Yes
301154C	KIT, APTIMA LPT-IVD SALES BOM off the pap	100	$120.00	Yes
~~105575~~	~~APTIMA URINE COLLECTION TUBES~~	~~100~~	~~$120.00~~	~~Yes~~

Non-Committed, No Cost Additionals for Panther

Product Number	Description	Price per Kit/Box
301110	APTIMA CNTRLS KIT (1 TRAY) IVD	$0.00
303010	KIT, HPV, APTIMA, CALIBRATORS, IVD	$0.00
303011	KIT, HPV, APTIMA, CONTROLS, IVD	$0.00
303235	APTIMA HPV 16 18/45 CALS,IVD	$0.00
303096	RUN KIT, PANTHER	$0.00
303085	ADVANCED CLEANING SOLUTION	$0.00
CL0041	CAPS,AMP/P.R.S.(CL0045)DIAG.	$0.00
CL0040	CAPS,TCR/SEL.(CL0038) DIAG.	$0.00
501604	SPARE CAPS, PP, 60ML, TCR APTIMA 2X50	$0.00
501616	SPARE CAPS,30ML TUBE (501213)DIAGNOSTICS	$0.00
105668	APTIMA PENETRABLE CAPS	$0.00

Cost-per-reportable (CPR) HPV Genotype

Product Number	Description	Price per Test
303236-CPR	KIT,APTIMA HPV16 18/45 PANTHER RGTS, IVD COST REPORTABLE	$13.00

However, 0.00 will be invoiced.

Equipment

Product #	Description	Unit Value	Unit Price	Serial Number	Quantity to Ship
303095	PANTHER INSTRUMENT SYSTEM, DX	$175,000.00	Included		1
902568	PRO360 SOFTWARE V1.0.0	$0.00	Included		1

Additional Terms:

- **Laboratory Information System.** In consideration of Customer's Minimum Purchase Obligation (defined herein), Hologic agrees to reimburse a Laboratory Information System vendor ("Vendor") of Customer's choosing, up to a maximum of the amount USD 7,500.00 towards the development of an interface between the Equipment's reporting system and Vendor ("Interface Payment"); provided that, i) Customer provides Hologic with advance written notice of its intent to proceed with the interface development ("Notice to Proceed"), which notice must be received by Hologic within ninety (90) days of the Effective Date of the Agreement; ii).the interface development starts no later than six (6) months from the date of the Notice to Proceed and is fully developed for Customer's use within six (6) months of the development start date; iii) Customer meets its Purchase Commitment (to determine this, divide the Annual Minimum by two to arrive at Minimum Purchase Obligation for the subject six (6) month period); and iv) Customer or Vendor provides Hologic with a copy of all invoices for the interface development in support of the amount to be reimbursed. Hologic will not issue the Interface Payment unless the foregoing conditions are met.

- Applicable approximate shipping and handling charges for the Equipment and components are included in the quote and will be paid by Hologic.

- **Cost Per Reportable Pricing.** Each month during the Term, Hologic may provide Customer up to three (3) of each kit under the Cost per Reportable ("CPR") program (the "CPR Kit[s]") at no charge. Customer agrees to submit to Hologic the total number of reportable results for the prior month by the 10th of each month for the CPR Kits, and Customer will be invoiced for the reportables submitted. Customer will submit the number of reportable results using the form attached as Exhibit 1. This form will be faxed to Hologic Customer Service at 1-800-409-7591 or emailed to CustomerSupport@hologic.com. Failure to submit this form by the 10th of each month may result in the delay of shipment of CPR Kits to Customer. At the request of Hologic, Customer agrees to submit to Hologic its monthly line-item log of results reported. Hologic reserves the right to perform a business review of the CPR usage and pricing at any time, and may adjust pricing or discontinue providing CPR Kits to Customer and terminate the CPR program with 10 days' notice to Customer.

Signatures Appear On Following Page

Accepted and agreed to:

Customer (by its authorized representative)		Gen-Probe Sales & Service, Inc. (by its authorized representative)	
For: Village Oaks Pathology Svcs, PA dba Precision Path Roby P. Joyce, MD	President	2019.08.09 17:15:47 -06'00'	
Name	Title		
	8/9/19		
Signature	Date	Signature	Date

The offer contained in this Agreement is null and void if this Agreement is not executed by Customer (and returned to Hologic) on or before 10/5/2019 ("Offer Expiration Date"), or accepted by Hologic as indicated by Hologic's signature above.

PLEASE FAX OR EMAIL COMPLETED AND SIGNED AGREEMENT TO
nationalcontracts@hologic.com
OR (844) 749-3816

EXHIBIT 1

Cost Per Reportable Submission Form

Customer Name ("CUSTOMER")	Customer Number	Purchase Order Number
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Abigail Danphey	(210) 646-0890	invoices@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery (210) 241-3334 mindy.thiery@hologic.com

Cost per Reportable Pricing

Customer agrees to submit to Hologic the total number of reportable results for the prior month by the 10th of each month for the CPR Kits, and Customer will be invoiced for the reportables submitted. Customer will submit the number of reportable results using the form attached as Exhibit 1. This form will be faxed to Hologic Customer Service at 1-800-409-7591 or emailed to CustomerSupport@hologic.com. Failure to submit this form by the 10th of each month may result in the delay of shipment of CPR Kits to Customer.

Cost-per-reportable (CPR) HPV Genotype

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
303236-CPR	KIT,APTIMA HPV16 18/45 PANTHER RGTS, M/D COST REPORTABLE	$13.00	

Months Reported: _____

Date Submitted: _____

Purchase Order Number to reference, if needed: _____

Please submit this form by fax by the 10th of each month to Hologic's Customer Service 800-409-7591 or via email at CustomerSupport@hologic.com.

Sale Agreement

This Sale Agreement by and between Hologic, Inc., together with its subsidiaries and affiliates ("Hologic"), and PRECISION PATHOLOGY SERVICES ("Customer") (collectively, the "Parties") is effective from the date of full execution by the Parties (the "Effective Date"). The Parties agree that the terms and conditions contained herein ("Terms") apply to the sale or use of Hologic medical equipment ("Medical Equipment"), Hologic aesthetic equipment ("Aesthetic Equipment"), (Medical Equipment and Aesthetic Equipment, collectively "Equipment") and Hologic supplies ("Supplies") (Equipment, Supplies, and any included Software, as defined in Section 14, collectively, "Product(s)") between Hologic and Customer (collectively "Party" or "Parties,") as more particularly described in the applicable Hologic quote(s) or other purchasing program documents ("Attachment" or "Attachments") attached to this Agreement. The term of this Agreement shall begin on the Effective Date and shall run concurrent with the term of each applicable Attachment. The Parties, intending to be legally bound, agree as follows:

1. Agreement.. These Terms, together with the applicable Hologic quote(s) or other attachments or other purchasing program documents executed by the Parties, constitute the entire agreement between the Parties (the "Agreement") with respect to the Products. This Agreement supersedes all other quotations, agreements, understandings, warranties and representations (whether written or oral) between the Parties with respect to the subject matter set forth in this Agreement. Any Customer documentation (including Customer's purchase order terms and conditions) that conflicts with or attempts to modify this Agreement in any way is hereby rejected and of no effect unless specifically agreed to in writing and signed by the Parties. Customer acknowledges that there are no warranties or representations which have been made by Hologic or any of its agents other than those expressly contained herein. If any action in law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party is entitled to reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which the Party may be entitled. No provision of this Agreement shall be waived, amended, modified, superseded, canceled, terminated, renewed, or extended except in a written document signed by both Parties or signed by the Party against whom the modification is sought to be enforced. Headings and captions in this Agreement are for convenience only, and in no way affect its interpretation.

2. Prices. Prices, fees and charges for Products and services (including maintenance during the Warranty Period, installation, and applications training, as applicable, "Service(s)") are payable in United States (U.S.) Dollars only, and do not include any applicable taxes or shipping charges. If Customer claims any tax exemption, it must furnish a valid tax exemption certificate to Hologic before shipment of Products. Unless price protection is explicitly agreed to by Hologic in writing, Hologic reserves the right to increase prices on thirty (30) days written notice to Customer.

3. Payment. Customer shall pay invoices net thirty (30) days from the invoice date. Aesthetic Equipment shall require a 15% non-refundable deposit. Hologic may charge monthly interest at the maximum rate permitted by law on all amounts not paid by the invoice due date until all such amounts are paid in full. Hologic retains a purchase money security interest in all Equipment sold to Customer to secure payment of the total purchase price thereof; Customer hereby grants Hologic the right to file a copy of this Agreement, with any appropriate authorities, to evidence its security interest; and Customer shall execute and deliver documents as Hologic requests. Hologic is not obligated to deliver any Product or perform any Service when Customer's payment is past due.

4. Product Shipment and Risk of Loss.. All Products shall be shipped F.O.B. Origin, regardless of any provisions for payment of freight, insurance, the form of shipping documents, or selection of carrier by Hologic. F.O.B. Origin means title and risk of loss to the Products passes to the Customer at the shipping dock of Hologic or Hologic's supplier or authorized agent. Customer is responsible for shipping charges. Hologic is responsible for the cost of insurance paid to cover any losses from Hologic's shipment point to Customer's receipt. Hologic shall assist Customer in processing any loss claims and Customer shall be paid directly by Hologic's insurer.

5. Delivery. Hologic shall use good faith efforts to ship Products on the dates and in the quantities listed in Customer's purchase orders but all delivery dates are estimates and not binding on Hologic. Hologic may make shipments of Product(s) as available and each shipment shall be separately invoiced. All Products shall be adequately packed for shipment in Hologic-standard containers, marked for shipment to the address listed in this Agreement. Orders received from Customer are not binding on Hologic until accepted by Hologic.

6. Installation and Acceptance. Product orders are subject to written acceptance by Hologic, receipt of specified deposits, as applicable, and continuing credit approval. Orders may be canceled by written notice to Hologic prior to shipment. If applicable, Hologic shall install all Equipment that requires installation at the agreed upon location. Installation of Medical Equipment is complete, and acceptance occurs upon Hologic's demonstration that the Medical Equipment

meets Hologic's then-current specifications ("Installation"). Installation is subject to Customer cooperating in preparing and maintaining the site in compliance with Hologic specifications, including, but not limited to, applicable regulations including all electrical and other connections and all environmental conditions. If Customer fails to accept shipment of Products ordered by Customer or contemplated by the Agreement, Customer shall be responsible for Hologic's reasonable insurance, handling and storage charges. If Hologic decides not to store Customer ordered Products refused by Customer, it is hereby authorized to arrange shipment and storage in a bonded warehouse at Customer's sole risk and expense. All sales of Aesthetic Equipment are final upon delivery with no right of return and Customer shall be responsible for storage if installation is refused.

7. Delay of Performance. The Parties' obligations herein are subject to force majeure, including, but not limited to, civil insurrection, terrorism, fire, flood, labor disputes, shortages, delays of suppliers or contractors, or government priority systems, actions taken or threatened by any governmental agencies, acts of God or other contingencies or acts not within the sole control of the Parties. Hologic reserves the right during any shortage period to (a) make Products available to Customer as it sees fit without any Hologic liability to Customer; and (b) make substitutions and modifications in the specification of any Products, provided such substitutions or modifications do not materially affect the performance of Products.

8. Warranties Warranty terms for Aesthetic Equipment shall be as provided in the applicable paperwork accompanying the Product. Except as otherwise expressly stated in this Agreement: (i) Equipment manufactured by Hologic is warranted to the original Customer to perform substantially in accordance with published product specifications for one (1) year starting from the date of shipment, or if installation is required, from the date of installation ("Warranty Period"); (ii) replacement parts and remanufactured items are warranted for the remainder of the Warranty Period or ninety (90) days from shipment, whichever is longer; (iii) consumable Supplies are warranted to conform to published specifications for a period ending on the expiration date shown on their respective packages; (iv) licensed Software is warranted to operate in accordance with published specifications; (v) Services are warranted to be supplied in a workman-like manner; (vi) non-Hologic manufactured Equipment is warranted through its manufacturer and such manufacturer's warranties shall extend to Hologic's customers, to the extent permitted by the manufacturer of such non-Hologic manufactured Equipment. Hologic does not warrant that use of Products shall be uninterrupted or error-free, or that Products shall operate with third-party products not authorized or validated by Hologic.

9. Warranty Claims and Remedies. Warranty terms for Aesthetic Equipment shall be as provided in the applicable paperwork accompanying the Product. In the event of any warranty claim, Hologic shall replace with new or remanufactured items any Medical Equipment, part, component, or consumable supply that is in breach of warranty, and shall use reasonable efforts to promptly fix or provide a workaround for any Software defect or bug which prevents operation in substantial conformity with functional specifications. Alternatively, Hologic may elect to repay or credit to Customer an amount equal to the purchase price of the defective Medical Equipment, component, Software, consumable supply, or Service. Items replaced shall become Hologic property. All claims shall be initiated by contacting Hologic within the applicable Warranty Period and thirty (30) days after discovery of the breach or non-conformity. Hologic must be given reasonable access and an opportunity to inspect all associated materials. If Customer has not notified Hologic within one (1) year after the claim arises, Customer shall be barred from instituting any legal action against Hologic thereafter. These remedies shall comprise Hologic's entire liability and Customer's exclusive remedy for breach of warranty and are in lieu of any other remedies at law or equity. HOLOGIC'S ENTIRE WARRANTY RESPONSIBILITY IS EXPRESSLY LIMITED TO REPAIR OR REPLACEMENT (AT HOLOGIC'S OPTION AND IN THE FORM ORIGINALLY SHIPPED) OF PRODUCT OR CORRECTION OF SERVICE SUBJECT TO ANY CLAIM, OR, AT HOLOGIC'S ELECTION, REPAYMENT OF, OR CREDITING CUSTOMER WITH, AN AMOUNT EQUAL TO THE HOLOGIC PRICE, FEE OR CHARGE THEREFOR. THE FOREGOING WARRANTIES ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SUCH LIMITED WARRANTY IS GIVEN SOLELY TO THE ORIGINAL CUSTOMER AND IS NOT GIVEN TO, NOR MAY IT BE RELIED UPON BY, ANY THIRD PARTY INCLUDING, WITHOUT LIMITATION, CUSTOMERS OF CUSTOMER. THIS WARRANTY IS VOID UPON TRANSFER OF PRODUCT BY CUSTOMER TO ANY ENTITY WHO IS NOT AN AFFILIATE OF CUSTOMER. SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES SO THE ABOVE EXCLUSIONS MAY NOT APPLY TO CUSTOMER. CUSTOMER MAY ALSO HAVE OTHER RIGHTS, WHICH VARY, FROM STATE TO STATE. These warranties do not apply to any item that is: (a) repaired, moved, or altered other than by Hologic authorized service personnel; (b) subjected to physical (including thermal or electrical) abuse, stress, or misuse; (c) stored, maintained, or operated in any manner inconsistent with

applicable Hologic specifications or instructions, including Customer's refusal to allow Hologic recommended Software upgrades; or (d) designated as supplied subject to a non-Hologic warranty or on a pre-release or "as-is" basis.

10. LIMIT OF LIABILITY. EXCEPT FOR PERSONAL INJURY OR DEATH TO THE EXTENT RESULTING FROM HOLOGIC'S NEGLIGENT OR INTENTIONALLY WRONGFUL ACTS OR OMISSIONS, HOLOGIC IS NOT LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL LOSSES, DAMAGES, OR EXPENSES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, DATA, OR USE), DIRECTLY OR INDIRECTLY ARISING FROM THE SALE, HANDLING, SERVICE OR USE OF PRODUCT ORDERED OR FURNISHED PURSUANT TO THIS AGREEMENT, OR FROM ANY CAUSE RELATING THERETO UNLESS EXPRESSLY AGREED TO BY THE PARTIES IN WRITING. EXCEPT FOR PERSONAL INJURY OR DEATH TO THE EXTENT RESULTING FROM HOLOGIC'S NEGLIGENT OR INTENTIONALLY WRONGFUL ACTS OR OMISSIONS, HOLOGIC IS NOT LIABLE UNDER ANY LEGAL THEORY OR FOR ANY CAUSE WHATSOEVER, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, NEGLIGENCE, OR OTHER THEORY, EVEN IF ADVISED OF THE POSSIBILITY THEREOF, FOR ANY AMOUNT IN EXCESS OF THE PRICE, FEE OR CHARGE THEREFOR RECEIVED BY HOLOGIC.

11. Insurance. During the term of this Agreement, Hologic shall maintain in effect the following insurance with respect to Customer's location (i) worker's compensation insurance covering any and all of its employees, agents or representatives who provide services to Customer, in amounts and coverage complying with the requirements of the applicable state; (ii) general liability insurance covering the acts or omissions of Hologic and its employees, agents or representatives, and any and all Equipment and other personal property of Hologic; and (iii) product liability insurance. At Customer's request, Hologic shall provide a certificate of insurance to Customer.

12. Governmental Authorizations. Customer is responsible for compliance and costs associated with all required licenses, permits, or other governmental authorizations, including, but not limited to, any license or certification needed for Customer to use the Product, and any export or import license, exchange permit, or the like ("Licenses"), even if applied for by Hologic on Customer's behalf. If any authorization is delayed, denied, revoked, restricted or not renewed, Hologic is not liable, and Customer is not relieved of its obligations. Customer represents and agrees that it shall handle all Product and technical data related to the Licenses so that it conforms to all applicable U.S. laws and regulations, including U.S. export licensing laws and the U.S. Foreign Corrupt Practices Act. Customer shall not trans-ship, divert, re-export or otherwise dispose of any U.S. origin goods or technology obtained from Hologic except as U.S. laws and regulations expressly permit.

13. Intellectual Property Indemnity. Hologic shall defend, indemnify, and hold harmless Customer against any third-party claim that Customer's use of Products infringes a valid U.S. patent, copyright, or trademark, provided that: (a) Products are used as approved by Hologic and have not been altered other than by Hologic or its authorized service personnel; (b) Customer promptly notifies Hologic of such claim; (c) Hologic has sole control of the defense, settlement, or compromise thereof and Customer is solely responsible for attorneys' fees and costs it incurs independently of Hologic's representation; and (d) Customer cooperates with Hologic and furnishes all aid, information, and assistance necessary or useful to defend such claim. If a final injunction is obtained against the Customer's use of any Product, or if in the opinion of Hologic the Product is likely to become the subject of a successful claim, Hologic may, at its option and in its sole discretion: (i) obtain for Customer the right to continue using the Product; (ii) replace or modify the Product so that it becomes non-infringing; or (iii) if neither (i) or (ii) are reasonably available, accept return of such Products held by Customer, grant a credit therefor as depreciated on a five (5) year straight-line basis, and terminate this Agreement without any further obligation or liability. The remedy selected by Hologic is Customer's exclusive remedy for any damage, cost, or expense resulting from any court order or settlement enjoining Customer's use of the Product.

14. Software License. The term "Software" includes all Hologic (and third-party) computer software, firmware and associated documentation, whether in printed or machine-readable form, supplied by reason of this Agreement or for use in connection with Equipment or Services. To the extent the Product includes Software, Customer is granted a non-exclusive, non-transferable, royalty-free license to use Software solely on the Equipment on which it is first installed or as designated in this Agreement, in connection with the Equipment in the normal course of Customer's business, and for no other purpose or business. No license is provided under this Agreement to use Software for multi-site quality control or data review purposes or for source code of any type. Software, at all times, remains the sole property of Hologic. Software is agreed to contain, and shall be treated as, confidential information. Customer shall maintain all copyright, proprietary, and other notices on the Software, and shall not de-compile, disassemble, or reverse engineer the Software. The Parties agree that all information needed for interoperability is available from Hologic in accordance with applicable government directives. From time to time, Hologic may develop new versions or updates for this software. Customer shall allow

Hologic access to the Equipment to implement any new versions or updates to the software. If Customer transfers Equipment to a third-party, Customer may assign the right to use Software on the Equipment; provided that, the third-party agrees in writing with Hologic to be bound by and to permit Hologic to enforce the provisions of this section. Customer has no other right to use, sell, assign, transfer, copy, or sublicense Software. As identified in the applicable software product specifications, some third-party software vendors (including Microsoft Corporation) provide different warranties and require different or additional terms applicable to software which they supply; such warranties and terms supersede this Agreement and Customer agrees to abide by such terms with respect to such third-party software. The Microsoft End User License is located on the applicable installation CD-ROM (file name is EULA.txt). In addition to all other rights and remedies Hologic may have at law or in equity, Hologic may immediately terminate any Software license agreement if Customer defaults on any portion of this section.

15. Confidential Information. Both Parties agree to hold in strict confidence the terms of this Agreement and all information provided to the other in connection with the performance of their respective obligations under this Agreement, including, without limitation, financial and pricing information, except to the extent that disclosure is required by applicable law. Notwithstanding the above, the terms and conditions of this Agreement must not be disclosed to any third-party without the prior written consent of the other Party, except either Party may disclose the terms and conditions of this Agreement to its employees, professional advisors, agents or independent contractors who require knowledge of the terms and conditions of this Agreement, so long as such individuals are subject to applicable non-disclosure agreements.

16. Product Performance Data. Operational and performance data that is stored, recorded, made available, processed, created, derived, generated and collected from the Hologic manufactured or licensed Products ("Performance Data") is exclusively owned by Hologic and Hologic has all right, title and interest in and to any and all Performance Data. Performance Date does not include PHI (defined in Section 19).

17. Use Restrictions. Products are only intended for the uses listed in the applicable operator's manual or instructions for use and are subject to the specifications and requirements set forth therein. Customer assumes all risks associated with non-listed uses of Products and/or use of Products which is inconsistent with the specifications and requirements applicable to such Products, and Customer hereby indemnifies and holds Hologic harmless from any claim associated with any such uses. Customer is not licensed to, and agrees not to: (a) resell any Product, unless otherwise authorized by Hologic in writing; (b) transfer, or distribute any Product, directly or indirectly, to any third party for any purpose or use, except as otherwise approved by Hologic in writing; (c) use or allow anyone to dilute any Product; or (d) reverse engineer, disassemble, or conduct unauthorized analysis of any Product and/or its method of use.

18. Compliance with Laws Hologic and Customer shall comply with all federal and state laws that govern the enforceability and performance of this Agreement.

19. HIPAA Compliance. To the extent HIPAA (as defined below) applies, both Parties shall comply with the applicable provisions of the privacy regulations within the Health Insurance Portability and Accountability Act of 1996, as enacted in 45 C.F.R. parts 160, 162, and 164 and as codified at 42 U.S.C. § 1320d, as amended from time to time ("HIPAA"). Hologic agrees that if it directly or indirectly gains access to Protected Health Information ("PHI") during any interaction with Customer it shall keep the PHI confidential pursuant to the terms of this Agreement.

20. Federal and State Reporting/Disclosure Laws. Customer acknowledges and agrees that federal and state reporting laws, including, but not limited to, the Federal Physician Payments Sunshine Act, may require Hologic to disclose certain aspects of this arrangement. Unless otherwise noted in this Agreement, the cost of any Product training provided by Hologic is included in the purchase price of the Product where applicable.

21. Fraud and Abuse. Hologic hereby certifies that it is not currently a listed vendor in the: (a) Federal General Services Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Presidential Executive Orders 12549 and 12689 "Debarment and Suspension;"; and (b) Office of the Inspector General of the Department of Health and Human Services' "List of Excluded Individuals/Entities." Any discounted pricing terms offered under this Agreement may be a "discount or other reduction in price" under the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). Customer shall take all actions necessary to comply with the Anti- Kickback Statute discount safe harbor regulations, 42 C.F.R. § 1001.952(h), including but not limited to, (i) maintaining accurate records reflecting the pricing terms of items and Services purchased under the Agreement; (ii) fully and accurately reporting any discount received under the Agreement if applicable; and (iii) making available information provided to Customer by Hologic

concerning cost reports and other filings with the government, including but not limited to, the Secretary of the U.S. Department of Health and Human Services or other state agencies.

22. Access to Books and Records. Until the expiration of four (4) years after the furnishing of Services under this Agreement, Hologic shall make available upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized representatives, this Agreement and such books, documents and records of Hologic as are necessary to certify the nature and extent of the costs hereunder. If Hologic carries out any of its duties under this Agreement through a subcontract, for the value or cost of $10,000 or more over a 12-month period, with a related organization, such contract must contain a clause placing the same duty on the subcontractor as the agreement places on Hologic. This section survives the termination of this Agreement according to its terms. If the law or regulations are effectively amended to increase or decrease the annual amount necessary to require this clause, the amount set forth herein shall be amended accordingly. Notwithstanding the presence of this clause in this Agreement, this clause only applies if the actual dollar amount paid during any 12-month period equals or exceeds the government threshold amount.

23. Default. In addition to any default events specified elsewhere in this Agreement, the occurrence of any of the following events constitutes a default ("Default") by either applicable Party: (a) non-payment when due of any amount payable by Customer in accordance with this Agreement; or (b) failure to materially perform any covenant or condition of this Agreement. In the event of Default by Customer hereunder, all indebtedness of Customer may, at the option of Hologic and without demand or notice of any kind, immediately become due and payable, and in addition to all other remedies, Hologic may (i) require Customer to return any Hologic-owned Equipment and/or (ii) immediately terminate this Agreement. The non-Defaulting Party is entitled to recover from the Defaulting Party any and all expenses and damages that the non-Defaulting Party sustains by reason of Default including, but not limited to, reasonable attorneys' fees, and in the case of Hologic, all expenses of repossession, removal, storage and disposition of the Equipment. The remedies and rights specified herein are cumulative and not exclusive. The exercise or the non-exercise of any right or remedy does not limit or prejudice the non-defaulting Party as to that right or remedy or as to any other rights or remedies provided by applicable law.

