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

FORM 10-K

(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number: 0-26642

MYRIAD GENETICS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

322 North 2200 West, Salt Lake City, UT
(Address of principal executive offices)

87-0494517
(I.R.S. Employer Identification No.)

84116
(Zip Code)

Registrant's telephone number, including area code: (801) 584-3600

Securities registered pursuant to Section 12(b) of the Exchange Act:

Trading Symbol(s) Name of each exchange on which registered
Common Stock, $0.01 par value MYGN Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. Large accelerated filer ☒

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to $240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant (without admitting that any person whose shares are not included in such calculation is an affiliate), computed by reference to the price at which the common stock was last sold on June 30, 2023 was $1,897,979,976.

As of February 21, 2024 the registrant had 89,874,886 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
The following documents (or parts thereof) are incorporated by reference into the following parts of this Form 10-K: Certain information required in Part III of this Annual Report on Form 10-K is incorporated from the Registrant's Proxy Statement, to be filed no later than 120 days following December 31, 2023, for the Annual Meeting of Stockholders expected to be held on June 6, 2024.
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Cautionary Statement Regarding Forward-Looking Statements

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company’s future prospects and make informed investment decisions. This Annual Report on Form 10-K contains such “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as “may,” “anticipate,” “estimate,” “expects,” “projects,” “intends,” “plans,” “believes,” “seek,” “could,” “continue,” “likely,” “will,” “strategy” and “goal” and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. All forward-looking statements are management’s present expectations of future events and are subject to a number of known and unknown risks and uncertainties that could cause actual results, conditions, and events to differ materially and adversely from those anticipated. These risks include, but are not limited to:

- the risk that sales and profit margins of our existing tests may decline;
- the risk that we may not be able to operate our business on a profitable basis;
- risks related to our ability to achieve certain revenue growth targets and generate sufficient revenue from our existing product portfolio or in launching and commercializing new tests to be profitable;
- risks related to changes in governmental or private insurers’ coverage and reimbursement levels for our tests or our ability to obtain reimbursement for our new tests at comparable levels to our existing tests;
- risks related to increased competition and the development of new competing tests;
- the risk that we may be unable to develop or achieve commercial success for additional tests in a timely manner, or at all;
- the risk that we may not successfully develop new markets or channels for our tests;
- the risk that licenses to the technology underlying our tests and any future tests are terminated or cannot be maintained on satisfactory terms;
- risks related to delays or other problems with operating our laboratory testing facilities and the transition of such facilities to our new laboratory testing facilities;
- risks related to public concern over genetic testing in general or our tests in particular;
- risks related to regulatory requirements or enforcement in the United States and foreign countries and changes in the structure of the healthcare system or healthcare payment systems;
- risks related to our ability to obtain new corporate collaborations or licenses and acquire or develop new technologies or businesses on satisfactory terms, if at all;
- risks related to our ability to successfully integrate and derive benefits from any technologies or businesses that we license, acquire or develop;
- the risk that we are not able to secure additional financing to fund our business, if needed, in a timely manner or on favorable terms, if it all;
- risks related to our projections or estimates about the potential market opportunity for our current and future products;
- the risk that we or our licensors may be unable to protect or that third parties will infringe the proprietary technologies underlying our tests;
- the risk of patent-infringement claims or challenges to the validity of our patents;
- risks related to changes in intellectual property laws covering our tests, or patents or enforcement, in the United States and foreign countries;
- risks related to security breaches, loss of data and other disruptions, including from cyberattacks;
- risks of new, changing and competitive technologies in the United States and internationally and that we may not be able to keep pace with the rapid technology changes in our industry, or properly leverage new technologies to achieve or sustain competitive advantages in our products;
- the risk that we may be unable to comply with financial or operating covenants under our credit or lending agreements;
- the risk that we may not be able to maintain effective disclosure controls and procedures and internal control over financial reporting;
- risks related to current and future investigations, claims or lawsuits, including derivative claims, product or professional liability claims, and risks related to the amount of our insurance coverage limits and scope of insurance coverage with respect thereto; and
- other factors discussed under the heading “Risk Factors” contained in Item 1A of this Annual Report on Form 10-K.
In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Annual Report on Form 10-K or in any document incorporated by reference might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law. All forward-looking statements in this Annual Report on Form 10-K attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

“We,” “us,” “our,” “Myriad” and the “Company” as used in this Annual Report on Form 10-K refer to Myriad Genetics, Inc., a Delaware corporation, and its subsidiaries.

Myriad, the Myriad logo, BRACAnalysis, BRACAnalysis CDx, Colaris, ColarisAP, MyRisk, Myriad myRisk, MyRisk Hereditary Cancer, myChoice, Tumor BRACAnalysis CDx, MyChoice CDx, Prequel, Prequel with Amplify, Amplify, Foresight, Foresight Universal Plus, Precise Tumor, Precise Oncology Solutions, Precise Liquid, Precise MRD, FirstGene, SneakPeek, SneakPeek Early Gender DNA Test, SneakPeek Snap, Urosuite, Mygenehistory, Health.Illuminated., RiskScore, Prolaris, GeneSight, and EndoPredict are registered trademarks or trademarks of Myriad. Solely for convenience, trademarks, trade names and service marks referred to in this Annual Report on Form 10-K may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks.

**Market, Industry and Other Data**

This Annual Report on Form 10-K may contain estimates, forecasts, projections and other information concerning our industry, our business and relevant markets, including data regarding the estimated size of relevant markets, patient populations, and the perceptions and preferences of patients and physicians regarding certain therapies, as well as data regarding market research and estimates. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources that we believe to be reliable. In some cases, we may not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.
PART I

Item 1. BUSINESS

Overview and Mission

We are a leading genetic testing and precision medicine company dedicated to advancing health and well-being for all. We develop and offer tests that help assess the risk of developing disease or disease progression and guide treatment decisions across medical specialties where genetic insights can significantly improve patient care and lower health care costs. Our genetic tests provide insights that help people take control of their health and enable healthcare providers to better detect, treat, and prevent disease.

Our Business Strategy

Personalized genetic data, digital, and virtual consumer trends are converging to change traditional models of care. We believe significant growth opportunities exist to help patient populations with pressing health care needs through innovative genetic and precision medicine solutions and services. Our focus is on innovation and growth in three key areas where we have specialized products, capabilities, and expertise: Oncology, Women's Health, and Pharmacogenomics. The pillars of our long-term growth strategy are founded on investments in science and innovation, technology-enabled operations, an elevated customer experience, strong commercial execution, and scalable operations. We believe our path to continued growth is driven by articulating our clinical differentiation, raising awareness with patients who we believe would benefit from our testing products, and innovation that improves clinical outcomes, ease of use, and access. By investing in tech-enabled commercial tools, new laboratory facilities, advanced automation, and standardized processes and technology, we believe we will be able to reduce complexity and cost, while enhancing our ability to scale and grow. We plan to expand some of our current products, such as our Foresight Universal Plus Test, which is an expanded carrier screening test that we anticipate launching in the second half of 2024. We also plan to launch new products, such as FirstGene, Precise Liquid, and Precise minimal residual disease, which we expect will help accelerate our growth. We intend to develop and enhance our products to support growth, improve patient and provider experience, and reach more patients of all backgrounds. We are committed to disciplined management of a key set of initiatives to fulfill our mission and drive long-term growth and profitability.

Testing

Our tests are generally designed to analyze genes and their expression levels to assess an individual’s risk for developing disease, determine a patient’s likelihood of responding to a particular drug, assess a patient’s risk of disease progression, identify factors which could lead to serious conditions in pregnancy, or provide other prenatal insights. We focus our efforts in the following three key areas where we have specialized products, capabilities, and expertise:

**Oncology:** Clarifying cancer risk and cancer treatment with genetic and genomic insights and companion diagnostic tests that are designed to work with corresponding drugs and treatments.

**Women's Health:** Providing differentiated genetic insights for women of all ancestries, assessing cancer risk, and offering prenatal testing solutions.

**Pharmacogenomics:** Providing genetic insights to help physicians understand how genetic alterations impact patient response to anti-depressants and other drugs.

The following tests are included in the key areas outlined above:

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Descriptions of our tests are as follows:

**MyRisk™ Hereditary Cancer Test:** DNA sequencing test for assessing the risks for hereditary cancers. Our MyRisk test is designed to determine a patient’s hereditary cancer risk for breast, ovarian, uterine, renal, colorectal, endometrial, melanoma, pancreatic, prostate, skin and gastric cancers. The test analyzes 48 separate genes to look for deleterious mutations that put a patient at a substantially higher risk than the general population for developing one or more of these cancers. All 48 genes in the panel are well documented in clinical literature for the role they play in hereditary cancer and have been shown to have actionable clinical interventions for the patient to facilitate earlier cancer detection, lower disease risk or reduce risk of cancer recurrence. The MyRisk Genetic Test Result and MyRisk Management Tool® summarize medical society guidelines for managing a patient with a genetic mutation in view of their personal and family history of cancer. MyRisk also includes RiskScore® for all ancestries. RiskScore incorporates the patient’s own clinical risk factors, family history, and unique genetic, ancestry-informed breast cancer risk markers to provide a personalized five-year and lifetime assessment of the risk of developing breast cancer—regardless of ancestry.

**BRACAnalysis CDx® Germline Companion Diagnostic Test:** DNA sequencing test to help determine beneficial therapy for patients with metastatic breast, ovarian, metastatic pancreatic, or metastatic prostate cancer with deleterious or suspected deleterious germline BRCA variants. Results of our BRACAnalysis CDx test are used as an aid to identify patients who are eligible for treatment with U.S. Food and Drug Administration (FDA) approved poly-ADP ribose polymerase (PARP) inhibitors. Currently, we are the only laboratory with an FDA-approved test for this indication and have received approvals from the FDA in ovarian cancer, metastatic breast cancer, pancreatic cancer, and advanced prostate cancer. The test is an in vitro diagnostic device intended for the qualitative detection and classification of variants in the protein coding regions and intron/exon boundaries of the BRCA1 and BRCA2 genes using genomic DNA obtained from whole blood specimens collected in ethylenediaminetetraacetic acid (EDTA).

**MyChoice® CDx Companion Diagnostic Test:** tumor test that determines homologous recombination deficiency (HRD) status in patients with ovarian cancer. This FDA-approved test helps provide information on the magnitude of benefit for PARP inhibitor therapy. HRD status is determined using two independent methods: BRCA1 and BRCA2 status that encompasses sequence variants and large rearrangements, and Genomic Instability Status (GIS) encompassing loss of heterozygosity, telomeric allelic imbalance, and large-scale state transitions across the entire genome. We believe that the combination of these methods is a more comprehensive way to measure HRD status, versus either one alone.

**Prolaris® Prostate Cancer Prognostic Test:** RNA expression tumor analysis for assessing the aggressiveness of prostate cancer. Our Prolaris test is a gene expression assay that assesses whether a patient is likely to have a slow growing, indolent form of prostate cancer that can be safely monitored through active surveillance, or a more aggressive form of the disease that may warrant aggressive intervention such as a radical prostatectomy or radiation therapy. The Prolaris test was developed to improve physicians’ ability to predict disease outcome and thereby to optimize patient treatment.

**EndoPredict® Breast Cancer Prognostic Test:** RNA expression test for assessing the aggressiveness of breast cancer. The EndoPredict test is a next-generation RNA expression test used to determine which women with breast cancer may benefit from chemotherapy. EndoPredict predicts the likelihood of metastases to help guide treatment decisions for chemotherapy and extended endocrine therapy. EndoPredict has been shown to accurately predict risk of distant recurrence in Her 2-, ER+, node negative, and node positive breast cancer patients with no confusing intermediate results in 13 published clinical studies with more than 2,200 patients and is Conformité Européenne (CE) marked, which signifies European certification for clinical use.

**Precise™ Tumor Molecular Profile Test:** a tumor profile test offered as part of Precise™ Oncology Solutions, a comprehensive solution for advanced precision oncology. Precise Oncology Solutions combines our leading germline hereditary cancer tests (MyRisk/BRACAnalysis CDx), our HRD companion diagnostic test (MyChoice CDx), and a comprehensive genetic tumor panel. We believe Precise Oncology Solutions will help providers determine a clear, integrated, and personalized treatment plan for patients with cancer.

**Prequel® Prenatal Screen:** a non-invasive prenatal screening (NIPS) test conducted using maternal blood to screen for severe chromosomal disorders in a fetus. The Prequel test uses whole genome sequencing to assess for trisomies and monosomies in all 23 chromosomal pairs including the sex chromosomes, along with microdeletions associated with common genetic diseases. Prequel has a low test failure rate at less than 1 in 1,000 patients and has been validated in multiple clinical studies to be highly accurate. Prequel uses AMPLIFY™ technology that raises NIPS test performance most significantly for the types of patients who have traditionally had test failures on standard NIPS tests due to certain clinical factors. AMPLIFY is a NIPS technology that substantially reduces low fetal fraction test failures in order to allow for equity in care across all patients, regardless of body mass index (BMI), race, or ethnicity.
**Foresight® Carrier Screen:** a prenatal test for future parents to assess their risk of passing on a recessive genetic condition to their offspring. The Foresight test screens for carrier status of up to 176 genes associated with serious and prevalent inherited conditions. The test has been shown to have a detection rate of 99% across all ethnicities. Research has also shown that with prior knowledge of recessive genetic conditions, 76% of patients took preventive actions such as in-vitro fertilization with pre-implantation genetic testing to reduce the risk of having an affected offspring.

**SneakPeek® Early Gender DNA Test:** a non-invasive blood test that predicts the gender of a fetus as early as six weeks of gestation with 99% accuracy. Innovative cell free DNA technology and precise algorithms in the SneakPeek test are used to screen for a single, Y chromosome marker in the maternal blood sample. If Y chromosome markers are found in the mother's blood, the baby is male. If no Y chromosome markers are detected, the baby is female.

**GeneSight® Psychotropic Mental Health Medication Test:** DNA genotyping test to aid psychotropic drug selection for patients suffering from depression, anxiety, attention-deficit/hyperactivity disorder (ADHD) and other mental health conditions. The GeneSight test provides healthcare professionals with information about which medications may require dose adjustments, may be less likely to work for a patient, or may have an increased risk of side effects based on a patient's genetic makeup. Genesight covers over 60 medications commonly prescribed for depression, anxiety, ADHD, and other psychiatric conditions. Because genes influence the way a person’s body responds to specific medications, the medications may work differently for each person. Using DNA gathered from a simple cheek swab, the GeneSight test analyzes a patient’s genes and provides individualized information to help healthcare providers select medications that better match the patient’s genetic variations. Multiple clinical studies have shown that when clinicians used the GeneSight test to help guide treatment decisions in major depressive disorders, patients were more likely to respond to treatment compared to the standard of care.

**Sales and Marketing**

We sell our tests primarily through our own sales force and marketing efforts in the United States, Japan, Germany, and France, and we service additional global accounts through indirect sales channels. Our U.S. sales force is comprised of approximately 500 individuals across our dedicated sales channels. We continue to optimize our sales and marketing channels through increased digital marketing, direct to patient marketing, enhanced virtual sales tools, and inside sales teams to drive efficiency in our sales model. For example, in 2023, we formalized a national account focus in our Oncology and Women's Health products to address the needs of our largest accounts who are dealing with population health and value-based care decisions, while our field sales teams remained focused on core customers across channels. We continue to expand and strengthen our inside sales team with improved segmentation and territory alignment and by expanding our inside sales team to cover additional products. Our inside sales team focuses on a broader base of qualified leads, freeing up the field sales team to target higher potential clinical leads. We believe inside sales can be more cost effective in terms of customer acquisition costs. We believe we will be better able to execute on our strategies and fulfill our mission by engaging with providers and patients by meeting them when they are in the consumer or patient journey.

**Research and Development**

Our products stem from expert and innovative investigation into the biological underpinnings of serious human disease. We plan to continue to use our proprietary DNA sequencing and RNA expression technologies, including our supporting bioinformatics and robotic technologies, in an effort to efficiently discover and validate important biomarkers. We embed these biomarkers along with relevant clinical information in complex, proprietary tests that we believe are highly accurate and informative, and intended to help physicians better manage their patients’ health care. We believe that our technologies provide us with a significant competitive advantage and the potential for the continued development of numerous product opportunities. For example, in 2023 we completed analytical validation of FirstGene, a new product that is designed to report maternal and fetal carrier status, fetal aneuploidy risk, and Rhesus D antigen (RhD) status using a single maternal blood draw during pregnancy. Also in 2023, we achieved enrollment targets for a FirstGene prospective clinical validation study. We completed the development of, and launched, a research-use only minimum residual disease (MRD) product, and initiated study partnerships with MD Anderson Cancer Center and Memorial Sloan Kettering Cancer Center. We also launched a prospective study, MONITOR-Breast, that we expect will generate evidence of the clinical validity of our MRD testing product. For the years ended December 31, 2023, 2022, and 2021, we incurred research and development expense of $88.7 million, $85.4 million, and $81.9 million, respectively.
Industry and Competition

Healthcare is evolving to be more patient-centered and value-based. Patients, healthcare providers, payors, and health systems are looking to apply the power of genetic insights, molecular diagnostics, and precision medicine to advance care, improve access, and lower cost. We believe key industry trends include:

- accelerating shifts in consumer engagement, early detection, home-based care models, the rise of low-cost sequencing, telemedicine, and virtual care;
- expanding access to genetic insights, particularly among underserved populations with increased focus on health equity, reducing disparities in health care outcomes, and ensuring increased access for challenged communities;
- broader, more innovative use of large data sets and analytics;
- increasing adoption of biomarker laws on a state-by-state basis, which we expect will result in more growth and adoption of genetic testing by clinicians and acceptance by local reimbursement agencies; and
- growth in personalized medicine and the interest in new partnership models to advance companion diagnostics and serve patients with specific treatments based on their own genetic makeup and biology.

We believe these market trends create new opportunities to position us for organic growth and commercial success through the launch of new products and the enhancement of our existing products. Our focus is on articulating the clinical differentiation of our products and our commitment to being a reliable testing partner to patients and providers and innovative science that improves health outcomes, access for all, and ease of experience in the testing process.

To measure our success in driving towards a strong and friction-less experience for our patients and clinicians, we periodically conduct an internal Net Promoter Score survey with current users of our products. We have maintained a very healthy score since the implementation of the program in 2022, which gives us a strong benchmark to continue to work against as we strive to improve and innovate.

Oncology

In oncology, we offer testing for patients who have cancer and companion diagnostic tests that work with corresponding drugs and treatments. Our competitors in the oncology market include Invitae Corporation, Ambry Genetics Corporation, Natera, Inc., Foundation Medicine, Inc, Caris Life Sciences, Tempus, Laboratory Corporation of America Holdings, Quest Diagnostics Incorporated, and other commercial and academic laboratories.

As a leader in genetic testing and precision medicine, we provide insights that help people take control of their health, and enable healthcare providers to better detect, treat, and prevent disease. We believe that the key opportunities to grow our Oncology business are our expansion of companion diagnostics, market expansion through new clinical guidelines, and providing new offerings. For example, in the second quarter of 2023, we added Folate Receptor Alpha (FRα) to our Precise Oncology Solutions offering to expand treatment options for women living with ovarian cancer. FRα establishes patient eligibility for ELAHERE® (“mirvetuximab soravtansine-gynx”), the only FDA-approved drug indicated for patients who are FRα-positive and resistant to platinum-based chemotherapy. FRα is a newly recommended biomarker test included in the National Comprehensive Cancer Network treatment guidelines for ovarian cancer. Additionally, in the fourth quarter of 2023, we launched the Myriad Collaborative Research Registry™ (MCRR). The MCRR includes new data across germline and tumor testing results from our cancer products on more than one million patients. The latest enhancements make the MCRR freely available for research use and supports transparent clinical data sharing to advance the field.

In late 2024, we also plan to add a new liquid biopsy therapy selection test called Precise Liquid to the comprehensive Precise Oncology Solutions offering. The test is a comprehensive genomic profiling test that may serve as a first-line offering or as a reflex test if the solid tumor is insufficient, and it will allow blood for therapy selection at diagnosis and in the metastatic setting. We are also developing Precise MRD, a monitoring test based on whole genome sequencing to deeply interrogate tumors, detect cancer recurrence earlier, and help guide treatment decisions.

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Women's Health

In the women’s health market, we serve women assessing their genetic predisposition to cancer, offer prenatal tests for the assessment of fetal chromosomal disorders, and screen prospective parents for recessive genetic conditions that can be passed on to their offspring. We also offer the SneakPeek Early Gender DNA Test which can reveal a baby’s gender as early as six weeks into pregnancy. We compete with multiple companies, including large national reference laboratories, specialty laboratories, academic/university laboratories, and kit-based products with our MyRisk, Foresight, Prequel and SneakPeek tests. Our competitors include Natera, Inc., Ambry Genetics Corporation, Laboratory Corporation of America Holdings, a subsidiary of Konica Minolta Inc., Quest Diagnostics Incorporated, and Peekaboo Early Detection Gender DNA Test. We compete mainly based on our test breadth and accuracy, equity in care capability, and our commercial scale.

We see opportunities to improve both our economics and the customer experience on these products. We remain focused on reimbursement for prenatal and carrier screening and finding streamlined patient payment models. We have recently expanded our physical footprint by growing our SneakPeek product presence into the retail pharmacy setting, which we believe is a strong opportunity for us to target consumers with our prenatal portfolio of offerings beyond directly through physicians. We also plan to improve customer experience with our online unified ordering portal to engage with patients and physicians, our cost estimators across our product lines, our remote product-specific customer service teams, and artificial intelligence-based tools for interacting with patients.

We expect to further simplify and advance prenatal care with the launch of FirstGene™, a comprehensive prenatal screening test. FirstGene combines the power of our Prequel NIPS with AMPLIFY technology on a whole exome platform with our Foresight Carrier Screen into a new 4-in-1 prenatal offering for NIPS, carrier screen, fetal recessive status, and feto-maternal blood compatibility. This new test, which is expected to launch in the first half of 2025, is designed to streamline the testing process and simplify workflow with a single maternal blood draw while providing early insight on the fetus with improved sensitivity for all pregnancies, helping to reduce unnecessary amniocentesis. We have previously announced our support for the guideline update by the American College of Medical Genetics and Genomics (ACMG), which reaffirmed the clinical value of NIPS to screen for a range of chromosomal abnormalities. ACMG continues to recommend offering screening for common trisomies (on chromosomes 13, 18, and 21) in all pregnancies, and guidance that provides a strong recommendation for offering screening for sex-chromosome aneuploidies (SCAs) and conditional support for offering screening for 22q microdeletion syndrome. As part of the NIPS within FirstGene, both SCAs and 22q are expected to be available as additional opt-in screening.

Foresight Universal Plus is an expanded carrier screening test with the same technology that differentiates Foresight’s clinical utility in carrier screening. We plan to launch this test in the second half of 2024 in anticipation of the expansion of American College of Obstetricians and Gynecologists (ACOG) guidelines, which we anticipate will be expanded to include 274 genes. This new test will also include merged couple reporting to fully realize the value of this test to those individuals who are thinking about family planning.

Pharmacogenomics

In Pharmacogenomics, we help physicians understand how genetic alterations may impact patient response to antidepressants and other drugs. We believe our GeneSight Psychotropic Mental Health Medication Test meets a significant unmet clinical need and is a leading product to help physicians anticipate patient response to psychotropic drugs, the selection of which has historically been done through trial and error based approaches. The test is clinically proven to improve response rates in patients compared to standard of care. Our competitors in this market include Genomind, Tempus, Quest Diagnostics Incorporated, and Laboratory Corporation of America Holdings.

Key opportunities to grow our business in this market include growing awareness of pharmacogenomic opportunities for mental health treatment and driving physician adoption and utilization of our product to help guide treatment options. We are broadening access to GeneSight among front-line providers of mental health treatment, including primary care physicians and nurse practitioners who treat the majority of patients suffering from depression and anxiety, and through the expansion of sales and digital marketing capabilities. Moving forward, we are exploring the extension of GeneSight in other indications as well as other areas such as postpartum depression through our Women's Health business.

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Seasonality

We have historically experienced seasonality in our testing business. In the quarter ended March 31, we typically experience a decrease in volumes due to the annual reset of patient deductibles. Additionally, the volume of testing is typically negatively impacted by the summer season, which is generally reflected in the quarter ended September 30. Conversely, the quarter ended December 31 is generally strong as we typically experience an increase in volumes from patients who have met their annual insurance deductible. In the fiscal year ended December 31, 2023, we did not experience seasonality to the same extent we have in prior years. For example, in the quarter ended September 30, 2023, we did not see the customary impact from the summer season as volumes decreased less than one percent in comparison to the quarter ended June 30, 2023. Historical patterns of seasonality may not continue in future years.

Human Capital Management

As a leader in genetic testing and precision medicine, our mission is to advance health and well-being for all by helping people take control of their health and enabling healthcare providers to better detect, treat and prevent disease. We believe the success of our mission depends, in part, on our ability to attract and retain qualified personnel. Our key human capital management objectives are to recruit, retain, and motivate the exceptional people needed to carry out our mission. To support these objectives and help our employees balance their work and personal lives, we maintain a flexible work environment and competitive compensation and benefits programs.

As of December 31, 2023, we have approximately 2,700 full-time equivalent employees. Most of our employees are engaged directly in sales and marketing, production, customer experience, billing, administration, technology, development, and research. Our employees are not covered by a collective bargaining agreement, and we consider our relations with our employees to be good.

One of our key human capital metrics is employee turnover. For the year ended December 31, 2023, our global voluntary employee turnover rate was 9%.

Diversity, Equity and Inclusion (DE&I): Our DE&I objective is to make Myriad a place where all employees have a sense of belonging. Myriad supports a culture of diversity, equity, and inclusion aligned with our company mission, vision, and values to drive company performance by creating opportunities and experiences for learning, development, and a sense of belonging for all employees. Our DE&I plan is focused on our people, mission, and community. We have seven employee-led resource groups (ERGs) that represent and support diverse communities in our workforce. These ERGs mentor, foster, encourage, and inspire employees in all stages of their careers by providing access to senior leadership, peer groups, mentoring, and other valuable resources to help them pursue their career ambitions.

As of December 31, 2023, 63% of our employees were women, and women held 42% of Myriad leadership roles (vice president and above). One third of the members of our Board of Directors are women, including the chairperson, and 44% of our Board members come from diverse gender, ethnic, and cultural backgrounds.

Compensation, Health, Wellness, Family Resources, and Other Benefits: Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals and create long-term value for our stockholders. We provide competitive salaries, stock ownership opportunities, and incentive and bonus programs. We also provide an expansive benefit offering including medical, dental and vision health care coverage, insurance and disability coverage, 401(k) investment plans with Company matching, tax advantaged savings accounts, paid time off and leaves of absence, parental leave, family formation benefits, employee assistance programs, including free mental health resources for employees and their dependents, community outreach programs, training and development opportunities, and wellness programs.

Career Development and Training: We offer several career development and training opportunities to our employees, including a curriculum of Company-sponsored technical, business and leadership courses, on-the-job training and a support network to all new employees, and tuition reimbursement for approved external training and educational pursuits.

Oversight and Management: We regularly conduct surveys to obtain feedback from our employees on a variety of topics, including employee engagement, Company strengths and focus areas, and culture drivers. The results are reviewed by our Board of Directors, the Compensation and Human Capital Committee, and senior leadership, who analyze areas of progress or deterioration and prioritize actions and activities in response to this feedback to drive meaningful improvements in employee engagement. Our most recent survey shows how these intentional efforts are making a difference as 86% of our employees rated us as a Great Place to Work®.
Social Responsibility and Community: At Myriad, corporate responsibility plays an important role in our approach to developing valuable and transformative diagnostic tests across major diseases to improve patients' lives. We believe that our corporate social responsibility programs build greater value for our patients, healthcare professionals and stockholders, support and improve the communities where we live and work, and empower our employees to become more engaged in the well-being of their own communities.

The corporate social responsibility programs at Myriad align with a clearly defined set of strategic priorities including:

- **Patient Assistance**: We are working to improve overall health care quality and increase access to diagnostic testing for uninsured and underinsured populations by offering robust financial assistance and free testing to those in need.
- **Advocacy**: We collaborate with and support key patient advocacy and support organizations where we can make a positive difference in addressing complex health challenges, providing and improving the quality of life for patients.
- **Environmental**: As described further below, we have created a Green Team that helps foster environmental and sustainability stewardship.
- **Scholarship**: We provide financial support for academic scholarship and education at both the undergraduate and post-graduate levels and contribute to advancing education and training for women and minorities in medicine and science.
- **Philanthropy**: We provide financial support to nonprofit organizations and share the expertise of our employees in the communities where we operate.

Environmental and Sustainability

We strive to do business in ways that protect both the health and safety of our employees and the world in which we operate by establishing, promoting, maintaining, and improving a culture of sustainability and environmental responsibility. In order to achieve our objectives, we have increased our focus on environmental and sustainability efforts that we are working towards fully implementing. The Nominating, Environmental, Social and Governance Committee of our Board of Directors is responsible for reviewing and evaluating our environmental, climate, safety, social and other corporate responsibility strategies, practices, and initiatives. We have also formed an internal Environmental, Social, and Governance (ESG) Committee in an effort to develop and maintain sustainable business practices.

In connection with our 2022 Environmental, Social and Governance Report, we completed our first carbon inventory, measuring our Scope 1 and Scope 2 emissions from the use of our laboratories and office spaces during the year ended December 31, 2022. Energy and emissions data was captured for select buildings with the largest footprint and used to model emissions from our remaining operations where limited or no data was available.

For more information on our approach to sustainability, please refer to our 2022 Environmental, Social and Governance Report, which is available on our website.

Patents and Proprietary Rights

We own or have license rights to various issued patents and patent applications in the United States and foreign countries. These patents and patent applications relate to a variety of subject matter, including diagnostic biomarkers, gene expression signatures, assays, assay reagents, informatics and data analytics, methods for determining genetic predisposition, methods for disease diagnosis, methods for determining disease progression, methods for determining disease treatment, and general molecular diagnostic techniques. For some of the patent assets, we hold rights through exclusive or non-exclusive license agreements. Material issued patent assets relating to our tests that generate material revenue are described in the table below, along with any related pending applications. These issued patents are expected to begin expiring on the respective dates noted below and any related applications, if issued as patents and depending on term adjustments or terminal disclaimers, if applicable, are expected to have similar expiration timeframes. These patents and applications contain multiple claims including but not limited to those claims described below.
<table>
<thead>
<tr>
<th>Test</th>
<th>Patent Assets</th>
<th>Expiration</th>
<th>Claims</th>
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<tbody>
<tr>
<td><strong>Prolaris Prostate Cancer Prognostic Test</strong></td>
<td>We own one or more issued patents and pending patent applications in the U.S. and other jurisdictions relating to Prolaris testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2030.</td>
<td>Claims relating to biomarkers, kits, systems and methods for detecting, diagnosing, prognosing and selecting therapy for prostate cancer.</td>
</tr>
<tr>
<td><strong>EndoPredict Breast Cancer Prognostic Test</strong></td>
<td>We own one or more issued patents and pending patent applications in the U.S. and other jurisdictions relating to EndoPredict testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2031.</td>
<td>Claims relating to biomarkers, kits, systems and methods for prognosing and selecting therapy for breast cancer.</td>
</tr>
<tr>
<td><strong>MyChoice CDx Companion Diagnostic Test</strong></td>
<td>We own or hold a license to one or more issued patents and pending patent applications in the U.S. and other jurisdictions relating to MyChoice CDx testing.</td>
<td>These pending and issued patents have terms expected to expire in 2031.</td>
<td>Claims relating to biomarkers, kits, systems and methods for detecting homologous recombination deficiency and selecting therapy based on such detection.</td>
</tr>
<tr>
<td><strong>GeneSight Psychotropic Mental Health Medication Test</strong></td>
<td>We hold a license to one or more issued patents and pending patent applications in the U.S. and other jurisdictions relating to GeneSight testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2024.</td>
<td>Claims relating to biomarkers, systems and methods for detecting single nucleotide polymorphisms and selecting and/or optimizing therapy based on such detection.</td>
</tr>
<tr>
<td><strong>Foresight Carrier Screen</strong></td>
<td>We own one or more issued patents and pending patent applications in the U.S. and other jurisdictions that relate to laboratory and informatic methods used to enhance Foresight testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2032.</td>
<td>Claims relating to systems and methods for detecting genetic sequences.</td>
</tr>
<tr>
<td><strong>Prequel Prenatal Screen</strong></td>
<td>We own or hold a license to one or more issued patents and pending patent applications in the U.S. and other jurisdictions that relate to laboratory and informatic methods used to enhance Prequel testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2032.</td>
<td>Claims relating to systems and methods for detecting genetic sequences.</td>
</tr>
<tr>
<td><strong>MRD</strong></td>
<td>We own one or more issued patents and pending patent applications in the U.S. or other jurisdictions relating to MRD testing.</td>
<td>These pending and issued patents have terms expected to begin expiring in 2026.</td>
<td>Claims relating to systems and methods for preparing enriched DNA fractions, detecting circulating tumor DNA, and identifying tumor variants</td>
</tr>
</tbody>
</table>
We intend to seek patent protection in the United States and major foreign jurisdictions for these and other inventions which we believe are patentable and where we believe our interests would be best served by seeking patent protection. However, any patents issued to us or our licensors may not afford meaningful protection for our products or technology or may be subsequently circumvented, invalidated or narrowed or found unenforceable. Any patent applications which we have filed, or will file, or to which we have licensed or will license rights may not issue, and patents that do issue may not contain commercially valuable claims. In addition, others may obtain patents having claims which cover aspects of our tests or processes which are necessary for or useful to the development, use or performance of our products. Should any other group obtain patent protection with respect to our discoveries, our commercialization of our tests could be limited or prohibited.

Others may offer genomic laboratory testing services which may infringe patents we control. We may seek to negotiate a license to use our patent rights or decide to seek enforcement of our patent rights through litigation. Patent litigation is expensive, the outcome is often uncertain and we may not be able to enforce our patent rights against others.

Our tests and processes may also conflict with patents which have been or may be granted to competitors, academic institutions or others. In addition, third parties could bring legal actions against us seeking to invalidate our owned or licensed patents, claiming damages, or seeking to enjoin clinical testing, development and marketing of our tests or processes. If any of these actions are successful, in addition to any potential liability for damages, we could lose patent coverage for our tests, be required to cease the infringing activity or obtain a license in order to continue to develop or market the relevant test or process. We may not prevail in any such action, and any license required under any such patent may not be made available on acceptable terms, if at all. Our failure to maintain patent protection for our tests and processes or to obtain a license to any technology that we may require to commercialize our tests and technologies could have a material adverse effect on our business.

We also rely upon unpatented proprietary technology, and in the future may determine in some cases that our interests would be better served by protecting certain technologies as trade secrets or through confidentiality agreements rather than patents or licenses. These include some of our genomic, proteomic, RNA expression, mutation analysis, robotic and bioinformatic technologies which may be used in discovering and characterizing new biomarkers and ultimately used in the development or analysis of tests. We also maintain a database of gene mutations and their status as either harmful or benign for some of our tests. To further protect our trade secrets and other proprietary information, we require that our employees and consultants enter into confidentiality and invention assignment agreements. However, those confidentiality and invention assignment agreements may not provide us with adequate protection. We may not be able to protect our rights to such unpatented proprietary technology and others may independently develop substantially equivalent technologies. If we are unable to obtain strong proprietary rights to our processes or tests, competitors may be able to market competing processes and tests.
License Agreements

We are a party to license agreements which give us the rights to use certain technologies in the research, development, testing processes, and commercialization of our tests. These licenses generally end on the expiration of the last to expire patent rights covered by the applicable license agreement. We may not be able to continue to license these technologies on commercially reasonable terms, if at all. In addition, each license may be terminated by the licensor in the event of an uncured breach by us of any material term of the applicable license agreement. Patents underlying our license agreements may not afford meaningful protection for our technology or tests or may be subsequently circumvented, invalidated or narrowed, or found unenforceable. Our failure to maintain rights to this technology could have a material adverse effect on our business. The table below lists important licenses to technology that is incorporated into tests that generate material revenue:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Subject</th>
<th>Royalties</th>
<th>Expiration</th>
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<tbody>
<tr>
<td><strong>University of Texas M.D. Anderson Cancer Center (UTMDACC)</strong></td>
<td>Exclusive world-wide right to certain rights of UTMDACC in intellectual property relating to our MyChoice HRD testing.</td>
<td>We pay UTMDACC a royalty based on net sales of our MyChoice HRD test.</td>
<td>License runs for the term of the UTMDACC agreement and, in any event, expires or may be terminated upon expiration of the last to expire patent right covered by the UTMDACC agreement.</td>
</tr>
<tr>
<td><strong>Mayo Foundation for Medical Education and Research (Mayo)</strong></td>
<td>Exclusive world-wide license to certain rights of Mayo in intellectual property relating to our GeneSight testing.</td>
<td>We pay Mayo a royalty based on net sales of our GeneSight test.</td>
<td>License runs for the term of the Mayo agreement and, in any event, expires or may be terminated upon expiration of the last to expire patent right covered by the Mayo agreement.</td>
</tr>
<tr>
<td><strong>Children's Medical Center in Boston (CMCC)</strong></td>
<td>Exclusive world-wide right to certain rights of CMCC in intellectual property relating to our MyChoice HRD testing.</td>
<td>We pay CMCC a royalty based on net sales of our MyChoice HRD test.</td>
<td>License runs for the term of the CMCC agreement and, in any event, expires or may be terminated upon expiration of the last to expire patent right covered by the CMCC agreement.</td>
</tr>
<tr>
<td><strong>Institut Curie and INSERM (INSERM)</strong></td>
<td>Exclusive world-wide right to certain rights of INSERM in intellectual property relating to our MyChoice HRD testing.</td>
<td>We pay INSERM a royalty based on net sales of our MyChoice HRD test.</td>
<td>License runs for the term of the INSERM agreement and, in any event, expires or may be terminated upon expiration of the last to expire patent right covered by the INSERM agreement.</td>
</tr>
<tr>
<td><strong>Illumina, Inc.</strong></td>
<td>Non-exclusive license to certain rights held by or licensed to Illumina to intellectual property relating to non-invasive prenatal screening and the Prequel test.</td>
<td>We pay Illumina a royalty based on the volume of Prequel testing administered by us.</td>
<td>License runs for the term of the Illumina agreement and, in any event, expires or may be terminated upon expiration of the last to expire patent right covered by the Illumina agreement.</td>
</tr>
</tbody>
</table>
Governmental Regulation

Our operations are regulated by federal, state and foreign governmental authorities. Failure to comply with the applicable laws and regulations can subject us to repayment of amounts previously paid to us, significant civil and criminal penalties, loss of licensure, certification, or accreditation, or exclusion from state and federal health care programs. The significant areas of regulation are summarized below.

Clinical Laboratory Improvement Amendments of 1988 and State Regulation

Each of our clinical laboratories must hold certain federal, state and local licenses, certifications, and permits to conduct our business. Laboratories in the United States that perform testing on human specimens for the purpose of providing information for the diagnosis, prevention, or treatment of disease are subject to the Clinical Laboratory Improvement Amendments of 1988 (CLIA). CLIA requires such laboratories to be certified by the federal government and mandates compliance with various operational, personnel, facilities administration, quality and proficiency testing requirements intended to ensure that testing services are accurate, reliable and timely. CLIA certification also is a prerequisite to be eligible to bill state and federal health care programs, as well as many private third-party payors, for laboratory testing services. Our laboratories in Salt Lake City, Utah, Mason, Ohio, and South San Francisco, California are CLIA certified to perform high complexity tests.

CLIA requires each of our certified clinical laboratories to enroll in an approved proficiency testing program if performing testing in any category for which proficiency testing is required. Each of our clinical laboratories periodically tests specimens received from an outside proficiency testing organization and then submits the results back to that organization for evaluation. If one of our laboratories fails to achieve a passing score on a proficiency test, then it may lose its right to perform testing. Further, failure to comply with other proficiency testing regulations, such as the prohibition on referral of a proficiency testing specimen to another laboratory for analysis, can result in revocation of the laboratory’s CLIA certification.

As a condition of CLIA certification, each of our clinical laboratories is subject to survey and inspection every other year, in addition to being subject to additional random inspections. The biennial survey is conducted by the Centers for Medicare & Medicaid Services (CMS), a CMS agent (typically a state agency), or a CMS-approved accreditation organization. Because our clinical laboratories are accredited by the College of American Pathologists (CAP), which is a CMS-approved accreditation organization, they are typically subject to CAP rather than CMS inspections.

Our laboratories are licensed by the appropriate state agencies in the states in which they operate, if such licensure is required. In addition, our laboratories hold state licenses or permits, as applicable, from various states, including, but not limited to, California, New York, Pennsylvania, Rhode Island and Maryland, to the extent that they accept specimens from one or more of these states, each of which requires out-of-state laboratories to obtain licensure.

If a laboratory is out of compliance with state laws or regulations governing licensed laboratories or with CLIA, penalties may include suspension, limitation or revocation of the license or CLIA certificate, assessment of financial penalties or fines, or imprisonment. Loss of a laboratory’s CLIA certificate or state license may also result in the inability to receive payments from state and federal health care programs as well as private third-party payors. We believe that we are in material compliance with CLIA and all applicable licensing laws and regulations.
Food and Drug Administration

In the United States, in vitro diagnostic (IVD) products are subject to regulation by the FDA as medical devices to the extent that they are intended for use in the diagnosis of disease or other conditions, including a determination of the state of health, in order to cure, mitigate, treat, or prevent disease. They are subject to premarket review and post-market controls that will differ depending on how the FDA classifies a specific IVD, which is further defined in the FDA's implementing regulations as a device intended for use in the collection, preparation, and examination of specimens taken from the human body. For certain types of tests known as laboratory developed tests (LDTs)—which are in vitro diagnostic tests that are designed, manufactured and used within a single laboratory—FDA regulation is less clear than for IVDs. Historically, the FDA has exercised enforcement discretion for LDTs, which means that the FDA generally has not enforced premarket review and other applicable FDA requirements. However, as LDTs have increased in complexity, the FDA has taken a risk-based approach to their regulation. Congress has also signaled interest in clarifying the regulatory landscape for LDTs. Following several years of inaction by Congress on this issue, the FDA issued a proposed rule in October 2023 to regulate LDTs under the current medical device framework and proposed to phase out the current enforcement discretion policy; the public comment period ended in early December 2023.

The FDA's proposal envisions that the LDT enforcement policy phase-out process would occur in gradual stages over a total period of four years, with premarket approval applications for high-risk tests to be submitted by the 3.5-year mark, although more details are expected to be provided with the upcoming final rule. The likelihood of the FDA finalizing the proposed rule in April 2024 (as is currently projected), as well as potential litigation challenging the agency's authority to take such action, is uncertain at this time. Affected stakeholders continue to press for a comprehensive legislative solution to create a harmonized paradigm for oversight of LDTs by both the FDA and CMS, instead of implementation of the proposed FDA administrative action, which may be disruptive to the industry and to patient access to certain diagnostic tests. In the absence of a comprehensive legislative solution, however, the FDA has indicated its intent to finalize this rulemaking. Ensuring compliance with the agency's future implementation plans for bringing LDTs under the medical device framework is expected to require significant time, financial resources, and other resources, including specialized personnel, on the part of clinical laboratories engaged in developing and offering such diagnostic tests.

Separately, members of Congress have been working with stakeholders for several years on a possible bill to reform the regulation of in vitro clinical tests including LDTs. For example, as drafted and re-introduced for consideration by the current Congress, the Verifying Accurate, Leading-edge IVCT Development (VALID) Act would codify into law the term as “in vitro clinical test” (IVCT) and establish a new regulatory framework for the review and oversight of IVCTs separate and apart from the medical device framework under the Food, Drug and Cosmetic Act (FDCA). The new IVCT product category would include products currently regulated as IVDs, in addition to LDTs. The proposed regulatory framework adopts various concepts from the FDCA, utilizing a risk-based approach that aims to ensure that all marketed IVCTs have a reasonable assurance of both analytical and clinical validity, and includes a proposed future user fee program for IVCTs. If enacted, the VALID Act would also create a new system for clinical laboratories and hospitals to submit their clinical tests electronically to the FDA for approval, among other potentially significant changes to current regulatory requirements applicable to the laboratory industry as a whole. This system is aimed at reducing the amount of time that it takes for the agency to approve such tests, and it would also establish a new program to expedite the development of diagnostic tests that can be used to address a current unmet need for patients.

It is unclear whether the VALID Act will be passed by Congress in its current form or signed into law by the President; if enacted, however, it is expected to require clinical laboratories to spend significant time, resources, and money towards ensuring compliance. Until the FDA finalizes LDT regulations through its recently initiated notice-and-comment rulemaking process, or the VALID Act or other legislation is passed reforming the federal government's current regulatory approach to LDTs, it is unknown how the FDA may regulate our LDT products in the future or what testing and data may be required to support clearance or approval for such products.
In Vitro Diagnostics as Medical Devices

The information that must be submitted to the FDA in order to obtain clearance or approval to market a new IVD varies depending on how the device is classified by the FDA. Medical devices are classified into one of three classes on the basis of the controls deemed by the FDA to be necessary to reasonably ensure their safety and effectiveness. Class I devices are subject to general controls, including labeling and adherence to the FDA's quality system regulations, which are device-specific good manufacturing practices. Class II devices are subject to premarket notification, general controls and sometimes special controls, such as performance standards and post-market surveillance. Class III devices are subject to most of the previously identified requirements as well as to premarket approval. All Class I devices are exempt from premarket review, most Class II devices require 510(k) clearance, and all Class III devices must receive premarket approval before they can be sold in the United States. If a previously unclassified new medical device does not qualify for the 510(k) pathway because no predicate device to which it is substantially equivalent can be identified, the device is automatically classified into Class III. However, if such a device would be considered low or moderate risk, it may be eligible for the De Novo classification process. The De Novo classification process allows a device developer to request that the novel medical device be reclassified as either a Class I or Class II device, rather than having it regulated as a high-risk Class III device subject to the premarket approval requirements. The payment of a fee, typically adjusted annually, to the FDA is usually required when a 510(k) notification, premarket approval application, or De Novo classification request is submitted.

510(k) Premarket Notification and De Novo Classification

A 510(k) notification requires the sponsor to demonstrate that an IVD is substantially equivalent to another marketed device, termed a “predicate device,” that is legally marketed in the United States and for which a premarket approval (PMA) application was not required. A device is substantially equivalent to a predicate device if it has the same intended use and technological characteristics as the predicate; or has the same intended use but different technological characteristics, where the information submitted to the FDA does not raise new questions of safety and effectiveness and demonstrates that the device is at least as safe and effective as the legally marketed device. Clinical trials are almost always required to support a PMA application and are sometimes required for a De Novo classification request or a 510(k) premarket notification. Further, Congress recently amended the FDCA to require sponsors of most clinical studies of investigational medical devices intended to support marketing authorization to design and submit a diversity action plan for such clinical trial. The action plan must include the sponsor’s diversity goals for enrollment, as well as a rationale for the goals and a description of how the sponsor will meet them. The FDA may grant a waiver for some or all of the requirements for a diversity action plan. It is unknown at this time how the diversity action plan may affect clinical trial planning or what specific information the FDA will expect in such plans, but if the FDA objects to a sponsor’s diversity action plan or otherwise requires significant changes to be made, it could delay initiation of the relevant clinical trial.