24. Bankruptcy. Except as may be prohibited by applicable bankruptcy laws, a Party to this Agreement may elect to cancel any unfulfilled obligations if any of the following situations arise: (a) the other Party becomes insolvent or is unable to pay debts as they become due; (b) a voluntary or involuntary bankruptcy proceeding is instituted by or against a Party hereto; or (c) an appointment of a receiver or assignee for the benefit of creditors occurs on behalf of a Party hereto. After delivery Aesthetic Product purchases may not be cancelled for any reason.

25. Waiver and Severability. If either Party fails to perform obligations under this Agreement, such nonperformance does not affect the other Party's right to enforce performance at any time. Waiver of any remedy or material breach of any subject matter contained in this Agreement is not a waiver unless agreed to by the Parties in writing. Each provision of this Agreement is separate and independent of one another, and the unenforceability of any provision shall not affect the enforceability of any other provision. If any provision is held to be excessively broad or unenforceable, such provision shall be modified accordingly so that it is enforceable to the fullest extent possible by law.

26. Assignment. Subject to the limitations provided in Section 14, Customer shall not assign, withhold, condition or delay this Agreement without the prior written consent of Hologic, which consent shall not be unreasonably withheld or delayed. Subject to the foregoing, the rights and obligations herein shall be binding upon the successors and permitted assigns of Customer.

27. Notices. Any notification required under this Agreement is deemed to have been given either one (1) day after being given to an express overnight carrier with a reliable system for tracking delivery; or when sent by a confirmed facsimile with another copy sent by any other means specified in this paragraph; or three (3) business days after having been mailed postage prepaid by United States registered or certified mail. Any required notices to Customer shall be delivered to the address set forth in the applicable Hologic quote or other purchasing program document, and to Hologic at the addresses listed below. Either Party may change its mailing address by notice as provided by this section.

Hologic, Inc.
250 Campus Drive
Marlborough, MA 01752
Attn: Contracts Department
Fax: 866-523-8691

With a copy to:

Hologic, Inc.
250 Campus Drive
Marlborough, MA 01752
Attn: Legal Department
Fax: 508-263-2959

28. Governing Law . Upon execution, this Agreement is considered to be a Texas contract, entered into in Texas, and shall be governed and viewed under the laws of the State of Texas without reference to its conflict of laws provisions. The Parties specifically agree that any action relating to the relationship between the Parties, this Agreement, Products, or Services provided, purchased or licensed hereunder, shall be brought and tried in the Courts of Texas. Customer hereby waives all objections to and consents to the jurisdiction of the Texas Courts.

29. Equal Employment Opportunity Policy. Hologic is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws. .

30. Counterparts and Electronic Signatures. This Agreement may be executed in two (2) or more counterparts, each of which is deemed an original but all of which together constitutes one and the same agreement. The Parties agree that this Agreement, agreements ancillary to this Agreement, and related documents to be entered into in connection with this Agreement shall be considered signed when the signature of a Party is delivered by facsimile transmission or delivered by scanned image (e.g. .pdf or .tiff file extension name) as an attachment to electronic mail (email). Such facsimile or scanned signature must be treated in all respects as having the same effect as an original signature.

31. Miscellaneous . See applicable Hologic quote, attachment or purchasing program for additional terms and conditions, which supplement and/or supersede this Agreement, as applicable and may include, but are not limited to: **Term, Termination, and Right of Returns or Cancellation.**

32. Execution Authority. By signing below, the Customer (i) is representing to Hologic that it has the requisite corporate authority to execute and deliver this Agreement and (ii) is entering into a binding agreement for the purchase of the Product and/or Services described above and accepts all of the terms and conditions as stated in this document.

Accepted and agreed to:

Customer (by its authorized representative)		Hologic, Inc. (by its authorized representative)	
for: Village Oaks Pathology SVCS PA dba Precision Pathology Roby P. Joyce, MD	President	2019.08.09 17:18:07 -06'00'	
Name	Title		
	8/9/19		
Signature	Date	Signature	Date

PLEASE EMAIL OR FAX COMPLETED AND SIGNED AGREEMENT TO
nationalcontracts@hologic.com
OR (844) 749-3816

November 2, 2020

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Amendment No.1

Customer Name ("CUSTOMER")	Customer Number	PURCHASE ORDER NUMBER
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Stacey Gates	(210) 646-0690	sgates@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery mindy.thiery@hologic.com (210) 241-3334

This amendment "Amendment" to that certain Equipment Usage Attachment dated 8/9/2019 ("Agreement") between Gen-Probe Sales & Service, Inc. ("Hologic"), and PRECISION PATHOLOGY SERVICES ("Customer") is by and between Hologic and Customer and is effective on the execution date by Hologic ("Amendment Date"). Hologic and Customer are collectively referred to herein as the "Parties."

WHEREAS, the Parties are desirous of amending the Agreement.

NOW THEREFORE, in consideration of the agreements, mutual representations and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. As of the Amendment Date, the Agreement shall be amended and added to as follows:

BV CV/TV HYBRID

Product Category	Product #	No-Charge Kit Product #	Description	Quantity of Tests per Kit	(A) Estimated Annual Test Results *(Quantity of Test Results per Contract Year)*	(B) Annual Minimum Tests Purchased *(Quantity of Purchased Kits per Contract Year)*	(C) Annual Maximum Number of No Charge Kits *(Quantity of No Charge Kits per Contract Year)*	Price per Purchased Kit
APTIMA BV assay	PRD-05186	PRD-05186-HY	Aptima BV assay - Panther	100 tests	1,460	15	5	$22.00
APTIMA CV/TV assay	PRD-05189	PRD-05189-HY	Aptima CV/TV assay - Panther	100 tests	1,460	15	5	$26.00

In each annual period during the Term, based on Customer's Estimated Annual Test Results (*Column A*) and Annual Minimum Tests Purchased (*Column B*) per Product listed in this Attachment, to accommodate Customer's anticipated testing volume demands, Customer is eligible to receive up to five (5) Aptima BV assay 100 test kits (Item #: PRD-05186-HY) and up to five (5) Aptima CV/TV assay 100 test kits (Item #PRD-05189-HY) at no additional charge ("No Charge Kits").

Eligibility for No Charge Kits is limited by the Annual Maximum Number of No Charge Kits (*Column C*) and shall start on the Agreement Start Date and automatically terminate on the sooner of: (i) the first anniversary of the Agreement Start Date or (ii) Customer has

received the Annual Maximum Number of No-Charge Kits listed in *Column C* above. Thereafter, Product pricing will automatically revert to the Price per Purchased Kit (*Column D*).

For the avoidance of doubt, on a Product-by-Product basis, Customer may only receive No Charge Kits hereunder on a pro rata basis in proportion to the quantity of Product Kits purchased by Customer. Hologic will track Customer Purchase Commitment(s) on a monthly basis and will automatically ship eligible no-charge kits to Customer on a monthly basis.

To maintain eligibility to receive No Charge Kits hereunder, Customer's orders must: (i) track to its Annual Minimum Tests Purchased for the Aptima BV assay and Aptima CV/TV assay, respectively, on a monthly basis, and (ii) maintain full compliance with all other obligations under the Sale Agreement and all Attachments.

The parties acknowledge and agree that the No Charge Kits represent a discount or other reduction in price off Customer's annual purchases of the respective Product(s) listed in this Attachment. Within forty-five (45) days of each anniversary of the effective date above, as applicable, Hologic shall provide Customer with an annual statement of the amount of the discount, identifying the specific goods on which the discount has been earned. Customer shall properly report and appropriately reflect such discount as required under Paragraph 20 of the Sale Agreement and as otherwise required by law.

Hologic reserves the right to perform a business review of the Product usage, test volume and pricing at any time, and may (i) adjust pricing, number of Estimated Annual Test Results, number of Annual Minimum Tests Purchased and/or number of No Charge Kits or (ii) discontinue providing No Charge Kits to Customer and terminate this Attachment, in each case upon thirty (30) days' prior written notice to Customer. Hologic shall also retain the right to transition Customer to a cost per test pricing model upon thirty (30) days' prior written notice to Customer, provided consistent usage volume supports the transition. Any such adjustment and/or transition will be documented as a written amendment to the Agreement.

Cost-per-reportable (CPR) HSV

Product Number	Product Description	Price/Reportable
PRD-03568-CPR	HSV ASSAY, APTIMA, 100T, IVD COST REPORTABLE	$22.00

Non-Committed

Product Number	Product Description	Price/Kit
PRD-05187	BV CONTROLS, APTIMA, 100T, IVD	$0.00
PRD-05188	BV CALIBRATOR, APTIMA, 100T, IVD	$0.00
PRD-05190	CV/TV CONTROLS, APTIMA, 100T, IVD	$0.00
PRD-05191	CV/TV CALIBRATOR, APTIMA, 100T, IVD	$0.00
503762	SPECIMEN ALIQUOT TUBE PACK	$0.00
504415	CAP,TRANSPORT TUBE - 100CT PACK	$0.00
PRD-03503	SPECIMEN DILUENT KIT, VIRAL LOAD ASSAYS, APTIMA, US IVD	$260.00
PRD-03654	SPECIMEN DILUENT WITH TUBES AND CAPS, VIRAL LOAD ASSAYS, APTIMA, US IVD	$300.00
PRD-03569	HSV CONTROLS, APTIMA	$0.00

Additional Terms:

- Applicable approximate shipping and handling charges for the Equipment and components are not included in the quote and will be applied to the invoice

- **Cost Per Reportable Pricing.** Each month during the Term, Hologic may provide Customer up to three (3) of each kit under the Cost per Reportable ("CPR") program (the "CPR Kit[s]") at no charge. Customer agrees to submit to Hologic the total number of reportable results for the prior month by the 10th of each month for the CPR Kits, and Customer will be invoiced for the reportables submitted. Customer will submit the number of reportable results using the form attached as Exhibit 1. This form will be faxed to Hologic Customer Service at 1-800-409-7591 or emailed to CustomerSupport@hologic.com. Failure to submit this form by the 10th of each month may result in the delay of shipment of CPR Kits to Customer. At the request of Hologic, Customer agrees to submit to Hologic its monthly line-item log of results reported. Hologic reserves the right to perform a business review of the CPR usage and pricing at any time, and may adjust pricing or discontinue providing CPR Kits to Customer and terminate the CPR program with 10 days' notice to Customer.

2. The Parties expressly agree that there are no other understandings, writings or discussions related to the subject matter hereof other than the Agreement and this Amendment. Except as expressly modified by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms as stated therein, but, to the extent of such modification, the provisions of this Amendment shall supersede those of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their fully authorized representative.

Accepted and agreed to:

Customer (by its authorized representative)		**Gen-Probe Sales & Service, Inc. (by its authorized representative)**	
Stacey Gates	CEO	AL Date: 2020.11.02 08:48:39 -05'00'	
Name	**Title**		
Signature	**Date**	**Signature**	**Date**

The offer contained in this Agreement is null and void if this Agreement is not executed by Customer (and returned to Hologic) on or before 9/19/2020 ("Offer Expiration Date"), or accepted by Hologic as indicated by Hologic's signature above.

PLEASE FAX OR EMAIL COMPLETED AND SIGNED AGREEMENT TO nationalcontracts@hologic.com OR (844) 749-3816

EXHIBIT 1
Cost Per Reportable Submission Form

Customer Name ("CUSTOMER")	Customer Number	Purchase Order Number
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Stacey Gates	(210) 646-0890	sgates@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery (210) 241-3334 mindy.thiery@hologic.com

Cost per Reportable Pricing
Customer agrees to submit to Hologic the total number of reportable results for the prior month by the 10th of each month for the CPR Kits, and Customer will be invoiced for the reportables submitted. Customer will submit the number of reportable results using the form attached as Exhibit 1. This form will be faxed to Hologic Customer Service at 1-800-409-7591 or emailed to CustomerSupport@hologic.com. Failure to submit this form by the 10th of each month may result in the delay of shipment of CPR Kits to Customer.

Cost-per-reportable (CPR) HPV Genotype

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
303236-CPR	KIT,APTIMA HPV16 18/45 PANTHER RGTS, IVD COST REPORTABLE	$13.00	

Cost-per-reportable (CPR) HSV

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
PRD-03568-CPR	HSV ASSAY, APTIMA, 100T, IVD COST REPORTABLE	$22.00	

Months Reported: _____

Date Submitted: _____

Purchase Order Number to reference, if needed: _____

Please submit this form by fax by the 10th of each month to Hologic's Customer Service 800-409-7591 or via email at CustomerSupport@hologic.com.

November 2, 2020

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Amendment No.2

Customer Name ("CUSTOMER")	Customer Number	PURCHASE ORDER NUMBER
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Stacey Gates	(210) 646-0890	sgates@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery mindy.thiery@hologic.com (210) 241-3334

This amendment "Amendment" to that certain Equipment Usage Attachment dated 8/9/2019 ("Agreement") between Gen-Probe Sales & Service, Inc. ("Hologic"), and PRECISION PATHOLOGY SERVICES ("Customer") is by and between Hologic and Customer and is effective on the execution date by Hologic ("Amendment Date"). Hologic and Customer are collectively referred to herein as the "Parties."

WHEREAS, the Parties are desirous of amending the Agreement.

NOW THEREFORE, in consideration of the agreements, mutual representations and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. As of the Amendment Date, the sections entitled "Cost-Per-Reportable" and "Non-Committed" shall be amended and added to as follows.

Cost-per-reportable (CPR) Trichomonas

Product Number	Product Description	Price/Test
303536-CPR	KIT, ATV-V2, 100T COST REPORTABLE	$12.00

Non-Committed

Product Number	Product Description	Price/Kit
302807	KIT, CONTROLS, ATV,250	$0.00

2. The Parties expressly agree that there are no other understandings, writings or discussions related to the subject matter hereof other than the Agreement and this Amendment. Except as expressly modified by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms as stated therein, but, to the extent of such modification, the provisions of this Amendment shall supersede those of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their fully authorized representative.

Accepted and agreed to:

Customer (by its authorized representative)		Gen-Probe Sales & Service, Inc. (by its authorized representative)	
Stacey Gates	CEO	AL Date: 2020.11.02 08:49:09 -05'00'	
Name	Title		
Stacey Gates	10/29/20		
Signature	Date	Signature	Date

Quote #: Q-186170

The offer contained in this Agreement is null and void if this Agreement is not executed by Customer (and returned to Hologic) on or before 9/19/2020 ("Offer Expiration Date"), or accepted by Hologic as indicated by Hologic's signature above.

PLEASE FAX OR EMAIL COMPLETED AND SIGNED AGREEMENT TO nationalcontracts@hologic.com **OR** (844) 749-3816

EXHIBIT 1
Cost Per Reportable Submission Form

Customer Name ("CUSTOMER")	Customer Number	Purchase Order Number
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Stacey Gates	(210) 646-0890	sgates@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery (210) 241-3334 mindy.thiery@hologic.com

Cost per Reportable Pricing
Customer agrees to submit to Hologic the total number of reportable results for the prior month by the 10th of each month for the CPR Kits, and Customer will be invoiced for the reportables submitted. Customer will submit the number of reportable results using the form attached as Exhibit 1. This form will be faxed to Hologic Customer Service at 1-800-409-7591 or emailed to CustomerSupport@hologic.com. Failure to submit this form by the 10th of each month may result in the delay of shipment of CPR Kits to Customer.

Cost-per-reportable (CPR) HPV Genotype

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
303236-CPR	KIT,APTIMA HPV16 18/45 PANTHER RGTS, IVD COST REPORTABLE	$13.00	

Cost-per-reportable (CPR) HSV

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
PRD-03568-CPR	HSV ASSAY, APTIMA, 100T, IVD COST REPORTABLE	$22.00	

Cost-per-reportable (CPR) Trichomonas

CPR Part #	Description	Cost per Reportable	Monthly Reporting (Number of Tests Reported)
303536-CPR	KIT, ATV-V2, 100T COST REPORTABLE	$12.00	

Months Reported: _____

Date Submitted: _____

Purchase Order Number to reference, if needed: _____

Please submit this form by fax by the 10th of each month to Hologic's Customer Service 800-409-7591 or via email at CustomerSupport@hologic.com.

Expires: 12/20/28

Panther
- addition of Panther Fusion
- addition of Panther Plus

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☑ Vendor book
☐ Codex
☐ Equipment Maintenance

Amendment No.3

Customer Name ("CUSTOMER")	Customer Number	PURCHASE ORDER NUMBER
PRECISION PATHOLOGY SERVICES	178720	
Contact Name	**Contact Phone Number**	**Contact Email**
Stacey Gates	(210) 646-0890	sgates@precisionpath.us
Bill To Address	**Ship To Address**	**Hologic Representative**
PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	PRECISION PATHOLOGY SERVICES 3300 NACOGDOCHES RD STE 110 SAN ANTONIO, TX US 78217	Mindy Thiery mindy.thiery@hologic.com (210) 241-3334

This amendment "Amendment" to that certain Equipment Usage Attachment dated 8/9/2019 ("Agreement") between Hologic Sales and Service, LLC ("Hologic") and PRECISION PATHOLOGY SERVICES ("Customer") is by and between Hologic and Customer and is effective on the execution date by Hologic ("Amendment Date"). Hologic and Customer are collectively referred to herein as the "Parties."

WHEREAS, the Parties are desirous of amending the Agreement.

NOW THEREFORE, in consideration of the agreements, mutual representations and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The Parties agree to extend the Term of the Agreement for five (5) years from the date of the Amendment.

2. As of the Amendment Date, the section entitled "Equipment" shall be amended and added to as follows:

Equipment

Product #	Description	Unit Price	Serial #	Quantity to Ship
PRD-04173	PANTHER FUSION MODULE UPGRADE	Included	2090002941	1
PRD-05844	PANTHER UPGRADE CONTINUOUS FLUID AND WASTE + MTU EXPANSION MODULE	Included	2090002941	1

Additional Terms:

- Panther Fusion module and system shipments shall depend on unit availability. Given the rapidly escalating worldwide demand for Panther Fusion systems and upgrades, Hologic is unable to provide specific dates for delivery and installation at this time. Upon receipt of a Purchase Order, your Hologic Team will provide the latest information available and collaboratively work on a potential timeline for delivery and installation.
- Applicable approximate shipping and handling charges for the Equipment and components are not included in the quote and will be applied to the invoice. Shipping is FOB Origin, fully insured by Hologic.

3. Effective September 23, 2022, Gen-Probe Sales and Service, Inc. merged with and into Hologic Sales and Service, LLC ("HSSLLC"), a wholly owned subsidiary of Hologic, Inc. By virtue of this internal merger, Gen-Probe Sales and Service, Inc. has ceased to exist as a separate legal entity and all of its rights and obligations, including those set forth in the Agreement, have been assumed, by operation of law, by HSSLLC. As of September 23, 2022, all references in the Agreement to Gen-Probe Sales and Service, Inc. shall refer to HSSLLC

4. The Parties expressly agree that there are no other understandings, writings or discussions related to the subject matter hereof other than the Agreement and this Amendment. Except as expressly modified by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms as stated therein, but, to the extent of such modification, the provisions of this Amendment shall supersede those of the Agreement.

Signatures Appear On Following Page

Quote #: Q-310602

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their fully authorized representative.

Accepted and agreed to:

Customer (by its authorized representative)		Hologic Sales and Service, LLC (by its authorized representative)	
Roby Joyce, MD	President	2022.12.21 08:30:23 -06'00'	
Name	Title		
Joyce, MD	12/20/22		
Signature	Date	Signature	Date

The offer contained in this Agreement is null and void if this Agreement is not executed by Customer (and returned to Hologic) on or before 2/7/2023 ("Offer Expiration Date"), or accepted by Hologic as indicated by Hologic's signature above.

PLEASE FAX OR EMAIL COMPLETED AND SIGNED AGREEMENT TO nationalcontracts@hologic.com OR (844) 749-3816

Master Agreement

Leica Biosystems | 1700 Leider Lane | Buffalo Grove IL 60089
Leica Biosystems and Leica Microsystems are part of Leica Microsystems Inc.

Customer Information

Customer Name: Precision Pathology
SAP Number: 1250726
Address: 12315 Judson Rd. Ste 114
City, State ZIP Live Oak, 78233
Bldg. / Dept.: Pathology
Customer Contact:
Name: Tammy Puente
Phone: 210-646-0890
E-mail: tpuente@precisionpath.us

LMS Contact:
Name: James Branan
E-mail: James.branan@leicabiosystems.com

Initial Term: 5 YEARS
Instrument Acquisition Type: **Capital** ☐ **Rental** ☐ **Reagent Acquisition** ☒ **Quote #:** JA1053

Agreement

Customer and Leica Microsystems Inc., ("Leica") enter into this Master Agreement as of the Effective Date set forth herein and agree to be bound to the following terms for the purchase and / or use of Products listed below, including the terms and conditions set forth in the below listed Exhibits, which are hereby incorporated by reference (collectively referred to herein as the "Agreement"). This Agreement represents the entire understanding between Customer and Leica and supersedes all prior verbal or written agreements concerning this subject matter between the parties. Leica may acknowledge an Order from Customer, but any and all terms, conditions and provisions contained in Customers purchase order, acknowledgement form or other communications with respect to the transactions contemplated hereunder are agreed to be superfluous and without any force and effect.

Exhibits

Exhibit A – General Terms & Conditions
Exhibit B – Pricing Detail

1. Product & Pricing Summary

Leica will provide Products and Services at the Total Prices listed below;

1.1. **Instruments & Training**

Qty	Instrument	List Price	Offer Price	Total Price
1	Leica Bond III	$166,425	$122,500	Incl. in Reagents
1	Bond Training	$2,900	$0	Incl. in Reagents
Total		**$169,325**	**$122,500**	Incl. in Reagents

1.2. One (1) Bond II Instrument acquired via Customer's previous Rental Agreement rolled over into this Master Agreement.

1.3. **Service Offering**

Qty	Service Offering	List Price / year	Offer Price / year	Total Price / year	Status
1	Bond III Silver Service	$ 15,215	$ 14,454[1]	Incl. in Reagents	New
1	Bond III Silver Service (Serial #- 3210356)	$ 15,215	$14,454	Incl. in Reagents (Limited Time Period of coverage)[2]	Existing
1	Bond Max Silver Service (Serial #- M210978)	$ 13,540	$12,186	Incl. in Reagents (Limited Time Period of coverage)[2]	Existing

[1] Annual Price after 1 year warranty; Warranty period begins at initial installation of instrument. Service Agreement included for the Term of Agreement

[2] Service Agreement included for the first three (3) years of this Agreement for one (1) Bond Max (M210978) and one (1) Bond III (3210356).

1.3.1. The above listed Offer Price reflects the amount of Service covered through Reagent Purchases. Service will be extended for the term of the Agreement for the new Bond Instrument and three (3) years for existing Bond Instruments, however the Service pricing and term rebates set forth above are contingent on customer meeting outlined reagent commitments at or above the reagent pricing specified in this agreement. If customer does not meet the commitments outlined in this agreement Leica reserves the right to charge for Service on a time and material basis without further notice.

1.4. **Reagents & Consumables -** Customer will receive a discount from current list price on purchases of Product groups as listed below. Detailed pricing for key products is provided in Exhibit B. Reagent & Consumable discount is contingent on Customer's purchase of Reagents & Consumables at or above the Minimum Purchase Commitment outlined later in this agreement.

Product Group	Discount
Bond Detection Kits (V20FKB0)*	45.0%
Bond Ancillary Reagents (Wax, Wash, Retrieval)(V20FKB1)	45.0%
Required Bond Consumables (Ribbons, Labels) (V20FKB7)	45.0%
Bond Consumables (Trays, Containers) (V20F21C)	45.0%
Bond Covertiles (V20FKB8)	45.0%
Bond RTU's (V20FBB0)	35.0%
Novocastra Concentrates	25.0%

*Final Net Pricing may include additional charges for Instrument and Service if included as part of the Reagent Pricing

1.5. **Price Protection -** Prices will be held firm for the first twelve (12) months of the Agreement and the first year of Service respectively. Leica may increase prices up to five percent (5%), effective after the first twelve months (12) of the Initial Term, or the first year of Service as applicable, and each subsequent year thereafter.

2. Purchase Commitment & Obligations

2.1. Purchase Commitment - Commencing on the Effective Date and on a monthly basis thereafter, Customer shall purchase the Products at the prices and minimum volumes identified in the table below ("Minimum Purchase Commitment"). The Minimum Purchase Commitment per month is **$13,688** based on monthly slide volume of **750** or **9,000** slides annually.

Product	Cost per Test	Slides / month	Monthly Minimum Purchase Commitment
Bond detection and reagents	$ 15.83	750	$ 11,873
RTU's @ 50% commitment	$ 4.84	375	$ 1,815
		Total	**$13,688**

2.2. **Within 60 Days Of Install Date -** If, within sixty (60) days of the Install Date of instruments, Customer fails to establish an order and purchase pattern for Products that, to Leica's reasonable satisfaction meets or exceeds the Minimum Purchase Commitment, Leica may immediately begin charging an Instrument Recovery fee equivalent to the prorated Term Rebate outlined in section 1.1 to offset the Minimum Purchase Commitment shortfall until, in Leica's reasonable opinion, such pattern is established.

2.3. **For Two Consecutive Quarters -** If Customer fails to purchase ninety five percent (95%) in the aggregate of the Minimum Purchase Commitment for any two (2) consecutive quarters, Leica may unilaterally with written notice, (a) charge the Customer the amount equal to the shortfall between actual quantity of Product purchased by Customer and the Minimum Purchase Commitment or (b) consider and implement other alternative measures to remedy the Minimum Purchase Commitment shortfall. Unless otherwise set forth in this Agreement, Leica shall evaluate Customer's compliance and purchases with respect to the Minimum Purchase Commitments on a quarterly basis.

3. Termination

3.1. An early termination fee equal to a prorated amount of the applicable Term Rebate shall become due if Customer seeks to terminate the Agreement prior to the end of the Initial Term for convenience pursuant to Exhibit A ("Early Termination Fee").

3.2. The Early Termination Fee will be prorated at **$2,042** for each remaining month of the Initial Term in the case of Instruments.

3.3. An Early Termination Fee with regards to a Service plan shall be equal to the pro-rated amount due for the remainder of the then current year plus the applicable Term Rebates for the then current year.

4. Miscellaneous

4.1. Bond Instruments are shipped FOB destination, prepay and add.

This Agreement shall be effective on the date Leica countersigns below or the date, if any, appearing here as the Effective Date _____, ("Effective Date").

AGREED TO AND ACCEPTED THIS:

CUSTOMER:

Signature/Date: Roy P Jaycox 1/27/15

Title: President

LEICA MICROSYSTEMS INC.

Signature/Date

Title:

LEICA MICROSYSTEMS INC.

Signature/Date

Title:

EXHIBIT A – General Terms & Conditions

1. Agreement Term

Unless terminated earlier as provided for in this Agreement, the Agreement shall continue in effect during the Initial Term. This Agreement will automatically renew for consecutive one (1) year extension periods (each an "Extension Period") unless either party gives the other party ninety (90) days' advance written notice of non-renewal prior to the end of the Initial Term or thereafter during any Extension Period. The Initial Term and all Extension Periods shall be collectively defined as the "Agreement Term".

2. Definitions

As used herein and as applicable to all Orders placed under this Agreement:

"Products" shall collectively refer to and include the following:

"Applications" which include software programs and applications developed by Leica which are licensed to Customer as a standalone Product; **"Consumables"** which include disposable materials and other Products which may be used in conjunction with Leica Instruments; **"Instruments"** means the equipment, system, or other instruments provided and/or manufactured by Leica and all operating systems or other software which may be embedded therein; **"Reagents"** means liquid materials in its application state which may be used in conjunction with Leica Instruments; and **"Software"** means any and all proprietary computer programs, operating software or other software applications which are either embedded into an Instrument or provided as an Application licensed to Customer hereunder.

"Services" shall mean and include any installation, support or maintenance services provided to Customer

"Order" shall mean any transactional document or purchase order under which Customer may order Products and which incorporates these Terms and Conditions.

3. Pricing

Adjustments / Modifications – Pricing maybe subject to change as outlined in this agreement. Leica shall notify Customer in writing at least thirty (30) days before the effective date of any such increase.

Payment - Payment terms are net thirty (30) days from date of invoice. Past due balances are subject to a service charge of one and one-half percent (1 ½%) per month or the highest rate allowed by law, whichever is lower. Customer shall notify Leica of any inconsistent and / or disputed amounts within thirty (30) days from date of invoice. Customer waives its right to dispute charges after this time frame.

Taxes - Leica shall supply the Products and Services during the Term subject to the pricing set forth on the applicable Exhibit. All prices, inclusive of monthly Minimum Purchase Commitments are calculated excluding shipping costs, transportation, sales tax, goods and service taxes, value added tax, or any similar taxes or other charges (if applicable). Customer is responsible for all taxes, duties, fees and expenses imposed by federal, state or local governmental entities, applicable to the manufacture, sale, price, delivery or use of the Products or Services furnished hereunder or in lieu thereof, Customer shall provide Leica with a tax exemption certificate acceptable to and considered valid by the applicable taxing authorities.

4. Termination

For Material Breach. Termination of this Agreement by either party will be permitted in the event of a Material Breach (as defined below) that if possible to cure, remains uncured ninety (90) days after written notice specifying the breach is given, by the non-breaching party, to the breaching party. A "Material Breach" is defined as (a) the failure of a party to fully comply with its obligations under this Agreement; (b) the making of assignment for the benefit of creditors by a party; (c) the institution of bankruptcy, reorganization, liquidation or receivership proceedings by or against a party; and (d) insolvency of a party.

For Convenience. Either party upon ninety (90) days' written notice may terminate this Agreement. If, prior to the expiration of the Initial Term, Customer terminates this Agreement other than for a Material Breach, Customer shall be required to pay Leica an Early Termination Fee as identified in the Agreement.

5. Remedies

Without limiting its remedies under existing law, Leica may, in the event of a Material Breach by Customer, and in its sole discretion, pursue any or all of the following remedies: (a) suspend or cancel its performance hereunder, including any pending or future deliveries; (b) take possession of the Instruments by entering upon Customer's premises; (c) declare all unpaid balances, payments and expenses due or to become due hereunder immediately due and owing (d) terminate this Agreement without additional liability or obligation to Customer; (e) seek any other cumulative remedies at law or in equity or (f) exercise any all rights and remedies available to a secured creditor under the Uniform Commercial Code. The foregoing remedies are cumulative, and may be exercised by Leica, in whole or in part, at Leica's sole discretion. The substantially prevailing party shall be entitled to its attorneys' fees, costs, and expenses (including expert expenses) in connection with any claims, causes of action or litigation.

6. Shipment, Delivery, Returns and Risk of Loss

SHIPPING: Products are shipped FOB Shipping Point, Prepay and Add, unless otherwise specified in this Agreement.

DELIVERY: Leica will arrange for delivery and installation of the Products and will use best efforts to meet delivery dates, but delivery is not guaranteed.

RETURNS: No Products can be returned unless Leica provides, in its sole discretion, written authorization for the return.

RISK OF LOSS: passes to Customer upon delivery and Customer is liable for all loss, damage to or destruction of the Products upon delivery. Leica disclaims any liability for such risk of loss, even where Leica agrees to file any respective carrier claims on Customer's behalf.

7. Title

Leica is the owner of, and retains title to, the Instruments except where Customer has agreed to either a) the capital purchase of an Instrument; or b) the purchase of the instrument through a Reagent Acquisition program. Title and ownership of the Instruments shall transfer to Customer at the time of purchase. Customer shall not permit or suffer any attachment, encumbrance, lien, or security interest to be filed against the Leica owned Instruments. Customer shall promptly notify Leica if any of the foregoing is filed or claimed, and shall indemnify Leica for any loss or damage, including reasonable attorneys' fees, resulting from any of the foregoing. Customer authorizes Leica to execute and to file any necessary UCC financing statement(s) against the Instruments, including the filing and perfection of a purchase money security interest, describing any Leica Instrument provided to Customer under this Agreement, including any replacement or substitutions thereof, and amendment(s) to such financing statement(s) that shall ratify any such financing statement(s) or amendment(s) filed prior to the Effective Date.

Where ownership of an Instrument is retained by Leica, such Instrument may not be uninstalled, transferred, moved or relocated without Leica's prior written consent. Customer is responsible for and shall reimburse Leica for all damage to Products caused while the Products are in the possession or control of Customer. Customer shall promptly advise Leica in writing of any accident, material damage to or defect in the Products. Leica shall maintain and service the Products. Customer shall not modify, reconfigure, copy, change, alter or resell the Products. .

8. Design and Specifications

The design and specifications ("Specifications") of Leica's Products are subject to change without notice. Leica reserves the right to ship the latest type and design of Instruments in its own discretion and shall have no liability or obligation to Customer for such changes. In the event of a change to the Specifications, Customer may, within fourteen (14) days of receiving notice of the same, cancel the applicable Order without liability to Leica, but only where such change would render Customer's use of the Products to commercially impracticable.

9. Acceptance

Customer shall promptly inspect all Products upon delivery or installation as applicable. Any rejections for material defects shall be made within ten (10) days of delivery or installation and not thereafter. Customer will be deemed to have accepted all Products unless such written notice of rejection is received by Leica.

10. Damage to Instrument(s)/Alteration.

During the Term and until passage of title to Customer (if applicable), Customer is responsible for and shall reimburse Leica for all damage to Instrument(s) caused while the Instrument(s) are in the possession or control of Customer. Customer shall promptly advise Leica in writing of any accident, material damage to or defect in the Instrument(s). Customer shall not modify, reconfigure, copy, change or alter the Instrument(s).

11. Software License

Leica hereby grants a nonexclusive, nontransferable, limited license to use the Software only in conjunction with Customer's internal business use of the Products purchased under this agreement. Customer receives no title or ownership rights to the software. Customer may not (a) modify, adapt, decompile, disassemble, or reverse engineer the software; (b) create any derivative works based on the software; (c) make any copies of the software, except for one copy solely for backup or archival purpose; (d) allow any third party to use or have access to the software; or (e) sell, transfer, assign or sublicense the software except as provided herein. Customer may transfer or assign this license only as part of the sale of the Products and only to a transferee or assignee who agrees in writing to be bound by the terms and conditions of this section and provided Seller is notified in writing of the transfer.

12. Warranty

PRODUCTS: Leica warrants and represents that Products delivered to carrier for shipment to Customer, or delivered directly to Customer, will at the time of such delivery: (a) conform to the specifications published in the applicable Leica documentation for such Product in effect as of the date of shipment, if any, or those contained in or attached to Leica's quotation; (b) not be adulterated or misbranded within the meaning of the U.S. Food, Drug and Cosmetic Act; and (c) be of good quality and free from defects in materials and workmanship.

INSTRUMENTS: Leica warrants that Instrument(s) are free from manufacturing defects in material and workmanship for a period of one (1) year from the date of delivery or the date of completion of assembly and installation by Leica (if applicable) when used in compliance with Leica's guidelines and instructions, including, without limitation, the associated Leica User Manual ("Warranty Period"). This limited warranty covers normal usage and does not cover damage which occurs in shipment, or failures which result from alteration, accident, misuse, abuse, neglect or improper service or maintenance by Customer. Such damage shall be the sole responsibility of Customer. In the event that the assembly of the Product is substantially complete, and the customer utilizes the instrument to perform research or Production work the warranty period begins. The warranty period for any additional components shall commence at the day of their installation.

SERVICES: Leica warrants that its Services will be performed in a workmanlike manner for a period of ninety (90) days after the performance of the Services. All Services shall be provided by an authorized Leica representative at Customer's sole

expense after the Initial Warranty Period. All Services not covered by warranty or an active Service contract shall be at Customer's sole expense.

WARRANTY EXCLUSIONS: Warranty coverage does not include any defect or performance deficiency (including failure to conform to Product descriptions or specifications) which results, in whole or in part, from (1) negligent storage or handling of the Product by Customer, its employees, agents, or contractors, (2) failure of Customer to prepare or maintain the site or provide power requirements or operating environmental conditions in compliance with any applicable instructions or recommendations of Leica, (3) adverse power conditions or environmental conditions such as erratic power, voltage spikes, RF or magnetic interference, HVAC failure or other causes beyond the reasonable control of Leica, (4) absence of any Product, component, or accessory recommended by Leica but omitted or removed at Customer's direction (5) any misuse, alteration or damage to the Product by persons other than Leica, (6) combining Leica's Product with any Product furnished by others, or with incompatible Products, where such combination causes failure of or degradation to performance of Leica's Product (including the substitution of any reagent not authorized by Leica) (7) improper or extraordinary use of the Product, improper maintenance of the Product, failure to maintain the Product or failure to comply with any applicable instructions or user manuals provided by Leica; or (8) if any servicing was performed or repair was attempted by personnel not authorized by Leica to perform such servicing or repair.

DISCLAIMER: The only other warranties made by Leica with respect to Products are those specifically and expressly stated as warranties in the Product's package insert specifications and operations manuals. The foregoing warranties are exclusive and in lieu of all other warranties, whether written, oral, express, implied, or statutory. NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY. Customer assumes all risk for the suitability of the test results obtained by using any Product hereunder, whether for research or clinical use, and the consequences arising therefrom when any Product is used other than in accordance with the instructions or restrictions in the applicable Leica package insert, labels or operations manual for such Product(s) or item of Covered Equipment so as to effect its stability or reliability, and is used either: (a) alone; or (b) in combination with other articles, substances or reagents (or any combination thereof) not provided or recommended for use with such Product.

CUSTOMER'S REMEDIES: If Leica determines that any Product fails to meet any warranty during the applicable warranty period, Leica shall correct any such failure by either, at its option, repairing, adjusting, or replacing without charge to Customer any defective or nonconforming Product, or part or parts of the Product. The place of performance for work under warranty shall be the nearest Authorized Service Center or such other place as determined by Leica in its sole discretion. For Products forming part of a fixed installation, it shall be the site of such installation. Warranty service will be performed during Leica's normal business hours. While every effort will be made to render services promptly, this does not include any guarantees of specific response time or uptime, which may be available for purchase under a separate service plan. Subject to the availability of personnel, after-hours service is available upon request at an additional charge.

Warranty services includes any travel, labor, and parts related to the repair of an Instrument excluding any consumable items which remain the responsibility of the Customer, and will only be covered under the warranty if the consumables were missing from the initial Product installation. Warranty will be null and void if any party other than a Leica Authorized Service Engineer attempts repair of said Instrument(s) during the Warranty Period. Any Product or part furnished without charge to Customer during the Warranty Period to correct a warranty failure shall be warranted to the extent of the unexpired term of the warranty applicable to the repaired or replaced Product. Leica reserves the right to use refurbished material for all repairs of Instruments covered by warranty as well as for repairs covered by any subsequent post-warranty service plans. Warranty of refurbished items is not limited compared to new items

The remedies set forth herein are conditioned upon Customer promptly notifying Leica within the applicable warranty period of any defect or nonconformance and making the Product available for correction at a mutually agreed-upon time. The preceding paragraphs set forth Customer's exclusive remedies and Leica's sole liability for claims based on the failure of the Products to meet any warranty, whether the claim is in contract, warranty, tort (including negligence and strict liability) or otherwise, and however instituted, and upon the expiration of the applicable warranty period, all such liability shall terminate. For Products installed outside the U.S. the above warranties shall not apply. The warranties applicable to such Products shall be the warranties provided by the respective Leica selling organization in such countries.

13. Indemnification

Customer will indemnify, defend and hold Leica harmless from all claims, costs (including reasonable attorneys' fees), damages and liabilities ("Claims") arising from Customer's use or misuse of the Products, including any Claims (whether for personal injury, death, property damage or otherwise) arising from Customers' fault, negligence, willful misconduct, omissions or breach of this Agreement.

Leica will indemnify, defend and hold harmless Customer from all Claims arising from (i) any alleged defects in the Products and (ii) based on alleged infringement of third party intellectual property rights. However such indemnification shall not apply where the defect or infringement is caused in whole or in part by (i) any alteration of the Product by persons other than Leica, (ii) combining Leica's Product with any Product furnished by others where such combination causes failure of or degradation to performance of Leica's Product, (iii) combining incompatible Products of Leica, (iv) improper or extraordinary use of the Product, improper maintenance of the Product, or failure to comply with any applicable instructions or recommendations of Leica, Leica does not warrant Products of others which are not included in Leica's published Product catalog.

14. Limitation of Liability

To the fullest extent permitted by law, in no event shall either party be liable for any lost revenues, lost profits, special, indirect, incidental or consequential damages, economic loss, or property damage incurred by the other party. Either party's total liability under this Agreement shall not exceed the total price paid for all Products hereunder on an annual basis. The aforementioned limitation shall not apply to damages resulting from the gross negligence, bad faith or willful misconduct of a party or its personnel.

15. Compliance

PROHIBITED ACTIVITIES: Neither party to this Agreement nor shall engage in any activity prohibited by anti-kickback, anti-self-referral, or any other federal, state or local law or regulation which relate to health care and/or the performance of services under this Agreement, as those regulations now exist or as subsequently amended, renumbered or revised.

DISCOUNT DISCLOSURE: Any discounts, rebates or other price reductions (collectively referred to herein as "discounts") issued by Leica to Customer constitutes a discount under applicable law (42 U.S.C. § Section 1320a-7b(b)(3)(A)). Leica is providing detail pertaining to such discounts and the allocation of total net purchase dollars for Instrument, Service, Product and miscellaneous purchases, as applicable upon request. Customer may have an obligation to report such discounts to any State or Federal program that provides reimbursement to Customer for the items to which the discount applies, and, if so, Customer must fully and accurately report such discounts. Further, Customer should retain invoices and other price documentation and make them available to Federal or State officials upon request.

CERTIFICATION: If Instruments and/or Service Offerings are added to and incorporated into Product prices, Customer acknowledges by signing and accepting this Agreement, that prior to the execution of this Agreement, Leica offered to sell Products, Service Packages and/or sell or rent applicable equipment to the Customer separately, and that Customer has declined all such offers, and accepted instead the terms of this Agreement as written.

16. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of Illinois, excluding choice of law provisions.

17. Force Majeure

Except as expressly stated in this Agreement, neither party shall be liable for any failure to perform hereunder (other than the payment of sums due and owing) due to labor strikes, lockouts, fires, floods, water damage, riots, government acts or orders, interruption of transportation, inability to obtain material upon reasonable prices or terms, or any other causes beyond its control.

18. Severability; Waiver

In the event that any one or more provisions contained herein (other than the provisions obligating Customer to pay Leica for the Products and Services) shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. A party's failure to enforce, or waiver of a breach of, any provision contained herein shall not constitute a waiver of any other breach or of such provision.

19. Notices

Any notice or communication required or permitted hereunder shall be in writing and shall be deemed received three days after being sent via registered mail with return receipt requested, by courier, by first-class mail, postage prepaid, or via email (with evidence of receipt required) at the addresses specified herein for the respective parties or at such other address as either party may from time to time designate to the other in writing.

20. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party, which shall not be unreasonably withheld. Notwithstanding any provision of this Agreement to the contrary, either party shall have the right to assign or otherwise transfer its interest under this Agreement, without consent of the other party, to any of its affiliated entities or to any entity to which a party may sell, transfer, convey, assign or lease substantially all of the assets or properties used in connection with its performance under the Agreement. Any other assignment of the Agreement without the express written consent of the other party will be invalid.

EXHIBIT B – Pricing Detail

Bond Reagent Pricing Detail

Part Number	Description	List Price	Discount	Total Price
DS9800	Bond Polymer Refine Detection*	$2,386.10	45.0%	$2,642.36
AR9590	Bond TM Wash Solution	$466.52	45.0%	$ 256.59
S21.4564	Bond Slide Label and Print Ribbon	$736.16	45.0%	$ 404.89
S21.1971	Bond Mixing Stations	$163.71	45.0%	$ 90.04
OP79193	Bond Open Containers	$497.55	45.0%	$ 273.65
S21.2001	Bond TM Universal Covertiles	$282.48	45.0%	$ 155.36
AR9222	Bond Dewax Solution	$368.08	45.0%	$ 202.44
AR9961	Bond TM Epitope Retrieval 1 - 1L	$417.30	45.0%	$ 229.52
AR9640	Bond TM Epitope Retrieval 2 - 1L	$461.17	45.0%	$ 253.64
AR9551	Bond Enzyme Pretreatment Kit	$868.84	45.0%	$ 477.86
Multiple	Bond RTU's	$335.34	35.0%	$ 217.97
Multiple	Bond ER & PR RTU's	$693.45	35.0%	$ 450.74
DS9390	Bond Polymer Refine Red Detection**	$1,348.20	45.0%	$1,406.51
Multiple	Novocastra Concentrates	Multiple	25.0%	Multiple

*Final Price includes additional charges of $708 for Instrument and $622 for Service included in the Kit Price based on 200/test kit.
**Final Price includes additional charges of $354 for Instrument and $311 for Service included in the Kit Price based on 100/test kit.

Part Numbers; and pricing for less frequently ordered items are available in Excel format upon request.

Living up to Life

Leica MICROSYSTEMS

Leica Microsystems Inc.
Leica BOND™ REAGENT RENTAL AGREEMENT

Organization Name:	**Precision Pathology**			**Contact:**	**Stacey Burton**
Department:				**Title:**	
Billing Address:	**12315 Judson Rd Ste 114**			**Phone:**	**210-646-0890**
Bldg/Room:				**Email:**	**sburton@precisionpath.us**
City, State:	**Live Oak, TX**	**Zip:**	**78233**		
Ship to Address:	**Same as Above**				
Bldg/Room:				**Rep Name:**	**Nick Upton**
City, State:		**Zip:**		**Email:**	**Nick.upton@leica-microsystems.com**
SAP #:	**1241917**			**Quote #:**	

1. Term of Agreement

1.1 Agreement term is 60 months (the "Term"), beginning on _____ (the "Effective Date") and ending on _____ (End Date).

1.2 Customer has entered into a Reagent Rental Agreement for the following instruments:

Qty	Product
1	Leica Bond III

2. Pricing

2.1 Minimum Purchase Commitment per month of Products is $6,257.00 based on monthly slide volume of 500 (6,000 annually).

Product	Cost per test	Slides/month	Monthly Minimum Commitment
Bond detection and reagents	$ 9.94	500	$ 4,970.00
RTUs= 60 %	$ 4.29		$ 1,287.00
Total			**$ 6,257.00**

2.2 Customer will receive a discount from current list price on purchases of Product groups listed below:

Product Group	Discount
Bond Detection Kits (V20FKB0)	32%
Bond Ancillary Reagents (Wax, Wash, Retrieval)(V20FKB1)	20%
Required Bond Consumables (Ribbons, Labels) (V20FKB7)	20%
Bond Consumables (Trays, Containers) (V20F21C)	20%
Bond Covertiles (V20FKB8)	20%
Bond RTU's (V20FBB0)	35%

2.3 Prices will be held firm for the first twelve (12) months of the Agreement.
2.4 Leica may increase prices up to five percent (5%) per year, effective after the first twelve months (12) and each subsequent year.
2.5 Should purchases of Products by the Customer in a given month be less than the Minimum Purchase Commitment and not made up over three (3) consecutive months:
(a) The Customer shall increase purchases of the Products over the next three (3) months to equal the 3 month average or
(b) Leica will bill the Customer the difference between purchases of Products and the Minimum Purchase Commitment.
2.6 Shipping terms for the Instrument(s) is FOB Destination, Prepay and Add. Shipping terms for Products (Bond reagents and consumables) is FOB Shipping Point, Prepay and Add.
2.7 This Agreement is non-cancelable by the Customer and may not be terminated.
2.8 This Agreement is subject to Leica's Standard Terms and Conditions, which are attached or set forth on the reverse side hereof.

AGREED TO AND ACCEPTED this 21st **day of** December **, 20** 10

CUSTOMER: For: Village Oaks Pathology Services, PA

Signature: By: Roby P Joyce MD Its: President

Printed Name: Roby P Joyce, MD

Title: President

LEICA MICROSYSTEMS INC.:

Signature: _____

Printed Name: _____

Title: _____

Amendment No. 1

Leica Biosystems | 1700 Leider Lane | Buffalo Grove IL 60089
Leica Biosystems and Leica Microsystems are part of Leica Microsystems Inc.

Customer Information

Customer Name:	Precision Pathology		
SAP Number:	1250726		
Address:	12315 Judson Rd. Ste 114	**Bldg. / Dept.:**	Pathology
City, State ZIP	Live Oak, TX 78233		
Customer Contact:		**LMS Contact:**	
Name:	Stacey Burton	**Name:**	Lawrence Patton
Phone:	210-646-0890	**E-mail:**	lawrence.patton@leicabiosystems.com
E-mail:	sgates@precisionpath.us		
Amended Initial Term	**Extended 5 YEARS from execution of this Amendment**	**Quote #:**	**S.LP0103**

Instrument Acquisition Type: **Capital** ☐ **Rental** ☐ **Reagent Acquisition** [X]

Customer (identified above) and Leica Microsystems Inc. ("Leica"), hereby amend the Master Agreement between Customer and Leica dated ("Effective Date") January 29th, 2015 and any subsequent Amendments (hereinafter referred to as "Agreement") between the parties under the terms and conditions specified below (this "Amendment") and the terms and conditions set forth in the below listed Exhibits.

Exhibits

Exhibit B – Pricing Detail

Customer Informaiton

Customer Information is hereby modified to include the following:

Address:	3300 Nacogdoches Rd
City, State ZIP	San Antonio, TX 78217

1. Product & Pricing Summary

Section 1.1 is hereby completely removed from the Agreement and replaced with the following:

Qty	Instrument	Offer Price	Payment Method	Location
1	Leica Bond III	$135,000.00	Incl. in Reagents	Shipping
1	Leica Bond III	$58,297.66	Incl. in Reagents	Onsite
Total		**$193,297.66**	**Incl. in Reagents**	

Section 1.2 is hereby completely removed from the Agreement and replaced with the following:

Service Offering

Qty	Service Offering*	Offer Price / year	Total Price / year
1	Bond III Silver Service	$14,809.00*	Incl. in Reagents
1	Bond III Silver Service (Pre-Existing Equipment s/n 3211399)	$14,809.00	
1	Bond III Service (Pre-Existing Equipment s/n 3210356)**	$14,809.00	

*Annual Price after 1 year warranty. Warranty period begins at initial installation of instrument.
**Service on this instrument is for the first two years of this Amendment only.

2. Purchase Commitment & Obligations

Section 2.1 is hereby completely removed from the Agreement and replaced with the following:

Purchase Commitment - Commencing on the Effective Date and on a monthly basis thereafter, Customer shall purchase the Products at the prices and minimum volumes identified in the table below ("Minimum Purchase Commitment"). The Minimum Purchase Commitment per month is **$17,811.74** based on monthly slide volume of **817** or **9,800** slides annually.

Product	Cost per Test	Slides / month	Monthly Minimum Purchase Commitment
Bond detection and reagents	$18.86	817	$15,408.62
RTU's @ 50% commitment	$5.89	408	$2,403.12
Total			**$17,811.74**

3. Term & Termination

Section 3.2 is hereby completely removed from the Agreement and replaced with the following:

The Early Termination Fee will be prorated at **$3,221.63** for each remaining month of the Initial Term in the case of Instruments.

All other terms of the Master Agreement remain unchanged.

This Agreement shall be effective on the date Leica countersigns below or the date, if any, appearing here as the Effective Date _____, ("Effective Date"). In the event this Agreement is not fully executed within 60 days from date listed below, this offer shall be automatically rescinded or renegotiated at Leica's sole discretion.