If the FDA determines that the applicant’s device is substantially equivalent to the identified predicate device(s), the agency will issue a 510(k) clearance letter that authorizes commercial marketing of the device for one or more specific indications for use. Requests for additional data, including clinical data, will increase the time necessary to review the notice. If the FDA believes that the IVD is not substantially equivalent to a predicate device, it will issue a “Not Substantially Equivalent” letter, stating that the new device may not be commercially distributed and designating the device as a Class III device, which will require the submission and approval of a PMA application before the new device may be marketed. Alternatively, the applicant may be able to submit a De Novo classification request to have it regulated as a Class I or Class II device. The FDA's De Novo regulations became effective on January 3, 2022. Among other things, if the manufacturer seeks reclassification into Class II, the classification request must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the device.

As an alternative to the De Novo classification process, the manufacturer could also file a reclassification petition seeking to change the automatic Class III designation of a novel post-amendment device under Section 513(f)(3) of the FDCA. The FDA can also initiate reclassification of an existing device type on its own initiative, and it recently issued a final rule to clarify the administrative process through which the agency reclassifies a medical device.

After a new medical device receives 510(k) clearance from the FDA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance or could require the submission of a PMA application. The FDA continues to reevaluate the 510(k) pathway and other medical device programs and has taken what it describes as a risk-based approach to develop innovative regulatory policy to propose a more “contemporary” approach to the life cycle oversight of medical devices and IVDs. We cannot predict what if any additional regulatory changes will occur or how they will affect our current or future products.
Premarket Approval

The PMA process is more complex, costly and time consuming than the 510(k) process. As with a De Novo classification request, a PMA application must be supported by more detailed and comprehensive scientific evidence, including clinical data, to demonstrate the safety and efficacy of the IVD for its intended purpose. If the device is determined to present a “significant risk,” the sponsor may not begin a clinical trial until it submits an investigational device exemption (IDE) to the FDA and obtains approval to begin the trial.

After the PMA application is submitted, the FDA has 45 days to make a threshold determination that the PMA application is sufficiently complete to permit a substantive review. If the PMA application is complete, the FDA will file the PMA. The FDA is subject to a performance goal review time for a PMA application that is 180 days from the date of filing, although in practice this review time is longer. Questions from the FDA, requests for additional data including additional clinical data and referrals to advisory committees may delay the process considerably. The total process may take several years and there is no guarantee that the PMA application will ever be approved. Even if approved, the FDA may limit the indications for which the device may be marketed. New PMA applications or PMA supplements may be required for modifications to the manufacturing process, labeling, device specifications, materials or design of a device that is approved through the PMA process.

Regulation of Companion Diagnostic Devices

If a sponsor or the FDA believes that a diagnostic test is essential for the safe and effective use of a corresponding therapeutic product, the sponsor of the therapeutic product will typically work with a collaborator to develop an IVD companion diagnostic device. The FDA has issued a final guidance document entitled “In Vitro Companion Diagnostic Devices” that is intended to assist companies developing in vitro companion diagnostic devices and companies developing therapeutic products that depend on the use of a specific in vitro companion diagnostic for the safe and effective use of the product. In the guidance, the FDA defined an IVD companion diagnostic device as a device that provides information that is essential for the safe and effective use of a corresponding therapeutic product. The FDA also noted that in some cases, if evidence is sufficient to conclude that the IVD companion diagnostic device is appropriate for use with a class of therapeutic products, the intended use/indications for use should name the therapeutic class, rather than each specific product within the class. In April 2020, FDA published another final guidance entitled “Developing and Labeling In Vitro Companion Diagnostic Devices for a Specific Group or Class of Oncology Therapeutic Products” that expands on the idea of a class of therapeutic products. The more recent guidance describes considerations for the development and labeling of in vitro companion diagnostic devices to support the indicated uses of multiple drug or biological oncology products, when appropriate. The FDA expects that the therapeutic sponsor will address the need for an approved or cleared IVD companion diagnostic device in its therapeutic product development plan and that, in most cases, the therapeutic product and its corresponding IVD companion diagnostic will be developed contemporaneously. To that end, the FDA has also issued draft guidance entitled “Principles for Codevelopment of an In Vitro Companion Diagnostic Device with a Therapeutic Product” to serve as a practical guide to assist therapeutic product sponsors and IVD sponsors in developing a therapeutic product and an accompanying IVD companion diagnostic, as well as final guidance entitled “Developing and Labeling In Vitro Companion Diagnostic Devices for a Specific Group or Class of Oncology Therapeutic Products” to facilitate class labeling on diagnostic tests for oncology therapeutic products.

The FDA has indicated that it will apply a risk-based approach to determine the regulatory pathway for IVD companion diagnostic devices, as it does with all medical devices. This means that the regulatory pathway will depend on the level of risk to patients, based on the intended use of the IVD companion diagnostic device and the controls necessary to provide a reasonable assurance of safety and effectiveness.

If the companion diagnostic test will be used to make critical treatment decisions such as patient selection, treatment assignment, or treatment arm, it will likely be considered a significant risk device for which a clinical trial will be required. The sponsor of the IVD companion diagnostic device will be required to comply with the FDA's IDE requirements that apply to clinical trials of significant risk devices. If the diagnostic test and the therapeutic drug are studied together to support their respective approvals, the clinical trial must meet both the IDE and investigational new drug application (IND) requirements. We expect that any IVD companion diagnostic device developed for use with drug products will utilize the PMA pathway and that a clinical trial performed under an IDE will have to be completed before the PMA application may be submitted.
We are developing companion diagnostic tests for use with drug products in development by pharmaceutical companies, such as our collaborations with pharmaceutical companies on PARP inhibitors for the treatment of ovarian, breast and other cancers. The FDA has also introduced the concept of a complementary diagnostic that it defines as a test that is not required but which provides significant information about the use of a drug. A complementary test can help guide treatment strategy and identify which patients are likely to derive the greatest benefit from therapy, and if approved by the FDA, information regarding the IVD will be included in the therapeutic product labeling. Although the FDA has not yet issued any written guidance regarding complementary diagnostics, it has approved some complementary diagnostics, including a supplementary premarket approval for BRACAnalysis CDx and MyChoice CDx as complementary diagnostic tests in ovarian cancer patients associated with enhanced progression-free survival (PFS) when used with the PARP inhibitor Zejula™ (niraparib).

In December 2014, we first obtained premarket approval for BRACAnalysis CDx, which is used as a companion diagnostic test to identify ovarian cancer patients who may benefit from AstraZeneca’s PARP inhibitor Lynparza™ (olaparib). Since then, other indications for BRACAnalysis CDx in ovarian, breast, prostate and pancreatic cancer have received supplemental PMA approval as a companion diagnostic for Lynparza. The MyChoice CDx test has also received approvals as a companion diagnostic test. The premarket approval process for companion or complementary diagnostics is a complex, costly and time-consuming procedure. Approvals must be supported by valid scientific evidence, submitted as part of a PMA application, which typically requires extensive data, including quality technical, preclinical, clinical and manufacturing data to demonstrate to the FDA’s satisfaction the safety and effectiveness of the companion diagnostic. We are currently collaborating with several bio-pharmaceutical companies for additional indications and geographical commercialization opportunities for BRACAnalysis CDx and MyChoice CDx as companion diagnostics with other drugs.

Ongoing Post-Market Regulatory Requirements in the United States

Any products sold by us pursuant to FDA clearances or approvals will be subject to pervasive and continuing regulation by the FDA. In particular, after a medical device is placed on the market, applicable regulatory requirements include:

- compliance with the FDA's Quality System Regulation (QSR), which requires manufacturers to follow stringent design, testing, control, documentation, record maintenance, including maintenance of complaint and related investigation files, and other quality assurance controls during the manufacturing process;
- labeling and advertising regulations, which prohibit the promotion of FDA-regulated medical products for uncleared, or unapproved uses, or "off-label" uses, and impose other restrictions on labeling; and
- medical device reporting obligations, which require that manufacturers investigate and report to the FDA adverse events, including deaths, or serious injuries that may have been or were caused by a medical device and malfunctions in the device that would likely cause or contribute to a death or serious injury if it were to recur.

In addition, device manufacturers are required to register their establishments and list their devices with the FDA and are subject to periodic inspections by the FDA and certain state agencies. Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA and other enforcement agencies, which may include sanctions, including but not limited to, warning letters; fines, injunctions and civil penalties; recall or seizure of the device; operating restrictions, partial suspension or total shutdown of production; refusal to grant 510(k) clearance or approval of PMAs of new devices; withdrawal of clearance or approval; and civil or criminal prosecution.

Regulation of In Vitro Diagnostics and Companion Diagnostic Devices Outside the United States

Products intended for use in IVD applications require regulatory approvals in many other countries and geographic areas, some of which also provide for approval of companion diagnostics.

European Union

In the European Union (EU), IVD medical devices historically were regulated under the EU Directive 98/79/EC of the European Parliament and of the Council on in vitro diagnostic medical devices (the Directive). IVDs were not subject to pre-market authorization by a National Competent Authority (NCA) under the Directive, but instead had to comply with essential requirements based on conformity with harmonized standards. For certain IVDs, compliance with the essential requirements was subject to assessment by a Notified Body. Notified bodies are entities designated by the relevant NCAs and are responsible for assessing the conformity of IVDs before they are placed on the EU market. Under the Directive, the majority of IVDs could be placed on the market as a result of the manufacturer self-certifying the IVD as being in conformity with the essential requirements, without the involvement of a Notified Body.
The Directive was replaced by the Regulation (EU) 2017/746 of the European Parliament and of the Council on in vitro diagnostic medical devices (IVDR) that entered into force in May 2017, and which initially included a 5-year period until its original effective date of May 26, 2022, plus some transition provisions for IVDs already on the market. Unlike the Directive, which specifies certain requirements that must be achieved by each Member State and permits each Member State to decide how to transpose the Directive into national law to meet those requirements, the IVDR has direct binding legal force throughout every Member State without the need for national implementation. The major goals of the IVDR are to standardize diagnostic procedures within the EU, increase reliability of diagnostic analysis and enhance patient safety. Under the IVDR, IVDs are subject to additional legal regulatory requirements as compared to the Directive. Among other things, the IVDR introduces a new risk-based classification for IVDs and specifies CDx and genetic tests as Class C products (second highest risk). Under the IVDR, Class C IVDs require assessment by a Notified Body for certification and audit of the manufacturer's quality management system (QMS) before they can be placed on the market. The IVDR also obligates laboratories located outside the EU to comply with the IVDR if testing specimens from European citizens. Compliance with the IVDR may be expensive and time-consuming. Manufacturers will need to provide significant evidence to demonstrate that a device performs safely and effectively. Performance data may require the conduct of additional clinical investigations or performance studies, with additional and more strict requirements under the IVDR. As noted above, the vast majority of IVDs under the Directive are self-certified, so many device manufacturers have not previously been subject to the Notified Body audits that will occur under the IVDR and will have to revise their QMS and Technical Documentation which will now be reviewed by the Notified Bodies. Companion diagnostic IVDs may also be reviewed by the competent medicinal product authorities, usually the European Medicines Agency, as part of a consultation process that will be part of the conformity assessment procedure. There will also be a greater emphasis on post-market surveillance and submission of post-market performance follow-up reports.

Due to multiple challenges to IVD manufacturers being ready for full application by the May 2022 implementation date, Regulation (EU) 2022/112 of the Parliament and of the Council was published on January 25, 2022 allowing for a delay to the application of the IVDR by amending the transition provision for certain in vitro diagnostic medical devices. For products classified as Class C under the IVDR, the transition period allows for legacy devices with a valid declaration of conformity drawn up prior to May 26, 2022 to continue to be placed on the market until May 26, 2026. On January 23, 2024, the European Commission announced proposals to further extend the IVDR transition provisions in order to ensure availability of IVDs. Under the proposal, the transition period in the IVDR will be extended to December 2028 for Class C high individual and/or moderate public health risk devices. Medical devices certified under the Directive may benefit from the extension provided they meet certain conditions (i.e., continue to comply with the Directive, not be the subject of significant changes on design or intended purpose, etc.). The proposal needs to be adopted by the European Parliament and Council before it enters into force. Certain IVDR requirements, including post-market surveillance, market surveillance, vigilance, and registration of economic operators and devices remained effective on the May 26, 2022 implementation date.

United Kingdom

The withdrawal of the United Kingdom (UK) from the EU has had ramifications for IVD manufacturers.

The United Kingdom Medicine and Healthcare products Regulatory Agency (MHRA) issued guidance on the regulation of IVDs in the UK following Brexit, and changed the applicable legislation in the UK to take account of the fact that the UK is now a free-standing regulatory regime. However, the UK remains broadly aligned with the EU Directive.

As described in these provisions, MHRA will continue to recognize CE marks within Great Britain, which is defined as England, Scotland and Wales, up to July 2030 for certain devices in order to align with EU transition periods. Companies wishing to place IVDs on the UK market are also required to register with MHRA and have to appoint a UK Responsible Person to manage their compliance efforts in the UK, but are still able to sell CE-IVD marked products in Great Britain. From approximately July 2025, new legislation will apply in the UK to better align with the IVDR and other international requirements, including requirements for the new marking called a UK Conformity Assessed mark (UKCA). This mark, which can be obtained now, is not recognized in EU countries, meaning that companies that wish to sell in the UK and the EU will have to seek both a UKCA and CE-IVD mark in the future. The EU legislative framework applies in Northern Ireland, meaning that companies can still, and will still be able to, sell tests in Northern Ireland under applicable EU IVD regulations including the current IVDR.
Japan

IVDs are regulated in Japan by the Pharmaceutical and Medical Devices Agency (PMDA) and are assigned to one of three classes depending on the perceived level of risk. Those in the least risky class may be registered and marketed after filing a pre-market submission, while those in the middle class are subject to pre-market certification by a registered certification body. The riskiest IVDs must be approved. Submissions may be made only by marketing authorization holders, which must satisfy specific requirements.

Significant revisions to Japanese regulations of medical devices, IVDs and other health care products are ongoing. The first round of changes to Japan’s Pharmaceuticals and Medical Devices Act took effect September 1, 2020 and August 2021. The revision in May 2022 created the fast track approval of IVDs conditional or time-limited approval in emergency situations when the efficacy of medical product is presumed, subject to safety confirmation. The Ministry of Health, Labour and Welfare will start discussion in May 2024 on the upcoming revision of the Pharmaceuticals and Medical Devices Act, which includes a reform of sales system of the medical products which may include IVDs.

Additional International Regulation

We market, directly or through distributors, some of our tests outside of the United States and are subject to foreign regulatory requirements governing laboratory licensure, human clinical testing, use of tissue, privacy and data security, and marketing approval for our tests. These requirements vary by jurisdiction, differ from those in the United States and may require us to implement additional compliance measures or perform additional pre-clinical or clinical testing. In many countries outside of the United States, coverage, pricing and reimbursement approvals are also required. We are also required to maintain accurate information on and control over sales and distributors’ activities that may fall within the purview of the Foreign Corrupt Practices Act, its books and records provisions and its anti-bribery provisions, as well the UK Bribery Act and other anti-corruption laws.

HIPAA and Other Privacy Laws

The Health Insurance Portability and Accountability Act of 1996 (HIPAA), which applies to health plans, healthcare clearing houses, and healthcare providers that conduct certain health care transactions electronically (Covered Entities) contains provisions that address the privacy and security of individually identifiable health information (called “protected health information” under HIPAA), the standardization of identifying numbers used in the healthcare system and the standardization of certain health care transactions. HIPAA's privacy regulations protect health information by limiting its use and disclosure to certain purposes, such as treatment or payment, without patient authorization. HIPAA also gives patients certain rights including the right to access their medical records and the right to an accounting of certain disclosures of protected health information. HIPAA's privacy rule also limits many disclosures of protected health information to the minimum amount necessary to accomplish an intended purpose. The HIPAA security standards require the adoption of administrative, physical, and technical safeguards for the protection of protected health information and the adoption of written security policies and procedures.

The Health Information Technology for Economic and Clinical Health Act (HITECH) expanded and strengthened HIPAA, created new targets for enforcement, imposed new penalties for noncompliance and established new breach notification requirements for Covered Entities. Under HITECH's breach notification requirements, Covered Entities must report breaches of protected health information that has not been encrypted or otherwise secured in accordance with guidance from the Secretary of the U.S. Department of Health and Human Services. Required breach notices must be made as soon as is reasonably practicable, but no later than 60 days following discovery of the breach. Reports must be made to affected individuals and to the Secretary and, in some cases depending on the size and impact of the breach, they must be reported through local and national media. Breach reports can lead to investigation, enforcement, civil monetary penalties and civil litigation, including class action lawsuits and enforcement by state authorities as well as significant reputational harm.

We are currently subject to the HIPAA regulations and maintain an active compliance program that is designed to meet requirements of the privacy and security rules and to identify privacy and security incidents and other issues in a timely fashion so that we may remediate, mitigate harm and report if required by law. However, even if we take steps to comply with HIPAA, we may be subject to breaches caused by human error or external threat actors, complaints and investigation at the federal and/or state level. In the event of a breach, even if we mitigate harm and make required reports on a timely basis, we may still be subject to penalties for the underlying breach.
In addition to the federal privacy and security regulations, there are a number of state laws regarding the privacy and security of health information and personal data that can be applicable to our clinical laboratories, as further discussed in the "Risk Factor" section below. Many states have also implemented genetic testing laws imposing specific patient consent requirements and protecting genetic information by limiting the use and disclosure of such information. State requirements are particularly stringent regarding predictive genetic tests, due to the risk of genetic discrimination against healthy patients identified through testing as being at risk for disease. Compliance with health information privacy and security statutes and regulations, including genetic testing and genetic information privacy laws in all jurisdictions, both state and federal, can be challenging as these laws often change, and we may not be able to maintain compliance in all jurisdictions where we do business.

**Transparency Laws and Regulations**

A federal law known as the Physician Payments Sunshine Act requires medical device manufacturers to track and report to CMS certain payments and other transfers of value made to covered recipients, which include physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, and certified nurse-midwives who are not bona fide employees of the manufacturer, as well as teaching hospitals, and ownership or investment interests held by physicians and their immediate family members. Manufacturers must report data for the previous calendar year by the 90th day of the then-current calendar year. CMS then publishes the data on a publicly available website no later than June 30. There are also state “sunshine” laws that require manufacturers to provide reports to state governments on pricing and marketing information. Several states have enacted legislation requiring medical device manufacturers to, among other things, establish marketing compliance programs, file periodic reports with the state, and make periodic public disclosures on sales and marketing activities, and such laws may also prohibit or limit certain other sales and marketing practices. These laws may adversely affect our sales, marketing, and other activities by imposing administrative and compliance burdens on us. If we fail to track and report as required by these laws or to otherwise comply with these laws, we could be subject to the penalty provisions of the pertinent state and federal authorities.

**Reimbursement and Billing**

Reimbursement and billing for diagnostic services is highly complex. Laboratories must bill various payors, such as private third-party payors, including managed care organizations (MCOs), and state and federal health care programs, such as Medicare and Medicaid, and each may have different billing requirements. Additionally, the audit requirements imposed by these payors, as well as our internal compliance policies and procedures, add further complexity to the billing process. Other factors that complicate billing include:

- variability in coverage and information requirements among various payors;
- patient financial assistance programs;
- missing, incomplete or inaccurate billing information provided by ordering physicians;
- billings to payors with whom we do not have contracts;
- disputes with payors as to which party is responsible for payment; and
- disputes with payors as to the appropriate level of reimbursement.

Depending on the reimbursement arrangement and applicable law, the party that reimburses us for our tests may be:

- a third party who provides coverage to the patient, such as an MCO;
- a state or federal health care program; or
- the patient.

Presently, approximately 62% of our revenue comes from private third-party payors.
In April 2014, Congress passed the Protecting Access to Medicare Act of 2014 (PAMA), which included substantial changes to the way in which CMS pays for clinical laboratory services under Medicare’s Clinical Laboratory Fee Schedule (CLFS). PAMA took effect on January 1, 2018 and requires applicable laboratories to report to CMS private insurer payment rates and volumes for their tests. CMS uses the data reported and the Healthcare Common Procedure Coding System code associated with the test to calculate a weighted median payment rate for each test, which is used to establish revised Medicare CLFS reimbursement rates for tests that are considered to be clinical diagnostic laboratory tests (CDLTS), subject to certain phase-in limits. For tests furnished on or after January 1, 2019, Medicare payments for CDLTS are based on reported private payor rates. For a CDLT that is assigned a new or substantially revised current procedural terminology (CPT) code, the initial payment rate is assigned using the gap-fill methodology, as under prior law.

If the test falls into the category of new advanced diagnostic laboratory test (ADLT) instead of a CDLT, the test will be paid based on an actual list charge for an initial period of three quarters before being shifted to the weighted median private payor rate reported by the laboratory performing the ADLT. Laboratories offering ADLTS are subject to recoupment if the actual list charge exceeds the weighted median private payor rate by a certain amount. Accordingly, if newly developed tests receive Medicare coverage in the future, the reimbursement rate we receive for such tests may be affected by payment rates made by private payors for such tests.

Since December 2019, Congress has passed a series of laws to modify PAMA's statutory requirements related to the data reporting period and phase-in of payment reductions under the CLFS for CDLTS that are not ADLTS. Most recently, the Further Continuing Appropriations and Other Extensions Act of 2024 (Pub.L. 118-22, enacted on November, 16, 2023) further delayed the reporting requirement as well as the application of the 15% phase-in reduction. Under these statutory provisions, the next data reporting period for CDLTS that are not ADLTS will be January 1, 2025 through March 31, 2025, and will be based on the most recent data collection period of January 1, 2019 through June 30, 2019. After this data reporting period, the three-year data reporting cycle for these tests will resume (e.g., 2028, 2031, etc.).

CMS’s methodology under PAMA (as well as the willingness of commercial insurers to recognize the value of diagnostic testing and pay for that testing accordingly) renders commercial insurer payment levels even more significant. This calculation methodology has resulted in significant reductions in reimbursement, even though CMS imposed caps on those reductions. For example, PAMA (as amended) includes provisions that limit the amount by which payment for testing may be reduced. For example, for 2018 through 2020, a test price could not be reduced by more than 10% per year. The same series of laws modified the phase-in of payment reductions resulting from private payor rate implementation so that a 0.0 percent reduction limit was applied for calendar years 2021 through 2023, as compared to the payment amounts for a test the preceding year. The Further Continuing Appropriations and Other Extensions Act of 2024 further applied a 0.0 percent reduction limit for calendar year 2024. Consequently, payment may not be reduced by more than 15 percent per year for calendar years 2025 through 2027 as compared to payment amount established for a test the prior year.

The subsequent data reporting period for CDLTS that are not ADLTS will occur in three-year cycles, with the next cycle beginning in 2025. Given the many uncertainties built into PAMA’s price-setting process, we cannot predict how payments we receive under the CLFS, and thus our revenue, may change from year to year.

The No Surprises Act was signed into law on December 27, 2020, as part of the Consolidated Appropriations Act, 2021. The Department of Health and Human Services, the Department of Treasury, and the Department of Labor have since released “Tri-Agency” regulations to implement the No Surprises Act, which became effective on January 1, 2022. The law and regulations generally apply to group health plans and health insurance issuers offering group or individual health insurance coverage for plan years starting January 1, 2022, and to certain health care providers and facilities. For non-emergency services provided by an out-of-network provider (such as a laboratory) during a visit at an in-network facility (which includes a hospital but not a physician office), the No Surprises Act requires the non-emergency services provider to hold a patient harmless for amounts beyond the in-network cost-sharing requirement. In other words, balance billing generally is prohibited. Because these billing requirements do not apply to patient specimens collected in a physician office, Myriad is impacted primarily when a patient’s specimen is collected at an in-network hospital, and Myriad is an out-of-network provider under the patient’s insurance plan. Out-of-network rates for covered services are determined by a state All-Payer Model Agreement, a specified state law, an agreed-upon amount, or, if none apply, an amount determined by an independent dispute resolution entity. The cost-sharing amount is limited to an amount determined by an All-Payer Model Agreement, a specified state law, or, if neither applies, the lesser of the billed charge or the “qualifying payment amount,” which is generally the plan or issuer’s median contracted rate for the same or similar service in the specific geographic area. Non-covered services are not impacted by these rules. In addition, providers, including Myriad, must post consumer notices on their website about the applicability of the law. Providers, including physician offices, must provide a good faith estimate of the cost of the service when requested by a patient who is uninsured or seeking to forgo insurance and pay cash instead.
Federal and State Fraud and Abuse Laws

A variety of state and federal laws prohibit fraud and abuse involving state and federal health care programs, such as Medicare and Medicaid. These laws are interpreted broadly and enforced aggressively by various state and federal agencies, including CMS, the Department of Justice, the Office of Inspector General for the Department of Health and Human Services (OIG), and various state agencies. In addition, the Medicare and Medicaid programs increasingly use a variety of contractors to review claims data and to identify improper payments as well as fraud and abuse. Any overpayments must be repaid within 60 days of identification unless a favorable decision is obtained on appeal. In some cases, these overpayments can be used as the basis for an extrapolation by which the error rate is applied to a larger set of claims, which can result in even higher repayments.

Anti-Kickback Laws

The Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing, arranging for or recommending of an item or service that is reimbursable, in whole or in part, by a federal health care program. “Remuneration” is broadly interpreted to include anything of monetary value, such as, for example, cash payments, gifts or gift certificates, discounts, or the furnishing of services, supplies or equipment.

Recognizing the potential breadth of interpretation of the Anti-Kickback Statute and the fact that it may technically prohibit many innocuous or beneficial arrangements within the healthcare industry, the OIG has promulgated safe harbors intended to protect such arrangements. Compliance with all requirements of a safe harbor immunizes the parties to the business arrangement from prosecution under the Anti-Kickback Statute. The failure of a business arrangement to fit within a safe harbor does not necessarily mean that the arrangement is illegal or that enforcement agencies will pursue prosecution. Still, in the absence of an applicable safe harbor, a violation of the Anti-Kickback Statute may occur even if only one purpose of an arrangement is to induce referrals. The penalties for violating the Anti-Kickback Statute can be severe. These sanctions include criminal and civil penalties, imprisonment and possible exclusion from federal health care programs. Many states have adopted laws similar to the Anti-Kickback Statute, and some apply to items and services reimbursable by any payor, including private third-party payors.

In addition, in October 2018, the Eliminating Kickbacks in Recovery Act of 2018 (EKRA), was enacted as part of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (the SUPPORT Act). EKRA is an all-payor anti-kickback law that makes it a criminal offense to pay any remuneration to induce referrals to, or in exchange for, patients using the services of a recovery home, a substance use clinical treatment facility, or laboratory. Although it appears that EKRA was intended to reach patient brokering and similar arrangements to induce patronage of substance use recovery and treatment, the language in EKRA is broadly written. Further, certain of EKRA’s exceptions are inconsistent with the Anti-Kickback Statute regulations. Significantly, EKRA permits the U.S. Department of Justice to issue regulations clarifying EKRA’s exceptions or adding additional exceptions, but such regulations have not yet been issued. Further, there is no agency guidance and little court precedent to indicate how and to what extent EKRA will be applied and enforced.

Physician Self-Referral Bans

The federal ban on physician self-referrals, commonly known as the Stark Law, prohibits, subject to certain exceptions, physician referrals of Medicare patients to an entity providing certain designated health services, which include laboratory services, if the physician or an immediate family member of the physician has any financial relationship with the entity. Several Stark Law exceptions are relevant to arrangements involving clinical laboratories, including but not limited to: (1) fair market value compensation for the provision of items or services; (2) payments by physicians to a laboratory for clinical laboratory services; (3) space and equipment rental arrangements that satisfy certain requirements; and (4) personal services arrangements. Penalties for violating the Stark Law include the return of funds received for all prohibited referrals, fines, civil monetary penalties and possible exclusion from federal health care programs. In addition to the Stark Law, many states have their own self-referral bans, which may extend to all self-referrals, regardless of the payor.
State and Federal Prohibitions on False Claims

The federal False Claims Act imposes liability on any person or entity that, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment to the federal government. Under the False Claims Act, a person acts knowingly if he or she has actual knowledge of the information or acts in deliberate ignorance or in reckless disregard of the truth or falsity of the information. Specific intent to defraud is not required. The qui tam provisions of the False Claims Act allow a private individual to bring an action on behalf of the federal government and to share in any amounts paid by the defendant to the government in connection with the action. Penalties include payment of up to three times the actual damages sustained by the government, plus significant civil penalties for each false claim, as well as possible exclusion from federal health care programs. In addition, various states have enacted similar laws modeled after the False Claims Act that apply to items and services reimbursed under Medicaid and other state health care programs, and, in several states, such laws apply to claims submitted to any payor.

Civil Monetary Penalties Law

The federal Civil Monetary Penalties Law (the CMP Law), prohibits, among other things, (1) the offering or transfer of remuneration to a Medicare or state health care program beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies; (2) employing or contracting with an individual or entity that the provider knows or should know is excluded from participation in a federal health care program; (3) billing for services requested by an unlicensed physician or an excluded provider; and (4) billing for medically unnecessary services. The penalties for violating the CMP Law include exclusion, substantial fines, and payment of up to three times the amount billed, depending on the nature of the offense.

Other U.S. Regulatory Requirements

We are subject to laws and regulations related to the protection of the environment, the health and safety of employees and the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. For example, the U.S. Occupational Safety and Health Administration (OSHA) has established extensive requirements relating specifically to workplace safety for healthcare employers in the United States. This includes requirements to develop and implement multi-faceted programs to protect workers from exposure to blood-borne pathogens, including preventing or minimizing any exposure through needle stick injuries. This also includes requirements to ensure employees are informed of hazardous chemicals in the workplace and provide expectations for the safe handling of hazardous chemicals. For purposes of transportation, some biological materials and laboratory supplies are classified as hazardous materials and are subject to regulation by one or more of the following agencies: the U.S. Department of Transportation, the U.S. Public Health Service, the United States Postal Service, the Office of Foreign Assets Control, and the International Air Transport Association.

Our laboratories are subject to federal, state and local regulations relating to the handling and disposal of regulated medical waste, radioactive materials, hazardous waste and biohazardous waste, including chemical and biological agents and compounds, blood and bone marrow samples, and other human tissue. Typically, we use outside vendors who are contractually obligated to comply with applicable laws and regulations to dispose of such waste. These vendors are licensed or otherwise qualified to handle and dispose of such waste.

In addition, our advertising for laboratory services using FDA-cleared or approved IVDs as well as services using LDTs that are not FDA-approved is subject to federal truth-in-advertising laws enforced by the Federal Trade Commission (FTC), as well as certain state laws. Under the Federal Trade Commission Act, or FTC Act, the FTC is empowered, among other things, to prevent unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce. The FTC has very broad enforcement authority, and failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, injunctions affecting the manner in which we would be able to market services or certain products in the future, or criminal prosecution.
Available Information

We are a Delaware corporation with our principal executive offices located at 322 North 2200 West, Salt Lake City, Utah 84116. Our telephone number is (801) 584-3600 and our website address is www.myriad.com. We make available free of charge through the Investor Relations section of our website our Code of Conduct, our Audit and Finance Committee and other committee charters and our other corporate governance policies, as well as our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. The Securities and Exchange Commission maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission. We include our website address in this Annual Report on Form 10-K only as an inactive textual reference and do not intend it to be an active link to our website.
Item 1A. RISK FACTORS

The following is a summary of the principal risks that could adversely affect our business, operations, and financial results:

Risks Related to Our Business and Our Strategy

• We may not be able to generate sufficient revenue from our existing tests or develop new tests to be profitable.
• Our strategic growth plan may not achieve the anticipated results, and we may not be able to achieve or maintain revenue growth or operate our business on a profitable basis.
• If the government and other third-party payors fail to provide coverage and adequate payment for our existing and future tests, if any, our revenue and prospects for profitability will be harmed.
• If we do not generate sufficient cash flow from operations and are unable to secure additional funding, we may have to reduce our operations.
• We are subject to debt covenants that impose operating and financial restrictions on us and if we are not able to comply with them, it could have a material adverse impact on our operations and liquidity.
• If our existing capital resources and expected net cash to be generated from sales of our tests is not sufficient for us to maintain our currently planned operations, we may find it necessary to raise additional funding, which may not be available on favorable terms, or at all.
• We have been subject to, and in the future may be subject to, securities class action lawsuits and stockholder derivative actions, as well as product or professional liability claims. These, and potential similar or related litigation, could result in substantial losses and have a material adverse effect on our business, cash position, operating results or financial condition.
• An inability to attract and retain experienced and qualified personnel, including key management personnel, could adversely affect our business.
• We have acquired and we may continue to acquire technologies, assets or other businesses that could cause us to incur significant expense and expose us to a number of unanticipated operational and financial risks, which could adversely affect our financial condition, results of operations and business prospects.
• Failure to comply with laws and regulations related to submission of claims for our services could result in significant monetary damages and penalties and exclusion from the Medicare and Medicaid programs and corresponding foreign reimbursement programs.
• Our financial condition and results of operations could be adversely affected by adverse public health developments.
• If our SneakPeek Early Gender DNA Test does not perform as expected, we may not realize the expected benefits of our acquisition of Gateway (as defined below).
• Security breaches, loss of data and other disruptions, including from cyberattacks, could compromise sensitive information related to our business, prevent us from accessing critical information or expose us to liability, which could adversely affect our business and our reputation.
• If we experience a significant disruption in our information technology systems, our business operations and financial condition could be adversely affected.
• Each of our tests is processed in a single one of our laboratory facilities, and any loss or prolonged interruption of our ability to use these laboratories or failure to maintain their operation in compliance with applicable regulations would seriously harm our business.
• Our inability to, or delay in, transitioning certain of our laboratory operations to new laboratory facilities in west Salt Lake City, Utah and South San Francisco, California could adversely affect our business.
• We depend on a limited number of third parties, or, in some cases, single-source suppliers, for equipment, reagents and other supplies. If these supplies become unavailable or are disrupted, then we may not be able to successfully perform our research or operate our business on a timely basis or at all.
• Our international business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.
• Ethical, legal and social concerns related to the use of genetic information could reduce demand for our tests.
• We rely on commercial courier delivery services to transport biological materials to our facilities in a timely and cost-efficient manner and if these delivery services are disrupted, our business will be harmed.
• We face risks associated with currency exchange rate fluctuations, which could adversely affect our operating results.
• Impairment in the value of our goodwill or other intangible assets could have a material adverse effect on our operating results and financial condition.
• Our estimates of actionable market size and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates.
• Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.
Risks Related to the Development and Commercialization of Our Tests and Test Candidates

- Our tests in development may not be clinically effective or may never achieve significant commercial market acceptance and our test offerings that we have recently launched or acquired may not be commercially successful.
- If we do not compete effectively with scientific and commercial competitors, we may not be able to successfully commercialize our tests, increase our revenue or achieve and sustain profitability.
- If our current research collaborators or scientific advisors terminate their relationships with us or develop relationships with a competitor, our ability to discover genes, proteins, and biomarkers, and to validate and commercialize tests could be adversely affected.

Risks Related to Our Intellectual Property

- If we fail to protect our proprietary technology, others could compete against us more directly, which would harm our business.
- If we are subject to litigation or other proceedings arising from a claim of infringement of the intellectual property of a third party, we might incur significant costs and delays in test introduction or we could be prevented from using technologies incorporated in our tests.
- If we fail to comply with our obligations under license or technology agreements with third parties, we could lose license rights that are critical to our business.
- We may be subject to claims that we or our employees have wrongfully used or disclosed alleged trade secrets.
- If we fail to adequately protect our trademarks, service marks, trade names and trade dress, we may lose goodwill and brand equity associated with our business.

Risks Related to Government Regulation

- If we fail to comply with the complex federal, state, local and foreign laws and regulations that apply to our business, we could suffer consequences that could materially and adversely affect our operating results and financial condition.
- Our actual or perceived failure to comply with data protection laws and regulations could lead to government enforcement actions, private litigation, and/or adverse publicity and could negatively affect our business.
- We may from time to time be subject to government investigation(s), the unfavorable outcome of which may have a material adverse effect on our financial condition, results of operations and cash flows.
- Changes in health care policy could increase our costs, decrease our revenues and impact sales of and reimbursement for our tests.
- Our business could be harmed by the loss, suspension, or other restriction on a license, certification, or accreditation, or by the imposition of a fine or penalties, under CLIA, its implementing regulations, or other state, federal and foreign laws and regulations affecting licensure or certification, or by future changes in these laws or regulations.
- Changes in the way that the FDA regulates tests performed by laboratories like ours could result in delay or additional expense in offering our tests and tests that we may develop in the future.
- FDA regulation of our GeneSight Psychotropic test could be disruptive to our business.
- Companion and complementary diagnostic tests require FDA approval, and we may not be able to secure such approval in a timely manner or at all.
- Our companion diagnostic tests are subject to ongoing regulatory compliance obligations and continued regulatory review and the failure to comply with such obligations could result in regulatory enforcement and/or penalties.
- Our business involves environmental risks that may result in liability for us.

General Risks and Risks Related to Our Common Stock

- Our stock price is highly volatile, and our stock may lose all or a significant part of its value.
- If we are unable to achieve and maintain effective disclosure controls and procedures and internal control over financial reporting, our results of operations, our stock price and investor confidence in us could be adversely affected.
- Anti-takeover provisions of Delaware law, provisions in our charter and bylaws and re-adoptions of our stockholders’ rights plan, or poison pill, could make a third-party acquisition of us difficult.
- Future sales and issuances of our common stock would result in dilution of the percentage ownership of our stockholders and could cause the price of our common stock to decline.
- We do not intend to pay dividends so any returns will be limited to changes in the value of our common stock.
- If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.
- Increasing scrutiny and evolving expectations from regulators, business partners, investors, and other stakeholders with respect to our ESG practices may impose additional costs on us or expose us to new or additional risks.
- Our restated certificate of incorporation and our restated bylaws designate specific state or federal courts as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.
Risks Related to Our Business and Our Strategy

We may not be able to generate sufficient revenue from our existing tests or develop new tests to be profitable.

We believe our future success is dependent upon our ability to successfully market our existing tests to additional patients within the United States, to expand into new markets, to develop and commercialize new tests and to maintain or obtain reimbursement for our tests. However, we may not be able to generate sufficient revenue, from our existing tests and launching and commercializing new tests, to be profitable. The demand for our existing tests may decrease or may not continue to increase at historical rates due to sales of new tests that may replace or cannibalize our existing product portfolio, or for other reasons such as the introduction of competing testing products by competitors. For example, because most of our tests are only utilized once per patient, we will need to sell our products to new patients or develop new tests in order to continue to generate revenue. Our average reimbursement rate per test may also decline, which may cause our revenues to decrease. Our pipeline of new test candidates, such as FirstGene and Precise MRD, are in various stages of development, some of which may take many more years to develop and must undergo extensive clinical validation. We may be unable to discover or develop any additional tests through the utilization of our technologies or technologies we license or acquire from others. Even if we develop tests for commercial use, we may not be able to develop tests that:

- meet applicable regulatory standards, in a timely manner or at all;
- successfully compete with other technologies and tests;
- avoid infringing the proprietary rights of others;
- are adequately reimbursed by third-party payors;
- can be performed at commercial levels or at reasonable cost; or
- can be successfully marketed.

We must generate significant revenue to achieve profitability. Even if we succeed in marketing our existing tests to physicians for use in new patients and in developing and commercializing any additional tests, we may not be able to generate sufficient revenue to be profitable.

Our strategic growth plan may not achieve the anticipated results, and we may not be able to achieve or maintain revenue growth or operate our business on a profitable basis.

We are currently executing upon a multi-year strategic growth plan in which we intend to continue growing by articulating our clinical differentiation, raising awareness with patients who we believe would benefit from our testing products, and innovation that improves clinical outcomes, ease of use, and access. Our future performance and growth depend on the success of our growth plan, including management's ability to execute upon that plan and the ability of our employees to respond quickly and effectively to strategic projects and changes in our operations and business practices. The implementation of our strategic growth plan has resulted, and is expected to continue to result, in changes to business priorities and operations, capital allocation priorities, operational and organizational structures, and increased demands on management. The execution of our strategic growth plan may take longer than anticipated, and we may not realize, in full or part, our anticipated growth targets in our testing volumes and revenue, or such growth may be realized more slowly than anticipated.
In recent years we have not operated our business profitably, and we may not be able to achieve or maintain profitability in the future. Potential events or factors that may have a significant impact on our ability to achieve our growth targets and achieve and/or maintain revenue growth and profitability for our business include the following:

- the efforts of third-party payors to limit or decrease the amounts that they are willing to pay for our tests, recoup amounts already paid, or not cover our tests, or institute burdensome administrative requirements for reimbursement, such as prior authorization requirements;
- our ability to execute on our strategic growth plan;
- increased costs of reagents and other consumables required for testing;
- increased personnel and facility costs;
- our inability to hire competent, trained staff, including laboratory directors required to review and approve all reports we issue in our business, and sales personnel;
- our inability to obtain necessary equipment or reagents to perform testing;
- our inability to increase production capacity to meet demand increases;
- our inability to expand into new markets;
- increased licensing or royalty costs, and our ability to maintain and enforce the intellectual property rights underlying our tests and services;
- changes in intellectual property law applicable to our patents or enforcement in the United States and foreign countries;
- the expiration of the patents covering our products;
- the outcome of outstanding or new litigation;
- potential obsolescence of our tests;
- our inability to obtain or increase commercial acceptance of our tests;
- increased competition and loss of market share;
- global or local economic conditions;
- increased regulatory requirements; and
- material litigation costs, settlements, and judgments.

The failure to achieve our growth targets and achieve and/or maintain revenue growth and profitability for our business could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our common stock.

*If the government and other third-party payors fail to provide coverage and adequate payment for our existing and future tests, if any, our revenue and prospects for profitability will be harmed.*

In both domestic and foreign markets, sales of our tests or any future tests will depend in large part upon the availability of reimbursement from third-party payors. Such third-party payors include state and federal health care programs such as Medicare, managed care organizations, other private health insurers and other organizations. These third-party payors are increasingly attempting to contain health care costs by demanding price discounts and limiting both coverage and price regarding which tests they will pay for and the amounts that they will pay for existing and new tests. We have experienced coverage limitations and price reductions for many of our products, including for our GeneSight Psychotropic Mental Health Medication Test, and we may continue to experience future coverage limitations and price reductions from CMS, managed care organizations, and other third-party payors. The fact that a test has been approved for reimbursement in the past, for any particular indication or in any particular jurisdiction, does not guarantee that such a test will be approved or remain approved for reimbursement, that the reimbursement amount approved for such test will not be reduced in the future, or that similar or additional tests will be approved for reimbursement in the future. Historically, we have not received reimbursement from third-party payors or payment from patients for many of our tests. Moreover, there can be no assurance that any new tests we have launched or may launch will be reimbursed at rates that are comparable to the rates that we historically obtained for our existing product portfolio. As a result, third-party payors may not cover or provide adequate payment for our current or future tests to enable us to maintain past levels of revenue or profitability with respect to such tests. Further, third-party reimbursement might not be available to enable us to maintain price levels sufficient to realize an appropriate return on investment in product development.

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In addition, under PAMA, Medicare reimbursement for any given test is based on the weighted-median of the payments made by private payors for such test, rendering private payor payment levels even more significant. As a result, future Medicare payments may fluctuate more often and become subject to the willingness of private payors to recognize the value of tests generally and any given test individually. Since December 2019, Congress has passed a series of laws to modify PAMA's statutory requirements related to the data reporting period and phase-in of payment reductions under the CLFS for CDLTs that are not ADLTs. Most recently, the Further Continuing Appropriations and Other Extensions Act of 2024 (Pub.L. 118-22, enacted on November, 16, 2023) further delayed the reporting requirement as well as the application of the 15% phase-in reduction. Under these statutory provisions, the next data reporting period for CDLTs that are not ADLTs will be January 1, 2025 through March 31, 2025. The same series of laws modified the phase-in of payment reductions resulting from private payor rate implementation so that a 0.0 percent reduction limit was applied for calendar years 2021 through 2023, as compared to the payment amounts for a test the preceding year. The Further Continuing Appropriations and Other Extensions Act of 2024 further applied a 0.0 percent reduction limit for calendar year 2024. Consequently, payment may not be reduced by more than 15 percent per year for calendar years 2025 through 2027 as compared to payment amount established for a test the prior year. Any declines in average selling prices of our products due to pricing pressures may have an adverse impact on our business, results of operations and financial condition.

Third-party payors may also impose prior authorization requirements, dispute our billing or coding and may decide to deny payment or recoup payment for testing that they contend to have been not medically necessary, against their coverage determinations, or for which they have otherwise overpaid, and we may be required to refund reimbursements already received. We have also experienced delays or denials of coverage for failure to adequately comply with procedural requirements imposed by third-party payors to obtain reimbursement. We also periodically receive and respond to requests for recoupment from third-party payors in the ordinary course of business. When a third-party payor denies payment for testing, we often are not able to collect payment from the patient, and therefore, we do not receive any revenue from our testing. In addition, if a third-party payor successfully proves that payment for prior testing was in breach of contract or otherwise contrary to law, they may recoup payment, which amounts could be significant and would impact our results of operations. We may also continue to negotiate and settle with third-party payors in order to resolve allegations of overpayment.

Third-party payors, such as commercial health insurers and government payors and programs, may also adopt requirements, programs or policies that may restrict or adversely affect our business. For example, in September 2022, the California Department of Public Health (CDPH) promulgated certain regulatory amendments to the California Prenatal Screening (PNS) Program that made the PNS Program the exclusive means of obtaining cfDNA trisomy screening in California. These regulatory amendments set a price that participating laboratories would receive for each cfDNA test that was substantially lower than laboratories had previously charged, and prohibited laboratories that did not contract with CDPH from participating in the PNS Program and from offering or performing cfDNA trisomy screening in California. As we are not a participating laboratory under the PNS Program, we would have been prohibited from offering or performing our Prequel screening test in California. On September 16, 2022, we filed jointly with Laboratory Corporation of America Holdings (Labcorp) a writ petition in the Superior Court of the State of California, County of San Francisco, against the CDPH and its Director challenging CDPH’s ability to make the PNS Program the exclusive means of obtaining cfDNA trisomy screening in California. On September 16, 2022, we also moved jointly with Labcorp for a preliminary injunction to enjoin the implementation and enforcement of the new exclusivity regulation. On November 2, 2022, the Superior Court granted our motion for a preliminary injunction, which allowed us to continue to offer our Prequel screening test in California. On December 17, 2022, we filed jointly with Labcorp a motion for judgment on our writ, through which we sought a permanent injunction to enjoin the implementation and enforcement of the new exclusivity regulation. On April 28, 2023, the Superior Court issued an order granting our motion for a permanent injunction to enjoin the implementation and enforcement of the new exclusivity regulation. On June 1, 2023, the Superior Court issued a final judgment and writ of mandate enjoining the implementation and enforcement of the new exclusivity regulation. The CDPH did not file a notice of appeal. As a result of the foregoing, we expect to continue to be able to offer and perform our Prequel screening test in California. However, the possibility that we might not be able to continue to offer our Prequel screening test in California had a chilling effect on sales of our Prequel screening test in California.