AGREED TO AND ACCEPTED THIS:

CUSTOMER:

Signature/Date: 03/28/18

Title:

LEICA MICROSYSTEMS INC.

Signature/Date

Title:

LEICA MICROSYSTEMS INC.

Signature/Date

Title:

EXHIBIT B – Pricing Detail

Bond Reagent Pricing Detail is hereby completely removed from the Agreement and replaced with the following:

Product Number	Description	List Price	Discount	Price	Instrument Upcharge	Service Upcharge	Total Price
DS9800	Bond Polymer Refine Detection (200/test kit)	$2,569.40	45.0%	$1,413.17	$958.00	$664.00	$3,035.17
DS9390	Bond Polymer Refine Red Detection (100/test kit)	$1,599.80	45.0%	$879.89	$479.00	$332.00	$1,690.89
AR9590	Bond TM Wash Solution 10X Concentrate, 1L	$556.00	35.0%	$361.40	$0.00	$0.00	$361.40
S21.4604.A	Bond TM Printer Ribbon & Labels Cxl (1Pack)	$873.20	35.0%	$567.58	$0.00	$0.00	$567.58
S21.1971	Bond Mixing Stations	$193.40	35.0%	$125.71	$0.00	$0.00	$125.71
OP79193	Bond Open Containers 7ml	$587.10	35.0%	$381.62	$0.00	$0.00	$381.62
S21.4611	Bond TM Universal Covertiles - 160 Pack	$533.50	35.0%	$346.78	$0.00	$0.00	$346.78
AR9222	Bond Dewax Solution	$438.70	35.0%	$285.16	$0.00	$0.00	$285.16
AR9961	Bond TM Epitope Retrieval 1 - 1L	$497.30	35.0%	$323.25	$0.00	$0.00	$323.25
AR9640	Bond TM Epitope Retrieval 2 - 1L	$549.70	35.0%	$357.31	$0.00	$0.00	$357.31
AR9551	Bond Enzyme Pretreatment Kit	$1,035.40	35.0%	$673.01	$0.00	$0.00	$673.01
Multiple	Bond RTU's	Multiple	35.0%	Multiple	$0.00	$0.00	Multiple
Multiple	Novocastra Concentrates+	Multiple	25.0%	Multiple	$0.00	$0.00	Multiple

+Novocastra Concentrates not included in monthly purchase commitments

Part Numbers; and pricing for less frequently ordered items are available in Excel format upon request.

3/23/2021 → 3/23/2026
Copy
☑ Vendor agreement
☑ Mat Mgt PM
☑ Codex

Leica BIOSYSTEMS

Leica Biosystems | 1700 Leider Lane | Buffalo Gr
Leica Biosystems and Leica Microsystems are part of Leica Microsystems

2021
Leica
Bonds
D, E, F

Amendment No. 2

Customer Information

Customer Name:	Precision Pathology ("Customer")		
SAP Number:	1250726		
Address:	3300 Nacogdoches Rd.		
City, State ZIP	San Antonio, TX 78217		
Customer Contact:		**LBS Contact:**	
Name:	Stacey Burton	**Name:**	Tyla Mason
Phone:	210-646-0890	**Phone:**	346-313-4849
E-mail:	sgates@precisiononpath.us	**E-mail:**	Tyla.mason@leicabiosystems.com
Quote #(s):	**S.TZ0212, S.TZ0213**		
Product Type:	**IHC**		
Amendment Effective Date:	**March 15, 2021**		

This Amendment No. 2 (the "Amendment") to the Master Agreement between Customer (set forth above) and Leica Biosystems division of Leica Microsystems, Inc. ("Leica") dated as of January 29, 2015 as amended by Amendment No. 1 on or about April 4, 2018, (collectively hereinafter the "Agreement") as follows:

The parties hereto hereby agree as follows:

1. **Section 1.1., Instruments & Training**
Section 1.1., Instruments & Training of the Agreement is hereby deleted in its entirety and replaced with the following:

Qty	Instrument	Offer Price	Location	Payment Method
1	Bond – III Processing Module	$125,000	Shipping	Incl. in Reagents
1	BOND System Control Kit (6.0.1/W10 lo T)	$15,000		
1	Leica Bond III	$69,780	**Onsite: Previous Agreement	
Trade-In* Bond C		($20,000)		
Total		**$189,780**	-	**Incl. in Reagents**

*Pricing in this deal is contingent on the trade-in of one (1) onsite Bond III s/n 3210356 within sixty (60) days of execution of this Agreement.
** Onsite: Previous Agreement as executed through the Master Agreement on or about January 29, 2015 and as amended by Amendment No. 1 on or about April 4, 2018.

2. **Section 1.2., Service Offering**
Section 1.2., Service Offering of the Agreement is hereby deleted in its entirety and replaced with the following:

Qty	Service Offering	Offer Price / year	Payment Method
1	BOND-III - SILVER SERVICE*	$14,809	Incl. in Reagents
2	BOND-III - SILVER SERVICE**	$29,618	

*Annual Price after 1-year warranty; Warranty period begins at initial installation of instrument.
** S/N: 3400304, 3211399, 3212923
Bond E, Bond D, Bond F

3. **Section 1.2.1. of the Agreement is hereby added with the following:**

1.2.1. The above listed pricing reflects the amount of service covered through reagent purchases on an annual basis. Service will be extended for the term of the Agreement, however the service pricing set forth above is contingent on Customer meeting outlined reagent commitments at or above the reagent pricing specified in this Agreement. If Customer does not meet the commitments outlined in this Agreement, Leica reserves the right to charge for service on a time and material basis without further notice.

4. **Section 1.3 and 1.3.1 of the Agreement is hereby deleted in its entirety.**

5. **Section 1.4., Reagents & Consumables**
Section 1.4., Reagents & Consumables table of the Agreement is hereby deleted in its entirety and replaced with the following:

Description	Discount
Bond Detection Kits (V20FKB0)	45.0%
Bond Ancillary Reagents (Wax, Wash, Retrieval) (V20FKB1)	35.0%
Required Bond Consumables (Ribbons, Labels) (V20FKB7)	35.0%
Bond Consumables (Trays, Containers) (V20F21C)	35.0%
Bond Covertiles (V20FKB8)	35.0%
Bond RTU's (V20FBB0)	35.0%
Bond ISH Probes	30.0%
Novocastra Concentrates	25.0%

Customer Initials _____ Leica Initials KM

Leica Biosystems | 1700 Leider Lane | Bulfalo Grove IL 60089

Amendment No. 2

6. **Section 2.1., Purchase Commitment**

Section 2.1., Purchase Commitment of the Agreement is hereby deleted in its entirety and replaced with the following:

Purchase Commitment - Commencing on the Effective Date and on a monthly basis thereafter, Customer shall purchase the products at the prices and minimum volumes identified in the table below ("Minimum Purchase Commitment"). The Minimum Purchase Commitment per month is **$19,790** based on a monthly slide volume of **817** or **9,800** slides annually.

Product	Cost per Test	Slides / month	Monthly Minimum Purchase Commitment
Bond detection and reagents	$20.65	817	$16,871
RTU's @ 50% commitment	$6.62	409	$2,708
ISH @ 1% commitment	$26.34	8	$211
	Total		**$19,790**

7. **Section 3.2.**

Section 3.2. to the Agreement is hereby deleted in its entirety and replaced with the following:

The early termination fee will be prorated at **$3,163** for each remaining month of the Term in the case of instruments.

8. **EXHIBITS**

Exhibit B – Pricing Detail to the Agreement is hereby deleted in its entirety and replaced with Exhibit B - Pricing Detail attached as Attachment 1 to this Amendment.

9. **TERM EXTENSION**

The term of the Agreement is hereby extended for an additional period of 5 years from the Amendment Effective Date of this Amendment.

10. **MISCELLANEOUS**

Except as set forth in this Amendment, the terms of the Agreement shall remain in full force and effect; provided however, that in the event of a conflict between the terms contained in this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

Amendment shall be effective on the date, specified in the header as the Amendment Effective Date, or if no such date is specified, then the date Leica countersigns below ("Amendment Effective Date"). This In the event this Amendment is not fully executed within sixty (60) days from date listed below, this offer shall be automatically rescinded or renegotiated at Leica's sole discretion.

AGREED TO AND ACCEPTED THIS:

CUSTOMER:

Signature/Date: 3/23/2021

Title:

LEICA BIOSYSTEMS DIVISION OF LEICA MICROSYSTEMS INC.

Signature/Date: Kathryn Mielke Mar 23, 2021

Title: Sr. Manager - Commercial Operations

LEICA BIOSYSTEMS DIVISION OF LEICA MICROSYSTEMS INC.

Signature/Date: D. Ryan Lee Mar 23, 2021 (7:22 CDT) Mar 23, 2021

Title: Director, Sales Operations

Customer Initials: Leica Initials: KM

ATTACHMENT 1: EXHIBIT B – PRICING DETAIL

Bond Reagent Pricing Detail

Product Number	Description	List Price	Discount	Price	Instrument Upcharge	Service Upcharge	Total Price
DS9800	Bond Polymer Refine Detection (200/test kit)	$2,753.06	45.0%	$1,514.18	$942.38	$846.23	$3,302.79
DS9390	Bond Polymer Refine Red Detection (100/test kit)	$1,731.21	45.0%	$952.17	$471.19	$423.11	$1,846.47
AR9590	Bond TM Wash Solution 10X Concentrate, 1L	$623.82	35.0%	$405.48	$0.00	$0.00	$405.48
S21.4604.C	Bond TM Printer Ribbon & Labels Cxi (1Pack)	$979.71	35.0%	$636.81	$0.00	$0.00	$636.81
S21.1971	Bond Mixing Stations	$216.99	35.0%	$141.04	$0.00	$0.00	$141.04
OP79193	Bond Open Containers 7ml	$658.70	35.0%	$428.16	$0.00	$0.00	$428.16
S21.4611	Bond TM Universal Covertiles - 160 Pack	$598.57	35.0%	$389.07	$0.00	$0.00	$389.07
AR9222	Bond Dewax Solution	$492.20	35.0%	$319.93	$0.00	$0.00	$319.93
AR9961	Bond TM Epitope Retrieval 1 - 1L	$557.95	35.0%	$362.67	$0.00	$0.00	$362.67
AR9640	Bond TM Epitope Retrieval 2 - 1L	$616.74	35.0%	$400.88	$0.00	$0.00	$400.88
AR9551	Bond Enzyme Pretreatment Kit	$1,161.69	35.0%	$755.10	$0.00	$0.00	$755.10
KI-10701*	ERBB2 (17q12(/ SE 17	$752.31	25.0%	$564.23	$0.00	$0.00	$564.23
KI-60007*	Tissue Digestion Kit I	$478.76	25.0%	$359.07	$0.00	$0.00	$359.07
LK096A*	DAPI Counterstain	$100.65	25.0%	$75.49	$0.00	$0.00	$75.49
LK097A*	Counterstain Diluent	$71.98	25.0%	$53.98	$0.00	$0.00	$53.98
LK071A*	Fixogum	$43.19	25.0%	$32.39	$0.00	$0.00	$32.39
KI-10752*	ROS1 6q22 Break	$793.69	25.0%	$595.27	$0.00	$0.00	$595.27
Multiple	Bond RTU's	Multiple	35.0%	Multiple	$0.00	$0.00	Multiple
Multiple	Bond ISH Probes	Multiple	30.0%	Multiple	$0.00	$0.00	Multiple
Multiple	Novocastra Concentrates	Multiple	25.0%	Multiple	$0.00	$0.00	Multiple

*Products are for Customer's use only. Customer may not sell or transfer the Products. Customer will use the Products only for automated testing and not for any manual testing.

Part Numbers, and pricing for less frequently ordered items are available in Excel format upon request.

Exhibit 10.12

STRATEGIC RELATIONSHIP AND LICENSE AGREEMENT

This Strategic Relationship and License Agreement (this "Agreement") is entered into December 1, 2022 (the "Effective Date") by and between Precision Pathology Services, a Texas corporation with its principal location at 3300 Nacogdoches Rd #110, San Antonio, TX 78217 and Pathology Watch, Inc. (hereinafter "PW"), a Delaware corporation with its principal location at 497 West 4800 South, Suite 201, Murray, UT 84123 (at times collectively referred to herein as the "Parties" or individually as a "Party").

RECITALS

WHEREAS, PW provides to clients its digital imaging cloud-based pathology platform to facilitate remote interpretation and billing of pathology specimens by qualified professionals (the "PW Software");

WHEREAS, SERVICE RECEPIENT is a Texas entity that hold insurance and hospital contracts, and operates as a pathology group within the State of Texas for the provision of pathology services;

WHEREAS, in exchange for the Fees (defined below), PW intends to provide the PW Software and certain other services to SERVICE RECEPIENT as set forth herein and in accordance with the terms of this Agreement; and

WHEREAS, PW and SERVICE RECEPIENT desire to establish, pursuant to this Agreement a mutually beneficial relationship (the 'Strategic Relationship") as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to all of the following provisions:

1. **Certain Definitions**. The following terms shall have the meanings specified below when used in this Agreement:

"Business Day" means any day that is not a Saturday, Sunday, or a day on which banks are required or authorized to be closed in New York, New York.

"SERVICE RECEPIENT Authorized User" means any employees, contractors or agents of SERVICE RECEPIENT and SERVICE RECEPIENT's affiliates and any other party accessing or using the PW Software solely on behalf and for the benefit of SERVICE RECEPIENT and solely for SERVICE RECEPIENT's pathology business purposes only.

"Competitor" means any entity providing a digital pathology platform specifically targeting dermatology practices.

"SERVICE RECEPIENT Data" means all data, information and/or records received, submitted or inputted by SERVICE RECEPIENT, any of its affiliates or a SERVICE RECEPIENT Authorized User into or through the PW Software.

"Derivative Work" means any modifications or enhancement of a work of authorship, including without limitation all "derivative works" and "compilations" thereof within the meaning of such terms as defined in the U.S. Copyright Act of 1976 (17 U.S.C. § 101 et seq.) as amended.

"Documentation" means user manuals, instructions, or functional specifications that describe the functionality of the PW Software and that are provided to SERVICE RECEPIENT by PW in any form or medium, and any updates of the foregoing.

"Fees" means the Monthly License Fee and the Monthly Services Fee payable by SERVICE RECEPIENT to PW in accordance with this Agreement as further defined in Section 5.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, U.S.C. §§ 1320d-1329d-8, as amended by the Health Information Technology for Economic and Clinical Health Act, 42 U.S.C. §§ 3000 et seq., its implementing privacy regulations (45 C.F.R. Part 160 and Part 164, Subparts A and E), its implementing security regulations (45 C.F.R. Part 160 and Part 164, Subpart C) and any guidance issued by the U.S. Department of Health and Human Services interpreting the foregoing.

"Intellectual Property Rights" means all forms of proprietary rights, titles, interests, and ownership relating to patents, copyrights, trademarks, trade dress, trade secrets, mask works, moral rights, and all similar intellectual property rights of every type that may exist now or in the future in any jurisdiction, including without limitation all applications and registrations thereof.

"Marketing Services" means PW's promotion and marketing of SERVICE RECEPIENT's use of the PW Software to dermatology clinics by promoting the use of PW Software by SERVICE RECEPIENT to expand its capabilities to service a variety of dermatology practices through providing remote pathology services.

"Services" means the Support Services and Marketing Vendor Services as described in this Agreement.

"Support Services" means courier or shipping, supplies, interfacing and support services.

"Term" means the period of time during which this Agreement is in full force and effect as defined in Section 6.1.

"Updates" means any modifications, enhancements, patches, bug fixes, releases, versions or other updates or upgrades to the PW Software generally provided to the customers of PW at no additional cost.

In addition to the terms defined in this Article 1, certain terms are defined elsewhere in this Agreement and, whenever such terms are used in this Agreement, they shall have their respective defined meanings.

2. **Licensing and Right of Access.**

2.1 Grant of License. Subject to the terms and conditions of this Agreement, and to SERVICE RECEPIENT's payment obligations, PW hereby grants to SERVICE

RECEPIENT during the Term, and SERVICE RECEPIENT hereby accepts, (i) a limited, personal, nonexclusive, non-transferable, non-sublicenseable, revocable right and license (ii) to access and use the PW Software solely for SERVICE RECEPIENT's internal business purposes in accordance with this Agreement; and (iii) permit SERVICE RECEPIENT Authorized Users to access and use the PW Software solely in connection with the operation of SERVICE RECEPIENT's pathology business. SERVICE RECEPIENT agrees that its license to the PW Software and any additional software or Services is neither contingent upon the delivery of any future functionality or features nor dependent upon any oral or written comments made by PW with respect to future functionality or features.

2.2 SERVICE RECEPIENT Authorized Users. Except with the prior written consent of PW, access to the PW Software will be limited solely to SERVICE RECEPIENT Authorized Users. SERVICE RECEPIENT acknowledges and agrees that, as between PW and SERVICE RECEPIENT, SERVICE RECEPIENT is solely responsible and liable for, and PW hereby expressly disclaims all liability with respect to, all acts and omissions of any SERVICE RECEPIENT Authorized User, including without limitation, the access and use of the PW Software by any SERVICE RECEPIENT Authorized Users and for such SERVICE RECEPIENT Authorized User's compliance with this Agreement. PW will assign any SERVICE RECEPIENT Authorized User with a unique account name and password for access to and use of the PW Software ("User ID"). SERVICE RECEPIENT shall be responsible for ensuring the security and confidentiality of all User IDs. SERVICE RECEPIENT acknowledges that it will be fully and solely responsible for all liability incurred through the use of the PW Software under a User ID and that any use of the PW Software under a User ID will be deemed to have been performed by SERVICE RECEPIENT. SERVICE RECEPIENT will notify PW immediately of any suspected theft, loss, or fraudulent use of any User ID or password. Notwithstanding any of the foregoing, nothing in this Section 2.2 shall in any way limit, condition or modify PW's indemnification obligations under Section 8.1.

2.3 Reservation of Rights. PW reserves all rights not expressly granted to SERVICE RECEPIENT herein with respect to the PW Software. SERVICE RECEPIENT specifically acknowledges and agrees that, other than as expressly permitted hereunder, no rights whatsoever are granted or shall inure to SERVICE RECEPIENT hereunder to any source code for the PW Software.

2.4 Limitations on License. SERVICE RECEPIENT shall not: (i) reproduce, copy, modify or make Derivative Works of the PW Software, nor shall SERVICE RECEPIENT use or publicly display the PW Software or Documentation in a manner other than as expressly permitted hereunder; (ii) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code of the PW Software, in whole or in part; (iii) modify or remove any licenses, warranties, proprietary notices or other legends placed on or contained within the PW Software; (iv) sublicense the PW Software or any Services to any third party or otherwise allow any other person or entity to access or use the PW Software or Services other than SERVICE RECEPIENT Authorized Users; (v) reconfigure or redeploy the PW Software and/or Services in a manner not expressly authorized by PW; (vi) bypass or breach any security device or protection used by the PW Software or access or use the PW Software other than by a SERVICE RECEPIENT Authorized User through the use of his or her own then valid User ID; (vii) damage, destroy, disrupt, disable, impair, interfere with, or otherwise impede or harm in any manner the Services or the PW Software or PW's provision of services to any third party, in whole or in part; (viii) use the PW Software or the Services in connection with any illegal or unlawful activity or in a manner that causes, results in, encourages, solicits, or publicizes a crime or illegal or unlawful activity; or (x) assign, sell, publish, convey or otherwise transfer its rights in the PW Software to third parties other than as expressly permitted herein. SERVICE RECEPIENT will immediately notify PW if SERVICE RECEPIENT becomes aware of any violation of the terms of this Agreement.

3. **PW Responsibilities.**

3.1 Support Services.

(a) Collection Supplies and Procedures. PW shall provide (and pay for referring) practices with collection materials necessary for such practices (or its referring practitioners) to collect and prepare specimens for shipment to SERVICE RECEPIENT. PW shall require referring practices (and its referring practitioners) to use SERVICE RECEPIENT approved collection processes and collection materials, including without limitation collection kits, tubes, containers and labels (collectively, the "Clinical Supplies").

(b) Ordering, Processing and Shipping. With respect to each laboratory test requested, PW shall obtain from the qualified ordering practitioner a valid order, and complete requisition form; and, if necessary, relevant and available medical records. Outside of SERVICE RECIPIENT'S normal courier routes and geographic footprint, PW shall, at its own expense, collect, deliver and timely ship specimens to SERVICE RECEPIENT for processing and testing, and package all specimens in accordance with SERVICE RECEPIENT instructions provided in advance in writing to PW. PW shall be the primary resource to assist SERVICE RECEPIENT with obtaining any missing information on a requisition form from the ordering practitioner in connection with any laboratory tests.

(c) Interface Set-Up. With respect to each referring practice that elects to engage SERVICE RECEPIENT to provide pathology services and for which SERVICE RECEPIENT uses the PW Software to assist in providing such pathology services pursuant to this Agreement, PW shall use commercially reasonable efforts to ensure all data and information related to orders submitted by such referring practice for such pathology services is accurately and correctly submitted to SERVICE RECEPIENT, as applicable, through the PW Software and all reports produced by SERVICE RECEPIENT, as applicable, based on such orders are accurately and correctly received by such referring practice through the PW Software. PW may, to the extent practicable, and in PW's sole discretion, establish an electronic interface with such practices that will enable the practice to submit orders to SERVICE RECEPIENT and receive reports from SERVICE RECEPIENT through the PW Software. PW pays for, implements, and manages all of these software platforms via the PW engineering team. These costs are recurring and go up for PW based on volume (example being for every specimen received PW must pay a digital storage fee on a secure HIPAA compliant web server).

(d) Maintenance and Technical Assistance. PW shall provide to SERVICE RECEPIENT reasonable technical assistance and support related to the use of the PW Software by SERVICE RECEPIENT, including without limitation those services set forth on Attachment A. PW pays for and staffs an on-call resource for any issues.

3.2 **Marketing Vendor Services**.

(a) General Description. In exchange for a portion of the Monthly Services Fee, SERVICE RECEPIENT engages PW to provide the Marketing Vendor Services. Several examples of Marketing Vendors Services are as follows: Creation of marketing materials for conferences and social media posts, attend conferences, hosting client lunches, devote a percentage of sales representative time to attend client meetings and sell services, devote a percentage of sales representative time to train office staff on sending specimens and reviewing reports, triaging first level patient questions (could be on a variety of topics such as billing, turnaround time expectations, etc.). This list is not intended to be all encompassing, there are additional tasks performed on a regular basis to grow and scale a sales territory.

(b) Trademark License. SERVICE RECEPIENT grants to PW a non-exclusive, non-transferable right and license to display its name, trademarks, service marks and logos set forth on Attachment B (the "Marks") for the sole purpose of providing the Marketing Services as set forth herein. Except as set forth in this Article 3, nothing in this Agreement shall grant or shall be deemed to grant to PW any right, title or interest in or to the Marks. All use by PW of the Marks (including any goodwill associated therewith) shall inure to the benefit of SERVICE RECEPIENT. PW will submit all materials of any kind containing the Marks to SERVICE RECEPIENT before release to the public for inspection, and SERVICE RECEPIENT will have the right to approve such material prior to its distribution. PW agrees that their respective advertising materials that are associated with the Marks shall meet the same general level of quality as is provided by PW in connection with its own trademarks.

4. **Nonexclusive Relationship**. The Parties acknowledge and agree that nothing in this Agreement shall prevent or prohibit PW from selling a subscription or license to the PW Software to any pathology group, medical practice or to any other potential client.

5. **Payment of Fees by SERVICE RECEPIENT***. Subject to the terms of this Agreement, SERVICE RECEPIENT shall pay PW twenty five thousand dollars ($25,000) per month (the "Monthly License Fee") during the Term for access to and use of the PW Software. As compensation for PW's provision of the Services, SERVICE RECEPIENT shall pay to PW the Services Fee as outlined in the table below (the "Monthly Services Fee") during the Term.

Fee schedule is as follows:

Month	License Fee	Services Fee	Total
1	$ 25,000	$ 20,000	$ 45,000
2	$ 25,000	$ 25,000	$ 50,000
3	$ 25,000	$ 30,000	$ 55,000
4	$ 25,000	$ 35,000	$ 60,000
5	$ 25,000	$ 38,000	$ 63,000
6+	$ 25,000	$ 38,000	$ 63,000

The Parties agree that the Monthly License Fee and Monthly Services Fee have been determined in arm's length bargaining, are commercially reasonable and are consistent with fair market value in arm's-length transactions. In consideration of the start-up nature of this arrangement to ensure fair market value for the Services, at the request of either Party, prior to the end of month five (5) of the Initial Term, or prior to the end of the Initial Term or any Renewal Term, the Parties shall negotiate in good faith an adjustment to the Monthly Services Fee which shall be documented pursuant to a written amendment to this Agreement; provided, however, any increase in the Monthly Services Fee must be the result of an increase in the Services and must not be determined in a manner that is related directly or indirectly to the volume or value of referrals to SERVICE RECEPIENT or business otherwise generated by PW for SERVICE RECEPIENT. In the event a Party requests to negotiate an adjustment to the Monthly Services Fee in accordance with this Section 5 and the Parties are unable in good faith to agree on the Monthly Services Fee within thirty (30) days either Party may terminate this Agreement immediately upon written notice to the other Party within ten days (10) after the end of month six (6) of the Initial Term, the Initial Term, or such then-current Renewal Term, as applicable; provided, however, if neither Party provides such written notice within such 10-day period, the then current Monthly Service Fee shall continue to be paid with no adjustment. Any amendment to the compensation provisions of this Agreement shall be applied prospectively for at least twelve (12) months unless the Agreement is terminated. The Monthly License Fee and the Monthly Services Fee shall be paid by SERVICE RECEPIENT to PW in arrears within ten (10) Business Days of the end of each month. PW may impose a late fee of 1% of any outstanding amounts accrued monthly.