U.S. and foreign governments continue to propose and pass legislation designed to reduce the cost of health care. For example, in some foreign markets, the government controls the pricing of many health care products. We expect that there will continue to be federal and state proposals to implement governmental controls or impose health care requirements. In addition, the Medicare program and increasing emphasis on managed care in the United States will continue to put pressure on product pricing. Cost control initiatives could decrease the price that we would receive for any tests in the future, which would limit our revenue and profitability.
If we do not generate sufficient cash flow from operations and are unable to secure additional funding, we may have to reduce our operations.

While we believe that our existing cash, cash equivalents and marketable securities, future cash flow from operations, and amounts available for borrowing under our ABL Facility (as defined below) will be sufficient to meet our anticipated cash requirements for at least the next 12 months, changes could occur that would consume available capital resources more quickly than we currently expect and we may need or want to raise additional financing.

On June 30, 2023, we entered into an asset-based revolving credit facility (the “ABL Facility”) with an initial maximum principal amount of $90.0 million with JPMorgan Chase Bank, N.A. as administrative agent and issuing bank, and the other lender parties thereto. On October 31, 2023, we entered into an amendment to the ABL Facility to increase the maximum principal amount of the available revolving line of credit under the ABL Facility by $25.0 million for a total maximum principal commitment under the ABL Facility of $115.0 million. As of December 31, 2023, we had $40.0 million of outstanding borrowings under the ABL Facility. The ABL Facility limits our ability to incur additional indebtedness and requires us to comply with certain minimum liquidity and minimum availability covenants.

In addition, during November 2023, we completed an underwritten public offering of our common stock in which we sold 7,441,176 shares of our common stock at a price of $17.00 per share for proceeds of $117.6 million, net of offering expenses and underwriting discounts.

If we do not generate sufficient cash from operations, if our capital resources are consumed more rapidly than expected, or if we no longer have access to additional funds under our ABL Facility and are unable to secure additional funding, on acceptable terms or at all, we may be forced to delay, scale back or eliminate some of our sales and marketing activities, research and development activities, or other operations, and potentially delay development of our tests in an effort to provide sufficient funds to continue our operations. If any of these events occur, our ability to achieve our development and commercialization goals could be adversely affected.

Our future capital requirements will depend on many factors that are currently unknown to us, including:

- the scope, progress, results and cost of development, clinical testing and pre-market studies of any new tests that we may develop or acquire;
- the progress, results, and costs to develop additional tests;
- our ability to operate our business on a profitable basis;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our current issued patents, and defending intellectual property-related claims;
- our ability to enter into collaborations, licensing or other arrangements favorable to us;
- the costs of acquiring technologies or businesses, and our ability to successfully integrate and achieve the expected benefits of our business development activities and acquisitions;
- the progress, cost and results of our international efforts;
- the costs of expanding our sales and marketing functions and commercial operation facilities in the United States and in new markets;
- the costs, timing and outcome of any litigation against us; and
- the costs to satisfy our current and future obligations.

We are subject to debt covenants that impose operating and financial restrictions on us and if we are not able to comply with them, it could have a material adverse impact on our operations and liquidity.

Covenants in the ABL Facility impose operating and financial restrictions on us. These restrictions may prohibit or place limitations on, among other things, our ability to incur liens, incur indebtedness, dispose of assets, make investments, make certain restricted payments, merge or consolidate and enter into certain speculative hedging arrangements. We are also required to maintain minimum liquidity of $60.0 million and minimum availability of $25.0 million at all times before achieving a fixed charge coverage ratio of 1.0 to 1.0 and thereafter, to maintain a fixed charge coverage ratio of 1.0 to 1.0 until achieving availability under the ABL Facility of greater than the greater of (a) $10.6 million and (b) 12.5% of the lesser of the maximum commitment amount and the borrowing base for a period of 30 consecutive days. In addition, the ABL Facility includes a number of customary events of default. If any event of default occurs (subject, in certain instances, to specified grace periods), the principal, premium, if any, interest and any other monetary obligations on all the then outstanding amounts under the ABL Facility may become due and payable immediately, which could have a material adverse impact on our operations and liquidity.
If our existing capital resources and expected net cash to be generated from sales of our tests is not sufficient for us to maintain our currently planned operations, we may find it necessary to raise additional funding, which may not be available on favorable terms, or at all.

We believe that our existing cash, cash equivalents and marketable securities of $140.9 million as of December 31, 2023, our expected cash flow from operations, and our availability to borrow will be sufficient to meet our anticipated cash requirements for at least the next 12 months. However, we base this expectation on our current operating plan, which may change. We have incurred, and may continue to incur, significant losses. We may not be able to generate sufficient revenue from our existing tests and launching and commercializing new tests, to be profitable. In addition, our ongoing efforts to develop tests and expand our business, which may be through internally developed products, partnerships, in-licensing and mergers and acquisitions, will continue to require substantial cash resources. In addition, we have incurred, and may continue to incur, substantial costs in defending and settling legal proceedings. In connection with the settlement of the Ravgen (as defined below) litigation, we may be required to pay Ravgen $21.25 million in five annual installments beginning no earlier than January 1, 2026 if certain conditions are satisfied. We may also be required to pay an additional $25.0 million to the former equity and vested incentive unit holders of Gateway, if certain revenue, volume and earnings targets set forth in the acquisition agreement are achieved. If adequate funds are not available, we may be required to raise additional funds. Sources of potential additional capital resources may include, but are not limited to, public or private equity financings, or selling convertible or non-convertible debt securities. Any additional funding, if necessary, may not be available to us on reasonable terms, or at all.

Because of our potential long-term capital requirements, we may access the public or private equity or debt markets whenever conditions are favorable, even if we do not have an immediate need for additional capital at that time. Under Securities and Exchange Commission rules, we currently qualify as a well-known seasoned issuer (WKSI), and can at any time file a registration statement registering securities to be sold to the public which would become effective and available for use upon filing. If additional funds are raised by issuing equity or equity-based securities, existing stockholders may suffer significant dilution. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances, partnerships and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or tests or grant licenses on terms that are not favorable to us.

We have been subject to, and in the future may be subject to, securities class action lawsuits and stockholder derivative actions, as well as product or professional liability claims. These, and potential similar or related litigation, could result in substantial losses and have a material adverse effect on our business, cash position, operating results or financial condition.

We have been subject to a variety of litigation, including a securities class action lawsuit filed in the United States District Court for the District of Utah, and stockholder derivative actions filed in the Delaware Court of Chancery and the United States District Court for the District of Delaware. On August 2, 2023, we entered into a stipulation and agreement of settlement to resolve the securities class action lawsuit, which was subsequently approved by the United States District Court for the District of Utah on December 15, 2023. Pursuant to the terms of the settlement, we paid a settlement amount of $77.5 million in cash. We also may be subject to future securities class action and stockholder derivative claims. Such litigation may adversely impact our business, cash position, results of operations or financial condition and divert management's time and attention from our business.

In addition, the marketing, sale and use of our tests could subject us to liability for errors in, misunderstandings of, or inappropriate reliance on, information we provide to clinicians, geneticists or patients, and lead to claims against us if someone were to allege that a test failed to perform as it was designed or marketed, if we failed to provide a correct test result to a patient, if we failed to correctly interpret the test results, if we failed to update the test results due to a reclassification of the variants according to new published guidelines, or if the ordering physician or patient were to misinterpret test results or improperly rely on them when making a clinical decision. We could also be subject to claims, lawsuits or liability if the biological materials we receive for analysis were not properly attributed to the correct patient or if we failed to maintain custody of or properly track the biological materials. A product liability or professional liability claim could result in substantial damages and be costly and time-consuming for us to defend.
Although we maintain liability insurance for certain claims, including director and officer's insurance and insurance for errors and omissions, we cannot assure you that such insurance would fully protect us from the financial impact of defending against outstanding or future claims or any judgments, fines or settlement costs arising out of any outstanding or future claims. Any claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. If we were successfully sued for product or professional liability claims or in connection with future securities class action and stockholder derivative claims, we could face substantial losses that exceed our insurance coverage and our other resources. For example, we depleted our director and officer's insurance coverage for the recently settled securities class action lawsuit and no insurance proceeds were available to us to pay the settlement amount. If we are not successful in our defense of any future litigation, we could be forced to make significant payments to or other settlements with our stockholders and their lawyers outside of our insurance coverage, and such payments or settlement arrangements could have a material adverse effect on our business, cash position, operating results or financial condition. Additionally, any lawsuit could cause injury to our reputation or cause us to suspend sales of our tests. The occurrence of any of these events could have a materially adverse effect on our reputation, cash position, and results of operations.

An inability to attract and retain experienced and qualified personnel, including key management personnel, could adversely affect our business.

Because of the specialized scientific nature of our business, we are highly dependent upon our ability to attract and retain highly qualified and experienced personnel, including key management personnel. Competition for these personnel is intense, especially for management, sales, scientific, medical, information technology, research and development and other technical personnel. We may not be able to attract or retain qualified personnel in the future due to the competition for qualified personnel among life science and technology businesses as well as universities and public and private research institutions. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Our compensation arrangements, such as our short-term incentive and equity award programs, may not be successful in attracting new employees and retaining and motivating our existing employees. Our agreements with our employees generally provide for employment that can be terminated by either party without cause at any time, subject to specified notice requirements. Further, the non-competition provision that certain key employees are subject to may not be enforceable under certain state laws, particularly California, or federal laws or such provisions may be prohibitively expensive to enforce. Our growth and commercial activities have placed a greater workload and strain on our existing employees, increasing the risk that our employees experience fatigue or burnout or terminate their employment with us. In addition, inflation has had an impact on the costs that we incur to attract and retain qualified personnel and may make it more difficult for us to attract and retain such personnel.

Our success also depends on the skills, experience and performance of key members of our senior management team, who are critical to directing and managing our growth and development in the future. The loss of any member of our senior management team may cause us to experience difficulties in competing effectively, developing our technologies, and implementing our business strategies. Furthermore, the loss of the services of or failure to recruit key scientific and technical personnel and other qualified personnel who are necessary to operate our business would adversely affect our business and it may have a material adverse effect on our business as a whole.
We have acquired and we may continue to acquire technologies, assets or other businesses that could cause us to incur significant expense and expose us to a number of unanticipated operational and financial risks, which could adversely affect our financial condition, results of operations and business prospects.

In addition to organic growth, we intend to continue to pursue growth through the acquisition of technology, assets or other businesses that may enable us to enhance our technologies and capabilities, expand our geographic market and sales channels, add experienced management personnel and increase our test offerings. For example, on February 1, 2024, we acquired the Precise Tumor Test, the Precise Liquid Test, and a CLIA certified laboratory from Intermountain Healthcare. However, these acquisitions may not generate a positive return on our investment. Additionally, we may be unable to implement our growth strategy if we cannot identify suitable acquisition candidates, reach agreement on potential acquisitions on acceptable terms, successfully integrate personnel or assets that we acquire or for other reasons. We may also experience increased expenses, distraction of our management, and personnel and customer uncertainty as a result of our acquisition activities. Our acquisition efforts may involve certain risks, including:

- we may have difficulty integrating products, operations and systems of any acquired business;
- key personnel and customers of the acquired company may terminate their relationships with the acquired company as a result of the acquisition;
- we may not be successful in launching newly acquired tests, or if those tests are launched, they may not prove successful in the marketplace;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- we may assume or be held liable for risks and liabilities as a result of our acquisitions, including for legal, compliance, recoupment, and environmental-related costs and liabilities, some of which we may not discover during our due diligence;
- we may incur significant additional operating expenses and such acquisition may not be profitable;
- we may experience inconsistencies in standards, controls, procedures, policies and compensation structures;
- we may encounter risks and limitations on our ability to consolidate our corporate and administrative infrastructures;
- our ongoing business may be disrupted or receive insufficient management attention; and
- we may not be able to realize synergies, the cost savings or other financial and operational benefits we anticipated, or such synergies, savings or benefits may take longer than we expected.

The process of negotiating acquisitions and integrating acquired tests, services, technologies, personnel or businesses might result in operating difficulties and expenditures and might require significant management attention that would otherwise be available for ongoing development of our business, whether or not any such transaction is ever consummated. Moreover, we might never realize the anticipated benefits of any acquisition such as increase in our scale, diversification, cash flows and operational efficiency and meaningful accretion to our diluted earnings per share. Future acquisitions could result in the use of our available cash and marketable securities, potentially dilutive issuances of equity securities, the need to incur additional debt, contingent liabilities, or impairment expenses related to goodwill, and impairment or amortization expenses related to other intangible assets, which could harm our financial condition. In addition, if we are unable to integrate any acquired businesses, tests or technologies effectively, our business, financial condition and results of operations may be adversely affected.

We may also seek to divest assets from time to time, including but not limited to, large capital equipment, diagnostic tests, intellectual property, business units, or corporate affiliates. For example, we divested Myriad RBM, Inc., which provided pharmaceutical and clinical services, on July 1, 2021, and we completed the sale of select operating assets and intellectual property, including the Vectra test, from the Myriad Autoimmune business unit, on September 13, 2021. The prices that we receive for such assets may not be high and, in some cases, have been and may be lower than the amount we invested in or paid for such assets.
Failure to comply with laws and regulations related to submission of claims for our services could result in significant monetary damages and penalties and exclusion from the Medicare and Medicaid programs and corresponding foreign reimbursement programs.

We are subject to laws and regulations governing the submission of claims for payment for our services, such as those relating to: coverage of our services under Medicare, Medicaid and other state, federal and foreign health care programs; the amounts that we may bill for our services; and the party to which we must submit claims. Our failure to comply with applicable laws and regulations could result in our inability to receive payment for our services or in attempts by state and federal health care programs, such as Medicare and Medicaid, to recover payments already made. Submission of claims in violation of these laws and regulations can result in recoupment of payments already received, substantial civil monetary penalties, and exclusion from state and federal health care programs, and can subject us to liability under the federal False Claims Act and similar laws. The failure to report and return an overpayment to the Medicare or Medicaid program within 60 days of identifying its existence can give rise to liability under the False Claims Act. Further, a government agency could attempt to hold us liable for causing the improper submission of claims by another entity for services that we performed if we were found to have knowingly participated in the arrangement at issue.

Our financial condition and results of operations could be adversely affected by adverse public health developments.

Any outbreak of contagious disease or adverse public health development could have a material and adverse effect on our business operations, financial condition, or results of operations. Such adverse effects have included, and may in the future include, diversion or prioritization of health care resources away from the conduct of testing, limitations on patients’ access to our products, and disruptions or restrictions affecting the ability of our laboratories to process our tests. Future surges in COVID-19 cases or any other outbreak of contagious disease and related employee absences may strain our workforce and impact our ability to process tests in a timely way due to reduced staff availability.

To the extent that any disease affects individuals and businesses around the globe, we may experience disruptions from time to time that could severely impact our business, including:

- decreased volume of testing as a result of disruptions to health care providers and limitations on the ability of providers to administer tests, including the suspension of non-emergency appointments and services;
- disruptions or restrictions on the ability of our customers, our collaborators’, or our suppliers’ personnel to travel, including as a result of shelter-in-place or stay-at-home orders from state and local governments, and temporary closures of our facilities or the facilities of our collaborators or suppliers;
- limitations on employee resources that would otherwise be focused on the development of our products, processing our tests, and the conduct of our clinical trials, including because of sickness of employees or their families or requirements imposed on employees to avoid contact with large groups of people; and
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or access.

In addition, the continued spread of COVID-19 or the spread of another disease globally could continue to adversely affect our manufacturing and supply chain. Parts of our direct and indirect supply chain are located overseas and both international and domestic components have been, and may in the future be, subject to disruption as a result of COVID-19 or another disease and responses to it. If the supplies and components necessary to manufacture our products become unavailable or are disrupted as a result of a disease and responses to it, then we may not be able to successfully perform our research, sell our tests, or operate our business on a timely basis or at all.

If our SneakPeek Early Gender DNA Test does not perform as expected, we may not realize the expected benefits of our acquisition of Gateway.

On November 1, 2022, we acquired Gateway Genomics, LLC (“Gateway”), a personal genomics company and developer of consumer genetic tests that gives families insight into their future children. Gateway offers and sells the SneakPeek Early Gender DNA Test in the U.S. direct to consumers via sneakpeektest.com and Amazon.com, through various clinical channels, such as OBGYN offices, midwives, birth centers and ultrasound clinics and laboratories, and in certain retail locations. The SneakPeek Early Gender DNA Test is also sold internationally through distributors in the United Kingdom, Canada, Australia and certain other countries.
The SneakPeek Early Gender DNA Test competes against other gender DNA tests and other methods of determining fetal sex (such as non-invasive prenatal testing and ultrasounds) based on a variety of factors, including accuracy, how early the sex of the fetus can be determined, price, ease of use, convenience, and the speed in which test results are delivered. Although we take measures to protect sensitive information from unauthorized access or disclosure, our information technology and infrastructure has been, and may continue to be, vulnerable to attacks by hackers, or viruses, malware, including ransomware, breaches or interruptions due to employee error, malfeasance or other disruptions, or lapses in compliance with privacy and security mandates. Any such malicious cyberattack, virus, breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, publicly disclosed, held for ransom, altered, lost or stolen. We have measures in place that are designed to prevent, and if necessary, to detect and respond to such cybersecurity incidents and breaches of privacy and security mandates. While we have experienced unauthorized accesses to our information technology systems and infrastructure in the past, which may occur again in the future, our security measures have been able to detect, respond to and prevent any material adverse effect to our information systems and business operations from such breaches. However, in the future, any such access, disclosure or other loss, or alteration of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, such as HIPAA, government enforcement actions and civil or even criminal penalties. Unauthorized access, loss, alteration, or dissemination could also disrupt our operations, including our ability to process samples, provide test results, bill payors or patients, provide customer support services, conduct research and development activities, process and prepare company financial information, and manage various general and administrative aspects of our business, and may damage our reputation, any of which could adversely affect our business, financial condition and results of operations.

In addition, we face increased cybersecurity risks and potential disruption to our technology infrastructure due to the number of employees that are working remotely as a result of remote work policies and other hybrid work arrangements. Increased levels of remote access create additional opportunities for cybercriminals to exploit vulnerabilities, and employees may be more susceptible to phishing and social engineering attempts.
If we experience a significant disruption in our information technology systems, our business operations and financial condition could be adversely affected.

Information technology (IT) and communication systems are an important part of our business operations. These IT and communications systems support a variety of functions, including sample processing, tracking, quality control, customer service and support, billing, research and development activities, and various general and administrative activities. The availability of our products and services and fulfillment of our customer contracts depends on the continuing operation of our IT and communication systems. Our IT and communication systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, catastrophes or other unforeseen events. Our IT and communication systems also may experience interruptions, delays or cessations of service or produce errors in connection with system implementation, integration, upgrades or system migration work that takes place from time to time. In addition, we may not be able to maintain operational effectiveness of our IT and communication systems due to insufficient technology infrastructure, aging components, accumulated technical debt and gaps in our software release processes. If we were to experience a prolonged system disruption in the IT and communication systems that involve our interactions with customers, providers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. In addition, security breaches of our IT systems could result in the misappropriation or unauthorized disclosure of confidential information belonging to us or to our employees, partners, customers or suppliers, which could result in our suffering significant financial or reputational damage.

Each of our tests is processed in a single one of our laboratory facilities, and any loss or prolonged interruption of our ability to use these laboratories or failure to maintain their operation in compliance with applicable regulations would seriously harm our business.

We rely on a CLIA-certified facility in Salt Lake City, Utah to perform most of our tests; a CLIA-certified laboratory in South San Francisco, California to perform our Foresight and Prequel tests; a CLIA-certified laboratory in St. George to perform our Precise Tumor test; a single laboratory facility in Cologne, Germany to perform and produce our EndoPredict test kits; a CLIA-certified laboratory in Mason, Ohio to perform our GeneSight test; and a laboratory in San Diego, California to perform our SneakPeek Early Gender DNA test. Our laboratories and the equipment we use to perform our tests would be difficult to replace and may require significant lead time to replace and qualify for use if they become inoperable. Some of our laboratories are located near active earthquake fault lines and in a region affected by wildfires and flooding. We currently have no backup or redundant facility to perform each of our tests. In the event any of our testing facilities were to lose its CLIA certification or other required certifications or licenses or were affected by a pandemic or man-made or natural disaster, such as an earthquake, severe weather, flooding, rising sea levels, other physical effects of climate change, power outages or contamination, we would be unable to continue our business, with respect to the tests performed at the particular facility or overall, at current levels to meet customer demands for a significant period of time. According to the U.S. Environmental Protection Agency, heat waves and large storms are likely to become more frequent or more intense with human-induced climate change, which could impact our operations. Although we maintain insurance on these facilities, including business interruption insurance, it may not be adequate to protect us from all potential losses if these facilities were damaged or destroyed. In addition, any interruption in our business would result in a loss of goodwill, including damage to our reputation. If our business were interrupted, it would seriously harm our business.

Our inability to, or delay in, transitioning certain of our laboratory operations to new laboratory facilities in west Salt Lake City, Utah and South San Francisco, California could adversely affect our business.

We are in the process of transitioning our laboratory operations in Salt Lake City, Utah, where most of our tests are performed, and South San Francisco, California, where our Foresight and Prequel tests are performed, to new laboratory facilities in west Salt Lake City, Utah, and South San Francisco, California, respectively. The inability to transition our existing laboratory operations to our new laboratories in South San Francisco, California and west Salt Lake City, Utah, delays in transitioning our laboratory operations to such facilities or the failure to obtain any required permits, licenses, or certifications could result in increased costs, limit our ability to keep up with the demand for our products, and prevent us from realizing the intended benefits of these new facilities and our future laboratories.
We depend on a limited number of third parties, or, in some cases, single-source suppliers, for equipment, reagents and other supplies. If these supplies become unavailable or are disrupted, then we may not be able to successfully perform our research or operate our business on a timely basis or at all.

We currently rely on a small number of suppliers, or, in some cases, single-source suppliers, to provide our gene sequencing equipment, content enrichment equipment, multiplex protein analysis equipment, robots, and specialty reagents and other laboratory supplies required in connection with our testing and research and development activities. We believe that currently there are limited alternative suppliers of the equipment, robots, reagents and certain other supplies that we use in our business. The equipment, robots, reagents or other supplies may not remain available in commercial quantities at acceptable costs. In addition, we rely upon a limited number of commercial delivery services to provide us with laboratory supplies, and the disruption of such delivery services could adversely impact our business. If we are unable to obtain when needed additional or alternative equipment or robots, or an adequate supply of reagents or other ingredients or supplies at commercially reasonable rates, our ability to continue to identify genes and perform testing would be adversely affected. In addition, the loss of a single-source supplier or the failure to perform by a single-source supplier could have a disruptive effect on our business, including our ability to perform testing, and could adversely affect our results of operations.

In addition, the spread of disease globally could further adversely affect our manufacturing and supply chain. Parts of our direct and indirect supply chain are located overseas and both international and domestic components have been subject to disruption as a result of COVID-19 and responses to it. We have experienced and may in the future experience a shortage of certain laboratory supplies and equipment, and we may experience a suspension of services from other laboratories or third parties as a result of a global pandemic and responses to it. Political, administrative, legislative, legal or regulatory actions in response to a global pandemic could create additional supply shortages, disruptions or other uncertainties affecting our research and business. If the supplies and components necessary to manufacture our products become unavailable or are disrupted, then we may not be able to successfully perform our research or operate our business on a timely basis or at all.

Further, disruption in the global supply chain related to hostilities in Ukraine and the Middle East could impact our supply chain. For example, Houthi forces have recently begun attacking freighters in the Red Sea due to the ongoing conflict between Israel and Gaza. While we have not experienced material supply chain disruptions related to these global hostilities to date, we are unable to predict how these conflicts will develop or guarantee that we will not experience material supply chain disruptions in the future.
Our international business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.

As part of our business strategy, we operate in international markets and have active sales operations in Germany, France, and Japan and production operations in Germany. We also distribute our SneakPeek Early Gender DNA Test through distributors in the United Kingdom, Australia, Canada and certain other countries. We may establish additional operations or acquire additional properties outside the United States in order to advance our international sales. Doing business internationally involves a number of risks, including:

- multiple, conflicting and changing laws and regulations such as tax laws, export and import restrictions, employment laws, data privacy laws such as the EU GDPR, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us to obtain regulatory approvals or adequate reimbursement for the use of our tests in various countries;
- ineffective marketing campaigns leading to failure in establishing a viable, profitable, and sustainable presence in our international markets;
- difficulty in staffing and managing foreign operations;
- managing multiple payor reimbursement regimes, government payors and self-pay systems;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;
- logistics and regulations associated with shipping patient samples, including infrastructure conditions, customs and transportation delays, including compliance with the Office of Foreign Assets Control and other international trade sanctions;
- limits in our ability to penetrate international markets if we are not able to process tests locally;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable and exposure to foreign currency exchange rate fluctuations;
- political and economic instability, including wars, terrorism, and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and distributors’ activities that may fall within the purview of the U.S. Foreign Corrupt Practice Act, UK Bribery Act, anti-boycott laws and other anti-corruption laws; and
- risks related to the disruptions caused by COVID-19 or another disease and responses to it.

Any of these factors could significantly harm our international operations and, consequently, our revenues and results of operations. In addition, any failure to comply with applicable legal and regulatory obligations could impact us in a variety of ways that include, but are not limited to, significant criminal, civil and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments, and restrictions on certain business activities. Also, the failure to comply with applicable legal and regulatory obligations could result in the disruption of our distribution and sales activities.

Our international operations could be affected by changes in laws, trade regulations, labor and employment regulations, and procedures and actions affecting approval, production, pricing, reimbursement and marketing of tests, as well as by inter-governmental disputes. Any of these changes could adversely affect our business. Our success internationally will depend, in part, on our ability to develop and implement policies and strategies that are effective in anticipating and managing these and other risks in the countries in which we do business. Failure to manage these and other risks may have a material adverse effect on our operations in any particular country and on our business as a whole.

**Ethical, legal and social concerns related to the use of genetic information could reduce demand for our tests.**

Genetic testing has raised ethical, legal and social issues regarding privacy rights and the appropriate uses of the resulting information. Governmental authorities could, for social or other purposes, limit or regulate the use of genetic information or genetic testing or prohibit testing for genetic predisposition to certain conditions, particularly for those that have no known cure. Similarly, these concerns may lead patients to refuse to use, or clinicians to be reluctant to order, genomic tests even if permissible; they may also refuse genetic testing due to concerns regarding eligibility for life or other insurance. Ethical and social concerns may also influence U.S. and foreign patent offices and courts with regard to patent protection for technology relevant to our business. Although the Genetic Information Nondiscrimination Act has criminalized the disallowance of health insurance on the basis of genetic information, modification or retraction of this federal law could reduce public demand for genetic testing. These and other ethical, legal and social concerns may limit market acceptance of our tests or reduce the potential markets for our tests, either of which could have an adverse effect on our business, financial condition or results of operations.
We rely on commercial courier delivery services to transport biological materials to our facilities in a timely and cost-efficient manner and if these delivery services are disrupted, our business will be harmed.

Our core business depends on our ability to quickly and reliably deliver test results to our customers. We typically receive biological material for analysis at our laboratory facilities within days of collection from the patient. Disruptions in delivery service, whether due to errors by the courier service, labor disruptions, bad weather, natural disasters, terrorist acts or threats or other reasons, some of which we have experienced in the past, could adversely affect specimen integrity, our ability to process or store samples in a timely manner and to service our customers, and ultimately our reputation and our business. In addition, if we are unable to continue to obtain expedited delivery services on commercially reasonable terms, our operating results may be adversely affected. We also rely on commercial courier delivery services to transport some of our tests directly to customers and any disruptions in delivery service could adversely affect our ability obtain and process samples in a timely manner and to service our customers.

We face risks associated with currency exchange rate fluctuations, which could adversely affect our operating results.

We receive a portion of our revenues and pay a portion of our expenses in currencies other than the U.S. dollar, such as the Japanese Yen, Euro, the Swiss franc, and the British pound. As a result, we are at risk for exchange rate fluctuations between such foreign currencies and the U.S. dollar, which could affect the results of our operations. If the U.S. dollar strengthens against foreign currencies, the translation of these foreign currency denominated transactions will result in decreased revenues and operating expenses. During the year ended December 31, 2023, our revenues were not materially impacted due to foreign currency fluctuations, but may be in the future. We may not be able to offset adverse foreign currency impact with increased revenues. We do not currently utilize hedging strategies to mitigate foreign currency risk and even if we were to implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications.

Impairment in the value of our goodwill or other intangible assets could have a material adverse effect on our operating results and financial condition.

We record goodwill and intangible assets at fair value upon the acquisition of a business. Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired. Goodwill and indefinite-lived intangible assets are evaluated for impairment annually, or more frequently if conditions warrant, by comparing the carrying value of a reporting unit to its estimated fair value. Intangible assets with definite lives are reviewed for impairment when events or circumstances indicate that their carrying value may not be recoverable. Declines in operating results, divestitures, sustained market declines and other factors that impact the fair value of our reporting unit could result in an impairment of goodwill or intangible assets and, in turn, a charge to net income. Any such charges could have a material adverse effect on our results of operations or financial condition.

Our estimates of actionable market size and forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates.

Our actionable market size opportunity estimates and growth forecasts for our products are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Our publicly announced estimates and forecasts relating to the size and expected growth of the market for our products may prove to be inaccurate. Even if the markets in which we compete meet our size estimates and forecasted growth for such markets, our business could fail to grow at similar rates.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of December 31, 2023, we have substantial deferred tax assets related to net operating loss ("NOLs") and tax credit carryforwards. Pursuant to the Tax Cuts and Jobs Act (H.R.1) of 2017, federal NOLs arising in tax years beginning after December 31, 2017 have an indefinite carryover period and may only be used to offset 80% of current year taxable income. Federal NOLs prior to this enactment were subject to a 20-year carry-forward limitation. Further, under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an “ownership change” (generally defined as a greater than 50% change, by value, in equity ownership over any three-year period), the corporation’s ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. Given the Code’s broad definition, an ownership change could be the unintended consequence of otherwise normal market trading in our stock that is outside our control. An ownership change under Section 382 of the Code could also be triggered by certain strategic transactions. These limitations may result in our NOLs, tax credits, or other similar tax attributes expiring before we have the ability to use them.
Risks Related to the Development and Commercialization of Our Tests and Test Candidates

Our tests in development may not be clinically effective or may never achieve significant commercial market acceptance and our test offerings that we have recently launched or acquired may not be commercially successful.

We may not succeed in achieving significant commercial market acceptance of our test offerings that we have launched or acquired in recent years or are currently developing. Our ability to successfully develop and commercialize our current tests, as well as any future tests that we may develop or acquire, depend on several factors, including:

• our ability to convince the medical community and consumers of the utility of our tests and their potential advantages over existing tests or other competing products or services;
• our ability to market current and future products in new and existing channels, such as the launch of our SneakPeek Early Gender DNA Test in retail stores;
• our ability to collaborate with biotechnology and pharmaceutical companies to develop and commercialize companion diagnostic tests for their therapeutic drugs and drug candidates;
• the agreement by third-party payors to reimburse our tests, the scope and extent of which will affect patients’ willingness or ability to pay for our tests and will likely heavily influence physicians’ decisions to recommend our tests; and/or
• the willingness of physicians to utilize our diagnostic tests, which can be difficult to interpret as our tests only predict as to a probability, not certainty, that a tested individual will develop the disease, will benefit from a particular therapy or has an aggressive form of the disease that the test is intended to predict.

These factors present obstacles to commercial acceptance of our tests, which we would have to spend substantial time and money to overcome, if we can do so at all. Our inability to successfully do so would harm our business.

In addition, we may experience research and development and regulatory challenges that could delay or prevent the development and commercialization of new test offerings, such as FirstGene and Precise MRD. The tests we enhance or develop may not be clinically effective in clinical trials or commercially, or may not ultimately meet our desired target product profile, be offered at acceptable cost and with the test performance metrics necessary to address the relevant clinical need or commercial opportunity. We also may experience difficulties completing the clinical development of any new or enhanced product, or establishing or maintaining the collaborative relations that may be essential to our clinical development and commercialization efforts. Clinical development requires large numbers of patient specimens and, for certain products, require large, prospective, and controlled clinical trials. We may not be able to enroll patients or collect a sufficient number of appropriate specimens in a timely manner, or we may experience delays during clinical development due to slower than anticipated enrollment, or due to changes in study design or other unforeseen circumstances, or we may be unable to afford or manage the large-sized clinical trials that some of our planned future products may require.

In addition, the publication of clinical data in peer-reviewed journals is an important step in commercializing and obtaining reimbursement for tests such as ours, and our inability to control when, if ever, results are published may delay or limit our ability to derive sufficient revenues from any test that is the subject of a study. Peer-reviewed publications regarding our tests may be limited by many factors, including delays in the completion of, poor design of, or lack of compelling data from, clinical studies, as well as delays in the review, acceptance and publication process. If our tests or the technology underlying our current or future tests do not receive sufficient favorable exposure in peer-reviewed publications, the rate of clinician adoption of our tests and positive reimbursement coverage determinations for our tests could be negatively affected.

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If we do not compete effectively with scientific and commercial competitors, we may not be able to successfully commercialize our tests, increase our revenue or achieve and sustain profitability.

The clinical laboratory and genetics testing fields are intense, highly competitive and characterized by rapid technological change, frequent new product introductions, reimbursement challenges, emerging competition, intellectual property disputes and litigation, price competition, aggressive marketing practices, evolving industry standards, and changing customer preferences. Our competitors in the United States and abroad are numerous and include, among others, major diagnostic companies, reference laboratories, molecular diagnostic firms, direct-to-consumer genetic companies, low-priced competitors, clinical laboratories, universities and other research institutions. Some of our competitors and potential competitors have larger customer bases, greater brand recognition and market penetration, better selling and marketing capabilities, more experience with third-party payors and considerably greater financial, technical, marketing and other resources than we do, which has allowed and may continue to allow these competitors to discover important genes and determine their function before we do, respond more quickly to changes in customer preferences, devote greater resources to the development, promotion and sale of their tests than we do, sell their tests at prices designed to win significant levels of market share, or obtain reimbursement from more third-party payors and at higher prices than we do. We could be adversely affected if we do not discover genes, proteins or biomarkers and characterize their function, develop tests based on these discoveries, obtain required regulatory and other approvals and launch these tests and their related services before our competitors. We may also not be able to keep pace with the rapid technological changes in our industry, or properly leverage new technologies to achieve or sustain competitive advantages in our tests, systems and processes. We also expect to encounter significant competition with respect to any tests that we may develop or commercialize. Those companies that bring to market new tests before we do may achieve a significant competitive advantage in marketing and commercializing their tests. We may not be able to develop additional tests successfully and we or our licensors may not obtain or enforce patents covering these tests that provide protection against our competitors. Moreover, our competitors may succeed in developing tests that circumvent our technologies or tests. Furthermore, our competitors may succeed in developing technologies or tests that are more effective or less costly than those developed by us or that would render our technologies or tests less competitive or obsolete. Increased competition and cost-saving initiatives on the part of governmental entities and third-party payors are likely to result in pricing pressures, which could harm our sales, profitability or ability to gain market share. We expect competition to intensify in the fields in which we are involved as technical advances in these fields occur and become more widely known and changes in intellectual property laws generate challenges to our intellectual property position.

If our current research collaborators or scientific advisors terminate their relationships with us or develop relationships with a competitor, our ability to discover genes, proteins, and biomarkers, and to validate and commercialize tests could be adversely affected.

We have relationships with research collaborators at academic and other institutions who conduct research at our request. These research collaborators are not our employees. As a result, we have limited control over their activities and, except as otherwise required by our collaboration agreements, can expect only limited amounts of their time to be dedicated to our activities. Our ability to discover genes, proteins, and biomarkers involved in human disease and validate and commercialize tests will depend in part on the continuation of these collaborations. If any of these collaborations are terminated, we may not be able to enter into other acceptable collaborations. In addition, our existing collaborations may not be successful.

Our research collaborators and scientific advisors may have relationships with other commercial entities, some of which could compete with us. Our research collaborators and scientific advisors sign agreements which provide for the confidentiality of our proprietary information. We may not, however, be able to maintain the confidentiality of our technology and other confidential information related to all collaborations. The dissemination of our confidential information to third parties could have a material adverse effect on our business.
Risks Related to Our Intellectual Property

If we fail to protect our proprietary technology, others could compete against us more directly, which would harm our business.

As of December 31, 2023, our patent portfolio included issued patents owned or licensed by us and numerous patent applications in the United States and other countries with claims protecting our intellectual property rights. Our commercial success will depend, in part, on our ability to obtain additional patents and licenses and protect our existing patent position, both in the United States and in other countries, for compositions, processes, methods and other inventions that we believe are patentable. Our ability to preserve our trade secrets, proprietary data bases and other intellectual property is also important to our long-term success. If our intellectual property is not adequately protected, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which would harm our business and ability to achieve profitability. Patents may also issue to third parties which could interfere with our ability to bring our tests to market. The laws of some foreign countries do not protect our proprietary rights to the same extent as U.S. laws, and we may encounter significant problems in protecting our proprietary rights in these countries.

The patent positions of diagnostic companies, including our patent position, are generally highly uncertain and involve complex legal and factual questions, and, therefore, any patents issued to us may be challenged, deemed unenforceable, invalidated or circumvented. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies and any future tests are covered by valid and enforceable patents or are effectively maintained as trade secrets. Our patent applications may never issue as patents, and the claims of any issued patents may not afford meaningful protection for our technology or tests. In addition, any patents issued to us or our licensors may be challenged, and subsequently narrowed, invalidated or circumvented.

Where necessary, we may initiate litigation to enforce our patent or other intellectual property rights. Any such litigation may require us to spend a substantial amount of time and money and could distract management from our day-to-day operations. Moreover, there is no assurance that we will be successful in any such litigation.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors’ patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;
- any patents issued to us or our licensors and collaborators will provide a basis for commercially viable tests, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or tests that are patentable;
- the patents of others will not have an adverse effect on our business; or
- our patents or patents that we license from others will survive legal challenges and remain valid and enforceable.

If a third party files a patent application with claims to subject matter we have invented, the U.S. Patent and Trademark Office (USPTO) may declare interference between competing patent applications. If an interference is declared, we may not prevail in the interference. If the other party prevails in the interference, we may be precluded from commercializing services or tests based on the invention or may be required to seek a license. A license may not be available to us on commercially acceptable terms, if at all.

We also rely on trade secrets to protect our proprietary technologies and databases, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and others to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy if unauthorized disclosure of confidential information occurs. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.
If we are subject to litigation or other proceedings arising from a claim of infringement of the intellectual property of a third party, we might incur significant costs and delays in test introduction or we could be prevented from using technologies incorporated in our tests.

Our tests may conflict with patents that have been or may be granted to others. Our industry includes many organizations that have or are seeking to discern biomarkers and develop genomic, proteomic and other technologies. To the extent any patents are issued or have been issued to those organizations, the risk increases that the sale of our tests currently being marketed or under development may give rise to claims of patent infringement. Others may have filed and in the future are likely to file patent applications covering biomarkers that are similar or identical to our tests. Any of these patent applications may have priority over our patent applications and these entities or persons could bring legal proceedings against us seeking damages or seeking to enjoin us from testing or marketing our tests. Patent litigation is costly, and even if we prevail, the cost of such litigation could have a material adverse effect on us. If the other parties in any such actions are successful, in addition to any liability for damages, we could be required to cease the infringing activity or obtain a license. Any license required may not be available to us on commercially acceptable terms, if at all. Our failure to obtain a license to any technology that we may require to commercialize our tests could have a material adverse effect on our business. In addition, we could experience delays in product introductions or sales growth while we attempt to develop non-infringing alternatives.

We believe that there has been, and may continue to be, significant litigation in the industry regarding patent and other intellectual property rights. On December 21, 2020, Ravgen, Inc. ("Ravgen") filed a lawsuit against us and our wholly owned subsidiary, Myriad Women's Health, Inc., in the U.S. District Court for the District of Delaware, alleging infringement of two patents relating to blood collection tubes and non-invasive prenatal testing analysis. On October 23, 2023, we and Ravgen entered into a settlement agreement pursuant to which the parties agreed to settle the lawsuit. Pursuant to the terms of the settlement agreement, we agreed to pay Ravgen a minimum of $12.75 million in three installment payments of $5 million, $5 million, and $2.75 million on or before October 31, 2023, October 31, 2024, and October 31, 2025, respectively. We may also be required to pay Ravgen $21.25 million in five annual installments beginning no earlier than January 1, 2026 if certain conditions are satisfied. Any intellectual property litigation that we may become involved with in the future could consume a substantial portion of our managerial and financial resources. If any such litigation is resolved adversely to us, we could be required to pay damages, cease the infringing activity or pay an ongoing licensing fee, each of which could have a material adverse effect on our financial condition, results of operations or cash flows.

Additionally, third parties may claim that the branding of our products infringes the trademarks, service marks, trade names or otherwise misappropriates or dilutes those third parties’ rights. If we are found to be liable or to have infringed upon those third parties' rights, we may be required to pay damages and rebrand the infringing products. Rebranding can be expensive and time-consuming and may lead to the loss of brand equity or goodwill associated with the rebranded products.

If we fail to comply with our obligations under license or technology agreements with third parties, we could lose license rights that are critical to our business.

We license intellectual property that is important to our business, including licenses underlying the technology in our tests, and in the future, we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. These licenses impose various royalty payments, milestones, and other obligations on us. If we fail to comply with any of these obligations, the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from distributing our current tests, or inhibit our ability to commercialize future test candidates. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid, unenforceable or infringe upon third party patents, or if we are unable to enter into necessary licenses on acceptable terms.

We may be subject to claims that we or our employees have wrongfully used or disclosed alleged trade secrets.

As is commonplace in our industry, we employ individuals who were previously employed at universities or genetic testing, diagnostic, biotechnology or other health care companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees or consultants have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of a former employer or other third parties. Litigation may be necessary to defend against these claims, and if we are unsuccessful, we could be required to pay substantial damages and could lose rights to important intellectual property. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.
If we fail to adequately protect our trademarks, service marks, trade names and trade dress, we may lose goodwill and brand equity associated with our business.

Our registered and unregistered trademarks, service marks, or trade names could be infringed by third parties. Enforcing our rights against such third parties can be expensive and distracting. If we fail to effectively enforce such rights against third parties, our trademark, service mark or trade name rights, and the associated goodwill and brand equity, could be lost.

We file applications for registration of various marks associated with our brands in the United States and foreign jurisdictions. We may fail to successfully register these marks. Additionally, once a mark is registered, we may fail to pay all fees and attend to all formalities required to maintain the registration. Failure to obtain or maintain registration of our marks could make those marks harder to enforce and reduce the liability of an infringer even if we are able to successfully enforce such rights.

Risks Related to Government Regulation

If we fail to comply with the complex federal, state, local and foreign laws and regulations that apply to our business, we could suffer consequences that could materially and adversely affect our operating results and financial condition.

Our operations are subject to extensive federal, state, local and foreign laws and regulations, all of which are subject to change. These laws and regulations currently include, among other things:

- Clinical Laboratory Improvement Amendments of 1988 and the implementing regulations, which requires that laboratories obtain certification from the federal government, and state licensure laws and regulations;
- U.S. Food and Drug Administration laws and regulations that apply to medical devices such as our companion diagnostics and other IVDs;
- Health Insurance Portability and Accountability Act of 1996 (HIPAA), which imposes comprehensive federal standards with respect to the privacy and security of protected health information and requirements for the use of certain standardized electronic transactions; amendments to HIPAA under HITECH, which strengthened and expanded HIPAA privacy and security compliance requirements, increased penalties for violators, extended enforcement authority to state attorneys general and imposed requirements for breach notification;
- state laws regulating genetic testing and protecting the privacy of genetic test results, as well as state laws protecting the privacy and security of health information and personal data and mandating reporting of breaches to affected individuals and state regulators;
- the federal Anti-Kickback Statute, which prohibits knowingly and willfully offering, paying, soliciting, or receiving remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing, arranging for, or recommending of an item or service that is reimbursable, in whole or in part, by a federal health care program;
- the Eliminating Kickbacks in Recovery Act of 2018 (EKRA), which is an all-payor anti-kickback prohibition on, among other things, knowingly and willfully paying or offering any remuneration directly or indirectly to induce a referral of an individual to a clinical laboratory;
- the federal physician self-referral prohibition (Stark Law or the Physician Self-Referral Law), which, absent an exception, prohibits a physician from making a Medicare referral for certain designated health services, including clinical laboratory services, if the physician or an immediate family member of the physician has an applicable financial relationship with the entity providing the designated health services;
- the federal False Claims Act, which imposes liability on any person or entity that, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment to the federal government;
- the federal Civil Monetary Penalties Law, which prohibits, among other things, the offering or transfer of remuneration to a Medicare or Medicaid beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or Medicaid, unless an exception applies;
- other federal and state fraud and abuse laws, such as anti-kickback laws, prohibitions on self-referral and fee-splitting, and false claims acts, which may extend to services reimbursable by any third-party payor, including private insurers;
- the federal Physician Payments Sunshine Act, which requires medical device manufacturers to track and report to the federal government certain payments and other transfers of value made to physicians, other health care professionals, and teaching hospitals and ownership or investment interests held by physicians and their immediate family members;
Section 216 of the federal Protecting Access to Medicare Act of 2014, which requires the Centers for Medicare & Medicaid Services (CMS) to set Medicare rates for clinical laboratory testing based on private payor data reported by applicable laboratories;

- the U.S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits companies and their intermediaries from making payments in violation of law to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage;

- state laws that impose reporting and other compliance-related requirements; and

- similar foreign laws and regulations that apply to us in the countries in which we operate.

We may also be subject to or affected by current or future federal, state, local and foreign laws and regulations, including laws relating to reproductive health care, which could restrict our business, reduce demand for our products, and adversely affect our operations, revenue, and results of operations.

As a clinical laboratory, our business practices may face heightened scrutiny from government enforcement agencies such as the Department of Justice, the Office of Inspector General for the Department of Health and Human Services (OIG), and CMS. The OIG has issued fraud alerts in recent years, including a fraud alert relating to speaker programs in November 2020, that identify certain arrangements between medical device and drug companies and referring physicians as implicating the Anti-Kickback Statute. Moreover, the provision of payments or other items of value by a clinical laboratory to a referral source could be prohibited under the federal self-referral prohibition, commonly known as the Stark Law or the Physician Self-Referral Law, unless the arrangement meets all criteria of an applicable exception. The government has actively enforced these laws, as well as the federal False Claims Act, against clinical laboratories in recent years.

These laws and regulations are complex and are subject to interpretation by the courts and by government agencies. Our failure to comply could lead to civil or criminal penalties, exclusion from participation in state and federal health care programs, or prohibitions or restrictions on our laboratories’ ability to provide or receive payment for our services. We believe that we are in material compliance with all statutory and regulatory requirements, but there is a risk that one or more government agencies could take a contrary position, or that a private party could file suit under the qui tam provisions of the federal False Claims Act or a similar state law. Such occurrences, regardless of their outcome, could damage our reputation and adversely affect important business relationships with third parties, including managed care organizations, and other private third-party payors.

The growth of our business and our continued business outside of the United States may increase the potential of violating similar foreign laws or our internal policies and procedures. The risk of us being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. Any of the foregoing consequences could seriously harm our business and our financial results.
Our actual or perceived failure to comply with data protection laws and regulations could lead to government enforcement actions, private litigation and/or adverse publicity and could negatively affect our business.

We are subject to domestic and international data protection laws and regulations that address privacy and data security and may affect our collection, use, storage, and transfer of personal information. The legislative and regulatory landscape for data protection continues to evolve, and in recent years there has been an increasing focus on privacy and data security issues with the potential to affect our business. In the U.S., numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws and federal and state consumer protection laws govern the collection, use, disclosure and protection of health-related and other personal information. Failure to comply with data protection laws and regulations, where applicable, could result in government enforcement actions, which could include civil or criminal penalties, private litigation and/or adverse publicity and could negatively affect our operating results and business. For example, California has enacted the California Consumer Privacy Act, or CCPA, which went into effect in January of 2020. The CCPA established a new privacy framework for covered businesses by creating an expanded definition of personal information, establishing new data privacy rights for California residents, requiring covered businesses to provide new disclosures to California residents, and creating a new and potentially severe statutory damages framework for violations of the CCPA and for businesses that fail to implement reasonable security procedures and practices to prevent data breaches. Additionally in 2020, California voters passed the California Privacy Rights Act, or CPRA, which went into effect on January 1, 2023. The CPRA significantly amends the CCPA, potentially resulting in further uncertainty, additional costs and expenses in an effort to comply and additional potential for harm and liability for failure to comply. Among other things, the CPRA established a new regulatory authority, the California Privacy Protection Agency, which is tasked with enacting new regulations under the CPRA and will have expanded enforcement authority. In addition to California, more U.S. states are enacting similar legislation, increasing compliance complexity and increasing risks of failures to comply. In 2023, comprehensive privacy laws in Virginia, Colorado, Connecticut, and Utah all took effect, and laws in Montana, Oregon, and Texas will take effect in 2024. In addition, laws in other U.S. states are set to take effect beyond 2024, and additional U.S. states have proposals under consideration, all of which are likely to increase our regulatory compliance costs and risks, exposure to regulatory enforcement action and other liabilities.

Numerous other countries have, or are developing, laws governing the collection, use and transmission of personal information as well. For example, the European Union’s General Data Protection Regulation (GDPR), became effective in 2018 and imposed a broad data protection framework that expanded the scope of EU data protection law, including to non-EU entities meeting the jurisdictional requirements that process, or control the processing of, personal data relating to individuals located in the EU, including clinical trial data. The GDPR sets out a number of requirements for controllers and/or processors, as applicable, that must be complied with when handling the personal data of EU based data subjects, including: providing expanded disclosures about how their personal data will be used; higher standards for organizations to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities; the obligation to appoint data protection officers in certain circumstances; new rights for individuals to be “forgotten” and rights to data portability, as well as enhanced current rights (e.g., access requests); the principal of accountability and demonstrating compliance through policies, procedures, training and audit; and a new mandatory data breach regime. In particular, medical or health data, genetic data and biometric data are all classified as “special category” data under the GDPR and afford greater protection and require additional compliance obligations. Further, EU member states have a broad right to impose additional conditions—including restrictions—on these data categories. This is because the GDPR allows EU member states to derogate from the requirements of the GDPR mainly in regard to specific processing situations (including special category data and processing for scientific or statistical purposes).

The GDPR is applicable to part of our business and has increased our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional procedures to comply. The GDPR is complex and regulatory guidance continues to evolve. Furthermore, national GDPR variations, including the fields of clinical study and other health-related information may raise our costs of compliance and result in greater legal risks.
We are also subject to evolving GDPR requirements on data export, because we transfer data to third countries outside of the EU that are not deemed “adequate.” The GDPR only permits exports of personal data outside of the EU to “non-adequate” countries where there is a suitable data transfer mechanism in place to safeguard personal data (e.g., the EU Commission approved Standard Contractual Clauses or certification under the newly-adopted Data Privacy Framework). On July 16, 2020, the Court of Justice of the EU, or the CJEU, issued a landmark opinion in the case Maximilian Schrems vs. Facebook (Case C-311/18) (Schrems II). This decision calls into question certain data transfer mechanisms as between the EU member states and the U.S. The CJEU is the highest court in Europe and the Schrems II decision heightened the burden to assess U.S. national security laws on their business, and future actions of EU data protection authorities are difficult to predict at this time. While the newly-adopted Data Privacy Framework was meant to address the concerns raised by the CJEU in Schrems II, it will likely be subject to future legal challenges. Consequently, there is some risk of any data transfers from the EU being halted. If we have to rely on third parties to carry out services for us, including processing personal data on our behalf, we are required under GDPR to enter into contractual arrangements to flow down or help ensure that these third parties only process such data according to our instructions and have sufficient security measures in place. Any security breach or non-compliance with our contractual terms or breach of applicable law by such third parties could result in enforcement actions, litigation, fines and penalties or adverse publicity and could cause customers to lose trust in us, which would have an adverse impact on our reputation and business. Any contractual arrangements requiring the processing of personal data from the EU to us in the U.S. will require greater scrutiny and assessments as required under Schrems II and may have an adverse impact on cross-border transfers of personal data or increase costs of compliance. The GDPR provides an enforcement authority to impose large penalties for noncompliance, including the potential for fines of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater.

Applicable data privacy and data protection laws may conflict with each other, and by complying with the laws or regulations of one jurisdiction, we may find that we are violating the laws or regulations of another jurisdiction. Despite our efforts, we may not have fully complied in the past and may not in the future. That could require us to incur significant expenses, which could significantly affect our business. Failure to comply with data protection laws may expose us to risk of enforcement actions taken by data protection authorities or other regulatory agencies, private rights of action in some jurisdictions, and potential significant penalties if we are found to be non-compliant. Furthermore, the number of government investigations related to data security incidents and privacy violations continue to increase and government investigations typically require significant resources and generate negative publicity, which could harm our business and reputation.

We may from time to time be subject to government investigation(s), the unfavorable outcome of which may have a material adverse effect on our financial condition, results of operations and cash flows.

We may from time to time be subject to government investigations, which may divert management resources and attention, cause us to incur substantial costs, and/or result in negative publicity, and any unfavorable outcome arising from such investigation may have a material adverse effect on our financial condition, results of operations and cash flows. For example, in June 2016, our wholly-owned subsidiary, Crescendo Bioscience, LLC (formerly known as Crescendo Bioscience, Inc.) (CBI), received a subpoena from the Office of Inspector General of the Department of Health and Human Services requesting that CBI produce documents relating to entities that received payment from CBI for the collection and processing of blood specimens for testing, including a named unrelated company, healthcare providers and other third-party entities. On January 30, 2020, the U.S. District Court for the Northern District of California unsealed a qui tam complaint, filed on April 16, 2016 against CBI, alleging violations of the federal and California False Claims Acts and the California Insurance Fraud Prevention Act (CIFPA). On January 22, 2020, after a multi-year investigation into CBI’s and the Company’s alleged conduct, the United States declined to intervene. On January 27, 2020, the State of California likewise filed its notice of declination. On April 1, 2022, we settled the qui tam lawsuit pursuant to which we paid a total of $45.25 million to the United States and the State of California and $2.75 million to relator's counsel. The qui tam lawsuit was formally dismissed by the U.S. District Court for the Northern District of California on May 4, 2022. We may be subject to future claims or investigations under the Federal False Claims Act or a similar state law, and any unfavorable outcome arising from such claims or investigation could have a material adverse effect on our financial condition, results of operations and cash flows.
Changes in health care policy could increase our costs, decrease our revenues and impact sales of and reimbursement for our tests.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, collectively called the ACA, became law. This law substantially changed the way health care is financed by both government and private third-party payors and continues to significantly impact our business and operations in ways we may not be able to predict. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and as a result, certain sections of the ACA have not been fully implemented or were effectively repealed. However, following several years of litigation in the federal courts, in June 2021, the U.S. Supreme Court upheld the ACA when it dismissed a legal challenge to the ACA’s constitutionality. Further legislative and regulatory changes under the ACA remain possible. The federal administration under President Biden has signaled that it plans to build on the ACA and expand the number of people who are eligible for health insurance subsidies under it. Future changes or additions to the ACA or the Medicare and Medicaid programs, such as changes stemming from other health care reform measures, especially with regard to health care access, financing or other legislation in individual states, could have a material adverse effect on the health care industry in the United States. The uncertainty around the future of the ACA, and in particular the impact to reimbursement levels and the number of insured individuals, may lead to delay in the purchasing decisions of our customers, which may in turn negatively impact our product sales. Further, if reimbursement levels are inadequate, our business and results of operations could be adversely affected.

In addition to the ACA, there will continue to be proposals by legislators at both the federal and state levels, regulators and private third-party payors to reduce costs while expanding individual health care benefits. Certain of these changes could impose additional limitations on the prices we will be able to charge for our tests or the amounts of reimbursement available for our tests from governmental agencies or private third-party payors. Any future changes to legal or regulatory requirements or new cost containment initiatives could have a materially adverse effect on our business, financial condition, results of operation, and cash flows.

Our business could be harmed by the loss, suspension, or other restriction on a license, certification, or accreditation, or by the imposition of a fine or penalties, under CLIA, its implementing regulations, or other state, federal and foreign laws and regulations affecting licensure or certification, or by future changes in these laws or regulations.

The diagnostic testing industry is subject to extensive laws and regulations, many of which have not been interpreted by the courts. CLIA requires virtually all laboratories to be certified by the federal government and mandates compliance with various operational, personnel, facilities administration, quality and proficiency testing requirements intended to ensure that testing services are accurate, reliable and timely. CLIA certification is also a prerequisite to be eligible to bill state and federal health care programs, as well as many private third-party payors, for laboratory testing services. As a condition of CLIA certification, each of our laboratories is subject to survey and inspection every other year, in addition to being subject to additional random inspections. The biennial survey is conducted by CMS, a CMS agent (typically a state agency), or, if the laboratory holds a CLIA certificate of accreditation, a CMS-approved accreditation organization. Sanctions for failure to comply with CLIA requirements, including proficiency testing violations, may include suspension, revocation, or limitation of a laboratory’s CLIA certificate, which is necessary to conduct business, as well as the imposition of significant fines or criminal penalties. In addition, we are subject to regulation under state laws and regulations governing laboratory licensure. Some states have enacted state licensure laws that are more stringent than CLIA. We are also subject to laws and regulations governing our reference laboratory in Germany. Changes in state or foreign licensure laws that affect our ability to offer and provide diagnostic services across state or foreign country lines could materially and adversely affect our business. In addition, state and foreign requirements for laboratory certification may be costly or difficult to meet and could affect our ability to receive specimens from certain states or foreign countries.

Any sanction imposed under CLIA, its implementing regulations, or state or foreign laws or regulations governing licensure, or our failure to renew a CLIA certificate, a state or foreign license, or accreditation, could have a material adverse effect on our business. If the CLIA certificate of any one of our laboratories is revoked, CMS could seek revocation of the CLIA certificates of our other laboratories based on their common ownership or operation, even though they are separately certified.
Changes in the way that the FDA regulates tests performed by laboratories like ours could result in delay or additional expense in offering our tests and tests that we may develop in the future.

Historically, the FDA has exercised enforcement discretion with respect to most laboratory developed tests (LDTs) and has generally not required laboratories that furnish LDTs to comply with the agency’s requirements for medical devices (e.g., establishment registration, device listing, quality systems regulations, premarket clearance or premarket approval, and post-market controls). As of December 31, 2023, none of our products other than MyChoice CDx and BRACAnalysis CDx are marketed by us under the FDA’s requirements for medical devices. In recent years, the FDA publicly announced its intention to regulate certain LDTs and issued two draft guidance documents that set forth a proposed phased-in risk-based regulatory framework that would apply varying levels of FDA oversight to LDTs. However, these guidance documents were not finalized, and in 2017, the FDA issued an informal discussion paper reflecting some of the feedback that FDA had received on the proposed LDT regulatory system.

Subsequently, in October 2023, FDA issued a proposed rule to regulate LDTs under the current medical device framework and proposed to phase out the current enforcement discretion policy; the public comment period ended in early December 2023. The proposal envisions that the LDT enforcement policy phase-out process would occur in gradual stages over a total period of four years, with premarket approval applications for high-risk tests to be submitted by the 3.5-year mark, although more details are expected to be provided with the upcoming final rule. The likelihood of the FDA finalizing the proposed rule in April 2024 (as currently projected), as well as potential litigation challenging its authority to take such action, is uncertain at this time. Affected stakeholders continue to press for a comprehensive legislative solution to create a harmonized paradigm for oversight of LDTs by both the FDA and CMS, instead of implementation of the proposed administrative agency action, which may be disruptive to the industry and to patient access to certain diagnostic tests. Until any administrative rulemaking is finalized and regulatory changes become effective, the FDA is expected to continue to exercise enforcement discretion; although it may attempt to regulate certain LDTs on a case-by-case basis at any time, which could result in delay or additional expense in offering our tests and tests that we may develop in the future.

In addition, for several years bipartisan members of Congress have been negotiating legislation with the FDA and industry stakeholders to regulate in vitro clinical tests including LDTs under a shared FDA/CMS framework. Most recently, reform legislation entitled the Verifying Accurate, Leading-edge IVCT Development (VALID) Act received increasing congressional support. As drafted and re-introduced for consideration by the current Congress, the VALID Act would codify into law the term “in vitro clinical test” (IVCT) to create a new medical product category separate from medical devices that includes products currently regulated as in vitro diagnostics (IVDs) as well as LDTs. If enacted, the VALID Act's regulatory framework would give the FDA the authority to ensure IVCTs are both analytically and clinically valid. While CMS would retain the authority to ensure the quality of operations within laboratories. All LDTs on the market prior to enactment of the legislation would be grandfathered and not subject to the new regulation. The FDA's recent publication of an LDT proposed rule that would apply the existing medical device framework to laboratory-developed products may renew stakeholder calls for a more targeted approach to modernizing federal oversight of clinical diagnostic tests. It remains possible that congressional action in this area could displace the need for the FDA to complete its recently proposed rulemaking.

It is unclear whether the VALID Act or other diagnostic reform legislation will be passed by Congress or signed into law by the President. Until the FDA finalizes its regulatory position regarding LDTs through formal notice-and-comment rulemaking, or the VALID Act or other legislation is passed reforming the federal government’s regulation of LDTs, it is unknown how the FDA may attempt to regulate our tests in the future and what testing and data may be required to support any required clearance or approval of our tests by the agency. If the VALID Act is implemented as drafted, or if the FDA were to finalize the proposed rule to regulate most LDTs as medical devices, it could have a materially adverse impact on our results of operations.

FDA regulation of our GeneSight Psychotropic test could be disruptive to our business.

As described further above, the FDA has long claimed authority to regulate laboratory-developed tests but has exercised its “enforcement discretion” to limit enforcement of in vitro diagnostic regulatory requirements on this category of products. In October 2023, FDA issued a proposed rule to regulate LDTs under the current medical device framework and proposed to phase out the current enforcement discretion policy. Further, the FDA has from time to time appeared to increase its attention to the marketing of pharmacogenetic tests. For example, in late 2018, the FDA issued a safety communication regarding “genetic tests that claim results can be used to help physicians identify which antidepressant medication would have increased effectiveness or side effects compared to other antidepressant medications.” This safety communication explained that the FDA had reached out to several firms marketing such pharmacogenetic tests where the FDA believed the relationship between genetic variations and a medication’s effects had not been established, including a warning letter to Inova Genomics Laboratory.
In early 2019, we provided the FDA with clinical evidence and other information to support our GeneSight Psychotropic test. Later that year, the FDA requested changes to the GeneSight test offering. Although we disagreed that changes to the test were required, we submitted a proposal regarding the reporting of GeneSight test results to healthcare providers that we believed addressed the FDA’s principal concerns and would not affect the benefits that we believe are provided by the GeneSight test.

Since submitting our proposal to the FDA, we engaged with our trade association in their efforts to defend the offering of pharmacogenomic tests as LDTs and to monitor broader developments across the stakeholder community. In response to public letters from the national laboratory trade association and patient groups, on February 20, 2020, the FDA announced a new “collaboration between FDA's Center for Devices and Radiological Health and Center for Drug Evaluation and Research intended to provide the agency’s view of the state of the current science in pharmacogenetics.” Although the announcement again asserted that some pharmacogenetic test offerings may be potentially dangerous, the agency also acknowledged that pharmacogenetic testing “offers promise for informing the selection or dosing of some medications for certain individuals” when there is sufficient evidence demonstrating a relationship between how a person's genes may impact their metabolism of a drug or how they may respond to the drug. In conjunction with the announcement, the FDA also released an updated “Table of Pharmacogenetic Associations,” which lists gene-drug interactions that the agency believes are supported by FDA-approved drug labeling and/or “sufficient scientific evidence based on published literature.” The Table has been updated periodically since that time. Based on our discussions with the agency and these developments, we have not implemented our proposal to the FDA regarding the GeneSight test. While we see these developments as signaling a positive shift in the FDA’s approach to regulating pharmacogenetic tests, we cannot predict with certainty the outcome of this matter or its timing, or whether the ultimate form of the GeneSight Psychotropic Mental Health Medication test offering, if it must be changed, will have an adverse effect on our revenues from the test.

**Companion and complementary diagnostic tests require FDA approval, and we may not be able to secure such approval in a timely manner or at all.**

Our companion and complementary diagnostic products, marketing, sales and development activities and manufacturing processes are subject to extensive and rigorous regulation by the FDA pursuant to the federal Food, Drug, and Cosmetic Act (FDCA), by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Under the FDCA, companion diagnostics must receive FDA clearance or approval before they can be commercially marketed in the U.S. The process of obtaining marketing approval or clearance from the FDA or by comparable agencies in foreign countries for new products could:

- take a significant period of time;
- require the expenditure of substantial resources;
- involve rigorous pre-clinical testing, as well as increased post-market surveillance;
- require changes to products; and
- result in limitations on the indicated uses of products.

Although we have successfully received FDA approval for some tests (e.g., our BRACAnalysis CDx and MyChoice CDx tests), we cannot predict whether or when we will be able to obtain FDA approval for other companion diagnostics that we are developing.

**Our companion diagnostic tests are subject to ongoing regulatory compliance obligations and continued regulatory review and the failure to comply with such obligations could result in regulatory enforcement and/or penalties.**

Companion diagnostic tests such as BRACAnalysis CDx and MyChoice CDx are subject to ongoing FDA and comparable foreign regulatory authority requirements for manufacturing, labeling, packaging, storage, distribution, quality, safety, sale, marketing, advertising, promotion, sampling, record-keeping, export, import, conduct of post-marketing studies and submission of safety, efficacy or other post-market information. In addition, we are subject to continued compliance with regulatory requirements applicable to medical devices and in vitro diagnostics. The FDA or other regulatory authorities may take regulatory enforcement or other legal action or may impose consent decrees or withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur with our marketed products. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and be subject to financial penalties or administrative action.
Our business involves environmental risks that may result in liability for us.

In connection with our laboratory operations and research and development activities, we are subject to federal, state and local laws, rules, regulations and policies governing the use, generation, manufacture, storage, air emission, effluent discharge, handling and disposal of certain materials, including hazardous materials, biological specimens, chemicals and waste. The cost of compliance with these laws and regulations may become significant and could negatively affect our operating results. Although we believe that we have complied with the applicable laws, regulations and policies in all material respects and have not been required to correct any material noncompliance, we may be required to incur significant costs to comply with environmental and health and safety regulations in the future. Although we believe that our safety procedures for handling and disposing of controlled materials comply with the standards prescribed by state and federal regulations, accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials may occur. In the event of such an occurrence, we could be held liable for any damages that result and any such liability could exceed our resources or any applicable insurance coverage we may have.

Risks Related to Our Common Stock

Our stock price is highly volatile, and our stock may lose all or a significant part of its value.

The market prices for securities of relevant testing companies have been volatile. This volatility has significantly affected the market prices for these securities for reasons frequently unrelated to the operating performance of the specific companies. These broad market fluctuations may adversely affect the market price of our common stock. The market price for our common stock has fluctuated significantly since public trading commenced in October 1995, and it is likely that the market price will continue to fluctuate in the future. In the year ended December 31, 2023, our stock price ranged from $13.82 per share to $24.21 per share. In addition, the stock market in general has experienced extreme price and volume fluctuations. Events or factors that may have a significant impact on our business and on the market price of our common stock include the following:

- failure to achieve and sustain revenue growth or margins in our business;
- major market events, such as the market’s reaction to the COVID-19 pandemic generally and its specific impact on the Company;
- failure of any of our recently launched tests and any new test candidates to achieve commercial success;
- changes in the structure of healthcare payment systems and changes in governmental or private insurer reimbursement levels for our tests;
- introduction of new commercial tests or technological innovations by competitors;
- termination of the licenses underlying our tests;
- delays or other problems with operating our laboratory facilities;
- failure of any of our research and development programs;
- changes in intellectual property laws or the enforcement, validity or expiration of our patents in the United States and foreign countries;
- developments or disputes concerning patents or other proprietary rights involving us directly or otherwise affecting the industry as a whole;
- missing or changing the financial guidance we provide;
- failure of analysts to initiate or maintain coverage of our company;
- negative publicity, including misinformation, about our company, our tests or the industry in which we operate;
- changes in the government regulatory approval process for our existing and new tests;
- failure to meet estimates or recommendations by securities analysts that cover our common stock;
- issuance of new securities analysts reports or changes in estimates or recommendations by securities analysts relating to our common stock or the securities of our competitors;
- public concern over our approved tests and any test candidates;
- litigation, including the outcome of existing and new litigation against us;
- government and regulatory investigations;
- our ability to raise additional funds if and when needed;
- future sales or anticipated sales of our common stock by us or our stockholders;
- the timing and amount of any repurchases of our common stock;
- general market conditions, including as a result of changes in the rate of inflation and interest rates;
- potential seasonal slowness in sales, particularly in the quarters ending September 30 and March 31, the effects of which may be difficult to understand during periods of growth;
- general perception of the industry and our products;
- economic, health care and diagnostic trends, disasters or crises and other external factors; and
- period-to-period fluctuations in our financial results.
These and other external factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock.

If we are unable to achieve and maintain effective disclosure controls and procedures and internal control over financial reporting, our results of operations, our stock price and investor confidence in us could be adversely affected.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that companies evaluate and report on the effectiveness of their internal control over financial reporting. Failure to have effective internal control over financial reporting and disclosure controls and procedures could impair our ability to produce accurate financial statements on a timely basis and could lead to a restatement of our financial statements. If as a result of the ineffectiveness of our internal control over financial reporting and disclosure controls and procedures, we cannot provide reliable financial statements, our business decision processes may be adversely affected, our business and results of operations could be harmed, investors could lose confidence in our reported financial information, and our ability to obtain additional financing, or additional financing on favorable terms, could be adversely affected.

Although we determined that our internal controls over financing reporting were effective as of December 31, 2023, we may in the future identify internal control deficiencies that could rise to the level of a material weakness or uncover other errors in financial reporting. During the course of our evaluation of these material weaknesses, we may identify areas requiring improvement and may be required to design additional enhanced processes and controls to address issues identified through this review. There can be no assurance that such remediation efforts will be successful, that our internal control over financial reporting will be effective as a result of these efforts or that any such future deficiencies identified may not be material weaknesses that would be required to be reported in future periods. In addition, we cannot assure you that our independent registered public accounting firm will be able to attest that such internal controls are effective when they are required to do so.

If we fail to maintain effective disclosure controls and procedures or internal control over financial reporting or remediate any future material weaknesses, you may not be able to rely on the integrity of our financial results, which could result in inaccurate or late reporting of our financial results, as well as delays or the inability to meet our reporting obligations or to comply with the rules and regulations of the Securities and Exchange Commission. Any of these events could result in delisting actions by the Nasdaq Stock Market, investigation and sanctions by regulatory authorities, and stockholder investigations and lawsuits, in addition to adversely affecting our business and the trading price of our common stock.

Anti-takeover provisions of Delaware law, provisions in our charter and bylaws and re-adoption of our stockholders’ rights plan, or poison pill, could make a third-party acquisition of us difficult.

Because we are a Delaware corporation, the anti-takeover provisions of Delaware law could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. We are subject to the provisions of Section 203 of the General Corporation Law of Delaware, which prohibits us from engaging in certain business combinations, unless the business combination is approved in a prescribed manner. In addition, our restated certificate of incorporation and restated bylaws also contain certain provisions that may make a third-party acquisition of us difficult, including:

- a classified Board of Directors, with three classes of directors each serving a staggered three-year term;
- the ability of the Board of Directors to issue preferred stock;
- a 70% super-majority stockholder vote to amend our bylaws and certain provisions of our certificate of incorporation;
- the inability of our stockholders to call a special meeting or act by written consent; and
- only our Board of Directors can fill vacancies on the Board.

In the past, we implemented a stockholders’ rights plan, also called a poison pill, which could make it uneconomical for a third party to acquire the Company on a hostile basis. Although the plan expired in July 2011, our Board of Directors could adopt a new plan at any time. The provisions in a stockholders’ rights plan, as well as Section 203, may discourage certain types of transactions in which our stockholders might otherwise receive a premium for their shares over the then-current market price, and may limit the ability of our stockholders to approve transactions that they think may be in their best interests.
**Future sales and issuances of our common stock would result in dilution of the percentage ownership of our stockholders and could cause the price of our common stock to decline.**

From time to time, we may issue additional securities or sell common stock, convertible securities or other securities in one or more transactions at prices and in a manner we determine. For example, in November 2023, we sold approximately 7.4 million shares of our common stock in an underwritten public offering. We also plan to continue to grant equity awards that convert into shares of our common stock to employees and directors pursuant to our equity incentive plan. If we sell or issue common stock, convertible securities or other equity securities, or common stock is issued pursuant to equity incentive plans, holders of our common stock may be materially diluted. In addition, we may issue common stock or other equity securities in connection with an acquisition or other strategic transaction, which would cause dilution to our existing stockholders. New investors in such transactions could gain rights, preferences and privileges senior to those of holders of our common stock.

*We do not intend to pay dividends so any returns will be limited to changes in the value of our common stock.*

We currently intend to retain any future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of our ABL Facility restrict our ability to pay dividends. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our Board of Directors may deem relevant. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future.

*If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.*

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If few analysts continue coverage of us, the trading of our stock would likely decrease. Even if we do maintain sufficient analyst coverage, there can be no assurance that analysts will provide favorable coverage. If one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

*Increasing scrutiny and evolving expectations from regulators, business partners, investors, and other stakeholders with respect to our environmental, social, and governance (“ESG”) practices may impose additional costs on us or expose us to new or additional risks.*

Companies across many industries are facing increasing scrutiny related to their ESG practices and disclosure. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. Any failure or perceived failure to accomplish or accurately track and report on our ESG initiatives on a timely basis or to meet stakeholder expectations could adversely affect our business, the willingness of our partners to do business with us, employee retention efforts, and our brand and reputation.

In addition, we expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters. For example, during 2022, the SEC proposed rules that require companies to provide significantly expanded climate-related disclosures in their periodic reporting, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and Board of Directors. Furthermore, changing laws and regulations and evolving stakeholder expectations may further increase our compliance and other costs necessary to meet those expectations. In addition, California has recently enacted climate disclosure laws that may require us to report on our greenhouse gas emissions, climate-related financial risks, and other climate-related matters. Furthermore, industry and market practices, as well as requirements of our business partners, may further develop to become even more robust than what is required under any new laws and regulations, and we may have to expend significant efforts and resources to keep up with market trends, stay competitive among our peers, and comply with such requirements, which could result in higher associated compliance costs and penalties for failure to comply with such laws and regulations.
Our restated certificate of incorporation and our restated bylaws designate specific state or federal courts as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our restated bylaws provide that a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our restated certificate of incorporation or our restated bylaws, or any action asserting a claim against us governed by the internal affairs doctrine. Our restated certificate of incorporation provides that the federal district courts of the United States of America are the exclusive forum for the resolution of any claims under the Securities Act of 1933, as amended. These exclusive forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find these exclusive forum provisions to be inapplicable or unenforceable in an action, we might incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition and results of operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We recognize the critical importance of maintaining the trust and confidence of patients, business partners, payors, clinical trial participants, and employees toward our business and are committed to protecting the confidentiality, integrity and availability of our business operations and systems. Our Board of Directors is actively involved in oversight of our risk management activities, and cybersecurity represents an important element of our overall approach to risk management. In general, we seek to address cybersecurity risks through a comprehensive, cross-functional approach that is focused on preserving the confidentiality, security, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur. We generally follow the HITRUST Common Security Framework in our cybersecurity policies, standards, processes, and practices.

To identify and assess material risks from cybersecurity threats, we maintain a cybersecurity risk management program that includes the identification, prioritization, and management of technical and non-technical risk to the confidentiality, integrity, or availability of patient, employee, clinical trial participant, payor, business partner, and company information. This program considers the risks associated with our industry and the technical and regulatory requirements related to the information systems and data involved. We consider risks from cybersecurity threats alongside other company risks as part of our overall risk assessment process.

We have developed policies, standards, processes, and practices designed to protect our information systems and data from unauthorized access, cybersecurity attacks and other security incidents. The policies, standards, processes, and practices are implemented and enforced by dedicated IT and cybersecurity professionals. We utilize a variety of control measures and cybersecurity technologies that are designed to protect our availability of critical information systems and data, maintain regulatory compliance, assess, identify, and manage our material risks from cybersecurity threats, and protect against and respond to security incidents.
These controls and processes are reviewed periodically and include the following activities:

- we monitor emerging data protection laws and implement changes to our processes that are designed to comply with such laws;
- through our policies, practices, and contracts (as applicable), we require employees, as well as third parties that provide services on our behalf, to treat confidential information and data with care;
- we utilize technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, virtual private networks (VPN), Web Application Firewalls (WAF), intrusion detection systems, antivirus and endpoint detection and response software, multi-factor authentication (MFA), data encryption, encrypted backups, vulnerability scanning and patching, email anti-phishing technology, malicious URL and IP filtering, application controls, USB control and threat intelligence services;
- our cybersecurity personnel include certified security professionals who are experienced in networks, computer systems, cloud cybersecurity, cyber risk management, incident response, and security awareness training;
- we regularly test and monitor our cybersecurity defenses to ensure that they are effective; and
- we also conduct security awareness training for all employees to help them identify and mitigate cybersecurity risks.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading “Security breaches, loss of data and other disruptions, including from cyberattacks, could compromise sensitive information related to our business, prevent us from accessing critical information or expose us to liability, which could adversely affect our business and our reputation” which disclosures are incorporated by reference herein.

We did not experience any material cybersecurity incidents during the last fiscal year.

We have an incident response plan and processes in place for responding to cybersecurity incidents. The process includes steps to identify, contain, investigate, and remediate the impacts of the incident, as well as to comply with potentially applicable legal obligations and mitigate damage to our business and reputation. The plan involves the participation of a security incident response team that includes our Chief Legal Officer, our Privacy Officer, and other senior leaders in finance, communication, human resources, and legal. The plan includes procedures to communicate the incident to management and customers as appropriate and to provide information as required to state and federal law enforcement and regulatory bodies.

Our processes also address cybersecurity threat risks associated with our use of third-party service providers, including our suppliers and manufacturers or who have access to patient, payor, business partner, and employee data or our systems. In addition, cybersecurity considerations affect the selection and oversight of our third-party service providers. We perform diligence on third parties that have access to our systems, our data, or our facilities that house such systems or data, and continually monitor cybersecurity threat risks identified through such diligence. Additionally, we generally require those third parties that could introduce significant cybersecurity risk to us to agree by contract to manage their cybersecurity risks in specified ways, and to agree to be subject to cybersecurity audits, which we conduct as appropriate.

**Cybersecurity Governance; Management**

**Role of the Board**

Cybersecurity is an important part of our risk management processes and an area of focus for our Board of Directors and management. In general, our Audit and Finance Committee of our Board of Directors has primary responsibility for and oversight over cybersecurity threats and our information security management program and considers specific risks, including, for example, risk associated with our strategic plan and business operations. The Audit and Finance Committee receives regular reports from our Chief Technology Officer and Senior Vice President, Technology - Enterprise IT and Engineering, on, among other things, material cybersecurity threat risks or incidents and developments, assessments of our security program and overall security posture, our incident response plan, and initiatives to strengthen our information security systems and mitigate cybersecurity risks. The Audit and Finance Committee, including Rashmi Kumar, provides insights and guidance to management on cybersecurity related matters. Ms. Kumar, who currently serves as Senior Vice President, Chief Information Officer, of Medtronic plc, is a seasoned technology leader with extensive experience in cybersecurity and information technology matters. Management, along with the chair of the Audit and Finance Committee and Ms. Kumar, regularly report to the Board of Directors on cybersecurity risks and other related matters reviewed by the Audit and Finance Committee.
Role of Management

Our cybersecurity risk management and strategy processes, which are discussed in greater detail above, are led by our Chief Technology Officer, who is supported by our leaders in Information Technology, Information Security, and IT Security Compliance. These management team members are informed about and monitor the prevention, mitigation, detection, and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan. As discussed above, our Chief Technology Officer and Senior Vice President, Technology - Enterprise IT and Engineering regularly report to our Audit and Finance Committee about cybersecurity threat risks, among other cybersecurity related matters.

Item 2. PROPERTIES

Our corporate headquarters is located in west Salt Lake City, Utah. We lease approximately 137,000 square feet of laboratory space in Salt Lake City where our Oncology and Women's Health businesses are performed. We plan to transition these operations to our new west Salt Lake City facility, which has approximately 234,000 square feet of laboratory and office space, by the second half of 2025. The leases on our existing Salt Lake City facilities have remaining terms of two to fifteen years, expiring from 2025 through 2038, and provide for renewal options for up to ten additional years. In December 2023, we entered into certain lease termination agreements in which we and the landlord agreed, subject to certain conditions, to terminate or shorten the term of the leases for our laboratory facilities in Salt Lake City.

In South San Francisco, California, we currently lease a total of approximately 112,000 square feet. Of that amount, we lease approximately 49,000 square feet of laboratory space to perform testing for our Women's Health business. We plan to transition all of our operations from this legacy leased facility to our new building, the Walter Gilbert Research and Innovation Center, which has approximately 63,000 square feet of building space dedicated to administration, research and development, and a laboratory for our Women’s Health business. The lease on our legacy facility expires in 2025, by which time we expect to be fully transitioned into our new building. The leases on our South San Francisco facilities have remaining terms of two to ten years, expiring from 2025 through 2033, and provide for renewal options for up to ten additional years.

We also lease a space in Mason, Ohio, with approximately 24,000 total square feet, which will expire in August 2024. Our GeneSight test is performed at this location in a CLIA-certified laboratory.

We also lease several small office locations, including our manufacturing facility located in Cologne, Germany.

We believe that our existing facilities and equipment are well maintained and in good working condition. We continue to move our testing products to our next-generation sequencing platforms and our new laboratories in South San Francisco, California, and west Salt Lake City, Utah. We believe our current facilities will provide adequate testing capacity for the foreseeable future. For more information on our leased properties, see "Note 13-Leases in the Notes to Consolidated Financial Statements."

Item 3. LEGAL PROCEEDINGS

For information regarding certain current legal proceedings, see "Note 12--Commitments and Contingencies in the Notes to Consolidated Financial Statements."

Item 4. MINE SAFETY DISCLOSURES

None.
PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the Nasdaq Global Select Market under the symbol "MYGN."

Stockholders

As of February 21, 2024, there were approximately 95 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees on their behalf.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. We do not intend to pay cash dividends on our common stock for the foreseeable future. In addition, the terms of our ABL Facility restrict our ability to pay dividends. Any future determination related to our dividend policy will be made at the discretion of our Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our Board of Directors may deem relevant.

Unregistered Sales of Securities

None.
Stock Performance Graph

The graph set forth below compares the annual percentage change in our cumulative total stockholder return on our common stock during a period commencing on December 31, 2018 and ending on December 31, 2023 (as measured by dividing (A) the difference between our share price at the end and the beginning of the measurement period by (B) our share price at the beginning of the measurement period) with the cumulative total return of the Nasdaq Composite Index (IXIC) and the Nasdaq Health Care Index (IXHC) during such period. We have not paid any cash dividends on our common stock, and we do not include cash dividends in the representation of our performance. The price of a share of common stock is based upon the closing price per share as quoted on the Nasdaq Global Select Market on the last trading day of the year shown. The graph lines merely connect year-end values and do not reflect fluctuations between those dates. The comparison assumes $100 was invested on December 31, 2018 in our common stock and in each of the foregoing indices. The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock.

Note: Information used on the graph was obtained from the CRSP Total Return Indexes, a source believed to be reliable, but we are not responsible for any errors or omission in such information.

The performance graph shall not be deemed to be incorporated by reference by means of any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate such information by reference, and shall not otherwise be deemed filed under such acts.

Item 6. [RESERVED]
Overview

We are a leading genetic testing and precision medicine company dedicated to advancing health and well-being for all. We develop and offer genetic tests that help assess the risk of developing disease or disease progression and guide treatment decisions across medical specialties where genetic insights can significantly improve patient care and lower health care costs. Our genetic tests provide insights that help people take control of their health and enable healthcare providers to better detect, treat and prevent disease.

Personalized genetic data, digital, and virtual consumer trends are converging to change traditional models of care. We believe significant growth opportunities exist to help patient populations with pressing health care needs through innovative genetic and precision medicine solutions and services. Our focus is on innovation and growth in three key areas where we have specialized products, capabilities, and expertise: Oncology, Women's Health, and Pharmacogenomics. The pillars of our long-term growth strategy are founded on investments in science and innovation, technology-enabled operations, an elevated customer experience, strong commercial execution, and scalable operations. We believe our path to continued growth is driven by articulating our clinical differentiation, raising awareness with patients who we believe would benefit from our testing products, and innovation that improves clinical outcomes, ease of use, and access. By investing in tech-enabled commercial tools, new laboratory facilities, advanced automation, and standardized processes and technology, we believe we will be able to reduce complexity and cost while enhancing our ability to scale and grow. We plan to expand some of our current products, such as our Foresight Universal Plus Test, which is an expanded carrier screening test that we anticipate launching in the second half of 2024. We also plan to launch new products, such as FirstGene, Precise Liquid, and Precise minimal residual disease, which we expect will help accelerate our growth. We intend to develop and enhance our products to support growth, improve patient and provider experience, and reach more patients of all backgrounds. We are committed to disciplined management of a key set of initiatives to fulfill our mission and drive long-term growth and profitability.

Our consolidated revenues consist primarily of sales of tests through our wholly-owned subsidiaries. During the year ended December 31, 2023, we reported total revenues of $753.2 million, net loss attributable to our stockholders of $263.3 million and basic and diluted loss per share of $3.18.
Business Updates

During the year ended December 31, 2023, our significant business updates and financial highlights include the following:

• Testing volumes grew 35% year-over-year and 18% year-over-year excluding the contribution from our SneakPeek Early Gender DNA Test, driven by 24% growth in Pharmacogenomics, 17% growth in Hereditary Cancer, 15% growth in Prenatal, excluding the contribution from SneakPeek, and 2% growth in Tumor Profiling.

• Revenue growth of 11% year-over-year.

• Completed an underwritten public offering of our common stock in November 2023 in which we sold 7,441,176 shares of our common stock at a price of $17.00 per share, with proceeds of $117.6 million, net of offering expenses of $1.3 million and underwriting discounts.

• Achieved additional improvements amongst our tests and offerings, including an enhancement to the GeneSight test to personalize mental health medication treatment decisions based on smoking status, the addition of Folate Receptor Alpha test to Precise Oncology Solutions to expand treatment options for women living with ovarian cancer, the inclusion of breast density to MyRisk with RiskScore breast cancer risk treatment, and advancements in prostate cancer care with the addition of absolute risk reduction to Prolaris.

• Ranked among Best Large Workplaces in Health Care by Fortune and achieved a Great Place to Work Certification for 2023.

• Entered into and announced partnerships and collaborations that we believe will provide additional value, insights, and opportunities, including (1) an expanded partnership with Illumina, Inc. to broaden access to, and availability of, oncology HRD testing in the United States, (2) a collaboration with Memorial Sloan Kettering Cancer Center to study the use of minimal residual disease testing in breast cancer, (3) a research collaboration with the University of Texas MD Anderson Cancer Center related to our minimal residual disease testing platform, (4) a collaboration with SimonMed® Imaging to launch a new hereditary cancer assessment program that combines diagnostic imaging, genetic risk assessment utilizing MyRisk with RiskScore and patient education, and (5) a partnership with Onsite Women's Health to help more women understand breast cancer risk.

Seasonality

We have historically experienced seasonality in our testing business. In the quarter ended March 31 we typically experience a decrease in volumes due to the annual reset of patient deductibles. Additionally, the volume of testing is typically negatively impacted by the summer season, which is generally reflected in the quarter ended September 30. Conversely, the quarter ended December 31 is generally strong as we typically experience an increase in volumes from patients who have met their annual insurance deductible. In the fiscal year ended December 31, 2023, we did not experience seasonality to the same extent we have in prior years. For example, in the quarter ended September 30, 2023, we did not see the customary impact from the summer season as volumes decreased less than one percent in comparison to the quarter ended June 30, 2023. Historical patterns of seasonality may not continue in future years.

Components of Consolidated Operations

Revenue

Testing. Our tests are designed to analyze genes and their expression levels to assess an individual’s risk for developing disease, determine a patient’s likelihood of responding to a particular drug, assess a patient’s risk of disease progression, identify factors which could lead to serious conditions in pregnancy, or provide other prenatal insights. Revenue is recognized when the communication of test results has occurred.

Other. On July 1, 2021, we divested Myriad RBM, Inc., which provided biomarker discovery, pharmaceutical and clinical services to the pharmaceutical, biotechnology, and medical research industries utilizing multiplexed immunoassay technology. As a result, we ceased providing pharmaceutical and clinical services as of that date and no longer generate revenue from these services. Revenue for these services was recognized at the completion of the pharmaceutical and clinical services.
Costs and Expenses

Expenses. Personnel-related costs for each category of Costs and expenses include salaries, bonuses, employee benefit costs, employer payroll taxes, and stock-based compensation.

Cost of Testing Revenue. Cost of testing revenue consists primarily of costs related to laboratory supplies, personnel-related costs, and overhead costs.

Cost of Other Revenue. Cost of other revenue consists primarily of costs related to laboratory supplies and personnel-related costs.

Research and Development Expense. Research and development expenses consist primarily of personnel-related costs and laboratory supplies, which includes costs incurred in formulating, improving, validating and creating alternative or modified processes related to and expanding the use of our current test offerings and costs incurred in the discovery, development and validation of our pipeline of test candidates.

Selling, General, and Administrative Expense. Selling, general, and administrative expenses include costs associated with managing and growing our businesses. Selling, general, and administrative expenses consist primarily of personnel-related costs and third-party costs for sales, marketing, customer service, billing and collection, legal, finance and accounting, information technology, and human resources.

Legal Settlements. Legal settlements related to litigation. For more information, see "Note 12–Commitments and Contingencies in the Notes to Consolidated Financial Statements."

Goodwill and Long-Lived Asset Impairment Charges. Goodwill and long-lived asset impairment charges include the impairment loss recognized on our goodwill or long-lived assets, including impairments recognized on intangible assets and right-of-use (ROU) lease assets.

Other Income (Expense). Other income (expense) includes interest income earned on our cash, cash equivalents, and restricted cash held in short-term interest-bearing accounts; interest expense associated with our debt and amortization of deferred financing costs and original issue discount costs; gains or losses on the sale of assets or businesses; and foreign currency gains and losses, realized gain or loss on marketable securities, and other nonrecurring income and expenses.
Results of Operations

Revenue

<table>
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<th>Testing revenue:</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hereditary Cancer</td>
<td>$327.8</td>
<td>$305.5</td>
<td>$22.3</td>
<td>44 %</td>
<td>45 %</td>
</tr>
<tr>
<td>Tumor Profiling</td>
<td>135.6</td>
<td>128.6</td>
<td>7.0</td>
<td>18 %</td>
<td>19 %</td>
</tr>
<tr>
<td>Prenatal</td>
<td>151.3</td>
<td>116.4</td>
<td>34.9</td>
<td>20 %</td>
<td>17 %</td>
</tr>
<tr>
<td>Pharmacogenomics</td>
<td>138.5</td>
<td>127.6</td>
<td>10.9</td>
<td>18 %</td>
<td>18 %</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>0.3</td>
<td>(0.3)</td>
<td>— %</td>
<td>— %</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$753.2</td>
<td>$678.4</td>
<td>$74.8</td>
<td>100 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Test revenues for the year ended December 31, 2023 increased $74.8 million compared to the prior year due to an increase in testing volume across the majority of our products, partially offset by a decline in the average revenue per test. For the year ended December 31, 2023, we recorded $7.2 million of revenue as a result of a change of estimate related to previously delivered tests, as compared to the year ended December 31, 2022, in which we recorded $22.1 million of revenue as a result of a change of estimate related to previously delivered tests.

Prenatal revenues increased $34.9 million due primarily to a 15% increase in volumes excluding SneakPeek, and additional revenue from SneakPeek of $17.8 million. As the Gateway acquisition occurred on November 1, 2022, there were no corresponding SneakPeek revenues for the majority of the prior year. Hereditary Cancer revenues increased $22.3 million due to a 17% increase in testing volume, partially offset by a 8% decrease in the average revenue per test. Revenue from Pharmacogenomics increased $10.9 million compared to the prior year due primarily to a 24% increase in volume, partially offset by a 12% decrease in the average revenue per test. Tumor Profiling revenues increased $7.0 million primarily due to an increase of $12.8 million in revenue for Prolaris, partially offset by a $7.3 million decrease in revenue from MyChoice CDx. These changes were driven by an increase in testing volume of 11% and an increase in average revenue per test of 8% for Prolaris and a 19% decrease in volume for MyChoice CDx, respectively.

Cost of Sales

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of testing revenue</td>
<td>$236.2</td>
<td>$202.0</td>
<td>$34.2</td>
</tr>
<tr>
<td>Cost of testing revenue as a % of revenue</td>
<td>31.4 %</td>
<td>29.8 %</td>
<td></td>
</tr>
</tbody>
</table>

Cost of testing revenue for the year ended December 31, 2023 increased $34.2 million compared to the prior year due primarily to an increase in volumes, with the most significant increases in Hereditary Cancer and Pharmacogenomics. In addition, cost of testing revenue increased $10.2 million as compared to the prior year due to the acquisition of Gateway and the associated SneakPeek product. The cost of testing revenue as a percentage of revenue increased from 29.8% to 31.4% during the year ended December 31, 2023 compared to the year ended December 31, 2022. The increase was due in part to the decline in revenue per unit exceeding the decline in the cost per unit.