6. **Term and Termination**.

6.1 This Agreement shall be in effect for a twelve (12) months, commencing on the Effective Date, unless terminated by either party in accordance with the terms of this Agreement (the "Initial Term"). Upon expiration of the Initial Term or any Renewal Term, this Agreement shall automatically renew for successive twelve (12) month terms (each a "Renewal Term") unless either party notifies the other party at least ninety (90) days prior to the end of the current term that it does not wish to renew the Agreement. Termination in accordance with the terms of this Agreement shall not affect any rights or obligations arising prior to the effective date of termination.

6.2 This Agreement shall terminate automatically in the event the Service Recipient fails to maintain all necessary licenses and accreditations, or in the event either party fails to maintain the required insurance coverage, makes an assignment for the benefit of creditors, becomes insolvent or bankrupt, or is the subject of a bankruptcy petition or petition for dissolution, liquidation or for the winding up of business affairs, or for the appointment of a trustee or receiver to take possession of assets.

6.3 Either party may terminate this Agreement without cause upon ninety (90) days prior written notice to the other party, which notice shall specify the effective date of termination.

6.4 Either party may terminate this Agreement upon ninety (90) days notice if there is a change in the ownership or control of the other party.

6.5 The parties may terminate this Agreement at any time by mutual written consent.

6.6 Either party may terminate this Agreement as provided elsewhere in this Agreement.

6.7 Either party may terminate this Agreement, effective immediately if: (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA, HITECH, or the regulations promulgated under HIPAA and HITECH, all as amended and in effect from time to time, or for a violation of other security or privacy laws or (ii) a finding or stipulation is made in any administrative or civil proceeding in which a party has been joined that such party has violated a standard or requirement of HIPAA, HITECH, or the regulations promulgated under HIPAA and HITECH, all as amended and in effect from time to time, or has violated other security or privacy laws.

7. **Representations and Warranties.**

7.1 Authority and Enforcement of Obligations. Each Party represents and warrants that: (i) such Party has the full power and authority to enter into this Agreement; (ii) this Agreement is duly authorized by all necessary action and has been duly executed and delivered; and (iii) such Party has not entered into any agreement with any other entity that contains restrictive provisions regarding confidentiality and/or non-competition that may impair their ability to perform its obligations under this Agreement. SERVICE RECEPIENT represents and warrants to PW that SERVICE RECEPIENT owns or otherwise has and will have the necessary rights and consents in and relating to the SERVICE RECEPIENT Data as necessary for this Agreement.

7.2 Compliance with Laws. Each Party hereby covenants and agrees to comply with all laws and regulations applicable to its activities connected with this Agreement. The Parties will limit their activities hereunder as necessary to comply with any such laws. If, in the reasonable opinion of counsel to either Party, any provision of this Agreement does not comply with applicable law, then such provision shall be interpreted in such a manner as to comply with applicable law while giving effect, to the maximum extent possible, to the intent of the Parties as set forth herein. Neither PW nor SERVICE RECEPIENT, nor any of their officers, directors, employees or contractors, has been, nor during the term of this Agreement will be, debarred, suspended, terminated or excluded from participation in any state or federal healthcare program, including Medicare and Medicaid. The Parties agree to promptly notify the other Party in the event any such exclusions or sanctions occur, and promptly remove such person from providing services related to this Agreement.

7.3 Business Associate Addendum. PW and SERVICE RECEPIENT agree to comply with the requirements of HIPAA in the performance of their respective obligations hereunder. In that regard, SERVICE RECEPIENT and PW further agree to comply with the provisions of the Business Associate Addendum executed by the parties in connection with this Agreement as Attachment C. In the event of conflict between the Business Associate Addendum and any provision of this Agreement, the terms of the Business Associate Addendum shall control.

7.4 PW Representations and Warranties. PW represents and warrants that (i) neither the PW Software nor the Documentation does or will infringe any patent, copyright, trademark, trade secret or any other intellectual property or proprietary right of any third party and (ii) the PW Software will process and exchange all information and data inputted into the PW Software by referring providers to SERVICE RECEPIENT accurately and correctly; provided that, this warranty shall not apply to errors with the information or data caused by a referring providers failure to input the correct information or data into the PW Software. With respect to subsection (i) of this Section, the Parties agree that in the event of a third-party claim against PW arising out of or resulting from a breach of this warranty, SERVICE RECEPIENT's rights to indemnification provided in Section 8 shall be SERVICE RECEPIENT's sole and exclusive remedy in lieu of, and SERVICE RECEPIENT shall not seek duplicative recovery in any way, including without limitation, by way of, a direct breach of warranty claim against PW related to such third-party claim. For the avoidance of doubt, SERVICE RECEPIENT may only bring a breach of warranty claim under subsection (i) of this Section in the event of a direct claim against PW by SERVICE RECEPIENT which shall be SERVICE RECEPIENT's sole and exclusive remedy.

7.5 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, THE PW SOFTWARE AND ALL SERVICES ARE PROVIDED "AS IS", PW MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, RESULTS, OR THAT THE OPERATION OF THE PW SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE OR THAT ALL ERRORS WILL BE CORRECTED OR WILL MEET SERVICE RECEPIENT'S OR ANY OTHER PERSON'S REQUIREMENTS. SERVICE RECEPIENT ACKNOWLEDGES AND AGREES THAT THE PW SOFTWARE IS AN ADMINISTRATIVE TOOL DESIGNED TO ASSIST SERVICE RECEPIENT'S PATHOLOGY SERVICES IN THE OPERATION OF SERVICE RECEPIENT'S PATHOLOGY BUSINESS OPERATIONS. HOWEVER, SERVICE RECEPIENT REMAINS SOLELY RESPONSIBLE FOR ITS PATHOLOGY SERVICES AND ALL CODING, DATA ELEMENTS, DOCUMENTATION AND/OR CLAIMS FOR REIMBURSEMENT RELATED THERETO. SERVICE RECEPIENT ACKNOWLEDGES AND AGREES THAT THE PW SOFTWARE IS NOT INTENDED TO AND DOES NOT PROVIDE MEDICAL, LEGAL OR BILLING ADVICE, OPINIONS, DIAGNOSIS, OR A SUGGESTED COURSE OF TREATMENT. SERVICE RECEPIENT FURTHER AGREES THAT THE SOLE AND EXCLUSIVE RESPONSIBILITY FOR ANY MEDICAL DECISIONS OR ACTIONS WITH RESPECT TO A PATIENT'S MEDICAL CARE AND FOR DETERMINING THE ACCURACY, COMPLETENESS OR APPROPRIATENESS OF ANY DIAGNOSTIC, CLINICAL OR MEDICAL INFORMATION RESIDES SOLELY WITH THE HEALTHCARE PROVIDER. PW SHALL HAVE NO LIABILITY FOR ANY CLAIMS, LOSSES OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH SERVICE RECEPIENT'S OR ANY OF CLIENT'S AUTHORIZED USERS' USE OF THE PW SOFTWARE, PROFESSIONAL SERVICES, IN COMBINATION WITH ANY THIRD-PARTY PRODUCTS, SERVICES, OR SOFTWARE.

8. **Indemnification**.

8.1 PW Indemnification Obligations. PW hereby agrees, during and after the Term, to defend, indemnify and hold harmless SERVICE RECEPIENT, its subsidiaries, their respective affiliates, officers, directors and employees and all SERVICE RECEPIENT Authorized Users (collectively, the " SERVICE RECEPIENT Indemnified Parties") from and against any and all losses, costs, obligations, liabilities, settlement payments, fines, penalties, damages, expenses or other charges arising from any third party claim or action (collectively, a "Loss" or "Losses") that any such SERVICE RECEPIENT Indemnified Parties incur, to the extent that such Loss arises out of or relates to (i) the gross negligence or willful misconduct of PW personnel or (ii) any claim that the PW Software or Documentation infringes a U.S. patent, copyright, trademark, trade secret or any other intellectual property or proprietary rights of a third party. Notwithstanding the foregoing, this Section 8.1 shall not apply to any claim of infringement to the extent such claim of infringement arises from (a) the unauthorized modification by the SERVICE RECEPIENT Indemnified Parties of the PW Software, Documentation or other Services provided to SERVICE RECEPIENT by PW; (b) combination, operation or use of the PW Software by the SERVICE RECEPIENT Indemnified Parties with other software, hardware or technology not provided by PW, or (c) SERVICE RECEPIENT Data.

8.2 SERVICE RECEPIENT Indemnification Obligations. SERVICE RECEPIENT hereby agrees, during and after the Term, to defend, indemnify and hold harmless PW, its officers, directors and employees (collectively, the "PW Indemnified Parties") from and against any and all Losses that such PW Indemnified Parties incur, to the extent that such Loss arises out of or relates to (i) the gross negligence or willful misconduct of SERVICE RECEPIENT personnel, (ii) SERVICE RECEPIENT's use of the SERVICE RECEPIENT Data or (iii) SERVICE RECEPIENT's or any SERVICE RECEPIENT's Indemnified Parties' use of the PW Software with other third-party software or materials not licensed to SERVICE RECEPIENT or not approved by PW as required under this Agreement.

8.3 Indemnification Procedures. The indemnification obligations set forth in thisArticle 8 will not apply unless the Party claiming indemnification: (i) notifies the other Party promptly in writing of any matters in respect of which the indemnity may apply and of which the notifying Party has knowledge in order to allow the indemnitor the opportunity to investigate and defend the matter; provided, that the failure to so notify will only relieve the indemnitor of its obligations if and to the extent that the indemnitor is prejudiced thereby; and (ii) gives the other Party full opportunity to control the response thereto and the defense thereof, including any agreement relating to the settlement thereof; provided, that the indemnitee will have the right to participate in any legal proceeding to contest and defend a claim for indemnification involving a third party and to be represented by legal counsel of its choosing, all at the indemnitee's cost and expense, provided, however, the other Party may only control the response thereto and the defense thereof if the other Party acknowledges and agrees with the Party claiming indemnification that the other Party is responsible for any Losses attributable to such claim and will indemnify the Party claiming indemnification for same pursuant hereto (which responsibility for indemnification shall thereby be conclusively established). If the indemnitor fails to promptly assume the defense of the claim, the Party entitled to indemnification may assume the defense at the indemnitor's cost and expense. The indemnitor will not be responsible for any settlement or compromise made without its consent, unless the indemnitee has tendered notice and the indemnitor has then refused to assume and defend the claim and it is later determined that the indemnitor was liable to assume and defend the claim. The indemnitee agrees to cooperate in good faith with the indemnitor at the request and expense of the indemnitor.

9. **Limitation on Liability**.

9.1 Consequential Damages Waiver. NEITHER PARTY SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO THE OTHER PARTY FOR LOST PROFITS, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, EVEN IF THE PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES.

9.2 Direct Damages Cap. IN NO EVENT SHALL A PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY RELATING TO THIS AGREEMENT OR RESULTING FROM THE USE OR INABILITY TO USE, OR PERFORMANCE OR NONPERFORMANCE OF THE PW SOFTWARE, DOCUMENTATION, OR OTHER GOODS OR SERVICES EXCEED THE AMOUNTS PAID BY SERVICE RECEPIENT TO PW DURING THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT OR ACT GIVING RISE TO THE CAUSE OF ACTION. THE LIMITATIONS IN SECTIONS 9.1 AND 9.2 SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN.

10. **Intellectual Property and Proprietary Rights**.

10.1 Ownership of the PW Software. Subject to the limited rights expressly granted hereunder, PW reserves all right, title and interest in and to the PW Software, including without limitation, all Derivative Works, Updates or customizations thereof whether made for or at the direction of SERVICE RECEPIENT and including all intellectual property and proprietary rights therein. SERVICE RECEPIENT acknowledges that no rights are granted to SERVICE RECEPIENT hereunder other than as expressly set forth herein.

10.2 Enforcement. PW shall at all times retain the sole and exclusive right to pursue, secure, maintain, protect, police and otherwise enforce its ownership and Intellectual Property Rights in and to the PW Software, Derivative Works, and any and all related Services and products.

10.3 Suggestions and Feedback. PW shall have, and SERVICE RECEPIENT hereby grants, a royalty free, worldwide, transferable, sublicenseable, irrevocable, perpetual right and license to use, modify and/or incorporate into the PW Software and/or Services (and any other software and services of PW) any ideas, suggestions or other feedback provided by SERVICE RECEPIENT, its affiliates and/or its SERVICE RECEPIENT Authorized Users.

10.4 SERVICE RECEPIENT Data. As between SERVICE RECEPIENT and PW, SERVICE RECEPIENT exclusively owns all right, title and interest in and to all SERVICE RECEPIENT Data. SERVICE RECEPIENT Data is deemed Confidential Information of SERVICE RECEPIENT under this Agreement. PW may use on a perpetual, non-exclusive, irrevocable basis SERVICE RECEPIENT Data that has been de-identified or anonymized as permitted by applicable law and any and all insights, usage statistics, analytic data, benchmarking data and/or similar types of insights and data that describe or relate to the performance, features or functionality of the PW Software and/or Services for PW's business purposes so long as such use does not identify a natural person or SERVICE RECEPIENT as the source of the data.

11. **Confidentiality**.

11.1 Confidential Information. Each Party has made and may continue to make available to the other Party information that is not generally known to the public and at the time of disclosure is identified as, or would reasonably be understood by the receiving Party to be, proprietary or confidential ("Confidential Information"). Confidential Information may be disclosed in oral, written, visual, electronic or other form. Confidential Information shall include all business plans, strategies, forecasts, projects, analyses, financial information, business processes, methods and models, algorithms, all organizational information, system architecture, software, graphics, computer programs, design ideas, concepts, flow charts, diagrams, progress reports, methods, research and any other personal or intellectual property relating to either Party, their respective parents and/or subsidiaries. Confidential Information as defined herein shall not include:

(a) Information in the public domain at the time of its communication;

(b) Information which enters the public domain through no fault of the receiving Party subsequent to the time of its communication to the receiving Party;

(c) Information which is obtained in good faith by either Party from a third party, provided such third party is not bound by a confidentiality agreement with PW or SERVICE RECEPIENT, as applicable; or

(d) Information independently developed by employees or agents of a Party without access to the Confidential Information of the other Party.

11.2 Nondisclosure. The receiving Party will use the same care and discretion to avoid disclosure, publication or dissemination of any Confidential Information received from the disclosing Party as the receiving Party uses with its own similar information that it does not wish to disclose, publish or disseminate (but in no event less than a reasonable degree of care). Each Party shall advise its employees and others to whom the Confidential Information is disclosed of their obligations under this Agreement, shall ensure that the Confidential Information is securely maintained, and shall ensure that Confidential Information shall be used only insofar as required to perform its obligations hereunder. Each Party shall notify the other upon discovery of any unauthorized use or disclosure of that Party's Confidential Information.

11.3 Confidential Nature of this Agreement. Each Party hereto acknowledges and agrees that the nature and terms of this Agreement are strictly confidential and shall not be disclosed by it or any of its affiliates or representatives at any time to any third party without the prior written consent of the other Party hereto.

11.4 Legally Compelled Disclosure. If either Party becomes legally compelled to disclose any of the Confidential Information, such Party shall provide the other with prompt written notice thereof and shall not divulge any information until the non-disclosing Party has had the opportunity to seek a protective order or other appropriate remedy to curtail such disclosure. If such actions by such Party are unsuccessful, or the non-disclosing Party otherwise waives its right to seek such remedies, the disclosing Party shall disclose only that portion of the Confidential Information which it is legally required to disclose.

11.5 Injunctive Relief. Each Party acknowledges and agrees that failure to adhere to the terms of thisArticle 11 may cause the other Party irreparable damage for which monetary damages alone would be inadequate compensation. Therefore, without limiting any other available remedies, each Party agrees that the other Party shall be entitled to seek an injunction and other equitable relief in the event of any failure by the other Party to comply with the provisions of this Article 11, without the necessity of posting a bond, showing actual damages, or demonstrating the economic value of any trade secret. Injunctive relief shall not be deemed the exclusive remedy for the breach of this Agreement, but shall be in addition to all other remedies available at law or in equity to such Party.

12. **Intentionally Omitted.**

13. **Notices**. All notices, requests, and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficiently given, served, and received for all purposes upon the first to occur of (i) actual receipt; (ii) delivery by a generally recognized overnight courier service; (iii) facsimile transmission (with the original subsequently delivered by other means permitted by this Agreement, although the effective date of such notice shall be the date of such facsimile transmission provided the original is subsequently delivered as provided herein); or (iv) three (3) Business Days after deposit in the United States Mail, certified or registered, return receipt requested, with postage prepaid, addressed as follows:

To SERVICE RECEPIENT:

Precision Pathology Services Attn:
Roby Joyce, M.D.
PO Box 17302 San
Antonio, TX 78217 rjoyce@precisionpath.us
To PW:

Pathology Watch LLC
Attention: Michael Torno
8512 NE 89th Place Kansas
City, MO 64157
michael@pathologywatch.com

Or at such other address(s) set forth in any written notice delivered to the other Party.

14. **Miscellaneous Provisions**.

14.1 Disputes. PW and SERVICE RECEPIENT recognize that disputes as to certain matters may from time to time arise during the Term of this Agreement that relate to a Party's rights and/or obligations hereunder. It is the desire of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. In the event of any dispute, controversy, or claim between the Parties arising from or relating to this Agreement (a "Dispute"), a Dispute shall be referred to respective executive officers designated below or their successors, for attempted resolution by good faith negotiations within twenty (20) Business Days after such notice is received. Such designated officers are as follows:

For SERVICE RECEPIENT: Roby Joyce, MD

For PW: Michael Torno, Co-Founder

In the event the designated officers are not able to resolve such Dispute within such twenty (20) Business Day period after receipt of written notice, then any Dispute, to the extent it relates to the validity, interpretation or construction of, or the compliance with or breach of, this Agreement, shall, at the election of either Party, be decided in accordance with the provisions of Section 14.2 below.

14.2 Arbitration. Any dispute between the Parties relating to or arising out of the validity, interpretation or construction of, or the compliance with or breach of, this Agreement that cannot be resolved in accordance with Section 14.1 above shall be resolved through binding arbitration as follows:

(a) A Party may submit such dispute to arbitration by notifying the other Party, in writing, of such dispute. Within thirty (30) days after receipt of such notice, the Parties shall designate in writing a single arbitrator to resolve the dispute; provided, however, that if the Parties cannot agree on an arbitrator within such thirty (30) day period, the arbitrator shall be selected by the Texas office of the American Arbitration Association (the " AAA") or, if such office does not exist or is unable to make a selection, by the office of the AAA nearest to Texas. The arbitrator shall be a lawyer knowledgeable and experienced in the law concerning the subject matter of the dispute, and shall not be an affiliate, employee, consultant, officer, director, or stockholder of either Party, or otherwise have any current or previous relationship with either Party or its respective affiliates. The governing law in Section 14.3 shall govern any such proceedings.

(b) Within twenty (20) Business Days after the designation of the arbitrator, the arbitrator and the Parties shall meet, and each Party shall provide to the arbitrator a written summary of all disputed issues, such Party's position on such disputed issues and such Party's proposed ruling on the merits of each such issue.

(c) The arbitrator shall set a date for a hearing, which shall be no later thantwenty (20) Business Days after the submission of written proposals pursuant to Section 14.2(b), for the presentation of evidence and legal argument concerning each of the issues identified by the Parties. The Parties shall have the right to be represented by counsel. Except as provided herein, the arbitration shall be governed by the Expedited Commercial Arbitration Rules of the AAA applicable at the time of the notice of arbitration pursuant to Section 14.2(a); provided, however, that the Federal Rules of Evidence shall apply with regard to the admissibility of evidence in such hearing.

(d) The arbitrator shall use his or her best efforts to rule on each disputed issuewithin twenty (20) Business Days after completion of the hearing described in Section 14.2(c). The determination of the arbitrator as to the resolution of any dispute shall be binding and conclusive upon all Parties. All rulings of the arbitrator shall be in writing and shall be delivered to the Parties except to the extent that the Expedited Commercial Arbitration Rules of the AAA provide otherwise.

(e) The (i) attorneys' fees of the Parties in any arbitration, (ii) fees of engagingthe arbitrator, and (iii) costs and expenses of the arbitration, shall be borne by the Parties in a proportion determined by the arbitrator.

(f) Any arbitration pursuant to this Section 14.2 shall be conducted in Texas. Any arbitration award may be entered in and enforced by a court in accordance with Section 14.3.

(g) Notwithstanding anything in this Section 14.2, each Party shall have theright to seek injunctive or other equitable relief from a court of competent jurisdiction that may be necessary to avoid irreparable harm, maintain the status quo, or preserve the subject matter of the arbitration.

14.3 Governing Law. This Agreement shall be construed in accordance with and governed by the substantive laws of the State of Texas without regard to any choice of law provisions.

14.4 Independent Contractors. The relationship of PW and SERVICE RECEPIENT is that of independent contractors, and nothing contained in this Agreement shall be construed to (i) give either Party the power to direct and control the day-to-day activities of the other, (ii) constitute the Parties as joint venturers, principal and agent, employer and employee, co-owners, franchisor and franchisee or otherwise as participants in a joint undertaking, or (iii) allow either Party to create or assume any obligation on behalf of the other Party for any purpose whatsoever. Subject to the terms of this Agreement, the activities and resources of each Party in connection with the Strategic Relationship shall be managed by such Party, acting independently and in its individual capacity. All financial and other obligations associated with each Party's business are the sole responsibility of that Party.

14.5 Force Majeure. Except as expressly provided in this Agreement, neither PW nor SERVICE RECEPIENT shall be liable for any failure or delay in performing its obligations (except for any obligations to make payments to the other party hereunder) under this Agreement, or for any loss or damage resulting, directly or indirectly, therefrom, due to causes beyond its reasonable control, including acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving PW employees), computer, telecommunications, Internet service provider or hosting facility failures or delays involving hardware, software or power systems not within PW's possession or reasonable control, denial of service attacks, incompatibility of SERVICE RECEPIENT's equipment or software with the PW Software, acts or omissions of vendors or suppliers, transportation and telecommunications difficulties.

14.6 Assignment. Neither Party may assign or delegate this Agreement or any of its rights or duties without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, that either Party may (1) upon written notice to the other Party, assign this Agreement in whole to: (i) one of its affiliates; or (ii) in the event of a change of control, merger, or sale of substantially all of the assets of such Party; provided, that any such assignee has the financial and technical ability to perform hereunder; and (2) PW may subcontract its obligations hereunder to certain third-party service providers or subcontractors, provided that PW will remain responsible for the obligations performed by any such service providers and subcontractors to the same extent as if such obligations were performed by PW hereunder. Any assignment in violation of this Section 14.6 will be null and void.

14.7 Consents Not Unreasonably Withheld, Delayed or Conditioned. Unless otherwise provided in this Agreement, whenever provision is made in this Agreement for one Party to secure the consent or approval of the other Party, that consent or approval shall not unreasonably be withheld, delayed or conditioned, and whenever in this Agreement provisions are made for one Party to object to or disapprove a matter, such objection or disapproval shall not unreasonably be exercised.

14.8 Construction. The headings of the Articles, Sections and Attachments in this Agreement are provided for convenience of reference only and shall not be deemed to constitute a part hereof. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. References herein to numbered Articles and Sections and lettered Attachments refer to the Articles, Sections and Attachments hereof, unless otherwise specified.

14.9 Entire Agreement. Attachments A, B, and C attached hereto are expressly incorporated herein by reference in their entireties to form part of the terms and conditions of this Agreement. The terms and conditions herein contained constitute the entire agreement between the Parties and supersede and terminate all previous agreements and understandings, whether oral or written, between the Parties with respect to the subject matter hereof.

14.10 Modification. No alteration, amendment, waiver, cancellation or any other change in any term or condition of this Agreement shall be valid or binding on either Party unless the same shall have been mutually assented to in writing by both Parties.

14.11 No Waiver. No consent or waiver, express or implied, by a Party to or of any breach or default by the other Party in the performance by such other Party of its obligations under this Agreement shall constitute a consent to or waiver of any similar breach or default by the other Party. Failure by a Party to complain of any act or omission to act by the other Party, or to declare such other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights under this Agreement.

14.12 Attorneys' Fees. Should either party be required to bring legal action (including arbitration) to enforce its rights under this Agreement, the prevailing party in such action shall be entitled to recover from the losing party its reasonable attorneys' fees and costs in addition to any other relief to which it is entitled.

14.13 Severability. If any part of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, that part will be enforced to the maximum extent permitted by law, and the remainder of this Agreement will remain full in force.

14.14 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

[The Signature Pages and Attachments Follow this Page.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SERVICE RECEPIENT: PRECISION PATHOLOGY SERVICES

/s/ Roby Joyce
By: Roby Joyce, MD

PW: PATHOLOGY WATCH, INC.

/s/ Michael Torno
By: Michael Torno

[Signature Page to Strategic Relationship and License Agreement]

ATTACHMENT A

MAINTENANCE AND TECHNICAL ASSISTANCE

During the Term, PW shall provide to SERVICE RECEPIENT and SERVICE RECEPIENT shall have the right to receive the following maintenance and technical assistance:

1. Access to technical assistance, in accordance with the terms of the Agreement, through (a) a toll free technical assistance hotline 5 days per week (Monday through Friday), 8:30 am to 7:30 pm (USA Pacific Time) for the following services: (i) diagnosing problems and resolving issues relating to the PW Software; (ii) providing troubleshooting tips; (iii) disseminating specific problems to internal PW experts for resolution; and (iv) providing information on Updates and issuance of new Documentation and (b) a technical assistance email address or by leaving a voicemail via a toll-free support number, which shall be provided 24 hours per day, 7 days per week. PW shall ensure that each of its personnel performing any Support Services are experienced, knowledgeable, and qualified in the use, maintenance and support of the PW Software.