Research and Development Expense

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development expense</td>
<td>$88.7</td>
<td>$85.4</td>
<td>$3.3</td>
</tr>
<tr>
<td>Research and development expense as a % of total revenue</td>
<td>11.8 %</td>
<td>12.6 %</td>
<td></td>
</tr>
</tbody>
</table>

Research and development expense for the year ended December 31, 2023 increased by $3.3 million compared to the prior year primarily due to an increase in the average compensation expense per employee and clinical trial expenses, partially offset by a decrease in information technology related costs and certain laboratory expenses, such as a decrease in the consumption of reagents, as compared to the prior year.
Selling, General, and Administrative Expense

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling, general, and administrative expense</td>
<td>$572.9</td>
<td>$514.7</td>
<td>$58.2</td>
</tr>
<tr>
<td>Selling, general, and administrative expense as a % of total revenue</td>
<td>76.1 %</td>
<td>75.9 %</td>
<td></td>
</tr>
</tbody>
</table>

Selling, general, and administrative expense increased by $58.2 million for the year ended December 31, 2023 compared to the prior year due primarily to a $38.8 million increase in compensation costs driven by increases in the average cost per employee, commission expense due to increases in testing volume, and bonus expense, a $16.2 million increase in general legal expenses due in part to the previous year’s legal expenses being offset by the receipt of $12.0 million from insurers in the prior year to offset certain legal expenses, and a $5.7 million increase in facility costs, partially offset by a $16.4 million decrease in consulting costs in the current year. In addition, in connection with the decision to cease the use of our previous corporate headquarters, we recognized a $7.7 million loss on termination of the lease and $5.7 million of accelerated depreciation for certain leasehold improvements and equipment.

Legal Settlements

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal settlements</td>
<td>$112.8</td>
<td>$—</td>
<td>$112.8</td>
</tr>
<tr>
<td>Legal settlements as a % of total revenue</td>
<td>15.0 %</td>
<td>— %</td>
<td></td>
</tr>
</tbody>
</table>

Legal settlements increased for the year ended December 31, 2023 compared to the prior year due to $112.8 million accruals related to legal settlements, including $77.5 million related to the class action settlement and $34.0 million in connection with the Ravgen settlement. For more information, see “Note 12–Commitments and Contingencies in the Notes to Consolidated Financial Statements.” There were no corresponding legal settlement amounts incurred in the prior year.

Goodwill and Long-lived Asset Impairment Charges

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and long-lived asset impairment charges</td>
<td>$—</td>
<td>$16.9</td>
<td>$(16.9)</td>
</tr>
<tr>
<td>Goodwill and long-lived asset impairment charges as a % of total revenue</td>
<td>— %</td>
<td>2.5 %</td>
<td></td>
</tr>
</tbody>
</table>

Goodwill and long-lived asset impairment charges decreased for the year ended December 31, 2023 compared to the prior year primarily due to the Company recognizing a $13.0 million impairment to ROU assets and a $3.9 million impairment to the related leasehold improvements in the prior year as a result of our decision to no longer use certain leased facilities in order to consolidate space. There were no corresponding impairment charges in the current year.

Other Income (Expense)

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$2.5</td>
<td>$2.6</td>
<td>$(0.1)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$(2.9)</td>
<td>$(3.2)</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
<td>$(4.4)</td>
<td>0.6</td>
<td>$(5.0)</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>$(4.8)</td>
<td>$—</td>
<td>$(4.8)</td>
</tr>
</tbody>
</table>

Other income (expense) decreased for the year ended December 31, 2023 compared to the prior year due primarily to a foreign currency loss of $3.4 million and a $1.5 million loss on the sale of investment securities in the current year. Losses on foreign currency and sales of investment securities were insignificant in the prior year.
Income Tax Expense (Benefit)

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2023</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax expense (benefit)</td>
<td>$1.1</td>
<td>$(28.6)</td>
<td>$29.7</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>0.4%</td>
<td>(20.3)%</td>
<td></td>
</tr>
</tbody>
</table>

Our tax rate is the product of a U.S. federal effective rate of 21.0% and a blended state income tax rate of approximately 3.4%. Certain significant or unusual items are separately recognized during the period in which they occur and can be a source of variability in the effective tax rates from period to period.

Income tax expense for the year ended December 31, 2023 was $1.1 million, and our effective tax rate was 0.4%. For the year ended December 31, 2023, our effective tax rate differs from the U.S. federal statutory rate primarily due to the change in valuation allowance. For the year ended December 31, 2022, our effective tax rate differs from the U.S. federal statutory rate primarily due to disallowed executive compensation expenses, stock compensation, change in valuation allowance, and research and development credits.

Liquidity and Capital Resources

Our primary sources of liquidity are our cash, cash equivalents and marketable investment securities, our cash flows from operations, and, in certain circumstances as discussed below, amounts available for borrowing under our ABL Facility. As of December 31, 2023, we had cash, cash equivalents and marketable investment securities of $140.9 million and availability under the ABL Facility was $40.7 million, subject to the minimum availability requirement under the ABL Facility. In 2023, our sources of liquidity also included $117.6 million from an underwritten public offering of our common stock, as further discussed below. Our capital deployment strategy focuses on use of resources in the key areas of research and development, technology and acquisitions. We believe that investing organically through research and development and new product development or acquisitively to support our business strategy provides the best return on invested capital.

Our ABL Facility has a total maximum principal commitment of $115.0 million. The ABL Facility requires that we and our subsidiaries guaranteeing the indebtedness, on a consolidated basis, maintain minimum liquidity of $60.0 million and minimum availability of $25.0 million at all times before achieving a fixed charge coverage ratio of 1.0 to 1.0 and thereafter, to maintain a fixed charge coverage ratio of 1.0 to 1.0 until achieving availability under the ABL Facility of greater of (a) $10.6 million and (b) 12.5% of the lesser of the maximum commitment amount and the borrowing base for a period of 30 consecutive days. As of December 31, 2023, we had $40.0 million outstanding under the ABL Facility and availability under the ABL Facility was $40.7 million, subject to the minimum availability requirement under the ABL Facility.

During November 2023, we completed an underwritten public offering of our common stock in which we sold 7,441,176 shares of our common stock at a price of $17.00 per share for proceeds of $117.6 million, net of offering expenses of $1.3 million and underwriting discounts. The proceeds from the offering were utilized to pay the remaining $57.5 million of the securities class action settlement, with the remainder being used for working capital and general corporate purposes.

We believe that our existing capital resources will be sufficient to meet our projected operating requirements for at least the next 12 months. Our available capital resources, however, may be consumed more rapidly than currently expected, or may be insufficient for our business needs for many reasons, including as a result of our operational cash needs, capital expenditures, and litigation related costs not covered by, or above the limits set forth in, our insurance. In addition, we are subject to covenants under our ABL Facility which could limit our ability to incur additional indebtedness or impact our ability to pursue other financing. If we do not generate sufficient cash from operations, if our capital resources are consumed more rapidly than expected, or if we no longer have access to additional funds under our ABL Facility and we are unable to secure additional funds on acceptable terms, or at all, we may be forced to delay, scale back or eliminate some of our sales and marketing efforts, research and development activities, or other operations; or delay development of our tests in an effort to provide sufficient funds to continue our operations. If any of these events occurs, our ability to achieve our development and commercialization goals could be adversely affected.
From time to time, we enter into purchase commitments or other agreements that may materially impact our liquidity position in future periods. In February 2022, we entered into a non-cancelable operating lease for approximately 230,000 square feet in west Salt Lake City, Utah. The lease has a term of 15 years, which commenced in the fourth quarter of 2023. Total future rent payments under the lease are approximately $79.6 million. We also entered into a non-cancelable operating lease for approximately 63,000 square feet of leased space in South San Francisco, California. The lease has a term of 10 years and, along with rent payments, commenced in the second quarter of 2023. Total future rent payments under the lease are approximately $56.7 million.

Because of the technical nature of our business and our focus on science, research, and development, we are highly dependent upon our ability to attract and retain highly qualified and experienced management, scientific, and technical personnel. Loss of the services of or failure to recruit additional key management, scientific, and technical personnel and other qualified personnel who are necessary to operate our business would adversely affect our business, and it may have a material adverse effect on our business as a whole. Additionally, disruptions to our supply chain could cause shortages of critical materials required to conduct our business, which may have a material adverse effect on our business as a whole. In addition, inflation has had, and may continue to have, an impact on the costs we incur to attract and retain qualified personnel, costs to generate sales and produce testing results, and costs of laboratory supplies.

The following table represents the balances of cash, cash equivalents, and marketable investment securities as of December 31, 2023 and 2022:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$132.1</td>
<td>$56.9</td>
</tr>
<tr>
<td>Marketable investment securities</td>
<td>8.8</td>
<td>58.0</td>
</tr>
<tr>
<td>Long-term marketable investment securities</td>
<td>—</td>
<td>54.8</td>
</tr>
<tr>
<td>Cash, cash equivalents and marketable investment securities</td>
<td>$140.9</td>
<td>$169.7</td>
</tr>
</tbody>
</table>

The decrease in cash, cash equivalents, and marketable investment securities as of December 31, 2023 compared to December 31, 2022 was primarily driven by $110.9 million in cash used by operations, which included legal settlement payments of $82.8 million, as well as $63.2 million in cash used for capital expenditures, and $2.8 million in cash used for the payment of withholding tax in connection with the issuance of common stock, net of proceeds from the issuance of common stock, which were partially offset by $117.6 million in proceeds from our underwritten public offering of common stock in November 2023, net of offering expenses, and proceeds from the ABL Facility of $38.3 million in the current year. The decrease in marketable investment securities as of December 31, 2023 as compared to the prior year was primarily driven by sales of marketable investment securities to fund operations in the current year, with total proceeds from maturities and sales of marketable investment securities in the current year of $105.2 million.

The following table represents the condensed cash flow statement:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Years Ended December 31, 2023</th>
<th>Years Ended December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows used in operating activities</td>
<td>$(110.9)</td>
<td>$(106.3)</td>
</tr>
<tr>
<td>Cash flows provided by (used in) investing activities</td>
<td>31.9</td>
<td>(77.5)</td>
</tr>
<tr>
<td>Cash flows provided by (used in) financing activities</td>
<td>152.9</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Effect of foreign exchange rates on cash, cash equivalents, and restricted cash</td>
<td>0.6</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash, cash equivalents, and restricted cash</td>
<td>74.5</td>
<td>(192.4)</td>
</tr>
<tr>
<td>Cash, cash equivalents, and restricted cash at the beginning of the period</td>
<td>66.4</td>
<td>258.8</td>
</tr>
<tr>
<td>Cash, cash equivalents, and restricted cash at the end of the period</td>
<td>$140.9</td>
<td>$66.4</td>
</tr>
</tbody>
</table>

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Cash Flows from Operating Activities

The amount of cash flows used in operating activities was largely consistent for the years ended December 31, 2023 and December 31, 2022. For the year ended December 31, 2023, we paid approximately $32.8 million more in legal settlements compared to the prior year. This change was largely offset by an improvement in core operations driven by an increase in revenues due to the growth in volumes and a decrease in expenses as a percentage of revenue when excluding the legal settlement costs.

Cash Flows from Investing Activities

The increase in cash flows provided by investing activities for the year ended December 31, 2023 as compared to the prior year was primarily due to an $80.2 million increase in net proceeds from marketable investment securities in the current year and the acquisition of Gateway, net of cash acquired, for $57.2 million in the prior year, partially offset by a $28.0 million increase in capital expenditures and capitalization of internal-use software costs in the current period.

Cash Flows from Financing Activities

The increase in cash flows provided by financing activities as compared to the prior year was primarily due to proceeds from an underwritten public offering of common stock of $117.6 million, net of offering expenses and underwriting discounts, and net proceeds from the ABL Facility of $38.3 million in the current year.

Effects of Inflation

Inflation has had, and may continue to have, an impact on the labor costs we incur to attract and retain qualified personnel, costs to generate sales and produce testing results, and costs of laboratory supplies. Inflationary costs have impacted our profitability and may continue to adversely affect our business, financial condition and results of operations. In addition, increased inflation has had, and may continue to have, an effect on interest rates. Increased interest rates may adversely affect our borrowing rate and our ability to obtain, or the terms under which we can obtain, additional funding.

Critical Accounting Estimates

Critical accounting estimates are those policies which are both important to the portrayal of a company’s financial condition and results and require management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting estimates are as follows:

- revenue recognition;
- goodwill; and
- income taxes.

Revenue Recognition.  Revenue is recognized when, or as, performance obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to a customer. We exclude sales, use, value-added, and other taxes we collect on behalf of third parties from revenue. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring products or services to a customer.

We generate revenue primarily by performing genetic testing. We perform our obligation under a contract with a customer by processing those tests and communicating the test results to customers, in exchange for consideration from the customer. Revenue from the sale of tests is recorded at the estimated transaction price. We have determined that the communication of test results indicates transfer of control for revenue recognition purposes. We have the right to bill our customers upon the completion of performance obligations and thus do not record contract assets. Occasionally customers make payments prior to our performance of our contractual obligations. When this occurs, we record a contract liability as deferred revenue.
Significant judgments are required in determining the transaction price in connection with satisfying performance obligations under the revenue standard. In determining the transaction price, we estimate the expected amount of consideration as revenue. We apply this method consistently for similar contracts where we have a large number of contracts with similar characteristics. We then consider the probability of the variable consideration for each possible scenario. We have significant experience with historical collection patterns and use this experience to estimate transaction prices.

The estimate of revenue is affected by assumptions in payor mix and in payor behavior such as changes in payor collections, current customer contractual requirements, and experience with ultimate collection from third-party payors. When assessing the total consideration for insurance carriers and patients, revenues are further constrained for estimated refunds. We reserve estimated amounts in accrued liabilities in the Consolidated Balance Sheets in anticipation of request for refunds of payments made previously by insurance carriers, which are accounted for as reductions in revenues in the Consolidated Statements of Operations and Comprehensive Loss.

Cash collections for certain tests delivered may differ from rates estimated, primarily driven by changes in the estimated transaction price due to contractual adjustments, obtaining updated information from payors and patients that was unknown at the time the performance obligation was met and settlements with third-party payors. As a result of this new information, we update our estimate of the amounts to be recognized for previously delivered tests. During the year ended December 31, 2023, we recognized $7.2 million in revenue, which resulted in a $0.07 impact to loss per share for tests in which the performance obligation of delivering the test results was met in prior periods. The changes were primarily driven by changes in the estimated transaction price. During the year ended December 31, 2022, we recognized $22.1 million in revenue, which resulted in a $0.21 impact to loss per share for tests in which the performance obligation of delivering the test results was met in prior periods.

**Goodwill.** We test goodwill for impairment on an annual basis and in the interim by reporting unit if events and circumstances indicate that goodwill may be impaired. The events and circumstances that are considered include business climate and market conditions, legal factors, operating performance indicators and competition. Impairment of goodwill is evaluated on a qualitative basis before calculating the fair value of the reporting unit. If the qualitative assessment suggests that impairment is more likely than not, a quantitative impairment analysis is performed. The quantitative analysis involves comparison of the fair value of a reporting unit with its carrying amount. The valuation of a reporting unit requires judgment in estimating future cash flows, discount rates, residual growth rates and other factors. In making these judgments, we evaluate the financial health of our business, including such factors as industry performance, market saturation and opportunity, changes in technology and operating cash flows, and other relevant entity-specific events. Goodwill impairment testing requires us to make a number of assumptions and estimates concerning future levels of revenue growth, operating margins, and other financial assumptions, which are based upon our long-term plan. The discount rate is an estimate of the overall after-tax rate of return required by a market participant whose weighted average cost of capital includes both debt and equity, including a risk premium. While we use the best available information to prepare our cash flows and discount rate assumptions, actual future cash flows and/or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances. While there are always changes in assumptions to reflect changing business and market conditions, our overall methodology used has remained unchanged. Changes in our forecasts or decreases in the value of our common stock could cause book value of reporting units to exceed their fair values. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. If an event occurs that would cause a revision to the estimates and assumptions used in analyzing the value of the goodwill, the revision could result in a non-cash impairment charge that could have a material impact on the financial results.

As of December 31, 2023, we have recorded goodwill of $287.4 million on our Consolidated Balance Sheets. This goodwill is attributable to the Pharmacogenomics, Myriad International, Myriad Women's Health, and Gateway reporting units. We qualitatively evaluated our reporting units for impairment. The factors that are considered in the qualitative analysis include macroeconomic conditions, industry and market considerations, revenue growth rates, current and future financial performance, other factors that would have a negative effect on earnings and cash flows, and other relevant entity-specific events and information. Significant judgment is required in assessing the weight of the qualitative factors. We noted no indicators of impairment during the year ended December 31, 2023.
Income Taxes. Our income tax provision is based on income before taxes and is computed using the liability method in accordance with ASC 740 – Income Taxes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates projected to be in effect for the year in which the differences are expected to reverse. Significant estimates are required in determining our provision for income taxes. Some of these estimates are based on interpretations of existing tax laws or regulations, or the expected results from any future tax examinations. Various internal and external factors may have favorable or unfavorable effects on our future provision for income taxes. Those factors include, but are not limited to, changes in tax laws, regulations and/or rates, the results of any future tax examinations, changing interpretations of existing tax laws or regulations, changes in estimates of prior years’ items, past levels of research and development spending, acquisitions, changes in our corporate structure, and changes in overall levels of income before taxes all of which may result in periodic revisions to our provision for income taxes.

Developing our provision for income taxes, including our effective tax rate and analysis of potential uncertain tax positions, if any, requires significant judgment and expertise in federal and state income tax laws, regulations and strategies, including the determination of deferred tax assets and liabilities and any estimated valuation allowance we deem necessary to offset deferred tax assets. Our judgment and tax strategies are subject to audit by various taxing authorities. While we believe we have provided adequately for our uncertain income tax positions in our consolidated financial statements, an adverse determination by these taxing authorities could have a material adverse effect on our consolidated financial condition, results of operations or cash flows. Interest and penalties on income tax items are included as a component of overall income tax expense.

Recent Accounting Pronouncements

See Note 1 to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of recent accounting pronouncements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rates and foreign currency exchange risks.

We are exposed to interest rate risk primarily through borrowings under our ABL Facility. Our ABL Facility has a variable interest rate based on either the Prime Rate, the NYFRB Rate, or the Secured Overnight Financing Rate ("SOFR"). An incremental change in the borrowing rate of 100 basis points would increase or decrease our annual interest expense by $0.4 million based on our $40.0 million debt outstanding on our ABL Facility as of December 31, 2023.

We have been and may continue to be exposed to fluctuations in foreign currencies with regard to certain agreements with service providers. While our expenses are predominantly denominated in U.S. dollars, approximately 10% of our revenues are denominated in other currencies, primarily in Japanese yen. A hypothetical 10% change in the value of the Japanese yen relative to the U.S. dollar would result in a 1% change in our revenues. Although we also have certain operations denominated in Euros, Swiss francs, and British pounds, among other currencies, those operations are subject to less overall market risk due to the revenue and expenses being denominated in the same currency. During the year ended December 31, 2023, our revenues were not materially impacted by foreign currency fluctuations but may be in the future. We do not currently utilize hedging strategies to mitigate foreign currency risk.

We maintain an investment portfolio in accordance with our written investment policy. Our investment policy specifies credit quality standards for our investments and limits the amount of credit exposure to any single issue, issuer or type of investment. Our investments consist of debt securities of various types and maturities of one year or less and are classified as available-for-sale.

Although our investment policy guidelines are intended to ensure the preservation of principal, market conditions can result in high levels of uncertainty. Our ability to trade or redeem the securities in which we invest, including certain corporate bonds, may become difficult. Valuation and pricing of these securities can also become variable and subject to uncertainty. As of December 31, 2023, the unrealized losses in our investment portfolio were determined to be immaterial. We do not utilize derivative financial instruments to manage our interest rate risks.
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### Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**MYRIAD GENETICS, INC.**

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</table>

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Myriad Genetics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Myriad Genetics, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Measurement of testing revenue

Description of the Matter

During the year ended December 31, 2023, the Company’s testing revenue was $753.2 million. As discussed in Note 1 of the consolidated financial statements, management estimates the expected amount of consideration to be received as testing revenue and revenue is recognized when the performance obligation is complete. Auditing the measurement of the Company’s testing revenue was complex and judgmental due to the significant estimation required in determining the amount that will be collected for each test. In particular, the estimate of revenue is affected by assumptions related to payors such as changes in payor mix, payor collections, current customer contractual requirements, and experience with ultimate collection from third-party payors.
We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s revenue recognition process. For example, we tested controls over management’s review of the significant assumptions above and inputs used in calculating the estimated amount that would be collected for each test and tested management’s controls to compare actual payments received to previously forecasted activity. We also tested controls used by management to compare the current and historical data used in making the estimates for completeness and accuracy.

Our audit procedures over the Company’s testing revenue included, among others, assessing valuation methodologies and models and testing the significant assumptions above and the underlying data used by the Company in its analysis. We agreed transactions selected for testing back to the actual customer contract terms. We compared the significant assumptions above and inputs used by management to changes in the Company’s contracted rates, third-party payor collection trends, and other relevant factors. We assessed the historical accuracy of the cash collections used in the Company’s revenue models, and assessed the completeness of adjustments to estimates of future cash collections as a result of significant contract amendments, changes in collection trends and changes in payor behavior.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2006.

Salt Lake City, UT
February 28, 2024
## MYRIAD GENETICS, INC.
### AND SUBSIDIARIES
### Consolidated Balance Sheets
(in millions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$132.1</td>
<td>$56.9</td>
</tr>
<tr>
<td>Marketable investment securities</td>
<td>8.8</td>
<td>58.0</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>114.3</td>
<td>101.6</td>
</tr>
<tr>
<td>Inventory</td>
<td>22.0</td>
<td>20.1</td>
</tr>
<tr>
<td>Prepaid taxes</td>
<td>17.0</td>
<td>17.6</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>19.4</td>
<td>20.4</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>313.6</strong></td>
<td><strong>274.6</strong></td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>61.6</td>
<td>103.9</td>
</tr>
<tr>
<td>Long-term marketable investment securities</td>
<td>—</td>
<td>54.8</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>119.0</td>
<td>83.4</td>
</tr>
<tr>
<td>Intangibles, net</td>
<td>349.5</td>
<td>379.7</td>
</tr>
<tr>
<td>Goodwill</td>
<td>287.4</td>
<td>286.8</td>
</tr>
<tr>
<td>Other assets</td>
<td>15.4</td>
<td>15.5</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,146.5</strong></td>
<td><strong>$1,198.7</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$25.8</td>
<td>$28.8</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>113.9</td>
<td>94.3</td>
</tr>
<tr>
<td>Current maturities of operating lease liabilities</td>
<td>16.2</td>
<td>14.1</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>155.9</strong></td>
<td><strong>137.2</strong></td>
</tr>
<tr>
<td>Unrecognized tax benefits</td>
<td>30.2</td>
<td>26.8</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>38.5</td>
<td>—</td>
</tr>
<tr>
<td>Noncurrent operating lease liabilities</td>
<td>97.4</td>
<td>130.9</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>41.3</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>363.3</strong></td>
<td><strong>312.9</strong></td>
</tr>
<tr>
<td>Commitments and contingencies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Stockholders’ equity: |            |            |
| Common stock, $0.01 par value, 89.9 and 81.2 shares outstanding at December 31, 2023 and 2022, respectively | 0.9       | 0.8        |
| Additional paid-in capital | 1,415.5    | 1,260.1    |
| Accumulated other comprehensive loss | (3.7)     | (8.9)      |
| Accumulated deficit | (629.5)    | (366.2)    |
| **Total stockholders’ equity** | **783.2**  | **885.8**  |
| **Total liabilities and stockholders’ equity** | **$1,146.5** | **$1,198.7** |

See accompanying notes to consolidated financial statements.
MYRIAD GENETICS, INC.
AND SUBSIDIARIES
Consolidated Statements of Operations
(in millions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing revenue</td>
<td>$753.2</td>
<td>$678.4</td>
<td>$666.4</td>
</tr>
<tr>
<td>Other revenue</td>
<td>—</td>
<td>—</td>
<td>24.2</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>753.2</td>
<td>678.4</td>
<td>690.6</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of testing revenue</td>
<td>236.2</td>
<td>202.0</td>
<td>185.7</td>
</tr>
<tr>
<td>Cost of other revenue</td>
<td>—</td>
<td>—</td>
<td>11.9</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>88.7</td>
<td>85.4</td>
<td>81.9</td>
</tr>
<tr>
<td>Selling, general, and administrative expense</td>
<td>572.9</td>
<td>514.7</td>
<td>537.8</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>112.8</td>
<td>—</td>
<td>62.0</td>
</tr>
<tr>
<td>Goodwill and long-lived asset impairment charges</td>
<td>—</td>
<td>16.9</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>1,010.6</td>
<td>819.0</td>
<td>881.1</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(257.4)</td>
<td>(140.6)</td>
<td>(190.5)</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>2.5</td>
<td>2.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(2.9)</td>
<td>(3.2)</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Other</td>
<td>(4.4)</td>
<td>0.6</td>
<td>139.3</td>
</tr>
<tr>
<td><strong>Total other income (expense)</strong></td>
<td>(4.8)</td>
<td>—</td>
<td>133.4</td>
</tr>
<tr>
<td>Loss before income tax</td>
<td>(262.2)</td>
<td>(140.6)</td>
<td>57.1</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>1.1</td>
<td>(28.6)</td>
<td>(29.9)</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(263.3)</td>
<td>(112.0)</td>
<td>(27.2)</td>
</tr>
</tbody>
</table>

Net loss per share:
Basic and diluted: $ (3.18) $ (1.39) $ (0.35)

Weighted average shares outstanding:
Basic and diluted: 82.8 80.6 78.0

See accompanying notes to consolidated financial statements.
### MYRIAD GENETICS, INC. AND SUBSIDIARIES

#### Consolidated Statements of Comprehensive Loss

**(in millions)**

| | Years Ended December 31, |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| Net loss attributable to Myriad Genetics, Inc. stockholders | $(263.3) | $(112.0) | $(27.2) |
| Change in unrealized loss on available-for-sale securities, net of tax | 1.2 | (2.5) | (1.0) |
| Change in foreign currency translation adjustment, net of tax | 2.1 | (1.3) | (1.8) |
| Reclassification adjustments for losses included in net loss, net of tax | 1.5 | — | — |
| Reclassification of cumulative translation adjustment to income upon liquidation of an investment in a foreign entity, net of tax | 0.4 | — | — |
| **Comprehensive loss** | **$(258.1)** | **$(115.8)** | **$(30.0)** |

See accompanying notes to consolidated financial statements.
## MYRIAD GENETICS, INC. AND SUBSIDIARIES
### Consolidated Statements of Stockholders’ Equity
(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Common stock</th>
<th>Additional paid-in capital</th>
<th>Accumulated other comprehensive loss</th>
<th>Accumulated deficit</th>
<th>Myriad Genetics, Inc. Stockholders’ equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BALANCES AT DECEMBER 31, 2020</strong></td>
<td>$0.8</td>
<td>$1,109.5</td>
<td>$(2.3)</td>
<td>$(227.0)</td>
<td>$881.0</td>
</tr>
<tr>
<td>Issuance of common stock under stock-based compensation plans, net of shares exchanged for withholding tax</td>
<td>—</td>
<td>80.3</td>
<td>—</td>
<td>—</td>
<td>80.3</td>
</tr>
<tr>
<td>Stock-based payment expense</td>
<td>—</td>
<td>36.5</td>
<td>—</td>
<td>—</td>
<td>36.5</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(2.7)</td>
<td>—</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax</td>
<td>—</td>
<td>—</td>
<td>(2.8)</td>
<td>—</td>
<td>(2.8)</td>
</tr>
<tr>
<td><strong>BALANCES AT DECEMBER 31, 2021</strong></td>
<td>$0.8</td>
<td>$1,226.3</td>
<td>$(5.1)</td>
<td>$(254.2)</td>
<td>$967.8</td>
</tr>
<tr>
<td>Issuance of common stock under stock-based compensation plans, net of shares exchanged for withholding tax</td>
<td>—</td>
<td>(4.3)</td>
<td>—</td>
<td>—</td>
<td>(4.3)</td>
</tr>
<tr>
<td>Stock-based payment expense</td>
<td>—</td>
<td>38.1</td>
<td>—</td>
<td>—</td>
<td>38.1</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(112.0)</td>
<td>—</td>
<td>(112.0)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax</td>
<td>—</td>
<td>—</td>
<td>(3.8)</td>
<td>—</td>
<td>(3.8)</td>
</tr>
<tr>
<td><strong>BALANCES AT DECEMBER 31, 2022</strong></td>
<td>$0.8</td>
<td>$1,260.1</td>
<td>$(8.9)</td>
<td>$(366.2)</td>
<td>$885.8</td>
</tr>
<tr>
<td>Issuance of common stock under stock-based compensation plans, net of shares exchanged for withholding tax</td>
<td>—</td>
<td>(2.8)</td>
<td>—</td>
<td>—</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Issuance of common stock for public offering, net</td>
<td>0.1</td>
<td>117.5</td>
<td>—</td>
<td>—</td>
<td>117.6</td>
</tr>
<tr>
<td>Stock-based payment expense</td>
<td>—</td>
<td>40.7</td>
<td>—</td>
<td>—</td>
<td>40.7</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(263.3)</td>
<td>—</td>
<td>(263.3)</td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td>—</td>
<td>—</td>
<td>5.2</td>
<td>—</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>BALANCES AT DECEMBER 31, 2023</strong></td>
<td>$0.9</td>
<td>$1,415.5</td>
<td>$(3.7)</td>
<td>$(629.5)</td>
<td>$783.2</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss attributable to Myriad Genetics, Inc. stockholders</td>
<td>$(263.3)</td>
<td>$(112.0)</td>
<td>$(27.2)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>61.9</td>
<td>52.7</td>
<td>62.8</td>
</tr>
<tr>
<td>Non-cash lease expense</td>
<td>11.3</td>
<td>11.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Loss on termination of lease</td>
<td>7.7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>40.7</td>
<td>38.1</td>
<td>36.3</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(4.0)</td>
<td>(30.8)</td>
<td>(32.1)</td>
</tr>
<tr>
<td>Unrecognized tax benefits</td>
<td>3.4</td>
<td>(1.1)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Net realized losses on marketable investment securities</td>
<td>1.5</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impairment of goodwill and long-lived assets</td>
<td>—</td>
<td>16.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Gain on sale of businesses and assets</td>
<td>—</td>
<td>—</td>
<td>(162.0)</td>
</tr>
<tr>
<td>Other non-cash adjustments</td>
<td>2.9</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>0.2</td>
<td>1.6</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>(12.5)</td>
<td>(10.3)</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(1.8)</td>
<td>(2.9)</td>
<td>1.6</td>
</tr>
<tr>
<td>Prepaid taxes</td>
<td>0.7</td>
<td>0.7</td>
<td>89.9</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.6</td>
<td>(0.9)</td>
<td>(3.6)</td>
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<tr>
<td>Tenant improvement allowance received</td>
<td>16.3</td>
<td>18.0</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(3.7)</td>
<td>(3.5)</td>
<td>9.2</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>27.4</td>
<td>(81.2)</td>
<td>65.7</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(0.2)</td>
<td>(5.0)</td>
<td>(26.6)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>(110.9)</td>
<td>(106.3)</td>
<td>18.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>(63.2)</td>
<td>(45.3)</td>
<td>(18.0)</td>
</tr>
<tr>
<td>Capitalization of internal-use software costs</td>
<td>(10.1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td>—</td>
<td>(57.2)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of business and assets</td>
<td>—</td>
<td>—</td>
<td>379.1</td>
</tr>
<tr>
<td>Purchases of marketable investment securities</td>
<td>—</td>
<td>(103.2)</td>
<td>(147.8)</td>
</tr>
<tr>
<td>Proceeds from maturities and sales of marketable investment securities</td>
<td>105.2</td>
<td>128.2</td>
<td>61.1</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>31.9</td>
<td>(77.5)</td>
<td>274.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES:</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from common stock issued under stock-based compensation plans</td>
<td>6.0</td>
<td>6.3</td>
<td>91.8</td>
</tr>
<tr>
<td>Payment of tax withheld for common stock issued under stock-based compensation plans</td>
<td>(8.8)</td>
<td>(10.6)</td>
<td>(11.5)</td>
</tr>
<tr>
<td>Proceeds from underwritten public offering, net of costs and discounts</td>
<td>117.6</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from revolving credit facility</td>
<td>80.0</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fees associated with issuance and refinancing of revolving credit facility</td>
<td>(1.7)</td>
<td>(0.7)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Repayment of revolving credit facility</td>
<td>(40.0)</td>
<td>—</td>
<td>(226.4)</td>
</tr>
<tr>
<td>Payment of contingent consideration recognized at acquisition</td>
<td>—</td>
<td>(3.0)</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Payment on finance leases</td>
<td>(0.2)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>152.9</td>
<td>(8.0)</td>
<td>(150.6)</td>
</tr>
<tr>
<td>Effect of foreign exchange rates on cash, cash equivalents, and restricted cash</td>
<td>0.6</td>
<td>(0.6)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash, cash equivalents, and restricted cash</td>
<td>74.5</td>
<td>(192.4)</td>
<td>141.8</td>
</tr>
<tr>
<td>Cash, cash equivalents, and restricted cash at beginning of the period</td>
<td>66.4</td>
<td>258.8</td>
<td>117.0</td>
</tr>
<tr>
<td>Cash, cash equivalents, and restricted cash at end of the period</td>
<td>$140.9</td>
<td>$66.4</td>
<td>$258.8</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

Myriad Genetics, Inc. (together with its subsidiaries, the "Company" or "Myriad") is a leading genetic testing and precision medicine company dedicated to advancing health and well-being for all. Myriad provides insights that help people take control of their health and enable healthcare providers to better detect, treat, and prevent disease. Myriad develops and offers genetic tests that help assess the risk of developing disease or disease progression and guide treatment decisions across medical specialties where genetic insights can significantly improve patient care and lower health care costs. The Company generates revenue by performing tests and, prior to the sale of Myriad RBM, Inc. on July 1, 2021 as described in Note 17, by providing pharmaceutical and clinical services to the pharmaceutical and biotechnology industries and medical research institutions utilizing its multiplexed immunoassay technology. The Company currently operates as a single reporting segment. The Company’s principal executive office is located in Salt Lake City, Utah.

The accompanying consolidated financial statements for the Company have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") for financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). All intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly all financial statements in accordance with GAAP.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include revenue recognition estimates for the average expected reimbursement per test, valuation allowances for deferred income tax assets, our incremental borrowing rates used to calculate our lease balances, certain accrued liabilities, stock-based compensation, purchase accounting, and impairment analysis of goodwill and long-lived assets. Actual results could differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current period presentation. The reclassifications have no impact on the total assets, total liabilities, stockholders' equity, or cash flows from operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Substantially all of the Company’s accounts receivable are with companies in the healthcare industry, U.S. and state governmental agencies, and individuals. The Company does not believe that receivables due from U.S. and state governmental agencies, such as Medicare, represent a credit risk since the related health care programs are funded by the U.S. and state governments. The Company only has one payor, Medicare, that represents greater than 10% of its revenues. Revenues received from Medicare represented approximately 12%, 14%, and 17% of total revenue for the years ended December 31, 2023, 2022, and 2021, respectively. Concentrations of credit risk are mitigated due to the number of the Company’s customers as well as their dispersion across many geographic regions. The Company has only one payor that accounted for more than 10% of accounts receivable at December 31, 2023. The balance of accounts receivable from the payor represented 12% of the total accounts receivable balance as of December 31, 2023. No payor accounted for more than 10% of accounts receivable at December 31, 2022. The Company does not require collateral from its customers.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents primarily consist of cash and money market deposits with financial institutions.
Restricted Cash

In certain circumstances, the Company is required to maintain cash deposits with certain banks with respect to contractual or other legal obligations, and therefore the use of these cash deposits for general operational purposes is restricted. As of December 31, 2023, restricted cash was approximately $8.8 million, of which $1.2 million was recognized as a current asset and $7.6 million was recognized as a long-term asset. As of December 31, 2022, restricted cash was approximately $9.5 million, of which $2.0 million was recognized as a current asset and $7.5 million was recognized as a long-term asset. The restricted cash amounts are largely comprised of cash held in escrow related to the Company's acquisition of Gateway Genomics, LLC ("Gateway"), which occurred during the year ended December 31, 2022. The current and long-term portions are included in Prepaid expenses and other current assets and Other assets, respectively, on the Consolidated Balance Sheets.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on the Consolidated Balance Sheets that agrees to the amounts included in the Consolidated Statement of Cash Flows.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$132.1</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>8.8</td>
</tr>
<tr>
<td>Total cash, cash equivalents, and restricted cash</td>
<td>$140.9</td>
</tr>
</tbody>
</table>

Marketable Investment Securities

The Company has classified its marketable investment securities, all of which are debt securities, as available-for-sale securities. These securities are carried at estimated fair value with unrealized gains and losses, net of the related tax effect, included in Accumulated other comprehensive loss in Stockholders’ equity until realized. Gains and losses on investment security transactions are reported on the specific-identification method. Dividend and interest income are recognized when earned. The Company’s cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash.

A decline in the market value of any available-for-sale security below cost that is deemed other than temporary results in a charge to earnings and establishes a new cost basis for the security. Losses are charged against Other income (expense) when a decline in fair value is determined to be other than temporary. The Company reviews several factors to determine whether a loss is other than temporary. These factors include but are not limited to: (i) the extent to which the fair value is less than cost and the cause for the fair value decline, (ii) the financial condition and near term prospects of the issuer, (iii) the length of time a security is in an unrealized loss position and (iv) the Company’s ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. There were no other-than-temporary impairments recognized during the years ended December 31, 2023, 2022, and 2021.

Inventory

Inventories consist of supplies such as reagents, plates and testing kits, which are consumed when providing test results, and therefore the Company does not maintain finished goods inventory. Inventories are stated at the lower of cost or market and costs are determined on a first-in, first-out basis.

The Company evaluates its inventories for excess quantities and obsolescence. Inventories that are considered excess or obsolete are expensed. In order to assess the ultimate realizability of inventories, the Company is required to make judgments as to future demand requirements compared to current or committed inventory levels. The valuation of inventories requires the use of estimates as to the amounts of current inventories that will be sold. These estimates are dependent on management’s assessment of current and expected orders from the Company’s customers.

Trade Accounts Receivable

Trade accounts receivable represents estimated receivables from customers for revenue recognized related to genetic tests. The Company does not have any off-balance-sheet credit exposure related to its customers and does not require collateral.
Property, Plant and Equipment

Equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation and amortization are computed using the straight-line method based on the lesser of estimated useful lives of the related assets or lease terms. Equipment items have depreciable lives of five to seven years. Leasehold improvements are depreciated over the shorter of the estimated useful lives or the associated lease terms, which range from one to fifteen years. Repairs and maintenance costs are charged to expense as incurred.

Leases

The Company acts as the lessee in its lease agreements, which primarily include operating leases for corporate offices, laboratory space, warehouse space, vehicles and certain laboratory and office equipment.

The Company determines whether an arrangement is, or contains, a lease at inception and whether the lease should be classified as a finance or operating lease. For all leases, the Company records the present value of lease payments as right-of-use (“ROU”) assets and lease liabilities on the Consolidated Balance Sheets. ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments based on the present value of lease payments over the lease term. Classification of lease liabilities as either current or non-current is based on the expected timing of payments due under the Company’s obligations.

As most of the Company’s leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also consists of any lease incentives received. The lease terms used to calculate the ROU asset and related lease liability include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The leases have remaining lease terms of 1 year to 15 years, some of which include options to extend the lease term for up to 10 years.

The Company has taken advantage of certain practical expedients offered to registrants at adoption of Accounting Standards Codification (“ASC”) 842, Leases. Lease expense for leases with a term of twelve months or less is recognized on a straight-line basis and is not included in the recognized ROU assets and lease liabilities. Further, as a practical expedient, all lease contracts are accounted for as one single lease component, as opposed to separating lease and non-lease components to allocate the consideration within a single lease contract.

Operating leases are included in Operating lease right-of-use assets, Current maturities of operating lease liabilities, and Noncurrent operating lease liabilities in the Consolidated Balance Sheets. Finance leases are included in Other assets, Accrued liabilities, and Other long-term liabilities in the Consolidated Balance Sheets.

Intangible Assets

Intangible assets are comprised of acquired licenses and technology. Acquired intangible assets are recorded at fair value and amortized over the shorter of the contractual life or the estimated useful life. The Company capitalizes certain costs incurred to develop internal-use software. Implementation and development costs for internal-use software are capitalized as part of Intangible Assets in the Consolidated Balance Sheets. After the implementation of the internal-use software, the capitalized costs are amortized on a straight-line basis over the estimated useful life of the asset. Costs incurred during the post implementation stage of the project are expensed as incurred. As of December 31, 2023, the Company had unamortized internal-use software costs of $11.9 million. For the years ended December 31, 2023, 2022, and 2021 amortization expense for these capitalized software costs was insignificant.
Other Long-Lived Assets

The Company continually reviews and monitors long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Company capitalizes certain costs incurred to develop internal-use technology, including certain implementation costs incurred in cloud computing arrangements and hosting arrangements. The Company's cloud computing arrangements or hosting arrangements are primarily service contracts related to information technology. Implementation and development costs for internal-use technology are capitalized as part of Other assets in the Consolidated Balance Sheets. As of December 31, 2023 and 2022, the Company had unamortized internal-use technology costs of $4.6 million and $7.1 million, respectively, within Other assets. For the years ended December 31, 2023, 2022 and 2021, amortization expense for these capitalized internal-use technology was insignificant.

Goodwill

Goodwill is tested for impairment by reporting unit on an annual basis as of October 1 and in the interim if events and circumstances indicate that goodwill may be impaired. The events and circumstances that are considered include business climate and market conditions, legal factors, operating performance indicators and competition. Impairment of goodwill is first assessed using a qualitative approach. If the qualitative assessment suggests that impairment is more likely than not, a quantitative analysis is performed. The quantitative analysis involves a comparison of the fair value of the reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. If an event occurs that would cause a revision to the estimates and assumptions used in analyzing the value of the goodwill, the revision could result in a non-cash impairment charge that could have a material impact on the financial results.

Business Acquisitions

The Company accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The tangible and identifiable intangible assets acquired and liabilities assumed in a business combination are recorded based on their estimated fair values as of the business combination date, including identifiable intangible assets which either arise from a contractual or legal right or are separable from goodwill. The Company bases the estimated fair value of identifiable intangible assets acquired in a business combination on third-party valuations that use information and assumptions provided by the Company's management, which consider the Company's estimates of inputs and assumptions that a market participant would use. Any excess purchase price over the estimated fair value assigned to the net tangible and identifiable intangible assets acquired and liabilities assumed is recorded to goodwill. The use of alternative valuation assumptions, including estimated revenue projections, growth rates, estimated cost savings, cash flows, discount rates, estimated useful lives and probabilities surrounding the achievement of contingent milestones could result in different purchase price allocations and amortization expense in current and future periods.

In circumstances where an acquisition involves a contingent consideration arrangement that meets the definition of a liability under ASC 480, Distinguishing Liabilities from Equity, the Company recognizes a liability equal to the fair value of the contingent payments expected to be made as of the acquisition date. This liability is remeasured each reporting period and the changes in the fair value are recognized in Selling, general, and administrative expenses in the Consolidated Statements of Operations.

Transaction costs associated with acquisitions are expensed as incurred in Selling, general, and administrative expenses in the Consolidated Statements of Operations. Results of operations and cash flows of acquired companies are included in the operating results from the date of acquisition.
**Revenue Recognition**

The Company primarily generates revenue by performing genetic testing. Testing revenues are primarily derived from the following categories of products: Hereditary Cancer (MyRisk, BRACAnalysis, BRACAnalysis CDx), Tumor Profiling (MyChoice CDx, Prolaris, and EndoPredict), Prenatal (Foresight, Prequel, and SneakPeek), and Pharmacogenomics (GeneSight). The Company previously provided pharmaceutical and clinical services prior to the sale of Myriad RBM, Inc. in July 2021. Prior to the sale of the Myriad myPath, LLC laboratory in May 2021 and the Myriad Autoimmune business in September 2021, the associated revenue from such businesses was included within Testing revenues. See Note 17 for a discussion of these divestitures. Revenue is recorded at the estimated transaction price. The Company has determined that the communication of test results or the completion of pharmaceutical and clinical services indicates transfer of control for revenue recognition purposes.

The following table presents detail regarding the composition of the Company’s total revenue by product type for the years ended December 31, 2023, 2022, and 2021:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total testing revenue</strong></td>
<td>$753.2</td>
<td>$678.4</td>
<td>$666.4</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td>—</td>
<td>—</td>
<td>$24.2</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$753.2</td>
<td>$678.4</td>
<td>$690.6</td>
</tr>
</tbody>
</table>

In addition, the following tables reconcile revenue by geographical region, either U.S. or rest of world (“RoW”), to total revenue:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total testing revenue</strong></td>
<td>753.2</td>
<td>678.4</td>
<td>666.4</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td>—</td>
<td>—</td>
<td>24.2</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$753.2</td>
<td>$678.4</td>
<td>$690.6</td>
</tr>
</tbody>
</table>
Under ASC 606, Revenue from Contracts with Customers (“ASC 606”), an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company performs its obligation under a contract with a customer by processing tests and communicating the test results to customers, in exchange for consideration from the customer. The Company has the right to bill its customers upon the completion of performance obligations and thus does not record contract assets. Occasionally, customers make payments prior to the Company's performance of its contractual obligations. When this occurs, the Company records a contract liability as Deferred revenue, which is included in Accrued liabilities in the Consolidated Balance Sheets. A reconciliation of the beginning and ending balances of deferred revenue is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Deferred revenue - beginning balance</td>
<td>$0.6</td>
</tr>
<tr>
<td>Revenue recognized</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>0.4</td>
</tr>
<tr>
<td>Divestitures</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue - ending balance</td>
<td>$0.5</td>
</tr>
</tbody>
</table>

In accordance with ASC 606, the Company has elected not to disclose the aggregate amount of the transaction price allocated to remaining performance obligations for its contracts that are one year or less, as the revenue is expected to be recognized within the next year. Furthermore, the Company has elected not to disclose the aggregate amount of the transaction price allocated to remaining performance obligations for its agreements wherein the Company's right to payment is in an amount that directly corresponds with the value of the Company's performance to date. In determining the transaction price, the Company includes an estimate of the expected amount of consideration as revenue. The Company applies this method consistently for similar contracts when estimating the effect of any uncertainty on an amount of variable consideration to which it will be entitled. An estimate of transaction price does not include any estimated amount of variable consideration that is constrained. In addition, the Company considers all the information (historical, current, and forecast) that is reasonably available to identify possible consideration amounts. In determining the expected value, the Company considers the probability of the variable consideration for each possible scenario. The Company also has significant experience with historical discount patterns and uses this experience to estimate transaction prices.

The estimate of revenue is affected by assumptions in payor behavior such as changes in payor mix, payor collections, current customer contractual requirements, and experience with collections from third-party payors. When assessing the total consideration for insurance carriers and patients, revenues are further constrained for estimated refunds. The Company reserves certain amounts in Accrued liabilities in the Consolidated Balance Sheets in anticipation of requests for refunds of payments made previously by insurance carriers, which are accounted for as reductions in revenues in the Consolidated Statements of Operations and Comprehensive Loss.