2. Scheduled Maintenance or Update. Any maintenance, repair, Update implementation or other activity that may affect SERVICE RECEPIENT, its affiliates or a SERVICE RECEPIENT Authorized User access and/or use of the PW Software shall be carried out following 48 hours advanced notice to SERVICE RECEPIENT and on dates and at times that minimize disruption to SERVICE RECEPIENT's pathology business and any SERVICE RECEPIENT Authorized User's access and/or use of the PW Software ("Scheduled Maintenance").

3. Service Levels. The PW Software shall meet the minimum performance standards described below, which will be measured on a monthly basis.

a. PW Uptime Guarantee. The PW Software to be provided by PW is an important resource for SERVICE RECEPIENT, and as such, it is essential that it operate without unplanned outages. PW shall ensure the PW Software is available and operational in accordance with the applicable specifications set forth in the Agreement and the Documentation 99.0% of the time in each calendar month, excluding Scheduled Maintenance and force majeure events (as defined in Section 14.5 of the Agreement).

b. Conditions. For the purposes of this Exhibit, "unavailable" and "unavailability" are defined to mean that SERVICE RECEPIENT Authorized User of the PW Software are not able to (a) access the PW Software in accordance with the Documentation, (b) perform ordinary functions on the PW Software in accordance with the applicable specifications and Documentation, or (c) utilize the PW Software for normal business operations due to failure, malfunction, or delay by PW.

c. System Monitoring. PW shall actively monitor the PW Software for unavailability and proper operation 24 hours per day, 7 days per week, every day of the year. PW's failure to detect any unavailability of the PW Software shall not reduce PW's obligations under this Attachment A or the Agreement.

ATTACHMENT B

SERVICES TO BE PROVIDED

For purposes of this agreement, PathologyWatch, PLLC and Precision Pathology Services have negotiated the following terms and responsibilities:

Precision Pathology Services responsibilities:

- Performing the Technical Component (TC).
- Scanning digital slides.
- Global billing and collections.
- Storage of blocks.
- Credentialing of dermatopathologists on PPS insurance plans (as necessary to handle volume).
- The dermatopathologists will have 1099 contracts with both PPS and PathologyWatch. For the purposes of this arrangement, the dermatopathologists will sign out cases under their PPS 1099 contract and will be paid directly by PPS for their services. These dermatopathologists are also still bound by their non-compete and non-solicitation clauses of their PathologyWatch 1099 contracts. In addition, PPS and the dermatopathologists PathologyWatch provides agree that their work with PPS is contingent on the written approval of the CEO of PathologyWatch.
- Space for subleased Scanner
- Operation and daily maintenance of Scanner
- Local Specimen Transport
- Paraffin Block and Slide Storage

PathologyWatch Responsibilities:

- Provide digital platform for dermatopathologists to view and interpret caseload.
- Sublease a scanner.
- Specimen shipping.
- Data storage.
- Scanner, support, and repairs.
- Marketing vendor services (defined in section 3.2.a)

Joint Responsibilities:

- Co-branding of materials where appropriate (e.g., marketing flyers, requisitions, reports, shipping labels).

Exhibit 10.13

Bill of Sale

(Permits)

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Village Oaks Pathology Services, P.A., a Texas professional association d/b/a Precision Pathology Services ("***Seller***"), pursuant to that certain Asset Purchase Agreement, dated as of September 18, 2023 (the "***Purchase Agreement***"), entered into by and between Seller and Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("***Buyer***"), Seller does hereby grant, bargain, transfer, sell, assign, convey and deliver to Buyer, all of Seller's right, title, and interest in and to the Permits, as such term is defined in the Asset Purchase Agreement, including, without limitation, each Permit listed on Schedule 4.14 of the Purchase Agreement and attached as Exhibit A hereto, to have and to hold the same unto Buyer, its successors and assigns, forever.

Nothwithstanding the transfer by operation of law of the Clinical Laboratory Improvements Amendment (CLIA) certificate to Buyer upon the sale to Buyer of all the Purchased Assets (as defined in the Purchase Agreement), for the avoidance of doubt, the Seller is expressly transferring and assigning, and does hereby transfer and assign to the maximum extent permitted by applicable law, its CLIA certificate to Buyer.

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure, and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed, and transferred by this Bill of Sale.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale effective as of September 18, 2023.

Village Oaks Pathology Services, P.A., a Texas professional association

By: */s/ Roby P. Joyce, M.D.*
Name: Roby P. Joyce, M.D.
Title: President

Exhibit A

Permits

Issuer	CAP Number	AU-ID	CLIA Number	Expiration
College of American Pathologists	7221111	1539844	45D1064267	January 12, 2024
Centers for Medicare & Medicaid Services, Clinical Laboratory Improvement Amendments	Not listed	Not listed	45D1064267	February 18, 2024
Clinical Laboratory Permit (PA Department of Health)	Not listed	Not listed	Not listed	August 15, 2024

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in the Form 8-K of our report dated September 19, 2023, relating to the financial statements of Village Oaks Pathology Services, P.A. (the "Company"), as of and for the years ended December 31, 2022 and 2021, which included an explanatory paragraph related to substantial doubt about the Company's ability to continue as a going concern.

/s/ WithumSmith+Brown, PC

New York, New York
September 19, 2023

Exhibit 99.1

VILLAGE OAKS PATHOLOGY
SERIVCES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES

FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
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Independent Auditor's Report

To the Board of Directors and Stockholders of
Village Oaks Pathology Services, P.A.:

Opinion

We have audited the financial statements of Village Oaks Pathology Services, P.A. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Village Oaks Pathology Services, P.A. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has recurring and expected losses from operations, negative operating cash flows, and is projecting its cash outflows to exceed its cash on hand over the next twelve months. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Emphasis of Matter

As described in Note 2 to the financial statements, the Company adopted Accounting Standards Codification ("ASC") Topic 842, Leases, as of January 1, 2022. The prior year financial statements have not been adjusted and continue to be reported in accordance with the Company's historic accounting under ASC Topic 840. Our opinion is not modified with respect to this matter.

/s/ WithumSmith+Brown, PC

September 19, 2023

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
BALANCE SHEETS

	As of December 31,	
	2022	**2021**
ASSETS		
Current Assets		
Cash	$ 357,470	$ 1,207,341
Certificates of deposit	100,823	100,722
Investments	259,392	300,051
Patient fees receivable	858,950	696,759
Other receivables	381,204	515,464
Prepaid expenses	31,123	3,374
Total Current Assets	1,988,962	2,823,711
Non-Current Assets		
Property and equipment, net	328,861	283,777
Operating lease right-of-use asset, net	494,900	—
Finance/capital lease right-of-use asset, net	1,554,889	1,491,014
Deposits	8,000	8,000
Total Non-Current Assets	2,386,650	1,782,791
TOTAL ASSETS	$ 4,375,612	$ 4,606,502
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 83,386	$ 80,136
Accrued expenses	351,276	237,216
Notes payable, current portion	40,407	33,647
Operating lease liability, current portion	96,654	—
Finance/capital lease liability, current portion	413,729	367,680
Total Current Liabilities	985,452	718,679
Non-Current Liabilities		
Notes payable, net of current portion	95,879	100,100
PPP loan payable	—	503,950
Deferred rent	—	14,078
Operating lease liability, net of current portion	403,177	—
Finance/capital lease liability, net of current portion	1,218,535	1,123,334
Total Non-Current Liabilities	1,717,591	1,741,462
TOTAL LIABILITIES	2,703,043	2,460,141
Commitments and contingencies (see Note 11)		
Stockholders' Equity		
Common stock, authorized 1,000, $0.01 par value; 500 shares issued and outstanding as of December 31, 2022 and 2021	5	5
Retained earnings	1,672,564	2,146,356
Total Stockholders' Equity	1,672,569	2,146,361
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,375,612	$ 4,606,502

See accompanying notes to the financial statements.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
STATEMENTS OF OPERATIONS

	Years Ended December 31,	
	2022	**2021**

Net Revenue	$ 6,858,212	$ 6,196,631
Operating Expenses		
Selling, general, and administrative	7,184,802	5,757,341
Depreciation and amortization	544,217	536,481
Total Operating Expenses	7,729,019	6,293,822
Loss from Operations	(870,807)	(97,191)
Other Income (Expense)		
PPP loan forgiveness	503,950	503,900
Other income, net	9,192	12,467
Interest expense	(63,308)	(12,730)
Investment income	8,775	4,396
Unrealized loss on investments	(49,434)	(4,345)
Total Other Income	409,175	503,688
Net income (loss)	$ (461,632)	$ 406,497

See accompanying notes to the financial statements.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
STATEMENTS OF STOCKHOLDERS' EQUITY

	Retained Earnings	Common Stock	Total Stockholders' Equity
Balance as of December 31, 2020	$ 1,751,859	$ 5	$ 1,751,864
Distributions	(12,000)	—	(12,000)
Net income	406,497	—	406,497
Balance as of December 31, 2021	$ 2,146,356	$ 5	$ 2,146,361
Distributions	(12,160)	—	(12,160)
Net loss	(461,632)	—	(461,632)
Balance as of December 31, 2022	$ 1,672,564	$ 5	$ 1,672,569

See accompanying notes to the financial statements.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	**2021**
Cash flows from operating activities:		
Net income (loss)	$ (461,632)	$ 406,497
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Forgiveness of PPP loan payable	(503,950)	(503,900)
Depreciation and amortization	544,217	536,481
Loss on disposal of fixed assets	—	16,784
Investment income	(8,775)	(4,396)
Unrealized loss on investments	49,434	4,345
Changes in operating assets and liabilities:		
Patient fees receivable	(162,191)	(50,077)
Other receivables	134,260	(8,362)
Prepaid expenses	(27,749)	(2,481)
Accounts payable	3,250	59,455
Accrued expenses	114,060	51,054
Operating lease liability	(9,147)	—
Deferred rent	—	(326)
Net cash provided by (used in) operating activities	(328,223)	505,074
Cash flows from investing activities:		
(Purchase) sale of certificates of deposit	(101)	302,835
Purchase of investments	—	(300,000)
Purchase of property and equipment	(144,246)	(192,921)
Net cash used in investing activities	(144,347)	(190,086)
Cash flows from financing activities:		
Borrowings of notes payable	39,953	93,414
Repayments of notes payable	(37,414)	(36,094)
Proceeds from PPP loan payable	—	503,950
Net payments from financing lease	(367,680)	(505,651)
Distributions	(12,160)	(12,000)
Net cash provided by (used in) financing activities	(377,301)	43,619
Net change in cash	(849,871)	358,607

Cash, beginning of year	1,207,341	848,734
Cash, end of year	$ 357,470	$ 1,207,341
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 63,308	$ 12,730
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchase included in accounts payable	$ —	$ 12,995
Operating lease liabilities arising from obtaining right-of-use assets	590,474	—
Finance lease liabilities arising from right-of-use asset modification	508,930	—

See accompanying notes to the financial statements.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations

Village Oaks Pathology Services, P.A., doing business as Precision Pathology Services (the "Company" or "Precision Pathology") is a privately held company organized in 1987 under the laws of the state of Texas. Precision Pathology provides anatomic and clinical pathology services for patients and their physicians. The Company is known for their exceptionally responsive and helpful service to the physicians and patients they serve.

Income Taxes

The Company, with stockholders' consent, has elected to be taxed as an "S Corporation" under the provisions of the Internal Revenue Code and comparable state income tax law. As an S Corporation, the Company is generally not subject to corporate income taxes and the Company's net income or loss is reported on the individual tax return of the stockholders of the Company. Therefore, no provision or liability for income taxes is reflected in the financial statements. The Company has not been audited by the Internal Revenue Service, and accordingly the business tax returns since 2020 are open to examination. Management has evaluated its tax positions and has concluded that the Company had taken no uncertain tax positions that could require adjustment or disclosure in the financial statements to comply with provisions set forth in Accounting Standards Codification ("ASC") Topic 740, Income Taxes.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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. The Company evaluates estimates and assumptions on a regular basis. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The Company's accounting policies that involve significant judgment and estimates include revenue recognition including contractual adjustments and discounts, patient fee receivables and the related allowance for contractual discounts and allowance for doubtful accounts, valuation of lease liabilities and related right-of-use assets, and estimates of useful lives for depreciation. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Liquidity and Capital Resources

In accordance with Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern for at least one year after the date the financial statements are issued. As required by this standard, management's evaluation shall initially not take into consideration the potential mitigating effects of management's plans that have not been fully implemented as of the date the financial statements are issued.

The Company's assessment included the preparation of a detailed cash forecast that included all projected cash inflows and outflows. Although the Company continues to focus on growing its revenues, the Company's ongoing operating expenditures will exceed the revenue it expects to receive for the foreseeable future. Additionally, the Company has a history of operating losses and negative operating cash flows and expects these trends to continue. Our future plans may include cash flows generated from our revenues, issuance of debt, or sales of our equity securities.

The Company's loss from operations before depreciation and amortization was ($326,590) for the fiscal year ended December 31, 2022. The Company's cash, certificates of deposit and investments and net working capital at December 31, 2022, were $717,685 and $1,003,510, respectively. Based on the Company's current expected level of operating expenditures and continued revenue projections, the Company does not believe its cash on hand is sufficient to fund the Company's ongoing operations for a period of a least twelve (12) months; therefore, the Company has concluded there is substantial doubt about the Company's ability to continue as a going concern for one year from the issuance of these financial statements. Despite a history of successfully implementing similar plans to alleviate adverse financial conditions, these sources of working capital are not currently assured, and consequently do not sufficiently mitigate the risks and uncertainties disclosed above. These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts of liabilities that may result from uncertainty related to the Company's ability to continue as a going concern.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
NOTES TO FINANCIAL STATEMENTS

Cash

The Company's cash is held with one financial institution, and the account balances may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit at times. Accounts are insured by the FDIC up to $250,000. As of December 31, 2022 and 2021, the Company had uninsured cash deposits of $107,470 and $957,341, respectively. The Company has not experienced any losses in such accounts to date. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows. All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

Investments held in MML Investors Services Account

At December 31, 2022 and 2021, the assets held in the MML Investors Services Account ("MML Account") were held in money market funds, which are invested in fixed income and equity securities with balances of $259,392 and $300,051, respectively. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in unrealized loss on investments in the accompanying statements of operations. Dividend income and short-term and long-term capital gains on these securities is included in investment income in the accompanying statements of operations.

Certificates of Deposit

The Company invests its excess cash in bank certificates of deposit ("CDs") which are fully insured by the FDIC with terms of not more than six months. As of December 31, 2022 and 2021, the Company had certificates of deposit with balances of $100,823 and $100,722, respectively.

Patient Fees Receivable

Patient accounts receivable represents amounts due from patient services billed to commercial insurance companies, governmental payors, and patients. Receivables are recorded at the amount the Company expects to collect. The Company estimates variable consideration for patient service fees using an expected value method. Accordingly, the Company has developed ratios for portfolios of payors based on the nature of the payor (e.g., commercial insurer, government program, uninsured patients), which impacts the average time to collect the consideration to which the Company expects to be entitled and the amount of such consideration. The Company has developed payment-to-charge ratio for each portfolio of payor based on historical payment experience and applied those ratios to gross charges for each year presented in order to arrive at the net patient fees receivable.

Other Receivables

Other receivables represent amounts billed for pathologist interpretations and medical director fees, which include the Company's pathologists providing directorship for certain hospital facilities. Other receivables are recorded at the amount the Company expects to collect. Management determines uncollectible amounts based on historical collection experience. As of December 31, 2022 and 2021, management determined no allowance was necessary related to these receivables.

Property and Equipment, net

In accordance with Accounting Standards Codification ("ASC") 360-10, *Accounting for the Impairment of Long- Lived Assets*, the Company periodically reviews the carrying value of its long-lived assets, such as property and equipment, to test whether current events or circumstances indicate that such carrying value may not be recoverable. When evaluating assets for potential impairment, the Company compares the carrying value of the asset to its estimated undiscounted future cash flows. If an asset's carrying value exceeds such estimated cash flows (undiscounted and with interest charges), the Company records an impairment charge for the difference. The Company did not record impairment for the years ended December 31, 2022 and 2021.

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Amortization of leasehold improvements is computed using the shorter of the lease term or estimated useful life of the asset. Additions and improvements are capitalized, while repairs and maintenance are expensed as incurred. Useful lives of each asset class are as follows:

Asset Category	Useful Life
Computer equipment	5 years
Computer software	3 years
Equipment	5-7 years
Furniture and fixtures	5-7 years
Vehicles	5 years
Leasehold improvements	Lesser of lease term or useful life

Fair Value of Financial Instruments

The Company applies ASC Topic 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying amounts reflected in the balance sheet for current assets and liabilities approximate fair value due to their short-term nature.

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

See Note 4 for additional information on assets measured at fair value.

Revenue Recognition

The Company derives revenues from providing pathology testing services to patients and other customers. Revenue from services is recognized upon the transfer of control, which is generally achieved when testing is completed and the results are delivered to a patient, a patient's physician, or institutional customers such as independent laboratories, hospitals, or contract research organizations ("CRO"). The Company's revenues fall into three separate streams: (a) patient service fees, (b) histology service fees, and (c) medical director fees.

On January 1, 2021, the Company adopted ASC 606, Revenue from Contracts with Customers ("ASC 606"), using the modified retrospective method with respect to all non-completed contracts. ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes nearly all existing revenue recognition guidance, including industry-specific guidance.

The new guidance is based on the principle that an entity should recognize revenue to depict the transfer of products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those products or services. The adoption of ASC 606 did not have a material effect on the Company's financial position, results of operations, or internal controls over financial reporting.

The Company determines revenue recognition by applying the following steps prescribed under ASC 606:

a. Identification of the contract, or contracts, with a customer;
b. Identification of the performance obligations in the contract;
c. Determination of the transaction price;
d. Allocation of the transaction price to the performance obligations in the contract; and
e. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company collects patient service fees from patients and various third-party payors, mainly insurance companies and governmental payors. Patient service fees are earned from performing pathology lab services (procedures or tests), which may be requested by a patient directly or by a physician on a patient's behalf. The Company also provides histology services to hospitals, CRO's or independent laboratories. The Company's services represent performance obligations transferred to the customer at the point in time when the test results are delivered, which is when the customer obtains the benefits of the service. Patient service fee revenue is variable given various factors that impact whether third-party payors ultimately pay the Company's contractual billing rates. While third-party payor rates are known at inception of the contract, the payor has the ultimate discretion to adjudicate claims and decide on the final payment amount. There are various factors that allow third-party payors the right to deny all or part of a claim, which may not be known at inception of the contract. While the Company may appeal claim denials or adjustments, generally the Company offers some level of implicit price concession as part of these adjustments made by payors. Furthermore, patient service fees billed to uninsured patients is subject to variability for factors not known at inception. In contrast, the transaction price for histology services is generally fixed, as no third-party payors are involved, and therefore, the fees agreed upon upfront are the fees that the Company expects to collect for services performed.

The Company estimates variable consideration for patient service fees using an expected value method. Accordingly, the Company has developed ratios for portfolios of payors based on the nature of the payor (e.g., commercial insurer, government program, uninsured patients), which impacts the average time to collect the consideration to which the Company expects to be entitled and the amount of such consideration. The Company has developed payment-to-charge ratio for each portfolio of payor based on historical payment experience and applied those ratios to gross charges for each year presented. Variable consideration is constrained to the extent that it is deemed probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty is resolved, which is when an insurance claim is fully resolved.

Advertising

Advertising costs are expensed as incurred. Advertising costs were $2,802 and $2,764 for the years ended December 31, 2022 and 2021, respectively, which are included in selling, general and administrative expense on the accompanying statements of operations.

Leases

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use ("ROU") assets and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities on the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

ROU assets and lease liabilities are recognized at the lease commencement date and determined using the present value of the future minimum lease payments over the lease term. The Company used a discount rate based on a benchmark approach as of January 1, 2022, the date of initial application of the new guidance, to derive an appropriate incremental borrowing rate to discount remaining lease payments. The Company benchmarked itself against other companies of similar credit ratings and comparable quality and derived imputed rates for lease term lengths ranging from approximately 1.9 to 5.6 years. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. In addition, the Company does not recognize short-term leases that have a term of twelve months or less as ROU assets or lease liabilities. The Company recognizes operating lease expense on a straight-line basis over the lease term.

The Company has lease agreements that contain both lease and non-lease components, which it has elected to account for as a single lease component when the payments are fixed. As such, variable lease payments, including those not dependent on an index or rate, such as real estate taxes, common area maintenance, and other costs that are subject to fluctuation from period to period are not included in lease measurement.

Recent Accounting Pronouncements

In February 2016, the FASB established Topic 842, *Leases*, by issuing ASU No. 2016-02 ("ASU 2016-02"), which requires lessees to recognize leases on balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

In June 2020, the FASB issued ASU No. 2020-05 ("ASU 2020-05") which pushed back the effective date one year for private and not-for-profit entities that did not issue or serve as conduit bond obligors and had not yet adopted the standard. The new effective date was for fiscal year periods beginning after December 15, 2021.

The Company adopted ASU 2016-02 effective January 1, 2022, using a modified retrospective approach at the beginning of the year of adoption. In addition, the Company elected the transition package of three practical expedients permitted within the standard, which eliminates the requirements to reassess prior conclusions about lease identification, lease classification and initial direct costs. Further, the Company adopted a short-term lease exception policy, permitting the Company to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease

components as a single component for certain classes of assets. On January 1, 2022, the Company recorded lease liabilities and corresponding right-of-use assets based on the present value of the remaining minimum rental payments for leases existing upon adoption of the new lease standard and other adjustments to the opening balance of right-of-use assets, if any. The adoption of ASC 842 did not result in a material impact to the consolidated statements of operations or cash flows. See Note 7 for additional detail on the Company's leasing arrangements.

In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, which amends the guidance for accounting for assets that are potentially subject to credit risk. The amendments affect contract assets, loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. ASU 2018-19 is effective for fiscal years beginning after December 15, 2022. The Company has not yet evaluated the accounting, transition and disclosure requirements of the ASU and cannot currently estimate the financial statement impact of adoption.

3. Revenue, Net

The following is a summary of net revenue for the years ended December 31:

	2022	2021
Patient fees	$ 5,378,629	$ 4,860,703
Histology service fees	1,366,789	1,091,285
Medical director fees	103,119	98,887
Other revenue	9,675	145,756
Revenue, net	$ 6,858,212	$ 6,196,631

4. Investments

The following table presents information about the Company's financial assets and liabilities that are measured at fair value as of December 31, 2022 and 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	Fair Value	Level 1	Level 2	Level 3
December 31, 2022				
Assets				
Investments held in MML Account				
Money Market Securities	$ 259,392	$ 259,392	$ —	$ —
Certificate of Deposit	100,823	—	100,823	—
December 31, 2021				
Assets				
Investments held in MML Account				
Money Market Securities	$ 300,051	$ 300,051	$ —	$ —
Certificate of Deposit	100,722	—	100,722	—

5. Property and Equipment, Net

Property and equipment, net, consist of the following as of December 31:

	2022	2021
Computer equipment	$ 46,368	$ 19,631
Computer software	244,990	244,990
Equipment	494,524	531,845
Furniture and fixtures	14,472	14,472
Leasehold improvements	66,985	76,405
Vehicles	239,565	174,338
Property and equipment, gross	1,106,904	1,061,681
Less: accumulated depreciation	(778,043)	(777,904)
Property and equipment, net	$ 328,861	$ 283,777

Depreciation expense for the years ended December 31, 2022 and 2021 were $99,162 and $91,426, respectively.

6. Accrued Expenses

The following is a summary of the Company's accrued expenses as of December 31:

	2022	2021
Accrued payroll and payroll taxes	$ 186,030	$ 172,757
Locums, temporary payroll	128,337	—
Data search fees	—	19,651
Billing fees	34,510	19,293
Other accrued expenses	2,399	25,515
	$ 351,276	$ 237,216

7. Leases

The Company has one operating lease for its real estate and office space and multiple finance leases for lab equipment in Texas. The operating lease has a remaining lease term of 4.58 years as of December 31, 2022. The Company has finance leases consisting of office and lab equipment with remaining lease terms ranging from approximately 0.9 to 5.0 years as of December 31, 2022, for which the Company has determined that it will use the equipment for a major part of its remaining economic life.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach as of January 1, 2022, to derive an appropriate incremental borrowing rate to discount remaining lease payments. The Company benchmarked itself against other companies of similar credit ratings and comparable quality and derived imputed rates ranging from 2.3% - 4.4% for lease term lengths ranging from approximately 1.9 to 5.6 years.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. The Company has not entered into any lease arrangements with related parties, and the Company is not the sublessor in any arrangement.