Cash collections for certain tests delivered may differ from rates estimated, primarily driven by changes in the estimated transaction price due to contractual adjustments, obtaining updated information from payors and patients that was unknown at the time the performance obligation was met and settlements with third-party payors. As a result of this new information, the Company updates its estimate of the amounts to be recognized for previously delivered tests. During the year ended December 31, 2023, the Company recognized $7.2 million in revenue, which resulted in a $0.07 impact to loss per share for tests in which the performance obligation of delivering the test results was met in prior periods. During the year ended December 31, 2022, the Company recognized $22.1 million in revenue which resulted in a $0.21 impact to loss per share for tests in which the performance obligation of delivering the test results was met in prior periods. During the year ended December 31, 2021, the Company recognized $15.9 million in revenue which resulted in a $0.15 impact to loss per share for tests in which the performance obligation of delivering the test results was met in prior periods. Additionally, during the year ended December 31, 2021, revenue of $6.8 million was recognized due to expanded coverage for the Company's Prolaris test, for which revenue was fully constrained in a prior period. The changes for all periods presented were primarily driven by changes in the estimated transaction price.

In accordance with ASC 606, the Company has elected to exclude from the measurement of transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer for sales tax, value added tax, and certain other taxes.
The Company applies the practical expedient related to costs to obtain or fulfill a contract since the amortization period for such costs will be one year or less. Accordingly, no costs incurred to obtain or fulfill a contract have been capitalized. The Company also applies the practical expedient for not adjusting revenue recognized for the effects of the time value of money. This practical expedient has been elected because the Company collects very little cash from customers under payment terms and the vast majority of payment terms have a payback period of less than one year.

Stock-based Payment Expense

We recognize the fair value compensation cost relating to stock-based payment transactions in accordance with ASC 718, Compensation – Stock Compensation (“ASC 718”). Under the provisions of ASC 718, stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized over the employee’s requisite service period, which is generally the vesting period. Compensation cost for awards with only service conditions are recognized on a straight-line basis over the requisite service period. The fair value of restricted stock units (RSUs) and performance restricted stock units (PSUs) that do not have market conditions is based on the number of shares granted and the quoted price of the Company’s common stock on the grant date. The fair value of PSU awards that have market conditions is determined using the Monte Carlo Method. For PSUs, the Company estimates the likelihood of achievement of the performance conditions at the end of each period. Forfeitures are recognized as a reduction of compensation expense in earnings in the period in which they occur. The fair value of shares issued under the Company's Employee Stock Purchase Plan is calculated using the Black-Scholes option-pricing model, based on assumptions including the risk-free interest rate, expected life, expected dividend yield and expected volatility. The average risk-free interest rate is determined using the U.S. Treasury rate. We determine the expected life based on the offering period of the Employee Stock Purchase Plan. The expected volatility is determined using the weighted average of daily historical volatility of the price of the Company's common stock.

Other Income (Expense)

The Company recognizes the gain or loss on its divestitures as Other income (expense) in the Consolidated Statement of Operations. See Note 17 for additional information regarding these divestitures.

Income Taxes

The Company recognizes income taxes under the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

The provision for income taxes, including the effective tax rate and analysis of potential tax exposure items, if any, requires significant judgment and expertise in federal, state, and foreign income tax laws, regulations and strategies, including the determination of deferred tax assets and liabilities and any estimated valuation allowances deemed necessary to recognize deferred tax assets at an amount that is more likely than not to be realized. The Company's filings, including the positions taken therein, are subject to audit by various taxing authorities. While the Company believes it has provided adequately for its income tax liabilities in the consolidated financial statements, adverse determinations by these taxing authorities could have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.
Earnings Per Share

Basic earnings per share (EPS) is computed based on the weighted-average number of shares of common stock outstanding. Diluted earnings per share is computed based on the weighted-average number of shares of common stock, including the dilutive effect of common stock equivalents, outstanding.

The following is a reconciliation of the denominators of the basic and diluted earnings per share computations:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Weighted-average shares outstanding used to compute basic EPS</td>
<td>82.8</td>
</tr>
<tr>
<td>Effect of dilutive stock options and RSUs</td>
<td>—</td>
</tr>
<tr>
<td>Weighted-average shares outstanding and dilutive securities used to compute diluted EPS</td>
<td>82.8</td>
</tr>
</tbody>
</table>

Certain outstanding options and RSUs were excluded from the computation of diluted earnings per share because the effect would have been anti-dilutive. These potential dilutive shares of common stock, which may be dilutive to future diluted earnings per share, are as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Anti-dilutive options and RSUs excluded from EPS computation</td>
<td>5.1</td>
</tr>
</tbody>
</table>

Foreign Currency

The functional currency of the Company’s international subsidiaries is the local currency. For those subsidiaries, expenses denominated in the functional currency are translated into U.S. dollars using average exchange rates in effect during the period and assets and liabilities are translated using period-end exchange rates. The foreign currency translation adjustments are included in Accumulated other comprehensive loss as a separate component of Stockholders’ equity.

The following table shows the cumulative translation adjustments included in Accumulated other comprehensive loss (in millions):

<table>
<thead>
<tr>
<th>Description</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Ending balance December 31, 2022</td>
<td>$ (6.2)</td>
</tr>
<tr>
<td>Period translation adjustments</td>
<td>2.1</td>
</tr>
<tr>
<td>Reclassification of cumulative translation adjustment to income upon liquidation of an investment in a foreign entity</td>
<td>0.4</td>
</tr>
<tr>
<td>Ending balance December 31, 2023</td>
<td>$ (3.7)</td>
</tr>
</tbody>
</table>

During the years ended December 31, 2023 and 2022, the Company recognized a gain (loss) related to foreign currency of $(3.4) million and $0.2 million, respectively, which is included in Other in the Consolidated Statements of Operations.

Recent Accounting Pronouncements

In November 2023, the FASB issued accounting standards update ("ASU") 2023-07, which enhances the disclosures required for reportable segments in annual and interim consolidated financial statements. ASU 2023-07 is effective for the Company for annual reporting periods beginning after December 15, 2023 and for interim periods within fiscal years December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-07 on its segment disclosures.
In December 2023, the FASB issued ASU 2023-09, which requires enhanced income tax disclosures, including disaggregation of information on the rate reconciliation table and disaggregated information related to income taxes paid. The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of ASU 2023-09 on its income tax disclosures.

2. MARKETABLE INVESTMENT SECURITIES

The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value for debt securities classified as available-for-sale securities by major security type and class of security at December 31, 2023 and December 31, 2022 were as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Amortized cost</th>
<th>Gross unrealized holding gains</th>
<th>Gross unrealized holding losses</th>
<th>Estimated fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2023:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 129.9</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 129.9</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>2.2</td>
<td>—</td>
<td>—</td>
<td>2.2</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>132.1</td>
<td>—</td>
<td>—</td>
<td>132.1</td>
</tr>
<tr>
<td>Available-for-sale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>8.4</td>
<td>—</td>
<td>(0.1)</td>
<td>8.3</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>0.5</td>
<td>—</td>
<td>—</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>$ 141.0</td>
<td>$ —</td>
<td>$(0.1)$</td>
<td>$ 140.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Amortized cost</th>
<th>Gross unrealized holding gains</th>
<th>Gross unrealized holding losses</th>
<th>Estimated fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2022:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 53.6</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 53.6</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>3.3</td>
<td>—</td>
<td>—</td>
<td>3.3</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>56.9</td>
<td>—</td>
<td>—</td>
<td>56.9</td>
</tr>
<tr>
<td>Available-for-sale:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>66.7</td>
<td>—</td>
<td>(1.6)</td>
<td>65.1</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>16.3</td>
<td>—</td>
<td>(0.3)</td>
<td>16.0</td>
</tr>
<tr>
<td>Federal agency issues</td>
<td>20.7</td>
<td>—</td>
<td>(0.7)</td>
<td>20.0</td>
</tr>
<tr>
<td>U.S. government securities</td>
<td>11.8</td>
<td>—</td>
<td>(0.1)</td>
<td>11.7</td>
</tr>
<tr>
<td>Total</td>
<td>$ 172.4</td>
<td>$ —</td>
<td>$(2.7)$</td>
<td>$ 169.7</td>
</tr>
</tbody>
</table>

Cash, cash equivalents, and maturities of debt securities classified as available-for-sale were as follows at December 31, 2023:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Amortized cost</th>
<th>Estimated fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 129.9</td>
<td>$ 129.9</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Available-for-sale:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>8.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Total</td>
<td>$ 141.0</td>
<td>$ 140.9</td>
</tr>
</tbody>
</table>

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During the years ended December 31, 2023, 2022, and 2021, the Company sold $90.4 million, $28.4 million, and $8.3 million of investments, respectively. The cost of the available for sale security sold was determined using the specific-identification method. The amount of gross realized gains and realized losses upon sales of investments was $1.5 million for the year ended December 31, 2023 and was insignificant for the years ended December 31, 2022 and 2021. As of December 31, 2023, the Company had 7 available-for-sale debt securities in a gross unrealized loss position of $0.1 million, with a fair market value of $8.8 million. As of December 31, 2022, the Company had 118 available-for-sale debt securities in a gross unrealized loss position of $2.7 million, with a fair market value of $111.6 million. As of December 31, 2023 and 2022, the expected losses were determined to be immaterial and as such, the Company did not record an allowance for credit losses. The Company does not intend to sell these available-for-sale debt securities, and it is not more likely than not that it will be required to sell these securities prior to recovery of their amortized cost basis. Additional information relating to fair value of marketable investment securities can be found in Note 3.

3. FAIR VALUE MEASUREMENTS

The fair value of the Company’s financial instruments reflects the amounts that the Company estimates it will receive in connection with the sale of an asset or pay in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1—quoted prices in active markets for identical assets and liabilities.

Level 2—observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Some of the Company’s marketable securities primarily utilize broker quotes in a non-active market for valuation of these securities.

Level 3—unobservable inputs.

All of the Company’s financial instruments are valued using quoted prices in active markets or based on other observable inputs. For Level 2 securities, the Company uses a third-party pricing service which provides documentation on an ongoing basis that includes, among other things, pricing information with respect to reference data, methodology, inputs summarized by asset class, pricing application and corroborative information. For Level 3 contingent consideration related to the acquisitions of Sividon Diagnostics GmbH ("Sividon") and Gateway, the Company reassesses the fair value of each expected contingent consideration and the corresponding liability each reporting period using the Monte Carlo Method, which is consistent with the initial measurement of the expected contingent consideration liability. This fair value measurement is considered a Level 3 measurement because the Company estimates projections during the expected measurement periods of approximately 11.5 and 1.3 years for Sividon and Gateway, respectively, utilizing various potential pay-out scenarios. During the year ended December 31, 2023, the previously recognized contingent consideration liability related to the acquisition of Gateway, which was $2.1 million as of December 31, 2022, was released due to the revised forecasts and the results of the Monte Carlo valuation. Probabilities were applied to each potential scenario and the resulting values were discounted using a rate that considers weighted average cost of capital as well as a specific risk premium associated with the riskiness of the contingent consideration itself, the related projections, and the overall business. The contingent consideration liabilities are classified as components of Accrued liabilities and Other long-term liabilities in the Consolidated Balance Sheets. Changes to contingent consideration liabilities are reflected in Selling, general, and administrative expense in the Consolidated Statements of Operations. Changes to the unobservable inputs could have a material impact on the Company’s financial statements.

The fair value of the Company’s long-term debt, which it considers a Level 2 measurement, is estimated using discounted cash flow analyses, based on the Company’s current estimated incremental borrowing rates for similar borrowing arrangements. The fair value of the Company’s long-term debt is estimated to be $39.7 million at December 31, 2023.
The following table sets forth the fair value of the financial assets and liabilities that the Company re-measures on a regular basis:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds (a)</td>
<td>$2.2</td>
<td>$—</td>
<td>$—</td>
<td>$2.2</td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>—</td>
<td>$8.3</td>
<td>—</td>
<td>$8.3</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>—</td>
<td>$0.5</td>
<td>—</td>
<td>$0.5</td>
</tr>
<tr>
<td>Contingent consideration</td>
<td>$—</td>
<td>$—</td>
<td>$(5.4)</td>
<td>$(5.4)</td>
</tr>
<tr>
<td>Total</td>
<td>$2.2</td>
<td>$8.8</td>
<td>$(5.4)</td>
<td>$5.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds (a)</td>
<td>$3.3</td>
<td>$—</td>
<td>$—</td>
<td>$3.3</td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>—</td>
<td>$65.1</td>
<td>—</td>
<td>$65.1</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>—</td>
<td>$16.0</td>
<td>—</td>
<td>$16.0</td>
</tr>
<tr>
<td>Federal agency issues</td>
<td>—</td>
<td>$20.0</td>
<td>—</td>
<td>$20.0</td>
</tr>
<tr>
<td>U.S. government securities</td>
<td>—</td>
<td>$11.7</td>
<td>—</td>
<td>$11.7</td>
</tr>
<tr>
<td>Contingent consideration</td>
<td>$—</td>
<td>$—</td>
<td>$(6.8)</td>
<td>$(6.8)</td>
</tr>
</tbody>
</table>
| Total                          | $3.3    | $112.8  | $(6.8)  | $109.3| (a) Money market funds are primarily comprised of exchange traded funds and accrued interest.

The following table reconciles the change in the fair value of the contingent consideration during the periods presented:

<p>| (in millions)  | Years Ended December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at beginning of period</td>
<td>$6.8</td>
<td>$8.6</td>
<td>$10.9</td>
</tr>
<tr>
<td>Payment of contingent consideration</td>
<td>—</td>
<td>$(3.0)</td>
<td>$(3.5)</td>
</tr>
<tr>
<td>Consideration recognized at acquisition</td>
<td>—</td>
<td>$2.1</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value recognized in the statement of operations</td>
<td>$(1.5)</td>
<td>$(0.4)</td>
<td>1.8</td>
</tr>
<tr>
<td>Translation adjustments recognized in other comprehensive income (loss)</td>
<td>0.1</td>
<td>$(0.5)</td>
<td>$(0.8)</td>
</tr>
<tr>
<td>Carrying amount at end of period</td>
<td>$5.4</td>
<td>$6.8</td>
<td>$8.6</td>
</tr>
</tbody>
</table>

4. PROPERTY, PLANT AND EQUIPMENT, NET

The property, plant and equipment at December 31, 2023 and December 31, 2022 were as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$91.3</td>
</tr>
<tr>
<td>Equipment</td>
<td>$147.6</td>
</tr>
<tr>
<td>Property, plant and equipment, gross</td>
<td>$238.9</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>$(119.9)</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>$119.0</td>
</tr>
</tbody>
</table>

During the year ended December 31, 2023, the Company incurred $5.7 million of accelerated depreciation of leasehold improvements and equipment in connection with the Company's decision to cease the use of its corporate headquarters in Salt Lake City and transition corporate support operations to its new facility in west Salt Lake City. The Company formally assigned the previous corporate headquarters lease to a third party as of December 31, 2023. See Note 13 for further discussion.
During the year ended December 31, 2022, the Company ceased the use of certain leased Salt Lake City facilities and one of its South San Francisco facilities. As a result, the Company recognized a $3.9 million impairment on the property, plant and equipment associated with the leases, which consisted primarily of leasehold improvements. See Note 13 for further discussion.

The Company recorded depreciation during the respective periods as follows:

<table>
<thead>
<tr>
<th>Depreciation expense</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19.1</td>
<td>$11.6</td>
<td>$12.1</td>
<td></td>
</tr>
</tbody>
</table>

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill for the year ended December 31, 2023 are as follows:

<table>
<thead>
<tr>
<th>Beginning balance</th>
<th>Translation adjustments</th>
<th>Carrying amount at end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>$286.8</td>
<td>0.6</td>
<td>$287.4</td>
</tr>
</tbody>
</table>

The Company assessed goodwill for impairment as part of its annual goodwill testing in accordance with the appropriate guidance (see Note 1) and determined none of its reporting units were impaired as of the annual testing date. The Company did not record an impairment of goodwill for the years ended December 31, 2023, 2022 and 2021.

Intangible Assets

The following tables summarize the amounts reported as intangible assets (in millions):

**At December 31, 2023:**

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
<th>Weighted-Average Useful Life (in Years)</th>
<th>Weighted-Average Remaining Useful Life (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed technologies</td>
<td>$626.1</td>
<td>$330.8</td>
<td>14.4</td>
<td>8.1</td>
</tr>
<tr>
<td>Internal-use software</td>
<td>0.8</td>
<td>0.7</td>
<td>3.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Internal-use software (in-process)</td>
<td>11.2</td>
<td>11.2</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>1.6</td>
<td>1.4</td>
<td>10.0</td>
<td>8.8</td>
</tr>
<tr>
<td>Trademarks</td>
<td>6.1</td>
<td>5.4</td>
<td>10.0</td>
<td>8.8</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td><strong>$645.8</strong></td>
<td><strong>$349.5</strong></td>
<td><strong>13.9</strong></td>
<td><strong>7.9</strong></td>
</tr>
</tbody>
</table>

**At December 31, 2022:**

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
<th>Weighted-Average Useful Life (in Years)</th>
<th>Weighted-Average Remaining Useful Life (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed technologies</td>
<td>$625.0</td>
<td>$372.1</td>
<td>14.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>1.6</td>
<td>1.6</td>
<td>10.0</td>
<td>9.8</td>
</tr>
<tr>
<td>Trademarks</td>
<td>6.1</td>
<td>6.0</td>
<td>10.0</td>
<td>9.8</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td><strong>$632.7</strong></td>
<td><strong>$379.7</strong></td>
<td><strong>14.4</strong></td>
<td><strong>9.1</strong></td>
</tr>
</tbody>
</table>
As of December 31, 2023, the Company's developed technologies have estimated remaining useful lives ranging between 7 and 12 years. The Company's trademarks and customer relationships acquired as of December 31, 2023 have an estimated remaining useful life of approximately nine years. The Company's internal-use software assets are amortized over the estimated useful life of the software, which is generally three years. The Company concluded there was no impairment of long-lived intangible assets for the years ended December 31, 2023, 2022 and 2021.

The Company recorded amortization during the respective periods for these intangible assets as follows:

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of intangible assets</td>
<td>$42.8</td>
<td>$41.1</td>
<td>$50.7</td>
</tr>
</tbody>
</table>

Future amortization expense of intangible assets as of December 31, 2023 is estimated to be as follows (in millions):

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>Amortization Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$45.0</td>
</tr>
<tr>
<td>2025</td>
<td>46.3</td>
</tr>
<tr>
<td>2026</td>
<td>46.5</td>
</tr>
<tr>
<td>2027</td>
<td>44.7</td>
</tr>
<tr>
<td>2028</td>
<td>43.4</td>
</tr>
<tr>
<td>Thereafter</td>
<td>123.6</td>
</tr>
<tr>
<td>Total</td>
<td>$349.5</td>
</tr>
</tbody>
</table>

6. ACCRUED LIABILITIES

The Company's accrued liabilities at December 31, 2023 and December 31, 2022 were as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Employee compensation and benefits</td>
<td>$49.7</td>
</tr>
<tr>
<td>Accrued taxes payable</td>
<td>4.6</td>
</tr>
<tr>
<td>Refunds payable and reserves</td>
<td>20.1</td>
</tr>
<tr>
<td>Short-term contingent consideration</td>
<td>3.1</td>
</tr>
<tr>
<td>Accrued royalties</td>
<td>5.3</td>
</tr>
<tr>
<td>Legal settlement</td>
<td>6.0</td>
</tr>
<tr>
<td>Lease termination accrual</td>
<td>4.4</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>20.7</td>
</tr>
<tr>
<td>Total accrued liabilities</td>
<td>$113.9</td>
</tr>
</tbody>
</table>

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7. LONG-TERM DEBT

On June 30, 2023, the Company entered into an asset-based revolving credit facility (the “ABL Facility”) with an initial maximum principal amount of $90.0 million, with JPMorgan Chase Bank, N.A. as administrative agent and issuing bank, the other lender parties thereto, and certain of the Company's domestic subsidiaries (the "Guarantors"). On October 31, 2023, the Company entered into an amendment to the ABL Facility to increase the maximum principal amount of the available revolving line of credit by $25.0 million for a total maximum principal commitment of $115.0 million under the ABL Facility, which was effected through a new commitment provided by a new lender, Goldman Sachs Bank USA. The ABL Facility replaced the Company's previous credit facility and matures on June 30, 2026. The obligations of the Company are guaranteed by the Guarantors, and the ABL Facility is secured by substantially all of the assets of the Company and the Guarantors. The Company had long-term debt of $38.5 million under the ABL Facility at December 31, 2023, net of $1.5 million of debt issuance costs. The proceeds of the ABL Facility were or will be used for the working capital needs and general corporate purposes of the Company and its subsidiaries, including, without limitation, consummating permitted acquisitions and refinancing existing indebtedness.

Availability under the ABL Facility is subject to a borrowing base, which is the lesser of (a) 85% of the Company's and the Guarantor's eligible accounts receivable plus certain cash held in a segregated and fully-blocked account with the administrative agent in an amount up to $20.0 million (“Eligible Cash”) minus any reserves established by the administrative agent in accordance with the ABL Facility, and (b) the aggregate amount of cash collections from eligible accounts of the Company and the Guarantors for the 60 consecutive days most recently ended. Subject to certain conditions, the Company can freely withdraw cash from the Eligible Cash account, provided that any reduction in the Eligible Cash amount will have a corresponding reduction in the borrowing base.

Loans outstanding under the ABL Facility will bear interest at a rate per annum equal to, at the option of the Company, either (a) the greatest of (i) the daily Prime Rate, (ii) the daily NYFRB Rate plus 0.50%, and (iii) the monthly Adjusted Term SOFR Rate (as defined below) plus 1.00% (the “ABR”) plus an applicable margin ranging from 1.00% to 1.50% depending on the aggregate average unused availability under the ABL Facility during the prior quarter or (b) term SOFR for a tenor of one, three or six months (at the Company’s election) plus 0.10% (the “Adjusted Term SOFR Rate”) plus an applicable margin ranging from 2.00% to 2.50% depending on the average unused availability under the ABL Facility during the prior quarter, with an ABR floor of 1.00% and an Adjusted Term SOFR Rate floor of 0.00%. Under the ABL Facility the undrawn fee ranges from 37.5 to 50 basis points based on the daily amount of the available revolving commitment. The interest rate for borrowings under the ABL Facility as of December 31, 2023 was 9.75%.

The Company may elect to prepay all or any portion of the amounts owed prior to the maturity date without premium or penalty. The ABL Facility is also subject to customary mandatory prepayments with the proceeds of unpermitted indebtedness and upon the occurrence of an over-advance. Voluntary and mandatory prepayments and all other payments of the ABL Facility must be accompanied by payment of accrued interest on the principal amount repaid or prepaid.

The ABL Facility contains customary loan terms, interest rates, representations and warranties and affirmative and negative covenants, in each case, subject to customary limitations, exceptions and exclusions. Covenants under the ABL Facility limit or restrict the Company and its subsidiaries' ability to incur liens, incur indebtedness, dispose of assets, make investments, make certain restricted payments, merge or consolidate and enter into certain speculative hedging arrangements. The ABL Facility requires the Company and the Guarantors, on a consolidated basis, to maintain minimum liquidity of $60.0 million and minimum availability of $25.0 million at all times before achieving a fixed charge coverage ratio of 1.0 to 1.0 and thereafter, to maintain a fixed charge coverage ratio of 1.0 to 1.0 until achieving availability under the ABL Facility of greater than the greater of (a) $10.6 million and (b) 12.5% of the lesser of the maximum commitment amount and the borrowing base for a period of 30 consecutive days. As of December 31, 2023, availability under the ABL Facility was $40.7 million. In addition, the ABL Facility includes a number of customary events of default. If any event of default occurs (subject, in certain instances, to specified grace periods), the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding amounts under the ABL Facility may become due and payable immediately.

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Under the terms of the ABL Facility, if (i) an event of default has occurred and is continuing or (ii) availability under the ABL Facility is less than the greater of (a) $12.5 million and (b) 15% of the lesser of the maximum commitment amount and the borrowing base, the Company will become subject to cash dominion, upon which the administrative agent will apply funds credited to a collection account to first prepay any outstanding protective advances, second to prepay any revolving loans and third, to cash collateralize any outstanding letter of credit exposure. Such cash dominion period will end when availability has remained in excess of the greater of (i) $12.5 million and (ii) 15% of the lesser of the maximum commitment amount and the borrowing base for a period of 45 consecutive days and no event of default is continuing.

The Company had no outstanding balances under the previous credit facility, which was replaced with the ABL Facility, as of December 31, 2022.

8. OTHER LONG-TERM LIABILITIES

The Company's other long-term liabilities at December 31, 2023 and December 31, 2022 were as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent consideration</td>
<td>$2.3</td>
<td>$6.8</td>
</tr>
<tr>
<td>Escrow liability</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>24.0</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>7.5</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total other long-term liabilities</strong></td>
<td><strong>$41.3</strong></td>
<td><strong>$18.0</strong></td>
</tr>
</tbody>
</table>

Contingent consideration as of December 31, 2023 consisted of the long-term portion of contingent consideration related to the acquisition of Sividon. As of December 31, 2022, contingent consideration consisted of the long-term portion of contingent consideration related to the acquisitions of Sividon and Gateway. The previously recognized contingent consideration liability related to the acquisition of Gateway is not included in the balance as of December 31, 2023, as it is not probable that the required metrics will be met. Additionally, a corresponding amount of cash to the escrow liability of $7.5 million has been restricted for the potential payment under the indemnity and escrow provisions of the Gateway acquisition agreement. See Note 16 for additional information on the Gateway acquisition. The Company has also accrued $24.0 million in connection with pending legal settlements. See Note 12 for additional information on Commitments and Contingencies.

9. PREFERRED AND COMMON STOCKHOLDERS' EQUITY

The Company is authorized to issue up to 5.0 million shares of preferred stock, par value $0.01 per share. There were no shares of preferred stock outstanding at December 31, 2023 and December 31, 2022.

The Company is authorized to issue up to 150.0 million shares of common stock, par value $0.01 per share.

In November 2023, the Company completed an underwritten public offering in which it sold 7.4 million shares of its common stock at a price of $17.00 per share, for gross proceeds of $126.5 million and net proceeds of $117.6 million.

There were 89.9 million and 81.2 million shares of common stock issued and outstanding at December 31, 2023 and 2022, respectively.

**Shares of common stock issued and outstanding**

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td><strong>Beginning common stock issued and outstanding</strong></td>
<td>81.2</td>
</tr>
<tr>
<td>Common stock issued upon exercise of options, vesting of restricted stock units, and purchases under employee stock purchase plans</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Common stock issued for public offering</strong></td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Common stock issued and outstanding at end of period</strong></td>
<td>89.9</td>
</tr>
</tbody>
</table>
10. STOCK-BASED COMPENSATION

On November 30, 2017, the Company’s stockholders approved the adoption of the 2017 Employee, Director and Consultant Equity Incentive Plan (as amended, the “2017 Plan”). The 2017 Plan allows the Company, under the direction of the Compensation and Human Capital Committee of the Board of Directors (the "CHCC"), to make grants of restricted and unrestricted stock and stock unit awards to employees, consultants and directors. Stockholders have subsequently approved amendments to the 2017 Plan increasing the shares available to grant thereunder, including most recently at the Company's annual meeting of stockholders held on June 1, 2023, when stockholders approved an amendment to the 2017 Plan to increase the aggregate number of shares of common stock available thereunder for the granting of awards by an additional 4.8 million shares. As of December 31, 2023, the Company had 4.7 million shares of common stock available for grant under the 2017 Plan. If an RSU awarded under the 2017 Plan is cancelled or forfeited without the issuance of shares of common stock, the unissued or reacquired shares that were subject to the RSU will again be available for issuance pursuant to the 2017 Plan.

The number of shares, terms, and vesting periods are generally determined by the Company’s Board of Directors or the CHCC on an award-by-award basis. RSUs granted to employees generally vest either ratably over three or four years or as a cliff vesting after three years either on the anniversary of the date on which the RSUs were granted or during the month in which such anniversary dates occur. The number of PSUs awarded to certain employees may be increased or may be reduced based on certain additional performance and market metrics. RSUs granted to non-employee directors vest in full upon the earlier of the completion of one year of service following the date of the grant or the date of the next annual meeting of stockholders following such grant. Options granted to the Company's President and Chief Executive Officer as an inducement to his employment expire on August 13, 2027.

The performance and market conditions associated with PSU awards granted during the year ended December 31, 2023 include vesting that is based on revenue targets (34% weighting), adjusted earnings per share targets (33% weighting), and relative total stockholder return (33% weighting) measured against the Nasdaq Health Care Index (IXHC) using the 20-trading day averages at the beginning and end of the measurement period. The measurement period for the relative total stockholder return metric is January 1, 2023 to December 31, 2025, and the revenue and adjusted earnings per share metrics will be measured based on fiscal year 2025 results. The Company estimates the likelihood of achievement of performance conditions at the end of each period. To the extent those awards or portions thereof are considered probable of being achieved, such awards or portions thereof are expensed over the performance period. The portion of the awards pertaining to relative total stockholder return represent market conditions and, accordingly, the estimated fair value of such awards are recognized over the performance period.

Stock Options

A summary of the stock option activity under the Company's equity plans, and inducement awards for the year ended December 31, 2023 is as follows:

<table>
<thead>
<tr>
<th>(number of shares in millions)</th>
<th>Number of shares</th>
<th>Weighted average exercise price</th>
<th>Weighted average remaining contractual life (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options outstanding at December 31, 2022</td>
<td>0.7</td>
<td>$13.38</td>
<td></td>
</tr>
<tr>
<td>Options outstanding at December 31, 2023</td>
<td>0.7</td>
<td>13.38</td>
<td>3.62</td>
</tr>
<tr>
<td>Options exercisable at December 31, 2023</td>
<td>0.5</td>
<td>13.38</td>
<td>3.62</td>
</tr>
<tr>
<td>Options vested and expected to vest</td>
<td>0.7</td>
<td>$13.38</td>
<td>3.62</td>
</tr>
</tbody>
</table>

There were no options granted during the years ended December 31, 2023, 2022 and 2021.
Restricted Stock Units

A summary of the RSU awards activity under the Company's equity plans and inducement awards, including PSU awards, for the year ended December 31, 2023 is as follows:

<table>
<thead>
<tr>
<th>(number of shares in millions)</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSUs unvested and outstanding at December 31, 2022</td>
<td>3.7</td>
<td>$25.08</td>
</tr>
<tr>
<td>RSUs granted</td>
<td>2.4</td>
<td>$23.02</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSUs vested</td>
<td>(1.3)</td>
<td>23.55</td>
</tr>
<tr>
<td>RSUs canceled</td>
<td>(0.4)</td>
<td>24.38</td>
</tr>
<tr>
<td>RSUs unvested and outstanding at December 31, 2023</td>
<td>4.4</td>
<td>$24.37</td>
</tr>
</tbody>
</table>

The weighted average grant-date fair value of RSUs granted during the years ended December 31, 2023, 2022, and 2021 was $23.02, $25.78, and $29.83, respectively.

The fair value of RSUs that vested during the years ended December 31, 2023, 2022, and 2021 was $30.5 million, $31.0 million, and $22.6 million, respectively.

Stock-based compensation expense recognized and included in the Consolidated Statements of Operations was allocated as follows:

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of testing revenue</td>
<td>$1.4</td>
<td>$1.7</td>
<td>$1.5</td>
</tr>
<tr>
<td>Cost of other revenue</td>
<td>—</td>
<td>—</td>
<td>0.1</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>4.0</td>
<td>5.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Selling, general, and administrative expense</td>
<td>35.3</td>
<td>31.2</td>
<td>30.5</td>
</tr>
<tr>
<td>Total stock-based compensation expense</td>
<td>$40.7</td>
<td>$38.1</td>
<td>$36.3</td>
</tr>
</tbody>
</table>

As of December 31, 2023, there was $66.2 million of total unrecognized stock-based compensation expense that will be recognized over a weighted-average period of 1.9 years. The Company recognizes forfeitures as they occur.

The aggregate intrinsic value of options outstanding, aggregate intrinsic value of options that are fully vested and aggregate intrinsic value of RSUs vested and expected to vest is as follows:

<table>
<thead>
<tr>
<th>As of December 31, 2023</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate intrinsic value of options outstanding</td>
<td>$</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>Aggregate intrinsic value of options fully vested</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate intrinsic value of RSUs outstanding</td>
<td>84.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total intrinsic value of options exercised was as follows:

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total intrinsic value of options exercised</td>
<td>$</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
Employee Stock Purchase Plan

The Company also has an Employee Stock Purchase Plan that was initially approved by stockholders in 2012 and was amended and approved by the Board of Directors of the Company on September 23, 2021 and the stockholders on June 2, 2022 (the “Amended and Restated 2012 Purchase Plan”), under which 4.0 million shares of common stock were authorized. Shares are issued under the Amended and Restated 2012 Purchase Plan twice yearly at the end of each offering period and the number of shares that may be purchased by any participant during an offering period is limited to 5,000 shares. The first offering period of 2023 started on December 1, 2022 and ended on May 31, 2023. The second offering period of 2023 began on June 1, 2023 and ended on November 30, 2023. As of December 31, 2023, 1.3 million shares of common stock were available for issuance under the Amended and Restated Purchase Plan. Shares purchased under, and compensation expense associated with, the Amended and Restated 2012 Purchase Plan for the periods reported are as follows:

<table>
<thead>
<tr>
<th>Shares purchased under the plans</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan compensation expense</td>
<td>$2.2</td>
<td>$1.9</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

The fair value of shares issued under the Amended and Restated 2012 Purchase Plan that was in effect for each period reported was calculated using the Black-Scholes option-pricing model using the weighted-average assumptions below. Each of these inputs is subjective and its determination generally requires significant judgment.

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free interest rate</td>
<td>5.1%</td>
<td>1.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Expected life (in years)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>56%</td>
<td>53%</td>
<td>60%</td>
</tr>
</tbody>
</table>

11. INCOME TAXES

Income tax expense (benefit) consists of the following:

<table>
<thead>
<tr>
<th>Years Ended December 31,</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$3.4</td>
<td>$(0.5)</td>
<td>$(1.9)</td>
</tr>
<tr>
<td>State</td>
<td>1.8</td>
<td>1.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Foreign</td>
<td>0.2</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Total current</td>
<td>5.4</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Deferred:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>(51.8)</td>
<td>(25.8)</td>
<td>(33.7)</td>
</tr>
<tr>
<td>State</td>
<td>(5.2)</td>
<td>(4.8)</td>
<td>5.1</td>
</tr>
<tr>
<td>Foreign</td>
<td>0.1</td>
<td>(2.9)</td>
<td>0.1</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>52.6</td>
<td>3.0</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Total deferred</td>
<td>(4.3)</td>
<td>(30.5)</td>
<td>(31.7)</td>
</tr>
<tr>
<td>Total income tax expense (benefit)</td>
<td>$1.1</td>
<td>$(28.6)</td>
<td>$(29.9)</td>
</tr>
</tbody>
</table>
Loss before income taxes consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$(263.2)</td>
<td>$(141.3)</td>
<td>$(53.8)</td>
</tr>
<tr>
<td>Foreign</td>
<td>1.0</td>
<td>0.7</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Total</td>
<td>$(262.2)</td>
<td>$(140.6)</td>
<td>$(57.1)</td>
</tr>
</tbody>
</table>

The differences between income taxes at the statutory federal income tax rate and income taxes reported in the Consolidated Statements of Operations were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal income tax expense at the statutory rate</td>
<td>$(54.9)</td>
<td>$(29.5)</td>
<td>$(12.0)</td>
</tr>
<tr>
<td>State income taxes, net of federal benefit</td>
<td>(4.1)</td>
<td>(3.3)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Research and development credits</td>
<td>(1.6)</td>
<td>(3.5)</td>
<td>2.5</td>
</tr>
<tr>
<td>Uncertain tax positions</td>
<td>3.7</td>
<td>0.6</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Incentive stock option and employee stock purchase plan expense</td>
<td>1.2</td>
<td>0.7</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Foreign rate differential</td>
<td>(0.4)</td>
<td>(0.9)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>52.6</td>
<td>0.7</td>
<td>(1.2)</td>
</tr>
<tr>
<td>CARES Act</td>
<td>—</td>
<td>0.7</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Non-deductible meals and entertainment</td>
<td>—</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Non-deductible officer compensation</td>
<td>3.0</td>
<td>3.5</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Non-deductible legal settlement</td>
<td>—</td>
<td>—</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Acquisitions, dispositions, and contingent consideration</td>
<td>0.1</td>
<td>0.1</td>
<td>(23.0)</td>
</tr>
<tr>
<td>Other, net</td>
<td>1.5</td>
<td>0.9</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Total income tax expense (benefit)</td>
<td>1.1</td>
<td>0.4</td>
<td>(28.6)</td>
</tr>
<tr>
<td></td>
<td>20.3%</td>
<td>52.3%</td>
<td>52.3%</td>
</tr>
</tbody>
</table>

The significant components of the Company's deferred tax assets and liabilities were comprised of the following:

<table>
<thead>
<tr>
<th>Deferred tax assets:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating loss carryforwards</td>
<td>$77.1</td>
<td>$66.6</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>5.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Research and development credits</td>
<td>20.8</td>
<td>19.9</td>
</tr>
<tr>
<td>Lease liability</td>
<td>28.0</td>
<td>35.2</td>
</tr>
<tr>
<td>Section 174 capitalized costs</td>
<td>38.4</td>
<td>21.2</td>
</tr>
<tr>
<td>Accrued expenses and liabilities</td>
<td>22.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Other, net</td>
<td>3.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Total gross deferred tax assets</td>
<td>195.0</td>
<td>160.9</td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>95.0</td>
<td>(42.4)</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>100.0</td>
<td>118.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred tax liabilities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>84.2</td>
<td>93.8</td>
</tr>
<tr>
<td>Lease right-of-use assets</td>
<td>15.5</td>
<td>25.4</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>101.6</td>
<td>122.0</td>
</tr>
<tr>
<td>Net deferred tax liability</td>
<td>$(1.6)</td>
<td>$(3.5)</td>
</tr>
</tbody>
</table>
The Tax Cuts and Jobs Act (TCJA), passed in 2017, amended Section 174 of the Internal Revenue Code to require that specific research and experimental (R&E) expenditures be capitalized and amortized over five years for U.S. R&E expenditures or 15 years for non-U.S. R&E expenditures beginning in the Company’s fiscal year ended December 31, 2022. Although Congress has considered legislation that would defer, modify or repeal the capitalization and amortization requirement, there is no assurance that the provision will be deferred, repealed or otherwise modified. If the requirement is not modified, the Company may be required to utilize some of its federal and state tax attributes and there may be increases to state cash taxes or tax expense.

The Company has incurred a cumulative three-year loss. Pursuant to ASC 740, Income Taxes ("ASC 740"), the negative evidence of a cumulative loss may be difficult to overcome. Due to cumulative book losses and the lack of sufficient positive evidence, the Company has applied a valuation allowance to all applicable deferred tax assets, leaving a remaining deferred tax liability balance of $1.6 million.

At December 31, 2023, the Company had the following net operating loss and research credit carryforwards (tax effected), with their respective expiration periods. Certain carryforwards are subject to the limitations of Section 382 and 383 of the Internal Revenue Code as indicated (in millions):

<table>
<thead>
<tr>
<th>Carryforwards</th>
<th>Amount</th>
<th>Subject to sections 382, 383</th>
<th>Expires beginning in year</th>
<th>Through</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal net operating loss</td>
<td>$38.5</td>
<td>Yes</td>
<td>2033</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Federal capital loss</td>
<td>13.8</td>
<td>No</td>
<td>2026</td>
<td>2028</td>
</tr>
<tr>
<td>Utah net operating loss</td>
<td>0.8</td>
<td>No</td>
<td>2024</td>
<td>Indefinite</td>
</tr>
<tr>
<td>California net operating loss</td>
<td>4.4</td>
<td>Yes</td>
<td>2029</td>
<td>2043</td>
</tr>
<tr>
<td>Other state net operating loss</td>
<td>8.6</td>
<td>Yes</td>
<td>Various</td>
<td>Various</td>
</tr>
<tr>
<td>Foreign net operating losses (various jurisdictions)</td>
<td>10.8</td>
<td>No</td>
<td>Various</td>
<td>Various</td>
</tr>
<tr>
<td>Federal research credit</td>
<td>10.5</td>
<td>Yes</td>
<td>2027</td>
<td>2043</td>
</tr>
<tr>
<td>Utah research credit</td>
<td>5.4</td>
<td>No</td>
<td>2024</td>
<td>2037</td>
</tr>
<tr>
<td>California research credit</td>
<td>4.8</td>
<td>No</td>
<td>Indefinite</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

Due to the cumulative losses that have been incurred to date in foreign operations, the changes of the Tax Cuts and Jobs Act and the election to treat its foreign subsidiaries as disregarded entities, no deferred taxes related to the Company’s foreign operations have been recorded. For those foreign entities for which an election has been made to be treated as disregarded for U.S. tax purposes, the appropriate U.S. jurisdiction deferred tax assets and liabilities have been recorded.

The Company provides for uncertain tax positions when such tax positions do not meet the recognition thresholds or measurement criteria as set forth in ASC 740. As of December 31, 2023, the Company had net unrecognized tax benefits of $48.1 million. The Company’s gross unrecognized tax benefits as of the years ended December 31, 2023, 2022, and 2021 and the changes in those balances are as follows:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Unrecognized tax benefits at the beginning of period</td>
<td>$ 43.9</td>
</tr>
<tr>
<td>Gross increases - current year tax positions</td>
<td>0.8</td>
</tr>
<tr>
<td>Gross increases - prior year tax positions</td>
<td>3.6</td>
</tr>
<tr>
<td>Gross decreases - prior year tax positions</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Gross decreases - settlements</td>
<td>—</td>
</tr>
<tr>
<td>Gross decreases - statute lapse</td>
<td>—</td>
</tr>
<tr>
<td>Unrecognized tax benefits at end of year</td>
<td>$ 48.1</td>
</tr>
<tr>
<td>Interest and penalties in year-end balance</td>
<td>$ 6.4</td>
</tr>
</tbody>
</table>

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In 2022, the Company filed a U.S. federal tax return taking an uncertain tax position that was not recorded as a benefit or deferred tax asset in the financial statements but for which the $12.0 million unrecognized tax benefit has been included in the table above. Interest and penalties related to uncertain tax positions are included as a component of Income tax benefit and all other interest and penalties are included as a component of Other income (expense) in the Consolidated Statements of Operations. For the years ended December 31, 2023 and December 31, 2022, $30.2 million and $26.8 million of the unrecognized tax benefits, if recognized, would affect the effective tax rate, respectively.

The Company files U.S. federal, foreign and state income tax returns in jurisdictions with various statutes of limitations. The Company is currently under audit by Switzerland for the years ended June 30, 2017 through December 31, 2021. Annual tax provisions include amounts considered necessary to pay assessments that may result from examination of prior year tax returns; however, the amount ultimately paid upon resolution of issues may differ materially from the amount accrued.

12. COMMITMENTS AND CONTINGENCIES

The Company is involved from time to time in various disputes, claims and legal actions, including class actions and other litigation, including the matters described below, arising in the ordinary course of business. Such actions may include allegations of negligence, product or professional liability or other legal claims, and could involve claims for substantial compensatory and punitive damages or claims for indeterminate amounts of damages. The Company is also involved, from time to time, in investigations by governmental agencies regarding its business which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. In addition, certain federal and state statutes, including the qui tam provisions of the federal False Claims Act, allow private individuals to bring lawsuits against healthcare companies on behalf of the government or private payors. The Company has received subpoenas from time to time related to billing or other practices based on the False Claims Act or other federal and state statutes, regulations or other laws.

The Company intends to defend its current litigation matters but cannot provide any assurance as to the ultimate outcome or that an adverse resolution would not have a material adverse effect on its financial condition, results of operations or cash flows.

The Company assesses legal contingencies to determine the degree of probability and range of possible loss for potential accrual in its financial statements. When evaluating legal contingencies, the Company may be unable to provide a meaningful estimate due to a number of factors, including the proceedings may be in early stages, there may be uncertainty as to the outcome of pending appeals or motions, there may be significant factual issues to be resolved, and there may be complex or novel legal theories to be presented. In addition, damages may not be specified or the damage amounts claimed may be unsupported, exaggerated or unrelated to possible outcomes, and therefore, such amounts are not a reliable indicator of potential liability.

As of December 31, 2023, except as noted below, the Company has not recorded any material accrual for loss contingencies associated with legal proceedings or other matters or determined that an unfavorable outcome is probable and reasonably estimable in accordance with ASC 450, Contingencies. However, it is possible that the ultimate resolution of legal proceedings or other matters, if unfavorable, may be material to the Company's results of operations, financial condition or cash flows. Further, in the event that damages from an unfavorable resolution of one or more of these proceedings exceed the aggregate amount of the coverage limits of the Company's insurance, or if the Company's insurance carriers disclaim coverage, the amounts payable by the Company could also have a material adverse impact on the Company's results of operations, financial condition or cash flows.


**Securities Class Action**

On September 27, 2019, a class action complaint was filed in the U.S. District Court for the District of Utah, against the Company, its former President and Chief Executive Officer, Mark C. Capone, and its Chief Financial Officer, R. Bryan Riggsbee (Defendants). On February 21, 2020, the plaintiff filed an amended class action complaint, which added the Company's former Executive Vice President of Clinical Development, Bryan M. Dechairo, as an additional defendant. This action, captioned *In re Myriad Genetics, Inc. Securities Litigation* (No. 2:19-cv-00707-DBB), is premised upon allegations that the Defendants made false and misleading statements regarding the Company's business, operations, and acquisitions. The lead plaintiff sought the payment of damages allegedly sustained by it and the class by reason of the allegations set forth in the amended complaint, plus interest, and legal and other costs and fees. On March 16, 2021, the U.S. District Court for the District of Utah denied the Company's motion to dismiss. On December 1, 2021, the U.S. District Court for the District of Utah granted plaintiff's motion for class certification. On August 3, 2023, the Company entered into a stipulation and agreement of settlement to resolve this lawsuit (the "Settlement") and the parties filed a motion seeking court approval of the Settlement. The Settlement was approved on March 16, 2023, and the case was subsequently dismissed. Pursuant to the terms of the Settlement, the Company paid an aggregate settlement amount of $77.5 million in cash. 

As part of the terms of the Settlement, the settlement class agreed to release the Company, the other defendants named in the lawsuit, and certain of their respective related parties from any and all claims, suits, causes of action, damages, demands, liabilities, or losses that are based upon, arise from, or relate to (a) the purchase, acquisition or trading of any common stock during the class period from August 9, 2017 until February 6, 2020; and (b) the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the class action. The Settlement also contained no admission of liability, wrongdoing or responsibility by any of the parties. 

**Stockholder Derivative Actions**

On August 9, 2021, a stockholder derivative complaint was filed in the Delaware Court of Chancery against the Company's former President and Chief Executive Officer, Mark C. Capone, its Chief Financial Officer, R. Bryan Riggsbee, its former Executive Vice President of Clinical Development, Bryan M. Dechairo, and certain of the Company's current and former directors, Lawrence C. Best, Walter Gilbert, John T. Henderson, Heiner Dreismann, Dennis Langer, Lee N. Newcomer, S. Louise Phanstiel, and Colleen F. Reitan (collectively, the Individual Defendants), and the Company, as nominal defendant. The complaint is premised upon similar allegations as set forth in the securities class action, including that the Individual Defendants made false and misleading statements regarding the Company's business and operations. The plaintiff, Donna Hickock, asserts breach of fiduciary duty and unjust enrichment claims against the Individual Defendants and seeks, on behalf of the Company, damages allegedly sustained by the Company as a result of the alleged breaches, or disgorgement or restitution, from each of the Individual Defendants, plus interest. Plaintiff Hickock also seeks legal and other costs and fees relating to this action. On November 19, 2021, this action was stayed by the Delaware Court of Chancery pending the resolution of the securities class action lawsuit. 

On January 18, 2022, a stockholder derivative complaint was filed in the Delaware Court of Chancery against the Individual Defendants, and the Company, as nominal defendant. The action is premised upon similar allegations as set forth in the securities class action and the Hickock stockholder derivative action. The plaintiff, Esther Kogus, asserts that the Individual Defendants breached their fiduciary duties and also asserts unjust enrichment and aiding and abetting breaches of fiduciary duty claims against the Individual Defendants. Plaintiff Kogus seeks, on behalf of the Company, damages allegedly sustained by the Company as a result of the alleged breaches and claims, and restitution from the Individual Defendants. On behalf of herself, plaintiff Kogus seeks legal and other costs and fees relating to this action. 

On October 14, 2022, the Delaware Court of Chancery consolidated the Hickock and Kogus derivative actions and stayed the consolidated action. This consolidated action currently remains stayed. 

On September 17, 2021, a stockholder derivative complaint was filed in the U.S. District Court in the District of Delaware against the Individual Defendants, and the Company, as nominal defendant. The action is premised upon similar allegations as set forth in the securities class action and Hickock stockholder derivative action. The plaintiff, Karen Marcey, asserts that the Individual Defendants violated U.S. securities laws and breached their fiduciary duties, and also asserts unjust enrichment, waste of corporate assets and insider trading claims against all or some of the Individual Defendants. Plaintiff Marcey seeks, on behalf of the Company, damages allegedly sustained by the Company as a result of the alleged violations and restitution from the Individual Defendants, plus interest and, on behalf of herself, legal and other costs and fees relating to this action. On January 4, 2022, this action was stayed by the U.S. District Court for the District of Delaware pending the resolution of the securities class action lawsuit. This action currently remains stayed.

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Other Legal Proceedings

On December 21, 2020, Ravgen, Inc. ("Ravgen") filed a lawsuit against the Company and its wholly owned subsidiary, Myriad Women's Health, Inc., in the U.S. District Court for the District of Delaware, alleging infringement of two Ravgen-owned patents. The lawsuit sought monetary damages, enhancement of those damages for willfulness, injunctive relief, and recovery of attorney's fees and costs. Various third parties have filed challenges to the validity of the asserted patents with the U.S. Patent and Trademark Office, which challenges have been instituted for review. On March 14, 2022, the case was stayed pending the outcome of the first of these validity challenges. On February 13, 2023, the court lifted the stay and litigation of the case resumed.

On October 23, 2023 (the "Effective Date"), the Company and Ravgen entered into a settlement agreement pursuant to which the parties agreed to settle the lawsuit. As part of the settlement, the Company agreed to pay Ravgen a minimum of $12.75 million in three installment payments as follows: (1) the first installment of $5.0 million on or before October 31, 2023, (2) the second installment of $5.0 million on or before October 31, 2024, and (3) the third installment of $2.75 million on or before October 31, 2025. Subject to the terms of the settlement agreement, the Company also agreed to pay Ravgen an additional contingent payment of $21.25 million payable in five annual installments, with (1) the first installment of $5.0 million payable on the later of (a) 30 days after notification in writing by Ravgen of the successful conclusion in favor of Ravgen of all of Ravgen's litigations and patent reexaminations pending as of the Effective Date and (b) January 1, 2026 (the "Contingent Payment Date"); (2) the second installment of $5.0 million on the first anniversary of the Contingent Payment Date; (3) the third installment of $5.0 million on the second anniversary of the Contingent Payment Date; (4) the fourth installment of $5.0 million on the third anniversary of the Contingent Payment Date; and (5) $1.25 million on the fourth anniversary of the Contingent Payment Date. As of December 31, 2023, the Company has accrued $29.0 million for this action, of which $24.0 million is included in Other long-term liabilities and $5.0 million is included in Accrued liabilities in the Company's Consolidated Balance Sheets as of December 31, 2023.

On February 3, 2022, a purported class action lawsuit was filed against the Company in the U.S. District Court in the Northern District of California by Ashley Carroll. Plaintiff alleged, among other things, that the Company made false statements about the accuracy of its Prequel prenatal screening test. The complaint sought unspecified monetary damages, as well as punitive damages and injunctive relief. On April 1, 2022, the Company filed a motion to dismiss the lawsuit. On May 2, 2022, the plaintiff amended her complaint. On June 2, 2022, the Company filed a motion to dismiss the amended complaint. On July 26, 2022, the court granted and denied in part the Company's motion to dismiss the amended complaint. As part of the court's order, plaintiff was granted leave to file a second amended complaint. The plaintiff filed a second amended complaint on August 16, 2022. On September 6, 2022, the Company filed a motion to dismiss the second amended complaint. On November 9, 2022, the Court granted and denied in part the Company's motion to dismiss the second amended complaint. On October 6, 2023, the Company and the plaintiff agreed to settle the lawsuit for an immaterial amount. The settlement agreement contains no admission of liability, wrongdoing or responsibility on the part of the Company.

From time to time, the Company receives recoupment requests from third-party payors for alleged overpayments. The Company disagrees with the contentions of the pending requests or has recorded an estimated reserve for the alleged overpayments.
13. LEASES

The Company leases certain office spaces and research and development laboratory facilities, vehicles, and office equipment with remaining lease terms ranging from approximately one to fifteen years. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options, which allows the Company to, at its election, renew or extend the lease for a fixed period of time. These optional periods have not been considered in the determination of the ROU assets or lease liabilities associated with these leases as the Company did not consider it reasonably certain it would exercise the options.

Due to the increase in remote and hybrid work and the Company's need to ensure its facilities are designed to handle future growth, the Company has been executing on a multi-year strategy to reset its real estate footprint. As part of that strategy, in the first quarter of 2022, the Company entered into a non-cancelable operating lease for approximately 234,000 square feet in west Salt Lake City, Utah. The Company took possession of this leased facility in phases, beginning in the three months ended June 30, 2022. During the twelve months ended December 31, 2023, the Company took possession of the remaining phases of the west Salt Lake City facility and recognized $5.9 million of ROU asset and corresponding lease liability, net of tenant improvement allowance not yet received. The lease has a term of 15 years and total future rent payments under the lease are approximately $79.6 million. Also during the twelve months ended December 31, 2023, the Company assigned the lease for its previous corporate headquarters to a third party and transitioned its headquarters to the west Salt Lake City facility. As a result of the lease assignment, the operating lease ROU asset and operating lease liability associated with the previous headquarters of $33.3 million and $39.6 million, respectively, were removed from the Company's Consolidated Balance Sheets. In connection with the assignment of the lease, the Company recorded an accrual of $8.5 million for future payments under the lease assignment agreement, which is included in Accrued liabilities and Other long-term liabilities in the Company's Consolidated Balance Sheets as of December 31, 2023. The total net loss recognized associated with the assignment of the lease agreement was $7.7 million, which is included in Selling, general, and administrative expense in the Company's Consolidated Statements of Operations. In addition, the Company modified the remaining lease term of certain other Salt Lake City facilities reducing the associated ROU asset and lease liability by $6.4 million.

In connection with the Company's multi-year real-estate strategy, the Company also entered into a non-cancelable operating lease for approximately 63,000 square feet in South San Francisco, California with a term of 10 years, which commenced in the second half of fiscal year 2023. The Company took possession of the lease during fiscal year 2022 and recognized the related ROU asset and lease liability, net of tenant improvement allowance not yet received, of $30.7 million. Total future rent payments under the lease are approximately $56.7 million. The Company plans to transition all of the operations from the current South San Francisco facility, which has approximately 49,000 square feet of laboratory space utilized to perform testing for the Women's Health business, to the new South San Francisco facility.

During the twelve months ended December 31, 2022, the Company ceased the use of certain of its leased Salt Lake City facilities and one of its South San Francisco facilities. As a result, the Company recorded an impairment charge on ROU assets of $13.0 million and an impairment charge of $3.9 million on the related property, plant and equipment, which consisted primarily of leasehold improvements. The total $16.9 million impairment is included in Goodwill and long-lived asset impairment charges in the Consolidated Statement of Operations.

The Company performed evaluations of its contracts and determined the majority of its identified leases are operating leases. For the year ended December 31, 2023, the Company incurred $25.9 million in operating lease costs which are included in operating expenses in the Consolidated Statements of Operations in relation to these operating leases. Of such lease costs, $3.5 million was variable lease expense, which was not included in the measurement of the Company's operating ROU assets and lease liabilities. The variable rent expense is comprised primarily of the Company's proportionate share of operating expenses, property taxes, and insurance and is classified as lease expense due to the Company's election to not separate lease and non-lease components. For the year ended December 31, 2022, the Company incurred $22.1 million in lease costs which are included in operating expenses in the Consolidated Statements of Operations in relation to these operating leases. Of such lease costs, $3.2 million was variable lease expense, which was not included in the measurement of the Company's operating ROU assets and lease liabilities. The Company's finance leases are immaterial.
As of December 31, 2023, the maturities of the Company’s operating lease liabilities were as follows (in millions):

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>22.5</td>
</tr>
<tr>
<td>2025</td>
<td>17.9</td>
</tr>
<tr>
<td>2026</td>
<td>11.6</td>
</tr>
<tr>
<td>2027</td>
<td>11.7</td>
</tr>
<tr>
<td>2028</td>
<td>11.8</td>
</tr>
<tr>
<td>Thereafter</td>
<td>85.7</td>
</tr>
</tbody>
</table>

Total future lease payments 161.2
Less: amounts representing interest (47.6)
Present value of future lease payments 113.6
Less: current maturities of operating lease liabilities (16.2)
Noncurrent operating lease liabilities $97.4

As of December 31, 2023, the weighted average remaining lease term is 9.4 years and the weighted average discount rate used to determine the operating lease liability was 6.34%.

As the implicit rate in the Company's leases is generally unknown, the Company uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. When calculating the Company’s incremental borrowing rates, the Company gives consideration to its credit risk, term of the lease, total lease payments and adjusts for the impacts of collateral, as necessary. The lease term used may reflect any option to extend or terminate the lease when it is reasonably certain the Company will exercise such options. Lease expenses for the Company's operating leases are recognized on a straight-line basis over the lease term.

14. EMPLOYEE DEFERRED SAVINGS PLAN

The Company has a deferred savings plan which qualifies under Section 401(k) of the Internal Revenue Code. Substantially all of the Company’s U.S. employees are covered by the plan. The Company makes matching contributions of 50% of each employee’s contribution with the employer’s contribution not to exceed 4% of the employee’s compensation.

The Company’s recorded contributions to the plan are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Deferred savings plan contributions $</td>
<td>10.0</td>
</tr>
</tbody>
</table>

15. SEGMENT AND RELATED INFORMATION

The Company’s business is aligned with how the chief operating decision maker ("CODM") reviews performance and makes decisions in managing the Company. Management prepares budgets at the operating segment level, and the CODM approves the budget, reviews the business, makes investing and resource allocation decisions and assesses operating performance at both the operating segment level and on an aggregate basis. As the Company’s operating segments have similar economic and other characteristics, including the nature of the products and production processes, types of customers, distribution methods, and regulatory environment, they have been aggregated into a single reporting segment, which primarily provides testing that helps assess an individual’s risk for developing disease or disease progression and guides treatment decisions across medical specialties where genetic insights can significantly improve patient health care and lower health care costs, and includes corporate services such as finance, human resources, legal and information technology.
The following table reconciles assets by geographical region to total assets:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td><strong>Net equipment, leasehold improvements and property:</strong></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$ 117.7</td>
</tr>
<tr>
<td>Rest of world</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 119.0</td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$ 961.6</td>
</tr>
<tr>
<td>Rest of world</td>
<td>44.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,005.6</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents, and marketable investment securities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>140.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,146.5</td>
</tr>
</tbody>
</table>

16. BUSINESS ACQUISITION

On November 1, 2022, the Company acquired all of the membership interests of Gateway, a San Diego-based personal genomics company and developer of consumer genetic tests that give families insight into their future children.

The acquisition date fair value of the consideration transferred was $68.7 million. The following table summarizes the estimated fair value of identified assets acquired and liabilities assumed at the date of acquisition.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Estimated fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identifiable assets acquired</strong></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$ 1,053</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,900</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
</tr>
<tr>
<td>Developed technology</td>
<td>10,100</td>
</tr>
<tr>
<td>Trademarks</td>
<td>6,100</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>1,600</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td>17,800</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>161</td>
</tr>
<tr>
<td><strong>Total identifiable assets acquired</strong></td>
<td>20,914</td>
</tr>
<tr>
<td><strong>Liabilities assumed</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(246)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(693)</td>
</tr>
<tr>
<td><strong>Total liabilities assumed</strong></td>
<td>(939)</td>
</tr>
<tr>
<td><strong>Net identifiable assets acquired</strong></td>
<td>19,975</td>
</tr>
<tr>
<td>Goodwill</td>
<td>48,723</td>
</tr>
<tr>
<td><strong>Total fair value of Purchase Price</strong></td>
<td>$ 68,698</td>
</tr>
</tbody>
</table>
The unaudited pro forma results presented below include the effects of Gateway acquisition as if it had been consummated as of January 1, 2021, with adjustments to give effect to pro forma events that are directly attributable to the acquisition, which includes adjustments related to the amortization of acquired intangible assets, interest income and expense, and depreciation.

The unaudited pro forma results do not reflect any operating efficiency or potential cost savings that may result from the consolidation of Gateway with the Company. Accordingly, these unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operation of the combined company would have been if the acquisition had occurred at the beginning of the period presented, nor are they indicative of future results of operations and are not necessarily indicative of results that might have been achieved had the acquisition been consummated as of January 1, 2021. The Company did not have any material, nonrecurring pro forma adjustments directly attributable to the business acquisition included in the reported pro forma earnings.

<table>
<thead>
<tr>
<th></th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Revenue</td>
<td>$695,632</td>
</tr>
<tr>
<td>Net loss</td>
<td>(112,185)</td>
</tr>
</tbody>
</table>

Revenue and net loss from Gateway included in the Company's Consolidated Statements of Operations for the year ended December 31, 2023 is $21.1 million and $4.0 million, respectively.

Revenue and net loss from Gateway included in the Company's Consolidated Statements of Operations from the acquisition date through December 31, 2022 is $3.3 million and $2.8 million, respectively.

17. DIVESTITURES

On May 28, 2021, the Company completed the sale of the Myriad myPath, LLC laboratory to Castle Biosciences, Inc. for cash consideration of $32.5 million. The transaction was accounted for as a sale of assets and the Company recognized a gain of $31.2 million, net of transaction costs of $1.3 million, in Other income (expense) in the Consolidated Statements of Operations.

On July 1, 2021, the Company completed the sale of Myriad RBM, Inc., then a wholly owned subsidiary of the Company, to IQVIA RDS, Inc., for cash consideration of $197.0 million. The transaction was accounted for as a sale of a business and the Company recognized a gain of $121.0 million, net of transaction costs of $4.8 million, in Other income (expense) in the Consolidated Statements of Operations.

On September 13, 2021, the Company completed the sale of select operating assets and intellectual property, including the Vectra test, from the Myriad Autoimmune business unit to Laboratory Corporation of America Holdings for cash consideration of $150.0 million. The transaction was accounted for as a sale of a business and the Company recognized a loss of $0.6 million, net of transaction costs of $4.4 million, in Other income (expense) in the Consolidated Statements of Operations.

The operating results of these businesses do not qualify for reporting as discontinued operations.

Inventory

In connection with the divestiture transactions, the Company recognized losses of $5.2 million and $6.5 million for a non-cancelable inventory purchase commitment and inventory, respectively, during the year ended December 31, 2021, as the Company no longer had use for the goods. Both of these losses are included in Other income (expense) in the Consolidated Statements of Operations for the year ended December, 2021.
The following table details the amounts recognized in Other income (expense) for the year ended December 31, 2021:

(in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year Ended December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain on sale of Myriad RBM, Inc.</td>
<td>$121.0</td>
</tr>
<tr>
<td>Gain on sale of the Myriad myPath, LLC laboratory</td>
<td>31.2</td>
</tr>
<tr>
<td>Loss on inventory</td>
<td>(11.7)</td>
</tr>
<tr>
<td>Loss on sale of Myriad Autoimmune assets</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Other</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Total other income (expense)</strong></td>
<td><strong>$139.3</strong></td>
</tr>
</tbody>
</table>

18. **SUPPLEMENTAL CASH FLOW INFORMATION**

The Company's supplemental cash flow information for the respective periods are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Years Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td>Cash paid for income taxes</td>
<td>$1.9</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>1.4</td>
</tr>
<tr>
<td>Cash received for income tax receivables</td>
<td>—</td>
</tr>
<tr>
<td>Non-cash investing and financing activities:</td>
<td></td>
</tr>
<tr>
<td>Change in operating lease right-of-use assets and lease liabilities</td>
<td>$ (31.0)</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td></td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>36.7</td>
</tr>
<tr>
<td>Tenant improvement allowance not yet received</td>
<td>—</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment and capitalization of internal-use software in accounts payable and accrued liabilities</td>
<td>6.9</td>
</tr>
</tbody>
</table>

19. **SUBSEQUENT EVENTS**

On February 1, 2024, the Company acquired from Intermountain Health select assets for an immaterial amount from its Intermountain Precision Genomics (IPG) laboratory business, including the Precise Tumor Test, the Precise Liquid Test, and IPG's CLIA-certified laboratory in St. George, Utah.

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Item 9.  CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A.  CONTROLS AND PROCEDURES

1. Disclosure Controls and Procedures

We maintain disclosure controls and procedures (Disclosure Controls) within the meaning of Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our Disclosure Controls are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act, such as this Annual Report on Form 10-K, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Our Disclosure Controls are also designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our Disclosure Controls, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily applied its judgment in evaluating and implementing possible controls and procedures.

As of the end of the period covered by this Annual Report on Form 10-K, we evaluated the effectiveness of the design and operation of our Disclosure Controls, which was done under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on the evaluation of our Disclosure Controls, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2023, our Disclosure Controls were effective to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.


Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013). We have evaluated the effectiveness of our internal control over financial reporting as of the end of the period covered by this Annual Report on Form 10-K, with the participation of our Chief Executive Officer and Chief Financial Officer, as well as other key members of our management. Based on this assessment, management concluded that, as of December 31, 2023, the Company's internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report included elsewhere herein.

3. Change in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter or year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

To the Shareholders and the Board of Directors of Myriad Genetics, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Myriad Genetics, Inc. and subsidiaries’ internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Myriad Genetics, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive loss, stockholders’ equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Salt Lake City, UT
February 28, 2024
Item 9B. OTHER INFORMATION

(b) Rule 10b5-1 Trading Plans

On November 22, 2023, Dan Spiegelman, a member of the Company's Board of Directors, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale in multiple transactions of 50% of the shares to be acquired upon the vesting of Mr. Spiegelman's award of 15,151 restricted stock units granted on June 1, 2023. The plan expires on the earlier of (i) the date all of the shares under the plan have been sold and (ii) November 14, 2024.

Except as disclosed above, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” as such term is defined in Item 408(a) of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.
PART III

Item 10.    DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The response to this item is incorporated by reference from the discussion responsive thereto under the captions “Management and Corporate Governance,” “Corporate Code of Conduct” and "Insider Trading Policies" in our Proxy Statement for the 2024 Annual Meeting of Stockholders expected to be held on June 6, 2024.

Item 11.    EXECUTIVE COMPENSATION

The response to this item is incorporated by reference from the discussion responsive thereto under the captions “Compensation Discussion and Analysis,” "Pay Versus Performance," “Management and Corporate Governance – Committees of the Board of Directors and Meetings – Compensation and Human Capital Committee Interlocks and Insider Participation,” “Compensation and Human Capital Committee Report” and “Management and Corporate Governance – Board’s Role in the Oversight of Risk Management” in our Proxy Statement for the 2024 Annual Meeting of Stockholders expected to be held on June 6, 2024.

Item 12.    SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The response to this item is incorporated by reference from the discussion responsive thereto under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Compensation Discussion and Analysis - Equity Compensation Plan Information” in our Proxy Statement for the 2024 Annual Meeting of Stockholders expected to be held on June 6, 2024.

Item 13.    CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The response to this item is incorporated by reference from the discussion responsive thereto under the caption “Certain Relationships and Related Person Transactions” and “Management and Corporate Governance – Director Independence” in our Proxy Statement for the 2024 Annual Meeting of Stockholders expected to be held on June 6, 2024.

Item 14.    PRINCIPAL ACCOUNTANT FEES AND SERVICES

The response to this item is incorporated by reference from the discussion responsive thereto in the proposal entitled “Selection of Independent Registered Public Accounting Firm” in our Proxy Statement for the 2024 Annual Meeting of the Stockholders expected to be held on June 6, 2024.
PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are included as part of this Annual Report on Form 10-K.

1. Financial Statements

See “Index to Consolidated Financial Statements” under Part II, Item 8 to this Annual Report on Form 10-K.

2. Financial Statement Schedules

Financial statement schedules have not been included because they are not applicable, or the information is included in financial statements or notes thereto.

3. Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Description</th>
<th>Filed with this Report</th>
<th>Incorporated by Reference herein from Form or Schedule</th>
<th>Filing Date</th>
<th>SEC File/Registration Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Restated Certificate of Incorporation, as amended</td>
<td>10-Q (Exhibit 3.1)</td>
<td>8/4/2023</td>
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<td>000-26642</td>
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<tr>
<td>3.2</td>
<td>Restated By-Laws</td>
<td>8-K (Exhibit 3.1)</td>
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<td>4.1</td>
<td>Specimen Common Stock Certificate</td>
<td>10-K (Exhibit 4.1)</td>
<td>8/15/2011</td>
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<tr>
<td>4.2</td>
<td>Description of Securities</td>
<td>10-KT (Exhibit 4.2)</td>
<td>3/16/2021</td>
<td></td>
<td>000-26642</td>
</tr>
</tbody>
</table>

Lease Agreements

10.1 .1 Lease Agreement, dated October 12, 1995, between the Registrant and Beyer Research Park Associates V, by its general partner, Beyer Company

10.1 .2 Amendment to Phase I Lease Agreement, dated February 3, 2016, between the Registrant and HCPI/UTAH II, LLC.

10.1 .3 Lease Termination Agreement, dated December 18, 2023, between the Registrant and HCPI/UTAH II, LLC.


10.2 .2 Amendment to Phase II Lease Agreement, dated February 3, 2016, between Myriad Genetics, Inc. and HCPI/UTAH II, LLC.

10.2 .3 Lease Termination Agreement, dated December 18, 2023, between Myriad Genetics, Inc. and HCPI/UTAH II, LLC.


10.3 .2 Amendment to Phase III Lease Agreement, dated February 3, 2016, between Myriad Genetics, Inc. and HCPI/UTAH II, LLC.
### Table of Contents

<table>
<thead>
<tr>
<th>Exhibit Number</th>
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<tr>
<td>3</td>
<td>Lease Termination Agreement, dated December 18, 2023, between Myriad Genetics, Inc. and HCPI/Utah II, LLC</td>
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<td>X from Form or Schedule</td>
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<td>10.4</td>
<td>Lease Agreement, dated February 9, 2022, between Myriad Genetics, Inc. and Bay Bridge/Corporate, LLC</td>
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<tr>
<td>10.5</td>
<td>Lease, effective December 7, 2021, between Myriad Women's Health, Inc. and Bayside Area Development, LLC</td>
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#### Agreements with Executive Officers and Directors

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<tr>
<th>Exhibit Number</th>
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<td>10.6</td>
<td>Non-Employee Director Compensation Policy, (effective June 2023)+</td>
<td>10-Q (Exhibit 10.4)</td>
<td>8/4/2023</td>
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<td>10.7</td>
<td>Form of director and executive officer indemnification agreement+</td>
<td>10-K (Exhibit 10.34)</td>
<td>8/25/2009</td>
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<td>10.8</td>
<td>Form of Severance and Change in Control Agreement+</td>
<td>8-K (Exhibit 10.1)</td>
<td>10/15/2020</td>
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<td>10.9</td>
<td>Executive Employment Agreement between the Registrant and Paul J. Diaz dated July 24, 2020+</td>
<td>10-Q (Exhibit 10.1)</td>
<td>11/9/2020</td>
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<td>10.10</td>
<td>Performance-Based Restricted Stock Unit Agreement between the Registrant and Paul J. Diaz dated October 8, 2020+</td>
<td>10-Q (Exhibit 10.2)</td>
<td>11/9/2020</td>
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<td>10.11</td>
<td>Restricted Stock Unit Agreement between the Registrant and Paul J. Diaz dated August 13, 2020+</td>
<td>10-Q (Exhibit 10.3)</td>
<td>11/9/2020</td>
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<td>10.12</td>
<td>Performance-Based Non-Qualified Stock Option Agreement between the Registrant and Paul J. Diaz dated August 13, 2020+</td>
<td>10-Q (Exhibit 10.4)</td>
<td>11/9/2020</td>
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<td>10.13</td>
<td>Non-Qualified Stock Option Agreement between the Registrant and Paul J. Diaz dated August 13, 2020+</td>
<td>10-Q (Exhibit 10.5)</td>
<td>11/9/2020</td>
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<td>10.14</td>
<td>Form of Separation and Release Agreement between the Registrant and Paul J. Diaz+</td>
<td>10-Q (Exhibit 10.6)</td>
<td>11/9/2020</td>
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<td>10.15</td>
<td>Executive Employment Agreement, dated October 17, 2023, between Myriad Genetics, Inc. and Samraat S. Raha+</td>
<td>10-Q (Exhibit 10.2)</td>
<td>11/7/2023</td>
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<td>10.16</td>
<td>Severance and Change of Control Agreement, dated December 11, 2023, by and between Myriad Genetics, Inc. and Samraat S. Raha+</td>
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<td>10.17</td>
<td>Executive Employment Agreement, dated December 15, 2023, between Myriad Genetics, Inc. and Scott Leffler+</td>
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<td>10.18</td>
<td>Separation and Consulting Agreement and Release of Claims, dated December 15, 2023, between Myriad Genetics, Inc. and R. Bryan Riggsbee+</td>
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<tr>
<td>10.19</td>
<td>Separation and Consulting Agreement and Release of Claims, dated October 4, 2023, by and between Myriad Genetics, Inc. and Nicole Lambert+</td>
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<td>10.20</td>
<td>2017 Employee, Director and Consultant Equity Incentive Plan, as amended (June 1, 2023)+</td>
<td>8-K</td>
<td>6/2/2023</td>
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<td>10.21</td>
<td>Form of Restricted Stock Unit Agreement under the 2017 Equity Incentive Plan+</td>
<td>10-K</td>
<td>8/13/2020</td>
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<td>10.22</td>
<td>Amended and Restated 2012 Employee Stock Purchase Plan+</td>
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<td>6/2/2022</td>
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<td>Form of Restricted Stock Unit Agreement under the 2017 Equity Incentive Plan (Employee)+</td>
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<td>5/4/2023</td>
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<td>10.24</td>
<td>2013 Executive Incentive Plan, as amended+</td>
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<td>12/1/2017</td>
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<td>10.25</td>
<td>Credit Agreement dated June 30, 2023, among Myriad Genetics, Inc., the other loan parties from time to time party thereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent and issuing bank.</td>
<td>8-K (Exhibit 10.1)</td>
<td>7/6/2023</td>
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<td>10.26</td>
<td>Pledge and Security Agreement dated June 30, 2023, among Myriad Genetics, Inc., each of the other Guarantors and JPMorgan Chase Bank, N.A., as administrative agent for the secured parties.</td>
<td>8-K (Exhibit 10.2)</td>
<td>7/6/2023</td>
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<td>10.27</td>
<td>First Amendment to Credit Agreement and Pledge and Security Agreement, dated as of October 31, 2023, among Myriad Genetics, Inc., the other loan parties party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.</td>
<td>8-K (Exhibit 10.1)</td>
<td>10/31/2023</td>
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<td>Other Exhibits</td>
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<td>21.1</td>
<td>List of Subsidiaries of the Registrant</td>
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<td>23.1</td>
<td>Consent of Independent Registered Public Accounting Firm (Ernst &amp; Young LLP)</td>
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<td>24.1</td>
<td>Power of Attorney (included in the signature page hereto)</td>
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<td>31.1</td>
<td>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</td>
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<td>31.2</td>
<td>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</td>
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<td>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</td>
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<td>Clawback Policy</td>
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<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document)</td>
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</table>

(+) Management contract or compensatory plan arrangement.

**Item 16. FORM 10-K SUMMARY**

None.
SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 28, 2024.

MYRIAD GENETICS, INC.

By: /s/ Paul J. Diaz
    Paul J. Diaz
    President and Chief Executive Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Paul J. Diaz and Scott J. Leffler and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated below and on the dates indicated.

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<table>
<thead>
<tr>
<th>Signatures</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Paul J. Diaz</td>
<td>President, Chief Executive Officer and Director (Principal Executive Officer)</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Paul J. Diaz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Scott J. Leffler</td>
<td>Chief Financial Officer (Principal Financial Officer)</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Scott J. Leffler</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Natalie Munk</td>
<td>Chief Accounting Officer (Principal Accounting Officer)</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Natalie Munk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ S. Louise Phanstiel</td>
<td>Chair of the Board</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>S. Louise Phanstiel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Paul Bisaro</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Paul Bisaro</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Heiner Dreismann</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Heiner Dreismann, Ph.D.</td>
<td></td>
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</tr>
<tr>
<td>/s/ Rashmi Kumar</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Rashmi Kumar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Lee N. Newcomer</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Lee N. Newcomer, M.D.</td>
<td></td>
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</tr>
<tr>
<td>/s/ Colleen F. Reitan</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Colleen F. Reitan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Daniel M. Skovronsky</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Daniel M. Skovronsky, M.D., Ph.D.</td>
<td></td>
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</tr>
<tr>
<td>/s/ Daniel K. Spiegelman</td>
<td>Director</td>
<td>February 28, 2024</td>
</tr>
<tr>
<td>Daniel K. Spiegelman</td>
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</table>
LEASE TERMINATION AGREEMENT
(Myriad Genetics: Phase I)

THIS LEASE TERMINATION AGREEMENT (this “Agreement”) is entered into as of the 18th day of December, 2023 (the “Effective Date”) by and between HCPI/UTAH II, LLC, a Delaware limited liability company (“Landlord”) and MYRIAD GENETICS, INC., a Delaware corporation (“Tenant”) (each a “Party” and collectively the “Parties”), with reference to the following recitals:

RECITALS

A. Landlord, as successor in interest to Boyer-Foothill Associates, Ltd., successor in interest to Boyer Research Park Associates V, and Tenant, are Parties to that certain Lease Agreement dated October 12, 1995, as amended by that certain Amendment to Lease Agreement dated March 29, 1996, as amended by that certain Amendment No. 2 to Lease Agreement dated December 18, 1997, as amended by that certain Third Amendment to Lease Agreement dated April 30, 2001, as amended by that certain Fourth Amendment to Lease Agreement dated August 17, 2001 (incorrectly referenced as August 7, 2001 in the Sixth Amendment), as amended by that certain Fifth Amendment to Lease Agreement dated November 1, 2006, and as further amended by that certain Sixth Amendment to Lease dated February 3, 2016 (the “Sixth Amendment”), and as affected by that certain Waiver of Existing Purchase Rights and Agreement re New Right of First Refusal (the “ROFR Agreement”) (collectively, the “Lease”), with respect to certain premises containing approximately 48,483 rentable square feet (the “Leased Premises”) located at 320 Wakara Way, Salt Lake City, Utah, and commonly known as the Phase I building of The Myriad Campus Research Park.

B. Landlord and Tenant have mutually agreed to terminate Tenant’s right to occupy the Leased Premises effective as of December 31, 2025 (the “Termination Date”), and Landlord has agreed to terminate the Lease for all purposes in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. Capitalized terms used in this Agreement shall have the same meaning ascribed to such capitalized terms in the Lease, unless otherwise provided for herein.

2. Termination; Release. Each Party hereby agrees that the Lease shall terminate on the Termination Date subject to the terms and conditions of this Agreement, including, without limitation, Section 3 below. Each Party covenants and agrees that until the Termination Date such Party shall faithfully perform and observe all of its respective obligations under the Lease as amended hereby. After the Termination Date, neither Party shall have any further rights, obligations, responsibilities or liabilities to the other under the Lease. Each Party, on their own behalf and on behalf of their principals, officers, directors, managers, shareholders, owners, members, partners, agents, representatives, subsidiaries, parent entities, assigns, heirs, successors, affiliated or associated entities of whatever kind, and any entity owned or controlled by a them, (hereinafter collectively the “Releasor”), generally release and forever discharge the other Party from any and all claims, liens, demands, and causes of action, of whatever kind or character, whether in law or in equity, that Releasor now has or may have in the future, whether known or unknown, based on any events that have occurred prior to the Effective Date of this Agreement, including but not limited to the claims which have been or could have been asserted arising out of or connected in any way with, the Lease; except claims for breach of this Agreement, which claims are expressly excluded from this release and shall survive and remain in effect after the date hereof.

3. Contingency. Landlord and Tenant acknowledge and agree that this Agreement is contingent upon the execution of an agreement by and between Landlord and University of Utah Research Foundation, a Utah non-profit corporation, or its affiliates or assigns (the “Replacement Tenant”) whereby Landlord will agree to lease and/or sell to the Replacement Tenant and the Replacement Tenant will agree to lease and/or buy from Landlord the Leased Premises. In the event Landlord and the Replacement Tenant fail to execute such an agreement or such agreement is no longer in effect on or before the date that is 180 days prior to the Termination Date, this Agreement shall be null and void.
4. **December 2025 Payment.** Simultaneously with, and in addition to, Tenant’s payment to Landlord of December 2025 Rent, Tenant hereby agrees to pay Landlord prorated Rent (including Basic Annual Rent and Additional Rent) for the fifteen (15) days from January 1, 2026 through January 15, 2026.

5. **Surrender.** On or before the Termination Date, Tenant shall (i) surrender the Leased Premises to Landlord in broom-clean condition and clean and decommission all interior surfaces and exposed piping, supply lines, waste lines, plumbing, and exhaust or other ductwork in or serving the laboratory and laboratory support areas of the Leased Premises, in each case that has carried, released or otherwise been exposed to hazardous materials during the term of the Lease and shall have prepared a report or caused a report to be prepared (an “Environmental Assessment”) addressed to Landlord by a reputable licensed environmental engineer or industrial hygienist (the “Environmental Inspector”) that is mutually designated by Tenant and Landlord, which report shall be based on the Environmental Inspector’s inspection of the Leased Premises and shall state, to Landlord’s reasonable satisfaction, that (a) all hazardous materials, if any, existing prior to such decommissioning, have been removed in accordance with applicable laws, including from the interior surfaces of the Leased Premises (including floors, walls, shelves, cabinets, drawers, fume hoods, and counters) and exposed piping, supply lines, waste lines, plumbing, and exhaust or other ductwork in the laboratory and laboratory support areas of the Leased Premises; and (b) the Leased Premises may be reoccupied for office, research and development, and/or laboratory uses, demolished or renovated without incurring Special Costs or undertaking Special Procedures (as such terms are defined below) for disposal, investigation, assessment, cleaning or removal of hazardous materials and without giving notice required by applicable law in connection therewith. Further, for purposes of clauses (a) and (b), “Special Costs” or “Special Procedures” shall mean costs or procedures, as the case may be, that would not be incurred but for the nature of the hazardous materials as hazardous materials instead of non-hazardous materials. The report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run and the analytic results; (ii) remove all personal property and trade fixtures, and (iii) return to Landlord all pass keys, entry keys and other items used to access or operate the Leased Premises (the “Surrender Conditions”). No later than 120 days prior to the Termination Date, representatives of Landlord and Tenant shall walk through the Leased Premises for purposes of Landlord evaluating whether the Surrender Conditions have been satisfied and Landlord shall promptly provide notice to Tenant of any unsatisfied Surrender Conditions. Subject to the foregoing, if Tenant fails to surrender the Leased Premises on or before the Termination Date, such failure shall constitute a hold over subject to the terms and conditions of the Lease and Landlord shall have the rights and remedies available to Landlord under the Lease.

6. **Default.** If either Party fails to perform any obligation required of it under this Agreement (except for the failure to perform the obligations set forth in the second sentence of Section 2, which failure shall be governed by the Lease and subject to any applicable cure periods therein), such failure shall be deemed an incurable default under the Lease and the Lease may be immediately terminated by the non-breaching Party without need for additional notice or grace period or any other action by the Parties and, without limiting any rights or remedies available to each Party under this Agreement, at law or in equity, the non-defaulting Party shall be entitled to all rights and remedies available to it under the Lease. The defaulting Party shall indemnify the non-defaulting Party for any loss, cost, damage or expense (including reasonable attorneys’ fees) that may be incurred by the non-defaulting Party as a direct result of any breach of this Agreement or any loan secured by the Leased Premises, by the defaulting Party.

7. **Status of Lease.** Tenant represents and warrants to Landlord that as of the date of Tenant’s execution of this Agreement Landlord is not in default in the performance of any of its obligations under the Lease and Tenant is unaware of any condition or circumstance which, with the giving of notice or the passage of time or both, would constitute a default by Landlord. Landlord represents and warrants to Tenant that as of the date of Landlord’s execution of this Agreement Tenant is not in default in the performance of any of its obligations under the Lease and Landlord is unaware of any condition or circumstance which, with the giving of notice or the passage of time or both, would constitute a default by Tenant.

8. **Waiver of Purchase Rights.** Tenant on its own behalf and on behalf of its principals, officers, directors, managers, shareholders, owners, members, partners, agents, representatives, subsidiaries, parent entities, assigns, heirs, successors, affiliated or associated entities of whatever kind, and any entity owned or controlled by them hereby irrevocably waives, terminates, releases and relinquishes any rights to purchase the Leased Premises or any portion of the property of which the Leased Premises is a part, including, without limitation, the ROFR Agreement, or any other right of first offer or right of first refusal with respect to the Leased Premises or such property.
9. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall constitute one and the same instrument. Any signature to this Agreement transmitted via facsimile or other electronic signature shall be deemed an original signature and be binding upon the Parties hereto (it being agreed that facsimile or other electronic signature, including DocuSign, shall have the same force and effect as an original signature). Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option to terminate the Lease and it is not effective as an agreement to terminate the Lease until execution by and delivery to both Landlord and Tenant.

10. **Authority.** Each Party hereby represents and warrants that (a) such Party has the legal power and authority to execute and deliver this Agreement; (b) the person executing this Agreement has been duly authorized to execute and deliver the same and bind such Party with respect to the provisions hereof; (c) this Agreement constitutes a valid and binding obligation in every respect; and (d) no consent of any third Party is required to be obtained in order to enter into this Agreement or to perform its obligations hereunder, except any such consent as has been duly obtained and is in full force and effect.

[Signature page follows]
IN WITNESS WHEREOF, each Party hereto has caused their duly authorized representatives to execute this Agreement as of the date first above written.

LANDLORD:

HCPI/UTAH II, LLC,
a Delaware limited liability company

By: /s/ Michael Dorris
Name: Michael Dorris
Title: Senior Vice President

TENANT:

MYRIAD GENETICS, INC.,
a Delaware corporation

By: /s/ R. Bryan Riggsbee
Name: R. Bryan Riggsbee
Title: CFO

[Signature page to Lease Termination Agreement (Myriad Genetics: Phase I)]
LEASE TERMINATION AGREEMENT
(Myriad Genetics: Phase II)

THIS LEASE TERMINATION AGREEMENT (this “Agreement”) is entered into as of the 18th day of December, 2023 (the “Effective Date”) by and between HCPI/UTAH II, LLC, a Delaware limited liability company (“Landlord”) and MYRIAD GENETICS, INC., a Delaware corporation (“Tenant”) (each a “Party” and collectively the “Parties”), with reference to the following recitals:

RECITALS

A. Landlord, as successor in interest to Boyer Research Park Associates VI, and Tenant, are Parties to that certain Lease Agreement dated March 6, 1998, as amended by that certain Amendment to Lease Agreement dated June 24, 1998, and as amended by that certain Second Amendment to Lease Agreement dated April 30, 2001, as amended by that certain Third Amendment to Lease Agreement dated August 17, 2001, as amended by that certain Fourth Amendment to Lease Agreement dated November 1, 2006, as further amended by that certain Fifth Amendment to Lease dated February 3, 2016, and as affected by that certain Waiver of Existing Purchase Rights and Agreement re New Right of First Refusal (“ROFR Agreement”) (collectively, the “Lease”), with respect to certain premises containing approximately 48,635 rentable square feet (the “Leased Premises”) located at 320 Wakara Way, Salt Lake City, Utah, and commonly known as the Phase II building of The Myriad Campus Research Park.

B. Landlord and Tenant have mutually agreed to terminate Tenant’s right to occupy the Leased Premises effective as of December 31, 2025 (the “Termination Date”), and Landlord has agreed to terminate the Lease for all purposes in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. Capitalized terms used in this Agreement shall have the same meaning ascribed to such capitalized terms in the Lease, unless otherwise provided for herein.

2. Termination; Release. Each Party hereby agrees that the Lease shall terminate on the Termination Date subject to the terms and conditions of this Agreement, including, without limitation, Section 3 below. Each Party covenants and agrees that until the Termination Date such Party shall faithfully perform and observe all of its respective obligations under the Lease as amended hereby. After the Termination Date, neither Party shall have any further rights, obligations, responsibilities or liabilities to the other under the Lease. Each Party, on their own behalf and on behalf of their principals, officers, directors, managers, shareholders, owners, members, partners, agents, representatives, subsidiaries, parent entities, assigns, heirs, successors, affiliated or associated entities of whatever kind, and any entity owned or controlled by a them, (hereinafter collectively the “Releasor”), generally release and forever discharge the other Party from any and all claims, liens, demands, and causes of action, of whatever kind or character, whether in law or in equity, that Releasor now has or may have in the future, whether known or unknown, based on any events that have occurred prior to the Effective Date of this Agreement, including but not limited to the claims which have been or could have been asserted arising out of or connected in any way with, the Lease; except claims for breach of this Agreement, which claims are expressly excluded from this release and shall survive and remain in effect after the date hereof.

3. Contingency. Landlord and Tenant acknowledge and agree that this Agreement is contingent upon the execution of an agreement by and between Landlord and the University of Utah, a body politic and corporate of the State of Utah, or its affiliates or assigns (the “Replacement Tenant”) whereby Landlord will agree to lease and/or sell to the Replacement Tenant and the Replacement Tenant will agree to lease and/or buy from Landlord the Leased Premises. In the event Landlord and the Replacement Tenant fail to execute such an agreement or such agreement is no longer in effect on or before the date that is 180 days prior to the Termination Date, this Agreement shall be null and void.
4. **December 2025 Payment.** Simultaneously with, and in addition to, Tenant’s payment to Landlord of December 2025 Rent, Tenant hereby agrees to pay Landlord prorated Rent (including Basic Annual Rent and Additional Rent) for the fifteen (15) days from January 1, 2026 through January 15, 2026.

5. **Surrender.** On or before the Termination Date, Tenant shall (i) surrender the Leased Premises to Landlord in broom-clean condition and clean and decommission all interior surfaces and exposed piping, supply lines, waste lines, plumbing, and exhaust or other ductwork in or serving the laboratory and laboratory support areas of the Leased Premises, in each case that has carried, released or otherwise been exposed to hazardous materials during the term of the Lease and shall have prepared a report or caused a report to be prepared (an “Environmental Assessment”) addressed to Landlord by a reputable licensed environmental engineer or industrial hygienist (the "Environmental Inspector") that is mutually designated by Tenant and Landlord, which report shall be based on the Environmental Inspector’s inspection of the Leased Premises and shall state, to Landlord’s reasonable satisfaction, that (a) all hazardous materials, if any, existing prior to such decommissioning, have been removed in accordance with applicable laws, including from the interior surfaces of the Leased Premises (including floors, walls, shelves, cabinets, drawers, fume hoods, and counters) and exposed piping, supply lines, waste lines, plumbing, and exhaust or other ductwork in the laboratory and laboratory support areas of the Leased Premises; and (b) the Leased Premises may be reoccupied for office, research and development, and/or laboratory uses, demolished or renovated without incurring Special Costs or undertaking Special Procedures (as such terms are defined below) for disposal, investigation, assessment, cleaning or removal of hazardous materials and without giving notice required by applicable law in connection therewith. Further, for purposes of clauses (a) and (b), “Special Costs” or “Special Procedures” shall mean costs or procedures, as the case may be, that would not be incurred but for the nature of the hazardous materials as hazardous materials instead of non-hazardous materials. The report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run and the analytic results; (ii) remove all personal property and trade fixtures, and (iii) return to Landlord all pass keys, entry keys and other items used to access or operate the Leased Premises (the “Surrender Conditions”). No later than 120 days prior to the Termination Date, representatives of Landlord and Tenant shall walk through the Leased Premises for purposes of Landlord evaluating whether the Surrender Conditions have been satisfied and Landlord shall promptly provide notice to Tenant of any unsatisfied Surrender Conditions. Subject to the foregoing, if Tenant fails to surrender the Leased Premises on or before the Termination Date, such failure shall constitute a hold over subject to the terms and conditions of the Lease and Landlord shall have the rights and remedies available to Landlord under the Lease.

6. **Default.** If either Party fails to perform any obligation required of it under this Agreement (except for the failure to perform the obligations set forth in the second sentence of Section 2, which failure shall be governed by the Lease and subject to any applicable cure periods therein), such failure shall be deemed an incurable default under the Lease and the Lease may be immediately terminated by the non-breaching Party without need for additional notice or grace period or any other action by the Parties and, without limiting any rights or remedies available to each Party under this Agreement, at law or in equity, the non-defaulting Party shall be entitled to all rights and remedies available to it under the Lease. The defaulting Party shall indemnify the non-defaulting Party for any loss, cost, damage or expense (including reasonable attorneys’ fees) that may be incurred by the non-defaulting Party as a direct result of any breach of this Agreement or any loan secured by the Leased Premises, by the defaulting Party.

7. **Status of Lease.** Tenant represents and warrants to Landlord that as of the date of Tenant’s execution of this Agreement Landlord is not in default in the performance of any of its obligations under the Lease and Tenant is unaware of any condition or circumstance which, with the giving of notice or the passage of time or both, would constitute a default by Landlord. Landlord represents and warrants to Tenant that as of the date of Landlord’s execution of this Agreement Tenant is not in default in the performance of any of its obligations under the Lease and Landlord is unaware of any condition or circumstance which, with the giving of notice or the passage of time or both, would constitute a default by Tenant.