The Company's existing leases contain escalation clauses and renewal options. The Company has evaluated several factors in assessing whether there is reasonable certainty that the Company will exercise a contractual renewal option. For leases with renewal options that are reasonably certain to be exercised, the Company included the renewal term in the total lease term used in calculating the right-of-use asset and lease liability. Prior to adoption of ASU 2016-02 effective January 1, 2022, the Company accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

The components of lease expense, which are included in selling, general and administrative expense as of December 31, 2022 are as follows:

Components of total lease expense:	2022
Amortization of ROU assets – finance lease	$ 445,055
Interest on lease liabilities – finance lease	46,425
Operating lease cost	119,510
Total lease cost	$ 610,990

Supplemental balance sheet information relating to leases was as follows as of December 31, 2022:

Operating leases:	2022
Operating lease right-of-use assets	$ 494,900
Operating lease liability, current	96,654
Operating lease liability, long-term	403,177

Finance leases:	2022
Finance lease right-of-use asset, gross	$ 1,999,944
Accumulated amortization	(445,055)
Finance lease right-of-use asset, net	$ 1,554,889
Finance lease liability, current	$ 413,729
Finance lease liability, long-term	1,218,535
Total finance lease liability	$ 1,632,264

Weighted-average remaining lease term:	2022
Operating leases (in years)	4.58
Finance leases (in years)	4.07

Weighted-average discount rate:	2022
Operating leases	4.36%
Finance leases	6.21%

Future lease payments under non-cancelable operating leases as of December 31, 2022 were as follows:

Year ending	Operating Leases
2023	$ 116,498
2024	121,726
2025	121,726
2026	121,726
2027 and thereafter	71,007
Total Minimum Lease Payments	$ 552,683
Less effects of discounting	(52,852)
Present value of future minimum lease payments	$ 499,831

Future lease payments under non-cancelable finance leases as of December 31, 2022 were as follows:

Year ending	Finance Leases
2023	$ 505,266
2024	448,505
2025	448,505
2026	270,395
2027 and thereafter	202,970

Total Minimum Lease Payments	$	1,875,641
Less effects of discounting		(243,377)
Present value of future minimum lease payments	$	1,632,264

As described in Note 2, the Company adopted Topic 842 as of January 1, 2022. The prior year amounts have not been adjusted and continue to be reported in accordance with the Company's historic accounting under Topic 840. The Company recognized lease expense of approximately $146,823 for the period ended December 31, 2021. There are no contingent rental amounts due to the lessors. Future minimum lease payments under non-cancellable leases as of December 31, 2021, were as follows:

Year Ending December 31,		
2022	$	114,579
2023		116,498
2024		121,726
2025		121,726
2026 and thereafter		192,733
Total future minimum payments	$	667,262

8. Notes Payable

Hyundai Elantra – 2018

On May 10, 2022, the Company entered into a Finance Agreement to purchase a 2018 Hyundai Elantra for $19,444 with a maturity date of May 10, 2027. The loan bears fixed interest at a rate of 9.94% per annum, with monthly payments of $414, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $17,627 and $0, respectively.

Hyundai Elantra – 2019

On May 10, 2022, the Company entered into a Finance Agreement to purchase a 2019 Hyundai Elantra for $20,509 with a maturity date of May 10, 2027. The loan bears fixed interest at a rate of 9.79% per annum, with monthly payments of $435, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $18,586 and $0, respectively.

Ford Transit — 2016

On May 4, 2016, the Company entered into a Finance Agreement to purchase a 2016 Ford Transit for $26,226 with a maturity date of June 4, 2022. The loan bears fixed interest at a rate of 5.39% per annum, with monthly payments of $428, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $0 and $2,530, respectively.

Hyundai Elantra - 2016

On March 4, 2021, the Company entered into a Finance Agreement to purchase a 2016 Hyundai Elantra for $13,609 with a maturity date of March 18, 2026. The loan bears fixed interest at a rate of 7.85% per annum, with monthly payments of $276, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $9,419 and $11,883, respectively.

Hyundai Elantra - 2017

On December 15, 2020, the Company entered into a Finance Agreement to purchase a 2017 Hyundai Elantra for $11,833 with a maturity date of December 15, 2024. The loan bears fixed interest at a rate of 9.84% per annum, with monthly payments of $300, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $6,462 and $9,279, respectively.

Hyundai Elantra - 2017

On December 15, 2020, the Company entered into a Finance Agreement to purchase a 2017 Hyundai Elantra for $10,000 with a maturity date of December 15, 2024. The loan bears fixed interest at a rate of 9.69% per annum, with monthly payments of $253, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $5,455 and $7,837, respectively.

Hyundai Elantra - 2020

On October 29, 2019, the Company entered into a Finance Agreement to purchase a 2020 Hyundai Elantra for $17,655 with a maturity date of October 29, 2024. The loan bears fixed interest at a rate of 7.24% per annum, with monthly payments of $352, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $7,090 and 10,655, respectively.

Hyundai Tucson

On August 28, 2020, the Company entered into a Finance Agreement to purchase a 2020 Hyundai Tucson for $24,841 with a maturity date of August 28, 2025. The loan has no stated interest rate and no effective interest rate with monthly principal payments of $414. This loan is collateralized by the underlying vehicle. The balance of this loan as of December 31, 2022 and December 31, 2021 is $13,249 and $18,217, respectively.

Promissory Note - Fischer Equipment

On March 29, 2021, the Company entered into a $31,087 promissory note to finance the purchase of laboratory equipment. The promissory note bears interest at 4.25% per annum, with monthly payments of $577, which is comprised of principal and interest. This loan is collateralized by the underlying equipment. The balance of this note as of December 31, 2022 and December 31, 2021 is $20,928 and $26,840, respectively.

Promissory Note - BNB

On September 28, 2021, the Company entered into a $48,718 promissory note to finance the purchase of an Excellstoras Processor. The promissory bears fixed interest at 4.25% per annum, with monthly payments of $904, which is comprised of principal and interest. This loan is collateralized by the underlying equipment. The balance of this note as of December 31, 2022 and December 31, 2021 is $37,470 and $46,506, respectively.

Interest expense for all notes payable was $16,883 and $12,730 for the years ended December 31, 2022 and 2021, respectively.

Future minimum debt payments at December 31, 2022, are as follows:

Years Ending December 31,		
2023	$	40,407
2024		40,523
2025		31,837
2026		19,631
2027		3,888
Thereafter		-
Total		136,286
Less: Current Portion		(40,407)
Notes payable, long-term	$	95,879

Line of Credit

On June 20, 2012, the Company entered into a Loan Agreement that provides the Company with a $200,000 revolving line of credit for the working capital needs of the Company with a maturity date of July 22, 2023. The Company may borrow, repay, and re-borrow at any time or from time to time while the line of credit is in effect. The line of credit was unsecured and not collateralized by any of the Company's assets. Interest on the line of credit will accrue from the date of advance until final payment thereof at 1.00% above the prime rate. As of December 31, 2022 and 2021 there were no amounts outstanding under the line of credit.

9. Paycheck Protection Program

On April 17, 2020, the Company received $503,900 of proceeds under the Paycheck Protection Program (PPP) established pursuant to the CARES Act and administered by The Small Business Association (the "SBA"), as amended by the Paycheck Protection Program Flexibility Act of 2020 on June 22, 2020. The proceeds were recorded as debt, bear interest at 1% per annum and were unsecured. Amounts received under the PPP were used entirely to fund payroll costs as defined in the CARES Act and are expected to be eligible for forgiveness.

As of December 31, 2020, the Company used $503,900 of the loan proceeds to fund its payroll and related operational expenses. The Company submitted an application to the SBA on May 14, 2021, requesting these PPP funds received be forgiven. On September 9, 2021, the Company received notification the $503,900 was forgiven. As such, this amount has been recognized as other income in the accompanying statement of operations for the year ended December 31, 2021.

On March 30, 2021, the Company received an additional $503,950 under the Paycheck Protection Program (PPP) established pursuant to the CARES Act and administered by The Small Business Association (the "SBA"), as amended by the Paycheck Protection Program Flexibility Act of 2020 on June 22, 2020. The proceeds were recorded as debt, bear interest at 1% per annum and were unsecured. Amounts received under the PPP were used entirely to fund payroll costs as defined in the CARES Act and are expected to be eligible for forgiveness. As of December 31, 2021, the Company had not met the criteria for loan forgiveness. As such, the $503,950 of PPP funding is presented as long-term debt as of December 31, 2021. On April 4, 2022, the Company received notification the $503,950 was forgiven. As such, this amount has been recognized as other income in the accompanying statement of operations for the year ended December 31, 2022.

Based on current SBA guidance, the SBA has 6 years (up to 2026) to audit the good faith certification of eligibility and expenditures related to the Company's PPP loan proceeds.

10. Related Party Transactions

The majority shareholder of the Company is also an employee of the Company. Salaries paid to the majority shareholder for the years ended December 31, 2022 and 2021 were $590,000 and $597,000, respectively, and are included in selling, general, and administrative expenses in the accompanying statement of operations. The Company made distributions of $12,160 and $12,000 for the years ended December 31, 2022 and 2021, respectively to the majority shareholder.

11. Commitments and Contingencies

Litigation

From time to time, the Company may become subject to legal proceedings, claims or litigation arising in the ordinary course of business. In addition, the Company may receive notices alleging infringement of patents or other intellectual property rights. If an unfavorable outcome were to occur in litigation, the impact could be material to the Company's business, financial condition, cash flow or results of operations, depending on the specific circumstances of the outcome. The Company accrues for loss contingencies when it is both probable that the Company will incur the loss and when it can reasonably estimate the amount of the loss or range of loss. As of December 31, 2022 and 2021, management believes there are no such outstanding claims or lawsuits that, individually or in the aggregate, would have a material adverse effect on the Company's financial position, the results of its operations, or its cash flows.

bioAffinity Technologies, Inc. License Agreement

The Company has a license with bioAffinity Technologies, Inc. ("bioAffinity") which allows the Company the use of bioAffinity's proprietary CyPath® technology to provide patients with a diagnostic test for the detection of cancer. The license has an initial term through the date that the Company obtains FDA approval to directly commercialize similar equipment (or a functional equivalent of the licensed equipment). This license provides for certain royalties based on a percentage of services rendered. As of December 31, 2022 and 2021, there have been no payments made under the license agreement.

12. Retirement Plan

The Company maintains a 401(k) plan for qualified employees. The plan covers substantially all full-time employees of the Company who meet certain age and length of service requirements. There is no requirement for the Company to match employee contributions to the plan. The Company did not contribute to the plan during the years ended December 31, 2022 and 2021.

13. Subsequent Events

The Company has evaluated subsequent events occurring after the balance sheet date through the date of September 19, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined the following subsequent events have occurred which require disclosure in the financial statements.

On September 18, 2023, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") wherein the Company was acquired by Precision Pathology Laboratory Services, LLC, a Texas limited liability company ("PPLS"), that is a wholly owned subsidiary of bioAffinity Technologies, Inc. ("bioAffinity"). Pursuant to the terms of the Asset Purchase Agreement the Company received $3,500,000 in consideration for the assets to be purchased by PPLS, of which $1,000,000 was paid by the issuance of 564,972 shares of bioAffinity's restricted Common Stock to a trust controlled by Dr. Joyce (the "Joyce Trust"), which share number was based on the average of the trading day closing prices of bioAffinity for the 30 days prior to September 15, 2023, rounded to the nearest whole share.

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES

UNAUDITED FINANCIAL STATEMENTS
For the six months ended June 30, 2023 and 2022

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
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VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
Balance Sheets

	As of June 30, 2023 (unaudited)	As of December 31, 2022
ASSETS		
Current Assets		
Cash	$ 9,421	$ 357,470
Certificates of deposit	100,823	100,823
Investments	272,404	259,392
Patient fees receivable	869,118	858,950
Other receivables	461,674	381,204
Prepaid expenses	9,316	31,123
Total Current Assets	1,722,756	1,988,962
Non-Current Assets		
Property and equipment, net	339,978	328,861
Operating lease right-of-use asset, net	445,599	494,900
Finance lease right-of-use asset, net	1,183,652	1,554,889
Deposits	8,000	8,000
Total Non-Current Assets	1,977,229	2,386,650
TOTAL ASSETS	$ 3,699,985	$ 4,375,612
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 65,644	$ 83,386
Accrued expenses	247,130	351,276
Notes payable, current portion	19,506	40,407
Operating lease liability, current portion	101,570	96,654
Finance lease liability, current portion	393,626	413,729
Line of credit	198,000	—
Total Current Liabilities	1,025,476	985,452
Non-Current Liabilities		
Operating lease liability, net of current portion	350,619	403,177
Finance lease liability, net of current portion	1,031,917	1,218,535
Notes payable, net of current portion	112,424	95,879
Total Non-Current Liabilities	1,494,960	1,717,591
TOTAL LIABILITIES	2,520,436	2,703,043
Commitments and contingencies (see Note 11)		
Stockholders' Equity		
Common stock, authorized 1,000, $0.01 par value; 500 shares issued and outstanding as of June 30, 2023 and December 31, 2022	5	5
Retained earnings	1,179,544	1,672,564
Total Stockholders' Equity	1,179,549	1,672,569
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,699,985	$ 4,375,612

See accompanying notes to the unaudited condensed financial statements

D/B/A PRECISION PATHOLOGY SERVICES
Statements of Operations
(Unaudited)

	For the Six Months Ended June 30,	
	2023	**2022**
Net Revenue	$ 3,610,549	$ 3,230,545
Operating Expenses		
Selling, general, and administrative	3,633,108	3,552,975
Depreciation and amortization	430,844	268,022
Total Operating Expenses	4,063,952	3,820,997
Loss from Operations	(453,403)	(590,452)
Other Income (Expense)		
PPP loan forgiveness	—	503,950
Other income, net	5,148	7,688
Interest expense	(57,777)	(28,189)
Investment income	4,881	4,249
Unrealized gain (loss) on investments	8,131	(44,507)
Total Other (Expense) Income	(39,617)	443,191
Net loss	$ (493,020)	$ (147,261)

See accompanying notes to the unaudited condensed financial statements

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
Statements of Stockholders' Equity
(Unaudited)

	Retained Earnings	Common Stock	Total Stockholders' Equity
Balance as of December 31, 2021	$ 2,146,356	$ 5	$ 2,146,361
Distributions	(12,160)	—	(12,160)
Net loss	(147,261)	—	(147,261)
Balance as of June 30, 2022	$ 1,986,935	$ 5	$ 1,986,940
Balance as of December 31, 2022	$ 1,672,564	$ 5	$ 1,672,569
Net loss	(493,020)	—	—
Balance as of June 30, 2023	$ 1,179,544	$ 5	$ 1,179,549

See accompanying notes to the unaudited condensed financial statements

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
Statements of Cash Flows
(Unaudited)

	For the Six Months Ended June 30,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (493,020)	$ (147,261)
Adjustments to reconcile net loss to net cash used in operating activities:		
Forgiveness of PPP loan payable	—	(503,950)
Depreciation	59,608	45,495
Amortization of right-of-use asset	371,236	222,527
Gain on disposal of fixed assets	(4,801)	—
Investment income	(4,881)	(4,249)
Unrealized (gain) loss on investments	(8,131)	44,507
Change in operating assets and liabilities:		
Patient fees receivable	(10,168)	(95,403)
Other receivables	(80,470)	205,666
Prepaid expenses	21,807	(25,126)
Accounts payable	(17,742)	(15,030)
Accrued expenses	(104,146)	55,365
Operating lease right-of-use asset	1,659	(11,037)
Net cash used in operating activities	(269,049)	(228,496)
Cash flows from investing activities:		
Purchase of property and equipment	(76,642)	(101,175)
Proceeds from disposals of property and equipment	10,718	—
Net cash used in investing activities	(65,924)	(101,175)
Cash flows from financing activities:		
Borrowings on line of credit	198,000	—

Borrowings of notes payable	20,210	39,953
Repayments of notes payable	(24,566)	(39,040)
Principal repayments on finance leases	(206,720)	(182,295)
Distributions	—	(12,160)
Net cash used in financing activities	(13,076)	(193,542)
Net decrease in cash	(348,049)	(523,213)
Cash, beginning of year	357,470	1,207,341
Cash, end of year	$ 9,421	$ 684,128

See accompanying notes to the unaudited condensed financial statements

VILLAGE OAKS PATHOLOGY SERVICES, P.A.
D/B/A PRECISION PATHOLOGY SERVICES
Statements of Cash Flows (Continued)
(Unaudited)

	2023	2022
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 57,777	$ 28,189
Non-Cash Investing and Financing Transactions:		
Operating right-of-use asset obtained in exchange for lease liabilities	$ —	$ 590,474

See accompanying notes to the unaudited condensed financial statements

VILLAGE OAKS PATHOLOGY P.A.
D/B/A PRECISION PATHOLOGY SERVICES
NOTES TO UNAUDITED FINANCIAL STATEMENTS

Note 1 - Nature of Operations

Village Oaks Pathology Services, P.A., doing business as Precision Pathology Services (the "Company" or "Precision Pathology") is a privately held company organized in 1987 under the laws of the state of Texas. Precision Pathology provides anatomic and clinical pathology services for patients and their physicians.

Income Taxes

The Company, with stockholders' consent, has elected to be taxed as an "S Corporation" under the provisions of the Internal Revenue Code and comparable state income tax law. As an S Corporation, the Company is generally not subject to corporate income taxes and the Company's net income or loss is reported on the individual tax return of the stockholders of the Company. Therefore, no provision or liability for income taxes is reflected in the financial statements. The Company has not been audited by the Internal Revenue Service, and accordingly the business tax returns since 2020 are open to examination. Management has evaluated its tax positions and has concluded that the Company had taken no uncertain tax positions that could require adjustment or disclosure in the financial statements to comply with provisions set forth in Accounting Standards Codification ("ASC") Topic 740, *Income Taxes.*

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Accordingly, they do not include certain footnotes and financial presentations normally required under GAAP for complete financial statements.

These unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2022 and 2021 that were issued on September 19, 2023. In management's opinion, the accompanying unaudited condensed financial statements contain all adjustments consisting of normal, recurring and non-recurring adjustments that were considered necessary for the fair presentation of the Company's financial position, results of operations, and cash flows as of the dates and for the periods presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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. The Company evaluates estimates and assumptions on a regular basis. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The Company's accounting policies that involve significant judgment and estimates include revenue recognition including contractual adjustments and discounts, patient fee receivables and the related allowance for contractual discounts and allowance for doubtful accounts, valuation of the lease liabilities and related right-of-use-assets, and estimates of useful lives for depreciation. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

VILLAGE OAKS PATHOLOGY P.A.
D/B/A PRECISION PATHOLOGY SERVICES
NOTES TO UNAUDITED FINANCIAL STATEMENTS

Fair Value Measurements

The Company applies Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying amounts reflected in the balance sheet for current assets and liabilities approximate fair value due to their short-term nature.

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

See Note 4 for additional information on assets measured at fair value.

Liquidity and Capital Resources

In accordance with Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern for at least one year after the date the condensed financial statements are issued. As required by this standard, management's evaluation shall initially not take into consideration the potential mitigating effects of management's plans that have not been fully implemented as of the date the financial statements are issued.

The Company's assessment included the preparation of a detailed cash forecast that included all projected cash inflows and outflows. Although the Company continues to focus on growing its revenues, the Company's ongoing operating expenditures will exceed the revenue it expects to receive for the foreseeable future. Additionally, the Company has a history of operating losses and negative operating cash flows and expects these trends to continue. Our future plans may include cash flows generated from our revenues, issuance of debt, or sales of our equity securities.

The Company's loss from operations before depreciation and amortization was ($22,559) for the six months ended June 30, 2023. Cash used for operating activities and financing debt payments for the six months ended June 30, 2023 was ($269,049) and ($231,286), respectively. The Company's cash, certificates of deposit and investments on hand as of June 30, 2023, was $382,648. Based on the cash on hand and current projections of cash requirements from operating, investing, and financing activities, management concludes that there is substantial doubt about the Company's ability to continue as a going concern without putting in place a mitigating plan or raising additional funds through debt or capital for purposes of issuing the interim financials for the six-month period ended June 30, 2023. Despite a history of successfully implementing similar plans to alleviate adverse financial conditions, these sources of working capital are not currently assured, and consequently do not sufficiently mitigate the risks and uncertainties disclosed above. These unaudited condensed financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts of liabilities that may result from uncertainty related to the Company's ability to continue as a going concern.

Cash

The Company's cash is held with one financial institution, and the account balances may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit at times. Accounts are insured by the FDIC up to $250,000. As of June 30, 2023 and December 31, 2022, the Company had uninsured cash deposits of $0 and $107,470, respectively. The Company has not experienced any losses in such accounts to date.Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows. All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

Investments held in MML Investors Services Account

As of June 30, 2023 and December 31, 2022, the assets held in the MML Investors Services /ccount ("MML Account") were held in money market funds, which are invested in fixed income and equity securities. Trading securities are presented on the balance sheet at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in unrealized losses on investments in the accompanying statement of operations. Dividend income and short-term and long-term capital gains on these securities is included in investment income in the accompanying statement of operations. As of June 30, 2023 and December 31, 2022, the assets held in the MML Account were $272,404 and $259,392, respectively.

Certificates of Deposit

The Company invests its excess cash in bank certificates of deposit ("CDs") which are fully insured by the FDIC with terms of not more than six months. As of June 30, 2023 and December 31, 2022, the Company had certificates of deposit with balances of $100,823 and $100,823, respectively.

Patient Fees Receivable

Patient accounts receivable represents amounts due from patient services billed to commercial insurance companies, governmental payors, and patients. Receivables are recorded at the amount the Company expects to collect. The Company estimates variable consideration for patient service fees using an expected value method. Accordingly, the Company has developed ratios for portfolios of payors based on the nature of the payor (e.g., commercial insurer, government program, uninsured patients), which impacts the average time to collect the consideration to which the Company expects to be entitled and the amount of such consideration. The Company has developed payment-to-charge ratio for each portfolio of payor based on historical payment experience and applied those ratios to gross charges for each year presented in order to arrive at the net patient fees receivable.

Other Receivables

Other receivables represent amounts billed for pathologist interpretations and medical director fees, which include the Company's pathologists providing directorship for certain hospital facilities. Other receivables are recorded at the amount the Company expects to collect. Management determines the allowance for credit losses based on historical collection experience, contract terms, and general and market business conditions. As of June 30, 2023 and December 31, 2022,management determined no allowance was

necessary related to these receivables.

Property and Equipment

In accordance with ASC 360-10, *Accounting for the Impairment of Long-Lived Assets*, the Company periodically reviews the carrying value of its long-lived assets, such as property and equipment, to test whether current events or circumstances indicate that such carrying value may not be recoverable. When evaluating assets for potential impairment, the Company compares the carrying value of the asset to its estimated undiscounted future cash flows. If an asset's carrying value exceeds such estimated cash flows (undiscounted and with interest charges), the Company records an impairment charge for the difference. The Company did not record impairment for the six months ended June 30, 2023 and 2022.

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Amortization of leasehold improvements is computed using the shorter of the lease term or estimated useful life of the asset. Additions and improvements are capitalized, while repairs and maintenance are expensed as incurred. Useful lives of each asset class are as follows:

Asset Category	Useful Life
Computer equipment	5 years
Computer software	3 years
Equipment	5-7 years
Furniture and fixtures	5-7 years
Vehicles	5 years
Leasehold improvements	Lesser of lease term or useful life

Revenue Recognition

The Company derives revenues from providing pathology testing services to patients and other customers. Revenue from services is recognized upon the transfer of control, which is generally achieved when testing is completed and the results are delivered to a patient, a patient's physician, or institutional customers such as independent laboratories, hospitals or contract research organizations ("CRO"). The Company's revenues fall into three separate streams: (a) patient service fees, (b) histology service fees, and (c) medical director fees.

On January 1, 2021, the Company adopted ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), using the modified retrospective method with respect to all non-completed contracts. ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes nearly all existing revenue recognition guidance, including industry-specific guidance.

The new guidance is based on the principle that an entity should recognize revenue to depict the transfer of products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those products or services. The adoption of ASC 606 did not have a material effect on the Company's financial position, results of operations, or internal controls over financial reporting.

The Company determines revenue recognition by applying the following steps prescribed under ASC 606:

a. Identification of the contract, or contracts, with a customer;
b. Identification of the performance obligations in the contract;
c. Determination of the transaction price;
d. Allocation of the transaction price to the performance obligations in the contract; and
e. Recognition of revenue when, or as, we satisfy a performance obligation.

The Company collects patient service fees from patients and various third-party payors, mainly insurance companies and governmental payors. Patient service fees are earned from performing pathology lab services (procedures or tests), which may be requested by a patient directly or by a physician on a patient's behalf. The Company also provides histology services to hospitals, CRO's or independent laboratories. The Company's services represent performance obligations transferred to the customer at the point in time when the test results are delivered, which is when the customer obtains the benefits of the service.

Patient service fee revenue is variable given various factors that impact whether third-party payors ultimately pay the Company's contractual billing rates. While third-party payor rates are known at inception of the contract, the payor has the ultimate discretion to adjudicate claims and decide on the final payment amount. There are various factors that allow third-party payors the right to deny all or part of a claim, which may not be known at inception of the contract. While the Company may appeal claim denials or adjustments, generally the Company offers some level of implicit price concession as part of these adjustments made by payors. Furthermore, patient service fees billed to uninsured patients is subject to variability for factors not known at inception. In contrast, the transaction price for histology services is generally fixed, as no third-party payors are involved, and therefore, the fees agreed upon upfront are the fees that the Company expects to collect for services performed.

The Company estimates variable consideration for patient service fees using an expected value method. Accordingly, the Company has developed ratios for portfolios of payors based on the nature of the payor (e.g., commercial insurer, government program, uninsured patients), which impacts the average time to collect the consideration to which the Company expects to be entitled and the amount of such consideration. The Company has developed payment-to-charge ratio for each portfolio of payors based on historical payment experience and applied those ratios to gross charges for each year presented. Variable consideration is constrained to the extent that it is deemed probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty is resolved, which is when an insurance claim is fully resolved.

Advertising

Advertising costs are expensed as incurred. Advertising costs were $1,645 and $2,645 for the six months ended June 30, 2023 and 2022, respectively, which are included in selling, general and administrative expense on the accompanying statements of operations.

Leases

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use ("ROU") assets and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities on the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

ROU assets and lease liabilities are recognized at commencement date and determined using the present value of the future minimum lease payments over the lease term.The Company used a discount rate based on a benchmark approach as of January 1, 2022, the date of initial application of the new guidance, to derive an appropriate incremental borrowing rate to discount remaining lease payments. The Company benchmarked itself against other companies of similar credit ratings and comparable quality and derived imputed rates for lease term lengths ranging from approximately 1.9 to 5.6 years. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. In addition, the Company does not recognize short-term leases that have a term of twelve months or less as ROU assets or lease liabilities. The Company recognizes operating lease expense on a straight-line basis over the lease term.

The Company has lease agreements which contain both lease and non-lease components, which it has elected to account for as a single lease component when the payments are fixed. As such, variable lease payments, including those not dependent on an index or rate, such as real estate taxes, common area maintenance, and other costs that are subject to fluctuation from period to period are not included in lease measurement.

Recent Accounting Pronouncements

In November 2018, the FASB issued ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, which amends the guidance for accounting for assets that are potentially subject to credit risk. The amendments affect contract assets, loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. ASU 2018-19 is effective for fiscal years beginning after December 15, 2022. The Company adopted ASU 2018-19 effective January 1, 2023 and the adoption of this guidance did not have a material impact on the Company's condensed financial statements.

Note 3 – Revenue, net

The following is a summary of net revenue for the six months ended June 30:

	2023	2022
Patient fees	$ 2,890,746	$ 2,494,160
Histology service fees	643,733	653,886
Medical director fees	37,201	57,801
Other revenue	38,869	24,698
Revenue, net	$ 3,610,549	$ 3,230,545

Concentrations

The Company has contracts with various third-party payors, mainly insurance companies and governmental payors. There is no concentration of revenues from individual payor's. For the six months ended June 30, 2023 and 2022, approximately 92% of revenues relate to contracts with commercial payors.

Note 4 - Investments

The following table presents information about the Company's financial assets and liabilities that are measured at fair value as of June 30, 2023 and December 31, 2022, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Fair Value	Level 1	Level 2	Level 3
June 30, 2023				
Assets				
Investments held in MML Account				
Money Market Securities	$ 272,404	$ 272,404	$ —	$ —
Certificate of Deposit	$ 100,823	$ —	$ 100,823	$ —
December 31, 2022				
Assets				
Investments held in MML Account				
Money Market Securities	$ 259,392	$ 259,392	$ —	$ —
Certificate of Deposit	$ 100,823	$ —	$ 100,823	$ —

Note 5 - Property and Equipment, net

Property and equipment, net, consist of the following as of June 30, 2023 and December 31, 2022:

	2023	2022
Computer equipment	$ 46,368	$ 46,368
Computer software	244,990	244,990
Equipment	547,456	494,524
Furniture and fixtures	14,472	14,472

Leasehold improvements	66,985	66,985
Vehicles	247,942	239,565
Property and equipment, gross	1,168,213	1,106,904
Less: accumulated depreciation	(828,235)	(778,043)
Property and equipment, net	$ 339,978	$ 328,861

Depreciation expense for the six months ended June 30, 2023 and 2022 were$59,608 and $45,495, respectively.

Note 6 - Accrued Expenses

The following is a summary of the Company's accrued expenses as of June 30, 2023 and December 31, 2022:

	2023	2022
Accrued payroll and payroll taxes	$ 143,604	$ 186,030
Contractors	63,000	128,337
Billing fees	37,163	34,510
Other accrued expenses	3,363	2,399
	$ 247,130	$ 351,276

Note 7 - Leases

The Company has one operating lease for its real estate and office space and multiple finance leases for lab equipment in Texas. The operating lease has a remaining lease term of 4.08 years as of June 30, 2023. The Company has finance leases consisting of office and lab equipment with remaining lease terms ranging from approximately 0.9 to 4.5 years as of June 30, 2023, for which the Company has determined that it will use the equipment for a major part of its remaining economic life.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach as of January 1, 2022, to derive an appropriate incremental borrowing rate to discount remaining lease payments. The Company benchmarked itself against other companies of similar credit ratings and comparable quality and derived imputed rates ranging from 2.3% - 4.4% for lease term lengths ranging from approximately 1.9 to 5.6 years.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. The Company has not entered into any lease arrangements with related parties, and the Company is not the sublessor in any arrangement.

The Company's existing leases contain escalation clauses and renewal options. The Company has evaluated several factors in assessing whether there is reasonable certainty that the Company will exercise a contractual renewal option. For leases with renewal options that are reasonably certain to be exercised, the Company included the renewal term in the total lease term used in calculating the right-of-use asset and lease liability. Prior to adoption of ASU 2016-02 effective January 1, 2022, the Company accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

The components of lease expense, which are included in selling, general and administrative expense for the six months ended June 30, 2023 and 2022 are as follows:

Components of lease expense:	2023	2022
Amortization of ROU assets - finance lease	$ 371,236	$ 222,527
Interest on lease liabilities - finance lease	53,784	24,690
Operating lease cost	59,755	59,755
Total lease cost	$ 484,775	$ 306,972

Supplemental balance sheet information relating to leases was as follows as of June 30, 2023 and December 31, 2022:

Operating leases:	2023	2022
Operating lease right-of-use assets	$ 445,599	$ 494,900
Operating lease liability, current	$ 101,570	$ 96,654
Operating lease liability, long-term	$ 350,619	$ 403,177

Finance leases:	2023	2022
Finance lease right-of-use asset, gross	$ 1,999,944	$ 1,999,944
Accumulated amortization	(816,292)	(445,055)
Finance lease right-of-use asset, net	1,183,652	1,554,889
Finance lease liability, current	$ 393,626	$ 413,729
Finance lease liability, long-term	1,031,917	1,218,535
Total finance lease liabilities	$ 1,425,543	$ 1,632,264

Weighted-average remaining lease term:	2023	2022
Operating leases (in years)	4.08	4.58
Finance leases (in years)	3.65	4.07

Weighted-average discount rate:	2023	2022
Operating leases	4.36%	4.36%
Finance leases	6.21%	6.21%

Future minimum lease payments under non-cancellable lease as of June 30, 2023, are as follows:

Year Ending December 31,	Operating Leases	Finance Leases
Remaining 2023	$ 68,085	$ 250,053
2024	121,726	448,505
2025	121,726	448,505
2026	121,726	270,395
2027 and thereafter	71,007	202,970
Total undiscounted cash flows	504,270	1,620,428
Less discounting	(52,081)	(194,885)
Present value of lease liabilities	$ 452,189	$ 1,425,543

Note 8 - Notes Payable

Hyundai Elantra - 2020

On October 29, 2019, the Company entered into a Finance Agreement to purchase a 2020 Hyundai Elantra for $17,655 with a maturity date of October 29, 2024.The loan bears fixed interest at a rate of 7.24% per annum, with monthly payments of $352, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $5,214 and $7,090, respectively.

Hyundai Tucson - 2020

On August 28, 2020, the Company entered into a Finance Agreement to purchase a 2020 Hyundai Tucson for $24,841 with a maturity date of August 28, 2025.The loan has no stated interest rate with monthly principal payments of $414. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $10,765 and $13,249, respectively.

Hyundai Elantra – 2017

On December 15, 2020, the Company entered into a Finance Agreement to purchase a 2017 Hyundai Elantra for $10,000 with a maturity date of December 15, 2024.The loan bears fixed interest at a rate of 9.69% per annum, with monthly payments of $253, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $4,176 and $5,455, respectively.

Hyundai Elantra - 2016

On March 4, 2021, the Company entered into a Finance Agreement to purchase a 2016 Hyundai Elantra for $13,609 with a maturity date of March 18, 2026.The loan bears fixed interest at a rate of 7.85% per annum, with monthly payments of $276, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $8,052 and $9,419, respectively.

Promissory Note - Fischer Equipment

On March 29, 2021, the Company entered into a $31,087 promissory note to finance the purchase of laboratory equipment. The promissory note bears interest at 4.25% per annum, with monthly payments of $577, which is comprised of principal and interest. This loan is collateralized by the underlying equipment. The balance of this note as of June 30, 2023 and December 31, 2022 is $17,913 and $20,928, respectively.

Promissory Note - BNB

On September 28, 2021, the Company entered into a $48,718 promissory note to finance the purchase of an Excellstoras Processor. The promissory bears fixed interest at 4.25% per annum, with monthly payments of $904, which is comprised of principal and interest. This loan is collateralized by the underlying equipment. The balance of this note as of June 30, 2023 and December 31, 2022 is $32,819 and $37,470, respectively.

Hyundai Elantra - 2018

On May 10, 2022, the Company entered into a Finance Agreement to purchase a 2018 Hyundai Elantra for $19,444 with a maturity date of May 10, 2027.The loan bears fixed interest at a rate of 9.94% per annum, with monthly payments of $414, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and June 30, 2022 is $15,986 and $17,627, respectively.

Hyundai Elantra - 2019

On May 10, 2022, the Company entered into a Finance Agreement to purchase a 2019 Hyundai Elantra for $20,509 with a maturity date of May 10, 2027.The loan bears fixed interest at a rate of 9.79% per annum, with monthly payments of $435, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $16,853 and $18,586, respectively.

Hyundai Elantra - 2017

On December 15, 2020, the Company entered into a Finance Agreement to purchase a 2017 Hyundai Elantra for $11,833 with a maturity date of December 15, 2024. The loan bears fixed interest at a rate of 9.84% per annum, with monthly payments of $300, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $0 and $6,462, respectively, as the Company paid the loan off early.

Hyundai Elantra - 2018

On June 27, 2023, the Company entered into a Finance Agreement to purchase a 2018 Hyundai Elantra for $20,210 with a maturity date of July 27, 2029.The loan bears fixed interest at a rate of 10.64% per annum, with monthly payments of $383, which is comprised of principal and interest. This loan is collateralized by the underlying vehicle. The balance of this loan as of June 30, 2023 and December 31, 2022 is $20,152 and $0, respectively.

Interest expense for all notes payable was $3,993 and $3,499 for the six months endedJune 30, 2023 and 2022, respectively.

Future minimum debt payments at June 30, 2023, are as follows:

Year Ending December 31,	
Remaining 2023	$ 19,506
2024	40,523
2025	34,804
2026	22,931
2027	7,559
Thereafter	6,607
Total	131,930
Less: current portion	(19,506)
	$ 112,424

Line of Credit

On June 20, 2012, the Company entered into a Loan Agreement that provides the Company with a $200,000 revolving line of credit for the working capital needs of the Company with a maturity date of July 22, 2023. The Company may borrow, repay, and re-borrow at any time or from time to time while the line of credit is in effect. The line of credit was unsecured and not collateralized by any of the Company's assets.

Interest on the line of credit will accrue from the date of advance until final payment thereof at 1.00% above the prime rate (9.25% as of June 30, 2023). As of June 30, 2023 and December 31, 2022 the Company had $198,000 and $0 outstanding on the line of credit, respectively.

Note 9 - Provider Relief Funds and Paycheck Protection Program

Paycheck Protection Program

On March 30, 2021, the Company received $503,950 under the Paycheck Protection Program ("PPP") established pursuant to the CARES Act and administered by The Small Business Association (the "SBA"), as amended by the Paycheck Protection Program Flexibility Act of 2020 on June 22, 2020. The proceeds were recorded as debt, bear interest at 1% per annum and were unsecured. Amounts received under the PPP were used entirely to fund payroll costs as defined in the CARES Act and are expected to be eligible for forgiveness. As of December 31, 2021, the Company had not met the criteria for loan forgiveness. As such, the $503,950 of PPP funding is presented as long-term debt as of December 31, 2021.

On April 4, 2022, the Company received notification the PPP Loan amount of $503,950 had been fully forgiven by the SBA. Accordingly, forgiveness of the PPP loan was included in other income for the six months ended June 30, 2022.

Based on current SBA guidance, the SBA has 6 years (up to 2026) to audit the good faith certification of eligibility and expenditures related to the Company's PPP loan proceeds.

Note 10 - Related Party Transactions

The majority stockholder of the Company is also an employee of the Company. Salaries paid to the majority stockholder for the six months ended June 30, 2023 and 2022 were $225,000 and $322,500, respectively, and are included in selling, general, and administrative expenses in the accompanying statement of operations. The Company made distributions of $0 and $12,160 for the six months ended June 30, 2023 and 2022, respectively to the majority stockholder.

Note 11 - Commitments and Contingencies

Litigation

From time to time, the Company may become subject to legal proceedings, claims or litigation arising in the ordinary course of business. In addition, the Company may receive notices alleging infringement of patents or other intellectual property rights. If an unfavorable outcome were to occur in litigation, the impact could be material to the Company's business, financial condition, cash flow or results of operations, depending on the specific circumstances of the outcome. The Company accrues for loss contingencies when it is both probable that the Company will incur the loss and when it can reasonably estimate the amount of the loss or range of loss. As of June 30, 2023 and December 31, 2022, no amounts were required to be accrued for loss contingencies.

bioAffinity Technologies, Inc. License Agreement

The Company has a license with bioAffinity Technologies, Inc. (“bioAffinity”) which allows the Company the use of bioAffinity’s proprietary CyPath® technology to provide patients with a diagnostic test for the detection of cancer. The license has an initial term through the date that the Company obtains FDA approval to directly commercialize similar equipment (or a functional equivalent of the licensed equipment). This license provides for certain royalties based on a percentage of services rendered. As of June 30, 2023 and December 31, 2022, there have been no amounts required to be accrued for under the license agreement.

Note 12 - Retirement Plan

The Company maintains a 401(k) plan for qualified employees. The plan covers substantially all full-time employees of the Company who meet certain age and length of service requirements. There is no requirement for the Company to match employee contributions to the plan. The Company did not contribute to the plan for the periods ending June 30, 2023 and 2022.

Note 13 - Subsequent Events

The Company has evaluated subsequent events occurring after the balance sheet date through the date of September 19, 2023 which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined the following subsequent events have occurred which require adjustment disclosure in the financial statements.

On September 18, 2023, the Company entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) wherein the Company was acquired by Precision Pathology Laboratory Services, LLC, a Texas limited liability company (“PPLS”), that is a wholly owned subsidiary of bioAffinity Technologies, Inc. (“bioAffinity”). Pursuant to the terms of the Asset Purchase Agreement the Company received $3,500,000 in consideration for the assets to be purchased by PPLS, of which $1,000,000 was paid by the issuance of 564,972 shares of bioAffinity’s restricted Common Stock to a trust controlled by Dr. Joyce (the “Joyce Trust”), which share number was based on the average of the trading day closing prices of bioAffinity for the 30 days prior to September 15, 2023, rounded to the nearest whole share.

BIOAFFINITY TECHNOLOGIES, INC.
UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On September 18, 2023, Precision Pathology Laboratory Services, LLC ("PPLS"), a Texas limited liability company and wholly owned subsidiary of bioAffinity Technologies, Inc. ("bioAffinity"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Dr. Roby P. Joyce, M.D. ("Owner") and Village Oaks Pathology Services, P.A. (the "Seller") pursuant to which PPLS purchased the non-medical assets of the Seller (the "Acquisition"). In addition, PPLS will provide certain management services to the Seller in all clinical pathology laboratory services, administrative, and non-medical services for pathologists to support community-based pathology medical groups. Pursuant to the Asset Purchase Agreement, PPLS paid at the Closing a cash payment of $2,500,000 to Seller ($1,822,630) and debt balances owed ($370,370) at the time of the Acquisition, and paid into an escrow account $350,000 to satisfy contingent and non-contingent post-closing obligations and issued 564,972 shares of bioAffinity's common stock to Seller having a value of $1,000,000.

The following unaudited pro forma condensed combined financial statements have been prepared to give effect to the Acquisition. These unaudited pro forma condensed combined financial statements are derived from the historical consolidated financial statements of the bioAffinity and PPLS. These financial statements have been adjusted as described in the notes to the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheets of the bioAffinity and PPLS, has been prepared assuming the Acquisition closed on December 31, 2022, and includes preliminary adjustments to reflect the events that are directly attributable to the Acquisition and factually supportable. In addition, the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2022 and the six months ended June 20, 2023, combines the historical consolidated statements of operations of bioAffinity and PPLS as if the Acquisition has occurred on January 1, 2022 and has also been adjusted to give effect to pro forma events that are directly attributable to the Acquisition, factually supportable and expected to have a continuing impact on the combined results.

bioAffinity has prepared the unaudited pro forma combined condensed financial statements based on available information using assumptions that it believes are reasonable. These pro forma financial statements are being provided for informational purposes only and do not claim to represent bioAffinity's actual financial position or results of operations had the Acquisition occurred on that date specified nor do they project bioAffinity's results of operations or financial position for any future period or date. The actual results reported by the combined company in periods following the Acquisition may differ significantly from these unaudited pro forma combined condensed financial statements for a number of reasons. The pro forma financial statements do not account for the cost of any restructuring activities or synergies resulting from the Acquisition or other costs relating to the integration of the two companies, or other historical acquisitions that were undertaken by bioAffinity.

The unaudited pro forma combined condensed financial statements were prepared using the acquisition method of accounting as outlined in Financial Accounting Standards Board Accounting Standards Codification ("***ASC***") 805, *Business Combinations*, with bioAffinity considered the acquiring company. Based on the acquisition method of accounting, the consideration paid for the non-medical assets of the Seller is allocated to its assets and liabilities based on their fair value as of the date of the completion of the Acquisition. The purchase price allocation and valuation is based on preliminary estimates, subject to final adjustments and provided for informational purposes only.

These unaudited pro forma combined condensed financial statements should be read in conjunction with the bioAffinity's historical consolidated financial statements and accompanying notes included in bioAffinity's Annual Report on Form 10-K for the year ended December 31, 2022.

BIOAFFINITY TECHNOLOGIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2023

	Historical			Pro forma	Pro forma
	bioAffinity	PPLS[1]		Adjustments	Combined
ASSETS					
Current assets:					
Cash and cash investments	$ 8,279,182	$ 382,648	(1)	$ (2,500,000)	$ 6,161,830
Accounts and other receivables, net	90,232	1,330,792			1,421,024
Inventory	10,101	-			10,101
Prepaid assets	279,687	9,316			289,003
Total current assets	8,659,203	1,722,756		(2,500,000)	7,881,958
Property and Equipment, net of accumulated depreciation	207,377	339,978			547,355
Operating lease right-of-use asset, net	-	445,599			445,599
Finance lease right-of-use asset, net	-	1,183,652			1,183,652
Goodwill	-	-	(2)	1,990,520	1,990,520
Other assets	6,920	8,000			14,920
Total non-current assets	214,297	1,977,229		1,990,520	4,182,046
Total assets	$ 8,873,499	$ 3,699,985		$ (509,480)	$ 12,064,004
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 174,404	$ 65,644			$ 240,048
Accrued expenses	515,663	247,129			762,792
Unearned Revenue	42,750	-			42,750
Notes payable, current portion	-	19,506	(3)	(19,506)	-
Operating lease liability, current portion	-	101,570			101,570
Finance lease liability, current portion	-	393,626			393,626
Short-term loan	42,334	198,000	(3)	(198,000)	42,334
Total current liabilities	775,152	1,025,475		(217,506)	1,583,120
Operating lease liability, net of current portion	-	350,619			350,619
Finance lease liability, net of current portion	-	1,031,917			1,031,917
Notes payable, net of long-term portion	-	112,424	(3)	(112,424)	-
Total non-current liabilities	-	1,494,960		-	1,382,536

Total liabilities	775,152	2,520,435		(329,930)	2,965,656
Stockholders (deficit) equity:					
Common stock	59,887	5	(4)	3,955	64,518
			(5)	(5)	
			(6)	676	
Additional paid-in capital	47,978,892	-	(4)	996,045	49,145,303
			(6)	170,366	
Accumulated (deficit) / earnings	(39,940,431)	1,179,545	(5)	(1,179,545)	(40,111,473)
			(6)	(171,042)	
Total stockholders' (deficit) equity	8,098,348	1,179,550		(179,550)	9,098,348
Total liabilities and stockholders' equity	$ 8,873,499	$ 3,699,985		$ (509,480)	$ 12,064,004

BIOAFFINITY TECHNOLOGIES, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
For Full Year Ended December 31, 2022

	Historical			Pro forma	Pro forma
	bioAffinity	PPLS		Adjustments	Combined
Net revenues	$ 4,803	$ 6,858,212			$ 6,863,015
Less: cost of sales	(467)	-			(467)
Gross Profit	4,336	$ 6,858,212			6,862,548
Operating expenses:					
Research and development	1,142,777	-			1,142,777
Clinical development	145,546	-			145,546
Selling, General and administrative	2,716,889	7,184,802			9,901,691
Depreciation and Amortization	10,182	544,217			554,399
Total operating expenses	4,015,394	7,729,019			11,744,413
Loss from operations	(4,011,058)	(870,807)			(4,881,865)
Other income (expense):					
Interest income	46,708	9,192			55,900
Interest expense	(2,532,640)	(63,308)			(2,595,948)
Other Income	-	8,775			8,775
Gain on extinguishment of debt	212,258	503,950			716,208
Unrealized gain (loss) on investments	(1,866,922)	(49,434)			(1,916,356)
Net loss before income taxes	(8,151,654)	(461,632)			(8,613,286)
Income tax expense	(2,459)	-			(2,459)
Net income (loss)	$ (8,154,113)	$ (461,632)			$ (8,615,745)
Net loss per common share, basic and diluted	$ (1.81)				$ (1.70)
Weighted average common shares outstanding, basic, and diluted	4,498,964		(4)	564,972	5,063,936

BIOAFFINITY TECHNOLOGIES, INC.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
For Six Months Ended June 30, 2023

	Historical			Pro forma	Pro forma
	bioAffinity	PPLS		Adjustments	Combined
Net revenues	$ 20,659	$ 3,610,549			$ 3,631,208
Less: cost of sales	(1,322)	-			(1,322)
Gross Profit	19,337	3,610,549			3,629,886
Operating expenses:					
Research and development	704,741	-			704,741
Clinical development	54,888	-			54,888
Selling, General and administrative	2,552,792	3,633,108			6,185,900
Depreciation and Amortization	43,236	430,844			474,080
Total operating expenses	3,355,657	4,063,952			7,419,609
Loss from operations	(3,336,320)	(453,403)			(3,789,723)
Other income (expense):					
Interest income	82,778	4,880			87,658
Interest expense	(3,015)	(57,777)			(60,792)
Other Income	-	5,149			5,149
Unrealized gain (loss) on investments	-	8,131			8,131
Net loss before income taxes	(3,256,557)	(493,020)			(3,749,577)

Income tax expense	(16,406)	-		(16,406)
Net income (loss)	$ (3,272,963)	$ (493,020)		$ (3,765,983)
Net loss per common share, basic and diluted	$ (0.38)			$ (0.42)
Weighted average common shares outstanding, basic, and diluted	8,477,656		(4) 564,972	9,042,628

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Basis of Presentation

The unaudited pro forma condensed combined balance sheet as of December 31, 2022 combines the historical consolidated balance sheets of bioAffinity and PPLS and has been prepared as if the Acquisition had occurred on December 31, 2022. The unaudited pro forma combined statement of operations for the year ended December 31, 2022 and the six months ended June 30, 2023 combines the historical consolidated statement of operations of bioAffinity and PPLS and has been prepared has been prepared as if the Acquisition closed on January 1, 2022. The unaudited pro forma condensed combined financial statements have also been adjusted to give effect to pro forma events that are directly attributable to the Acquisition, factually supportable and expected to have a continuing impact on the combined results.

The Acquisition was accounted for under the acquisition method of accounting in accordance with ASC 805, *Business Combinations.* Under the acquisition method, the total estimated purchase price, or consideration transferred, is measured at the Acquisition closing date. The assets of the Seller have been measured based on various preliminary estimates using assumptions that bioAffinity's management believes are reasonable utilizing information currently available. As such, the net book value of the assets (equipment, property and leases) at Acquisition are estimated to be materiality in line with estimated fair value. Therefore, no pro forma adjustments have been made to the acquired assets.

These pro forma financial statements are being provided for informational purposes only and do not claim to represent bioAffinity's actual financial position or results of operations had the Acquisition occurred on that date specified nor do they project bioAffinity's results of operations or financial position for any future period or date. The actual results reported by the combined company in periods following the Acquisition may differ significantly from these unaudited pro forma combined condensed financial statements for a number of reasons. The pro forma financial statements do not account for the cost of any restructuring activities or synergies resulting from the Acquisition or other costs relating to the integration of the two companies, or other historical acquisitions that were undertaken by bioAffinity.

Purchase Price

The unaudited pro forma condensed combined financial information reflects the purchase price as follows:

Cash	$ 2,500,000
bioAffinity common stock issued (564,972 @ $1.77)	1,000,000
Purchase Price	$ 3,500,000

Purchase Price Allocation

Cash	$ 382,648
Receivables	1,330,792
Prepaids	9,316
PP&E	339,978
Right to use lease asset	1,629,251
Deposits	8,000
Payables	(65,644)
Accrued Expenses	(247,129)
Right to use lease liability	(1,877,732)
Goodwill	1,990,520
	$ 3,500,000

Pro forma adjustments

The pro forma adjustments included in the unaudited pro forma condensed combined financial statements are as follows:

(1) *Cash:* Reflects $2.5 million in cash consideration paid to the Seller.

(2) *Goodwill:* Adjustments to record goodwill resulting from the Acquisition. Goodwill is not amortized but rather is assessed for impairment at least annually or more frequently whenever events or circumstances indicate that goodwill might be impaired.

(3) *Debt*: Adjustments to reflect the line of credit, notes payable, current portion, and notes payable, net of current portion of $198 thousand, $20 thousand, and $112 thousand, respectively, paid off by the Seller at closing.

(4) *Stock Issuance:* Reflects the effect of 564,972 in common stock shares issuance to the Seller at a stock price of $1.77 and par value of $0.007.

(5) *Stockholders' Equity:* Adjustment to eliminate the Seller's historical stockholders' equity.

(6) bioAffinity employee and board stock issuance: Reflects stock issuance of 71,715 restricted shares to board of directs on 7/1/2022, 16,605 restricted stock issued before 6/30/2023 that has since vested, and 8,226 restricted shares to Peter Connor on 7/1/2022 (2,732), 8/1/2022 (2,717), and 9/1/2022 (2,777) at a par value of $0.007.