8. **Waiver of Purchase Rights.** Tenant on its own behalf and on behalf of its principals, officers, directors, managers, shareholders, owners, members, partners, agents, representatives, subsidiaries, parent entities, assigns, heirs, successors, affiliated or associated entities of whatever kind, and any entity owned or controlled by them hereby irrevocably waives, terminates, releases and relinquishes any rights to purchase the Leased Premises or any portion of the property of which the Leased Premises is a part, including, without limitation, the ROFR Agreement, or any other right of first offer or right of first refusal with respect to the Leased Premises or such property.
9. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall constitute one and the same instrument. Any signature to this Agreement transmitted via facsimile or other electronic signature shall be deemed an original signature and be binding upon the Parties hereto (it being agreed that facsimile or other electronic signature, including DocuSign, shall have the same force and effect as an original signature). Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option to terminate the Lease and it is not effective as an agreement to terminate the Lease until execution by and delivery to both Landlord and Tenant.

10. **Authority.** Each Party hereby represents and warrants that (a) such Party has the legal power and authority to execute and deliver this Agreement; (b) the person executing this Agreement has been duly authorized to execute and deliver the same and bind such Party with respect to the provisions hereof; (c) this Agreement constitutes a valid and binding obligation in every respect; and (d) no consent of any third Party is required to be obtained in order to enter into this Agreement or to perform its obligations hereunder, except any such consent as has been duly obtained and is in full force and effect.

[Signature page follows]
IN WITNESS WHEREOF, each Party hereto has caused their duly authorized representatives to execute this Agreement as of the date first above written.

LANDLORD:
HCPI/UTAH II, LLC,
a Delaware limited liability company

By: /s/ Michael Dorris
Name: Michael Dorris
Title: Senior Vice President

TENANT:
MYRIAD GENETICS, INC.,
a Delaware corporation

By: /s/ R. Bryan Riggsbee
Name: R. Bryan Riggsbee
Title: CFO

[Signature page to Lease Termination Agreement (Myriad Genetics: Phase II)]
LEASE TERMINATION AGREEMENT
(Myriad Genetics: Phase III)

THIS LEASE TERMINATION AGREEMENT (this “Agreement”) is entered into as of the 18th day of December, 2023 (the “Effective Date”) by and between HCPI/UTAH II, LLC, a Delaware limited liability company (“Landlord”) and MYRIAD GENETICS, INC., a Delaware corporation (“Tenant”) (each a “Party” and collectively the “Parties”), with reference to the following recitals:

RECITALS

A. Landlord, as successor in interest to Boyer Research Park Associates VI, and Tenant, are Parties to that certain Lease Agreement dated March 31, 2001, as amended by that certain First Amendment to Lease Agreement dated August 17, 2001, and as further amended by that certain Second Amendment to Lease dated February 3, 2016, and as affected by that certain Waiver of Existing Purchase Rights and Agreement re New Right of First Refusal (the “ROFR Agreement”) (collectively, the “Lease”), with respect to certain premises containing approximately 57,243 rentable square feet (the “Leased Premises”) located at 320 Wakara Way, Salt Lake City, Utah, and commonly known as the Phase III building of The Myriad Campus Research Park.

B. Landlord and Tenant have mutually agreed to terminate Tenant’s right to occupy the Leased Premises effective as of December 31, 2025 (the “Termination Date”), and Landlord has agreed to terminate the Lease for all purposes in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. Capitalized terms used in this Agreement shall have the same meaning ascribed to such capitalized terms in the Lease, unless otherwise provided for herein.

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3. Contingency. Landlord and Tenant acknowledge and agree that this Agreement is contingent upon the execution of an agreement by and between Landlord and the University of Utah, a body politic and corporate of the State of Utah, or its affiliates or assigns (the “Replacement Tenant”) whereby Landlord will agree to lease and/or sell to the Replacement Tenant and the Replacement Tenant will agree to lease and/or buy from Landlord the Leased Premises. In the event Landlord and the Replacement Tenant fail to execute such an agreement or such agreement is no longer in effect on or before the date that is 180 days prior to the Termination Date, this Agreement shall be null and void.

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   [Signature page follows]
IN WITNESS WHEREOF, each Party hereto has caused their duly authorized representatives to execute this Agreement as of the date first above written.

LANDLORD:

HCPI/UTAH II, LLC,
a Delaware limited liability company

By: /s/ Michael Dorris
Name: Michael Dorris
Title: Senior Vice President

TENANT:

MYRIAD GENETICS, INC.,
a Delaware corporation

By: /s/ R. Bryan Riggsbee
Name: R. Bryan Riggsbee
Title: CFO

[Signature page to Lease Termination Agreement (Myriad Genetics: Phase III)]
LEASE

322 North 2200 West (Building D)
Salt Lake City, Utah

LESSOR: BAY BRIDGE/CORPORATE, LLC

LESSEE: MYRIAD GENETICS, INC.
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LEASE

Section 1

PARTIES

This Lease dated as of the later date set forth next to the parties’ signatures below (the “Lease Date”), is made by and between Bay Bridge/Corporate, LLC, a Delaware limited liability company (“Lessor”), and Myriad Genetics, Inc., a Delaware corporation (“Lessee”).

Section 2

PREMISES

2.1 Premises.

(i) Premises Defined. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein those certain premises located within the (“Building”) commonly known as the “Building D” and located on the Property (as defined in Section 2.1(a)(ii) below). The Premises consists of a total of approximately 231,841 rentable square feet of space (“RSF”) within the Building, in addition to the fenced yard (“Premises”). The location of the Building on the Property and the fenced yard are shown on the site plan (the “Property Site Plan”) attached hereto as Exhibit A-1. The location of the Premises is shown on the floor plan (the “Floor Plan”) attached hereto as Exhibit A-2.

(ii) Property Defined. As used herein, the “Property” means that certain parcel of land containing approximately 20.49 acres in the City of Salt Lake, County of Salt Lake, State of Utah, as shown on the Property Site Plan and as legally described on Exhibit A-3 attached hereto.

(iii) Park Defined. The Property is located adjacent to certain other improved real property owned by Lessor and/or Lessor’s Affiliates, commonly known as “Airport Technology Park” as currently depicted on the Project Site Plan (the “Park”). As used herein, the term “Lessor’s Affiliates” means ATP/SLC, LLC, a Delaware limited liability company (“ATP”), and ATP/SLC I, LLC, a Delaware limited liability company (“ATP I”), and any related corporation or other entity controlled by or under common control with Lessor or Drawbridge Realty Operating Partnership, LLC.

(iv) Reserved.
(v) **Project Defined.** The Park and the Property are referred to herein collectively as the “Project.” The location of the Project is shown on the site plan (the “Project Site Plan”) attached hereto as Exhibit A-4. Lessor and Lessor’s Affiliates, each for itself and through its agents, employees and contractors, may be performing construction, demolition, and other work on the Project and in numerous of the buildings located thereon, including in and on the Premises (collectively with Lessor’s Work, the “Project Work Activities”). The Project Work Activities may include, without limitation, the demolition, construction, restriping, or reconfiguration of the parking areas, application for building permits, use permits, and other development approvals, parcelization, lot combination or merger, or lot line adjustment of the Premises or the Project, and demolition and/or construction of buildings and parking structures. Lessee agrees to reasonably cooperate with Lessor, at no out-of-pocket cost or expense to Lessee, and execute such reasonable documents and take such actions as are reasonably necessary to assist Lessor and its affiliates to complete the Project Work Activities, provided such documents do not in any material way increase Lessee’s obligations or diminish Lessee’s rights under the Lease. Subject to Lessor’s compliance with the terms of this Lease, Lessee agrees that such efforts and actions of Lessor shall not constitute constructive eviction of Lessee from the Project or the Premises, or entitle Lessee to an abatement or reduction in rent (except to the extent such Project Work Activities unreasonably interfere with Lessee’s use and occupancy of the Premises or use of the parking areas). Lessor agrees to and shall use commercially reasonable efforts to minimize any disruption of Lessee’s use of the parking areas as set forth in Exhibit C and its use and occupancy of the Premises.

(b) **Delivery of Premises and Commencement Date.** Lessor shall cause the Premises to be delivered to Lessee in phases (each, a “Phase”) in accordance with Section 1 of the work letter agreement attached hereto as Exhibit B and incorporated herein (the “Work Letter”). Any capitalized term used in this Lease and not defined herein shall have the meaning set forth in the Work Letter.

(i) The “Phase I Lease Commencement Date” shall be the earlier of seven (7) months following the Phase I Possession Date, or upon Lessee’s occupancy of the Phase I Premises for the conduct of its business.

(ii) The “Phase II Lease Commencement Date” shall be the earlier of seven (7) months following the Phase II Possession Date, or upon Lessee’s occupancy of the Phase II Premises for the conduct of its business.

(iii) The “Phase III Lease Commencement Date” shall be the earlier of seven (7) months following the Phase III Possession Date, or upon Lessee’s occupancy of the Phase III Premises for the conduct of its business.

(iv) The “Phase IV Lease Commencement Date” shall be the earlier of four and one-half (4.5) months following the Phase IV Possession Date, or upon Lessee’s occupancy of the Phase IV Premises for the conduct of its business. The Phase IV Lease Commencement Date is also deemed to be the “Commencement Date” of this Lease.

(v) The “Phase V Lease Commencement Date” shall be the earlier of August 1, 2026, or upon Lessee’s occupancy of the Phase V Premises for the conduct of its business.
Each of the foregoing dates may be referred to generally in this Lease from time to time as a “Phase Commencement Date.” From and after each Phase Commencement Date, Lessee shall be entitled to access to the applicable Phase premises on a 24/7/365 basis. It is currently estimated that, upon completion of Lessor’s Work for the applicable Phase, the Phase I Premises, the Phase II Premises, the Phase III Premises, the Phase IV Premises, and the Phase V Premises, will contain RSF of 113,181, 51,967, 34,740, 11,837, and 20,116, respectively, for a total Premises RSF of 231,841. However, no later than thirty (30) days after the Phase IV Possession Date, Lessor will cause all Phases (i.e., Phases I, II, III, IV, and V) of the Premises to be measured utilizing the Measurement Method (as defined in Section 5.1 below) and the RSF determined by such measurement shall constitute the “Confirmed Rentable Area” of such Phases and the entirety (as applicable) of the Premises for purposes of this Lease. In the event such Confirmed Rentable Area is other than as estimated above, the parties shall promptly enter into an amendment to this Lease stating such Confirmed Rentable Area and modifying any other provisions of this Lease which are a function of rentable area (e.g., Monthly Basic Rent, Lessee’s Common Area Share, Lessee’s Proportionate Share, the Tenant Improvement Amount, the HVAC Allowance, etc.). Unless otherwise provided herein, any statement of floor area of any portion of the Premises or of the Property or the Project set forth in this Lease, or that may be used in calculating rental due hereunder, is an approximation that Lessor and Lessee agree is reasonable and any rental based thereon is not subject to revision based upon any deviation from the actual floor area of the corresponding portion of the Premises or of the Property or the Project; provided, however, if, based on such verification, the Confirmed Rentable Area results in a reduction of five percent (5%) or more of rentable square footage of the Premises, Lessor shall reimburse or credit Lessee the amount of Monthly Basic Rent paid in excess of the Confirmed Rentable Area.

Lessee hereby acknowledges that (1) prior to the Lease Date, Lessee has reviewed Lessor’s plans for the Lessor’s Work, and (2) to the extent Lessee deemed necessary or desirable to make its determination to enter into this Lease, Lessee has had the opportunity to inspect the Property and is familiar with the design of, and specifications for, the Building and the Premises including, without limitation, the suitability of the Premises for Lessee’s intended use. Lessee shall accept the Premises in the condition constructed in accordance with the Work Letter on the applicable Possession Date, subject to all Governmental Regulations and Lessor’s express representations and warranties set forth in this Lease. Subject to (a) the provisions of Section 45 hereof, (b) Lessor’s express obligations set forth herein concerning repairs and maintenance and (c) any express representations or warranties of Lessor set forth herein, Lessee hereby releases Lessor from any responsibility with respect to the matters set forth in clause (2) above as the same relate to Lessee’s occupancy of the Premises and/or the Term. Except as otherwise expressly set forth herein, neither Lessor, nor any of Lessor’s agents, has made any oral or written representations or warranties with respect to the condition of the Property or the Premises or the present or future suitability of the Premises for Lessee’s intended use. Notwithstanding the foregoing, Lessor agrees to enforce all contractor warranties respecting the Building and Premises obtained by Lessor in accordance with the terms of the Work Letter. Nothing in this Section 2.1 shall affect or alter the parties’ obligations hereunder respecting Hazardous Material (as hereinafter defined) at, on, about or under the Premises or compliance with Governmental Regulations concerning Hazardous Material at, on, about or under the Premises, which obligations are exclusively set forth in Section 45 hereof.

2.2 Common Areas.
(a) **Common Areas Defined.** “Common Areas” means all areas of the Project provided for the joint or common use and benefit of the tenants or occupants (including, without limitation, Lessee) of the Project or portions thereof, and their employees, agents, licensees, and other invitees (collectively referred to herein as “Occupants”), including, without limitation, any parking areas, access roads, driveways, retaining walls, landscaping areas, truck service ways, pedestrian malls, courts, stairs, ramps and sidewalks located thereon, and which are not intended for exclusive use or occupancy by any Occupant. Lessor has informed Lessee that the Occupants’ use rights respecting that portion of the Common Areas located in the Park are governed by the terms of that certain Declaration of Covenants, Conditions and Restrictions and Reciprocal Easements recorded in the public records of Salt Lake County, Utah, on December 1, 1998, as amended by that certain Amendment No. 1 to Declaration of Covenants, Conditions and Restrictions and Reciprocal Easements recorded in the public records of Salt Lake County, Utah, on October 22, 2013, and as further amended by that certain Amendment No. 2 to Declaration of Covenants, Conditions and Restrictions and Reciprocal Easements recorded in the public records of Salt Lake County, Utah, on February 20, 2019 (and as may be further amended from time to time, the “Declaration”).

(b) **Use of Common Areas.** During the Term, Lessee shall have the non-exclusive right to use the Common Areas, in common with others entitled to such use, for (i) parking in accordance with the terms of Section 2.2(c) below and (ii) pedestrian and vehicular access across the Project and the Property as may be reasonably necessary or convenient for access to and egress from the Premises, including truck deliveries and loading and unloading, as such Common Areas exist from time to time, but without any future changes having any material negative impact on the size, quantity, convenience or quality of the Common Areas, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any reasonable rules and regulations or restrictions governing the use of the Common Areas or imposed by the Declaration. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any personal property, temporarily or permanently, in the Common Areas.

(c) **Parking Rights.** At all times during the Term of this Lease and any extension(s) thereof, Lessor shall make available to Lessee on a non-reserved basis (except as hereinafter provided) and at no cost to Lessee, a total of 3.46 unreserved and unassigned parking spaces for each 1,000 RSF of the Premises (i.e., 803 spaces based on total RSF of 231,841), which will be located in the areas of the Property designated by Lessor from time to time and reasonably approved by Lessee as being for parking purposes. Exhibit C sets forth the areas currently designated by Lessor for such parking areas and the number and location of the visitor and other spaces reserved for Lessee’s exclusive use, including the ten (10) commercial grade electric vehicle charging stations to be installed by Lessor at its sole expense as part of the Lessor’s Work provided for in the Work Letter. Notwithstanding anything to the contrary in this Lease, Lessee shall have the exclusive right to use all parking spaces located within the fenced shipping and receiving yard at no cost to Lessee, which area is depicted on the Phasing Schedule. Lessee shall be entitled to use such parking spaces on a 24/7/365 basis during the Term of this Lease, as the same may be extended in accordance with Section 43.4 below.

(d) **Common Areas-Changes.** Lessor shall have the right, in Lessor’s sole discretion, from time to time, to:
(1) make, or permit to be made, changes and reductions to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways; provided any such change or reduction does not restrict or impede access to (other than intermittently and only to the extent necessary to complete such changes), or limit Lessee’s permitted use of, the Premises or adversely affect Lessee’s rights set forth in Section 2.2(c) in any material respect, or have a material negative impact on the size, quantity, convenience or quality of the Common Areas;

(2) close, or permit to be closed, temporarily any of the Common Areas for maintenance purposes where reasonably required so long as Lessee retains reasonable access to parking areas and its parking spaces, and access to and use of the Premises, in accordance with Section 2.2(d)(1) above;

(3) add, or permit to be added, additional improvements to the Common Areas; provided such additional improvements shall not, in and of themselves, materially increase the amount of Lessee’s Common Area Share (as hereinafter defined) of Common Area Costs (as hereinafter defined);

(4) use, or permit to be used, the Common Areas while engaged in making additional improvements, repairs or alterations to the Property, or any portion thereof;

(5) do and perform, or permit to be done and performed, such other acts and make, or permit to be made, such other changes in, to or with respect to the Common Areas as Lessor may, in the exercise of sound business judgment, deem to be appropriate (subject to the proviso in Section 2.2(d)(1) above).

Anything herein to the contrary notwithstanding but subject to the terms of the Declaration on the Lease Date, Lessor may not, without Lessee’s prior written consent, make, or amend the Declaration to permit to be made, changes to the Common Areas which would have a material adverse impact on the use of the Common Areas or access to the Premises by Lessee, or materially reduce the size, quantity, convenience or quality of such Common Areas.

(e) **Common Area Maintenance.** Lessor shall, in Lessor’s sole discretion, (i) maintain the Common Areas on the Property in a manner consistent with common area maintenance practices prevailing in other comparable office complexes in the Salt Lake City Area (“Comparable Maintenance Standards”) (subject to reimbursement pursuant to this Lease), (ii) establish and enforce reasonable rules and regulations concerning such Common Areas and (iii) enforce Lessor’s rights under the Declaration to cause the Common Areas in the Park to be maintained in accordance with the terms thereof (subject to reimbursement pursuant to this Lease).
(f) **Lessee Maintenance Cure Right.** So long as Lessee or an Occupancy Tenant (as defined in Section 12.6 below) or a Lessee Affiliate (as defined in Section 12.2 below) or a combination thereof leases and actually occupies at least fifty percent (50%) of the RSF on the Property, then in the event that Lessor fails or refuses to properly manage the Common Areas on the Property consistent with Comparable Maintenance Standards (including, without limitation, failing to perform required maintenance and repairs thereof), or in the event Lessee is able to provide a similar level of service at a materially lower cost, or in the event that Lessor fails or refuses to perform the Lessor Maintenance Obligations (as hereinafter defined), then if such failure is not cured within thirty (30) days after written notice to Lessor and the holder of any first deed of trust or mortgage on the Property (the “Notice”), setting forth in reasonable detail such failure, Lessee may, by written notice to Lessor elect to assume the management and operation of the Common Areas on the Property and/or the Lessor Maintenance Obligations (including such services with respect to Common Area Costs and Building Specific Costs (as hereinafter defined)). If Lessor disputes Lessee’s assertion that Lessor has failed or refused to properly manage such portion of the Common Areas, or that Lessee can provide the same services at a materially lower cost, or has failed or refused to perform the Lessor Maintenance Obligations, then the matter shall be submitted to binding arbitration in County of Salt Lake, in accordance with the rules of the JAMS by one (1) arbitrator appointed in accordance with said rules, and Utah law shall apply, without reference to rules of conflicts of law (defined herein as “Binding Arbitration”), upon notice from Lessor to Lessee given within ten (10) business days after receipt of the Notice by Lessor. Lessor within thirty (30) days after submission to it of a statement ("Statement") therefor, which Statement shall include a calculation of Lessee’s and all other Occupants’ proportionate shares thereof, shall reimburse Lessee for all of the costs and expenses of such services less Lessee’s Common Area Share of Common Area Costs and Lessee’s Proportionate Share of Building Specific Costs, whichever is applicable. If Lessor has not so reimbursed Lessee within thirty (30) days of receipt by Lessor of the Statement (“Payment Period”), Lessee may, at its option, notify the holder of the first mortgage or deed of trust on the Property, and if such lender has not paid the sums due to Lessee under this Section 2.2(f) within thirty (30) days after the expiration of the Payment Period, then Lessee shall have the right to offset such unpaid amount from Rent coming due under this Lease. Following at least thirty (30) days’ written notice to Lessee, and provided that Lessor provides sufficient assurances (as reasonably determined by Lessee) that (i) Lessor will properly manage the Common Areas on the Property consistent with Comparable Maintenance Standards, (ii) Lessor can provide the services at the same or lower cost than provided by Lessee, and (iii) Lessor will perform the Lessor Maintenance Obligations in accordance with this Lease, Lessor may elect to resume the management of the Common Areas or the performance of the Lessor Maintenance Obligations subject to the provisions of this Section 2.2(f).

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**Section 3**

**TERM**

3.1 **Term.** This Lease is executed and delivered, and Lessor’s and Lessee’s rights and obligations hereunder are effective, as of the Lease Date, being the last of the dates of execution by the signatories specified at the end of the Lease. The term of this Lease (the “Term”) shall be for the approximately fifteen (15) year period commencing on the Commencement Date (as defined in Section 2.1(b)(iv) above) and expiring on last day of the calendar month following the month in which the fifteenth (15th) anniversary of the Commencement Date occurs (“Expiration Date”), subject to Lessee’s Extension Options (as hereinafter defined) set forth in Section 43.4 below. If Lessee exercises any Extension Option, then the corresponding Extension Term (as hereinafter defined) shall be added to and become part of the Term, whereupon the Expiration Date shall be the last day of the applicable Extension Term. The last day of the month in which the Commencement Date occurs is referred to herein as the “Commencement Month Expiration Date.”
3.2 Termination Right. Notwithstanding any provision of Section 3.1 hereof to the contrary, but subject to the conditions in this Section 3.2, Lessee, in its sole discretion, shall have the right to effect an immediate termination of this Lease as provided in, pursuant to, and in accordance with this Section 3.2 so long as no Event of Default (as defined, and subject to any notice/cure periods set forth, in Section 13.1 below) by Lessee has occurred and is continuing hereunder on the date that Lessee delivers the Termination Notice described herein. In the event that Lessor is unable to deliver the Phase I Premises to Lessee in the Space Delivery Condition (as defined in the Work Letter) by November 15, 2022, Lessee may elect to terminate this Lease. Such termination shall be effected, if at all, by written notice to Lessor (a “Termination Notice”). The Termination Notice may be delivered by Lessee only on or within thirty (30) days after the deadline set forth above; failure to deliver such Termination Notice within such 30-day period shall for all purposes be deemed a waiver by Lessee of its right to so terminate this Lease pursuant to this Section 3.2. If the Termination Notice is timely delivered, the Term of this Lease shall expire immediately upon such delivery and Lessee shall receive a refund of any prepaid Basic Monthly Rent actually received by Lessor.

Section 4

RENT

4.1 Monthly Basic Rent. Lessee shall not be required to pay Monthly Basic Rent for any portion of the Premises until the Commencement Date, currently anticipated to occur on or prior to August 1, 2023. Therefore, Lessee shall pay to Lessor rent for the Premises in accordance with this Section 4.1, in advance, from and after the Commencement Date as hereinafter provided, but subject to the abatement described in subsection (a) below.

(a) The annual rent for the Premises for the period commencing on the Commencement Date and ending on the first anniversary of the Commencement Month Expiration Date shall be the amount (“Annual Basic Rent”) equal to the product of (i) the number of RSF in the Phase I Premises, the Phase II Premises, the Phase III Premises, and the Phase IV Premises (i.e., 211,725), multiplied by (ii) Nineteen and 50/100 Dollars ($19.50) (“Annual Rental Rate”), which Annual Basic Rent of $4,128,637.50 shall be payable in equal monthly installments (“Monthly Basic Rent”) of $344,053.13, subject, however, to Section 4.1(b) below, and provided that, notwithstanding the foregoing, the first six (6) installments of Monthly Basic Rent shall be fully abated by Lessor and not payable by Lessee. If the Commencement Date is other than the first day of a month, the installment of Monthly Basic Rent for any such partial month shall be prorated by multiplying (i) the number of days in such month from and after the Commencement Date by (ii) the quotient of the Annual Basic Rent divided by 365. The first installment of Monthly Basic Rent, so prorated as applicable, shall be payable on the date which is seven (7) months after the Commencement Date. Each subsequent installment of Monthly Basic Rent (subject to the increase in RSF and the rental rate increases described below) shall be payable on the first day of each month of the Term following the Commencement Date. For purposes of this Lease, the first “Lease Year” shall commence on the Commencement Date and shall extend for twelve (12) consecutive months; provided, however, that the last Lease Year shall expire on the Expiration Date. On the Phase V Lease Commencement Date, the Annual Basic Rent and the Monthly Basic Rent shall each be adjusted to take into account the addition of the RSF of the Phase V Premises, such that the Annual Basic Rent for the Premises for the period commencing on the Phase V Lease Commencement Date will equal to the product of (i) the number of RSF in all of the Phases for which the applicable Phase Lease Commencement Date has occurred, multiplied by (ii) Annual Rental Rate then in effect, and the Monthly Basic Rent shall be such product divided by 12.
The Annual Basic Rent and Monthly Basic Rent then in effect shall increase on the first (1st) day following the first (1st) anniversary of the Commencement Month Expiration Date (“First Increase Date”), and on each subsequent anniversary of the First Increase Date during the Term (each, a “Rent Increase Date”), by two and one-half percent (2.5%) per annum, to an amount equal to the RSF of the applicable portion of the Premises at such time (i.e., the RSF of all of the Phases for which the applicable Phase Lease Commencement Date has occurred), multiplied by the corresponding Annual Rental Rate in the table set forth below.

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<td>$27.55</td>
</tr>
</tbody>
</table>

(b) Notwithstanding Section 4.1(a) above, but subject to a sixty (60) day grace period, in the event that Lessor is unable to deliver the Phase I Premises to Lessee in the Space Delivery Condition (as defined in the Work Letter), by the Phase I Possession Date and Lessee does not elect to terminate this Lease pursuant to Section 3.2 above (in which event no Monthly Basic Rent or Additional Charges shall be due), Lessee’s obligation to pay Monthly Basic Rent and the Additional Charges described in Section 4.2 below, shall be extended by one (1) day for each one (1) day of such delay for the first thirty (30) days, and by two (2) days for each one (1) day of such delay thereafter until the Phase I Premises are so delivered.

4.2 Additional Charges. In addition to the Monthly Basic Rent payable hereunder, Lessee shall, during the Term from and after the Phase I Possession Date, reimburse Lessor for (a) Lessee’s Common Area Share of Common Area Costs determined as provided in Section 5.1 hereof; (b) Lessee’s Proportionate Share of Property Taxes (as hereinafter defined) determined as provided in Section 5.2 hereof; (c) Lessee’s Proportionate Share of all premiums for Insurance (as hereinafter defined) determined as provided in Section 5.1 hereof; (d) the Shared Utilities Charge (as hereinafter defined) determined as provided in Section 5.1(b) or Section 11 hereof, as applicable; and (e) Lessee’s Proportionate Share of Building Specific Costs as defined. Monthly Basic Rent payable hereunder, together with all such reimbursements to Lessor described in the preceding sentence are hereinafter collectively referred to as “Rent.”
4.3 **Net Lease.** This Lease shall be a net lease as set forth herein whereby Lessee shall (a) perform directly certain obligations at Lessee’s sole cost and expense and (b) reimburse Lessor for costs incurred by Lessor concerning the Premises and the Property, to the extent expressly provided herein. It is understood that by referring to this Lease as a net lease, the parties do not intend that such reference shall modify any of the express terms of this Lease. The provisions for payment of Lessee’s Common Area Share of Common Area Costs, the Shared Utilities Charges, and Lessee’s Proportionate Share of Building Specific Costs, Property Taxes, and Insurance premiums, are intended to pass on to Lessee, and reimburse Lessor, for such all costs and expenses to the extent expressly hereinafter provided for.

Section 5

**COMMON AREA COSTS, BUILDING SPECIFIC COSTS, TAXES AND INSURANCE**

5.1 **Common Area Costs and Building Specific Costs.**

(a) Lessee shall pay to Lessor as additional rent Lessee’s Common Area Share of Common Area Costs and Lessee’s Proportionate Share of Building Specific Costs, which includes a management fee equal to two percent (2%) of the Monthly Basic Rent (“Management Fee”); provided, however, that with respect to each Phase, Lessee shall not be responsible for payment of Property Taxes or (with the exception of utilities on Phase V from and after the Commencement Date of this Lease) Common Area Costs or Building Specific Costs applicable to such Phase until the applicable Phase Commencement Date. At least thirty (30) days prior to the Commencement Date and, thereafter, the beginning of each full calendar year during the Term, Lessor shall provide to Lessee in writing a reasonably itemized estimate of Common Area Costs and of Building Specific Costs (“Estimated Costs”) for the corresponding partial or full calendar year, as applicable, and, at Lessee’s request, information or documentation reasonably supporting each item of Estimated Costs. Lessee shall pay to Lessor on or before the Commencement Date and, thereafter, the first day of each full calendar month one-twelfth (1/12) of Lessee’s Common Area Share or Lessee’s Proportionate Share (as applicable) of Estimated Costs, including the Management Fee. If the Commencement Date is other than the first day of a month, the installment of Lessee’s Common Area Share or Lessee’s Proportionate Share (as applicable) of Estimated Costs for any such partial month shall be prorated by multiplying (i) the number of days in such month from and after the Commencement Date by (ii) the quotient of Lessee’s Common Area Share or Lessee’s Proportionate Share (as applicable) of Estimated Costs annualized for the subject partial calendar year and divided by 365 and the installment of the Management Fee shall be similarly prorated.
(i) Within one hundred twenty (120) days after the end of each calendar year during the Term, Lessor shall provide to Lessee a statement of the actual Common Area Costs and Building Specific Costs for the calendar year ended on the preceding December 31, itemized in reasonable detail. If the actual Common Area Costs and/or Building Specific Costs for such period exceed the corresponding portion of Estimated Costs for such period, then Lessee shall pay Lessee’s Common Area Share or Lessee’s Proportionate Share (as applicable) of such excess to Lessor within thirty (30) days after receipt of the statement relating thereto. If the applicable portion of Estimated Costs for such period exceed actual Common Area Costs and/or Building Specific Costs for such period, then Lessor shall credit Lessee’s Common Area Share or Lessee’s Proportionate Share (as applicable) of such excess against Rent next due under this Lease. If this Lease has been terminated or the Term hereof has expired prior to the date of such statement, then the applicable adjustment described in the preceding two sentences shall be paid by the appropriate party within thirty (30) days after the date of delivery of the statement. Should the Term of this Lease commence or terminate at any time other than the first or last day of a calendar year, respectively, then the adjustment of Lessee’s Common Area Share of such Common Area Costs and/or Lessee’s Proportionate Share of Building Specific Costs shall be prorated by reference to the actual number of days during the subject calendar year following the Commencement Date or prior to the date of such termination, as applicable.

(ii) Lessee and its auditor shall have the right, at Lessee’s expense (except as otherwise provided herein) and upon not less than ten (10) business days’ prior written notice to Lessor (an “Audit Request”) given within twenty-four (24) months after receipt of the applicable year’s statement of actual Common Area Costs and Building Specific Costs (the “Audit Request Deadline”), to review, examine and copy during normal business hours, in Lessor’s office, Lessor’s books and records applicable to the prior year’s Common Area Costs and Building Specific Costs for purposes of reviewing Lessor’s calculation thereof and the related adjustment described in this paragraph (an “Audit”). If Lessee requests an Audit in accordance with the provisions of the preceding sentence no later than the Audit Request Deadline, then the terms of subsection (a)(iii) below shall apply. If Lessee does not request an Audit in accordance with the provisions of the preceding sentence no later than the Audit Request Deadline, Lessor’s statement shall be final and binding for all purposes hereof.
(iii) In the event Lessee timely requests an Audit pursuant to subsection (a)(ii) above, the such Audit must be completed within sixty (60) days after Lessor’s receipt of the Audit Request, and provided further that the person or entity performing such Audit is performed by an unaffiliated, third party, nationally recognized certified public accounting firm which is not compensated on any type of contingent basis (an “Auditor”). The Auditor shall be selected by Lessee and acceptable to Lessor in Lessor’s reasonable discretion (not to be unreasonably withheld, conditioned or delayed). If such Audit reveals that the actual Common Area Costs and Building Specific Costs for any given year were less than the amount that Lessee paid for Common Area Costs and Building Specific Costs for any such year, then unless Lessor contests such Audit results as provided below, Lessor shall credit the excess to Lessee in accordance with the provisions of Section 5.1(a)(i). If such Audit reveals that the actual Common Area Costs and Building Specific Costs for any given year were more than the amount that Lessee paid for Common Area Costs and Building Specific Costs for any such year, Lessee shall pay such amount to Lessor within thirty (30) days after completion of the Audit. Lessor shall have the right to contest the results of Lessee’s Audit and thereafter promptly have an audit performed (the “Lessor’s Audit”) by an Auditor selected by Lessor and acceptable to Lessee in Lessee’s reasonable discretion. In such case, the results of Lessor’s Audit shall be binding and conclusive on Lessor and Lessee, and any resulting overpayment or underpayment shall be handled as provided above. Lessor and Lessee shall each pay for its own Audit. However, if it is determined as a result of the foregoing that the sums charged to Lessee in respect of Common Area Costs and Building Specific Costs (excluding Property Taxes) for any year exceeded the actual Common Area Costs and Building Specific Costs (excluding Property Taxes) for such year by more than three percent (3%), then, in addition to amounts payable by Lessor as provided above, Lessor shall reimburse Lessee for the out-of-pocket cost of Lessee’s Audit. If it is determined as a result of the foregoing that the sums charged to Lessee in respect of Common Area Costs and Building Specific Costs (excluding Property Taxes) for any year exceeded three percent (3%) less than the actual Common Area Costs and Building Specific Costs (excluding Property Taxes), then Lessee shall reimburse Lessor for the out-of-pocket cost of Lessor’s audit. The provisions of this subsection (a)(iii) shall survive the expiration or sooner termination of this Lease.

(b) As used herein, the term “Lessee’s Proportionate Share” means the ratio, expressed as a percentage, of (i) the RSF of the applicable portion of the Premises with respect to which possession has been delivered to Lessee from time to time in accordance with Section 1 of the Work Letter (the “Delivered RSF”), to (ii) the total RSF of the Building (“Total Floor Area”); provided, however, that if (A) Lessor hereafter constructs additional tenant area on the Property or reconfigures the Building such that the Total Floor Area changes, then Lessee’s Proportionate Share shall be adjusted accordingly, if necessary. As used herein, the term “Lessee’s Common Area Share” means the ratio, expressed as a percentage, of (i) the Delivered RSF to (ii) (A) the total rentable area of all of the buildings in the Park then leased at the time of calculation as determined utilizing the Measurement Method (the “Park RSF”), minus (B) the rentable area of any such buildings for which the Common Area Expenses are paid directly by the applicable tenants. By way of example, if the Delivered RSF were 231,841 and the Park RSF were 1,362,877, but the Common Area Expenses for Building B (containing 155,000 RSF), Building E/F and Satcom (containing 275,820 RSF), and Building O (containing 381,755 RSF) are being paid directly, then Lessee’s Common Area Share would be 42.13%. As used herein, the “Measurement Method” means the Building Owners and Managers Association International Single Tenant Full Building Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65-1-2017 (but utilizing the Multi-Tenant Standard for the Premises).
(c) As used herein, the term “Common Area Costs” means, without duplication, the total reasonable, actual and customary cost and expense incurred by Lessor in operating and maintaining the Common Areas (which operating and maintaining shall be performed by Lessor in a manner consistent with Comparable Maintenance Standards) including, without limitation, the cost of all fire, casualty, liability or other insurance relating thereto (except for any increase in insurance premiums caused by the acts or omissions of other tenants of the Building); costs of utilities serving the Common Areas and all other non-separately metered utilities (but excluding HVAC serving Lessee or any other occupant on an exclusive basis, the cost of which is borne by Lessee pursuant to Section 7.1(b) hereof and excluding the shared utilities costs included in Building Specific Costs pursuant to Section 5.1(d) hereof or the Shared Utilities Charge recovered under Section 11 hereof); assessments levied pursuant to and amounts payable on account of any covenants, conditions, and restrictions affecting the Park or any portion thereof, provided, that any future assessments shall not exceed assessments generally charged under common maintenance regimes for projects comparable to the Park, and the cost of common area maintenance allocated to the Building shall be determined by reference to the floor area of the Building compared to the floor area of all buildings included within such common maintenance regime; maintenance and repair of the sprinkler systems, sanitary control; removal of snow, trash, rubbish, garbage and other refuse from the Common Areas; repairs, replacements and general maintenance of the Common Areas, except for those repairs to the extent paid for by proceeds of insurance or by Lessee or other Occupants; all maintenance, janitorial and service agreements and costs of supplies and equipment used in maintaining the Common Areas and the equipment therein including, without limitation, any elevator maintenance, window cleaning, and landscaping not the responsibility of Lessee under this Lease or of any other Occupant; costs of operating and maintaining any utility systems located within the Property that serve the Premises and other premises thereon, including, without limitation, the electrical distribution system and related substations, if any; and the cost of personnel employed directly and reasonably related to implement such services; provided, however that Lessor shall use its commercially reasonable efforts to assure that such costs and expenses are reasonable under the prevailing circumstances and determined in accordance with generally accepted accounting principles. In no event shall Common Area Costs include any costs relating to testing for or remediation of or third-party claims relating to Hazardous Material, specific provisions for which are contained in Section 45 herein below. Lessee acknowledges that some Common Area Costs apply solely to the Property and some Common Area Costs apply to the Project. With respect to those Common Area Costs that apply to the Project, an equitable portion of such costs shall be allocated to the Property prior to calculating Lessee’s Common Area Share of Common Area Costs.
Building Specific Costs’ as used herein, means, without duplication, (i) the total reasonable, actual and customary cost and expense incurred by Lessor to maintain, clean, repair and replace the exterior walls, windows, entrance/exit doors, foundations, structural members, roof, and gutters and downspouts of the Building and also all shared Building systems including, without limitation, the Building HVAC system (subject to the next paragraph of this Section 5.1(d)), shared plumbing, electrical, fire prevention and life safety systems, utility lines and panels, and any other portions of the Building provided for the joint or common use and benefit of Occupants of the Building (collectively, the “Lessor Maintenance Obligations”); (ii) insurance premiums allocated to the Building (except for any increase in insurance premiums caused by the acts or omissions of other tenants of the Building) and (iii) the costs of shared utilities for the Property or the Building allocated to the operation of the Building HVAC system, fire prevention and life safety systems; plus the cost of personnel directly and reasonably related to the operation, management, maintenance and repair of the Building to implement such matters. Notwithstanding the foregoing, Lessee shall provide, at Lessee’s cost and expense, janitorial services for the Premises in a manner consistent with Comparable Maintenance Practices, and janitorial services shall be excluded from the Lessor Maintenance Obligations; provided, however, that if Lessee breaches such obligation, Lessor may in its sole discretion elect to provide said janitorial services in which case janitorial services shall be included in the Lessor Maintenance Obligations.

To the extent Lessor determines that one or more HVAC units need replacement, Lessor shall replace the same and the entire cost incurred by Lessor in connection therewith (the “HVAC Replacement Cost”) shall be amortized and paid by Lessee as hereinafter provided. Commencing with the payment of Monthly Basic Rent due under the Lease for the first full month after an HVAC unit is replaced, each payment of Monthly Basic Rent for the remaining months of the Term (including any Extension Terms) shall be accompanied by an additional rent payment (each an “Amortization Amount”) equal to an amount which reflects the monthly amortization of the applicable HVAC Replacement Cost over its useful life utilizing a seven percent (7%) interest rate; provided, however, if the full amortization of such HVAC Replacement Cost occurs prior to the expiration of the Term, no further payments of the applicable Amortization Amount shall be payable by Lessee. If the Term is not extended, or otherwise terminates early (other than as a result of a Lessee default beyond all applicable grace, notice, and cure periods), then no further Amortization Amount shall be payable by Lessee for any period from and after the expiration or such an early termination of the Term. Additionally, any HVAC repair which would otherwise be Lessee’s responsibility but which is considered a capital repair under generally accepted accounting principles consistently applied and the cost of which exceeds $25,000, shall initially be paid for by Lessor but shall be repaid by Lessee on an amortizing basis as described above with respect to HVAC Replacement Cost.
If during the Term any repairs or replacements, the cost of which would be included within Building Specific Costs, become necessary in order to maintain proper condition and repair or to comply with Governmental Regulations, then Lessor shall perform such repairs or replacements and the Building Specific Costs incurred as a result shall be allocated between Lessor and Lessee as provided in the foregoing provisions of this Section 5.1(d), except all Building Specific Costs incurred for the following matters shall be borne entirely by Lessor without reimbursement to any extent by Lessee except as otherwise provided herein: (A) Lessor’s performance of the Structural Repair Obligations (as hereinafter defined), unless such Structural Repair Obligations are caused by damage to the structural elements of the Building as a direct result of the acts of Lessee or its Occupants, agents, employees, contractors, invitees or subtenants (collectively, the “Lessee Parties” and individually, a “Lessee Party”), or any use that imparts a load exceeding the design load capacity of the applicable structural element(s) (in which event, Lessee shall reimburse Lessor upon demand for the cost of Lessor’s performance of the corresponding Structural Repair Obligations), (B) subsurface plumbing and fire suppression and riser repair and replacement, (C) Lessor’s replacement of the Building roof, (D) correction of defective work performed by Lessor or its contractors pursuant to the Work Letter, and the cost of pursuing warranty claims therefor, and (E) any work in or on the Building, the Property, or the Premises performed by Lessor to comply with Governmental Regulations, unless such compliance is made necessary (x) by the particular manner in which Lessee or any Lessee Party uses or operates in the Premises and/or (y) as a result of any act or omission of Lessee or any Lessee Party including, without limitation, any alterations, improvements or additions to the Building, Premises, or Property made by Lessee or a Lessee Party or at Lessee’s request, such as Lessee’s application for any permit or governmental approval (or Lessor’s application if for Lessee improvement work at Lessee’s request), or Lessee’s making of any modifications, alterations or improvements to or within the Building, Premises, or Property (or Lessor’s making of same if for Lessee improvement work at Lessee’s request). For purposes of this Lease: (1) “replacement of the Building roof” means the replacement of the roof coverings, insulation and decking, including any roof cap and coatings required to be applied in connection with any such replacement and including the application of additional roof coatings to maintain a sound leak free roofing system, but specifically excluding routine maintenance that is not covered by any roof warranty applicable thereto; and (2) in addition to the items listed in clause “(i)” of the first sentence of this Section 5.1(d), the Lessor Maintenance Obligations shall include Lessor’s obligation to repair and replace the structural elements of the Building, i.e., the Building footings, foundations and floor slab, support columns and beams for load bearing walls and structural elements of the Building roof system including any trusses, purlins and/or glue-lam beams supporting the Building roof, including latent defects (the “Structural Repair Obligations”). If Lessor utilizes coatings to cover any individual area(s) of the roof greater than one hundred (100) square feet, Lessee shall not be obligated for the maintenance and repair of such areas. Notwithstanding anything to the contrary herein, Building Specific Costs shall not include expenses for repairs and other work caused by (i) subsurface or soil conditions, (ii) the failure of the Building to comply as of the Effective Date with Governmental Regulations in effect as of such date, (iii) the exercise of the right of eminent domain, or (iv) fire, windstorm and other insured casualty (excluding costs comprising Lessor’s reasonable insurance deductible), and any uninsured or under-insured casualty.
(e) Notwithstanding the foregoing, Lessee shall not be responsible for payment of any Excess Increase in Controllable Expenses in any calendar year. As used herein: (1) the term “Controllable Expenses” means Common Area Costs and Building Specific Costs excluding Property Taxes, utilities, insurance, snow removal, collectively-bargained union wages and other expenses that are otherwise not subject to the reasonable control of Lessor, (2) the term “Base Year Controllable Expenses” means the actual Controllable Expenses incurred in first full calendar year of the Term of this Lease, grossed up as if the Property had been 100% leased and occupied for the entirety of said calendar year, (3) the term “Annual Increase” means a cumulative four percent (4%) per annum increase in Controllable Expenses, compounded annually, over the Base Year Controllable Expenses, and (4) the term “Excess Increase in Controllable Expenses” means an increase in Controllable Expenses in any given calendar year (annualized and grossed up as if the Property had been 100% leased and occupied for the entirety of such year) to the extent the Controllable Expenses in such year exceed the total Controllable Expenses that would have resulted in such year had Controllable Expenses increased each year by the amount of the Annual Increase. In the event Lessee requests Lessor to pay any of the costs or expenses excluded above and be reimbursed by Lessee therefor, and Lessor agrees to do so, none of such costs shall be Controllable Expenses.

(f) Notwithstanding anything to the contrary in this Lease, Common Area Costs and Building Specific Costs shall not include each of the following items except to the extent any of the following items are necessitated by or the result of Lessor’s failure to comply with the terms of this Lease: (i) costs, including legal fees, space planners’ fees, advertising and promotional expenses, brokerage fees, rent concessions, and any permit and, without limitation, impact fees, to the extent incurred in connection with the original construction or development, or original or future leasing of the Building or the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for tenants occupying space in the Building or Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building or Project; (ii) costs for relocating and moving any tenant in the Building; (iii) costs for which the Lessor is reimbursed by any tenant or occupant of the Building or Project, by condemnation proceeds, or by insurance by its carrier or any tenant's carrier or by anyone else; (iv) utility or service costs for which any tenant is separately metered and billed, either by Lessor or directly pursuant to contracts with the local public service company; (v) items for which and to the extent Lessor is otherwise entitled to be reimbursed (or would have been reimbursed but for Lessor’s failure to comply with the requirements thereof) by third parties including, without limitation, by insurance or under any warranties; (vi) non-cash items, such as but not limited to depreciation and amortization; (vii) debt service on indebtedness secured by any mortgage, deed of trust or similar instrument encumbering the Building or Project, and points, pre-payment penalties and financing and refinancing costs for such indebtedness, including, without limitation, the cost of appraisals, title insurance and environmental, geotechnical, zoning and other report; (viii) any bad debt loss, rent loss, or reserves for bad debts or rent loss; (ix) costs of the operation of the business of the entity which constitutes Lessor (as the same are distinguished from the costs of operation of the Building or the Project), including, without limitation, costs of Lessor’s accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Lessee may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Lessor’s interest in the Project, and costs incurred in connection with any disputes between Lessor and its employees, between Lessor and Building or Project management, or between Lessor and other tenants or occupants; (x) the wages and benefits of any employee to the extent such employee does not devote his or her employed time to the Building or the Project, meaning that such wages and benefits are prorated to reflect time spent on operating and managing the Building and/or the Project vis-a-vis time spent on matters unrelated to operating and managing the Building or the Project; (xi) overhead and profit increment paid to Lessor or to subsidiaries or affiliates of Lessor for services in the Building or Project to the extent the same exceeds the costs of such services rendered by qualified, first-class
unaffiliated third parties on a competitive basis; (xii) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Common Area Costs and Building Specific Costs as a capital cost (except in limited situations which Lessor in good faith believes to be an emergency where Lessor rents equipment on a temporary basis); (xiii) capital costs to comply with government regulations in effect as of the Lease Date (including the ADA) in Common Areas, including bathrooms, except to the extent the responsibility of Lessee under this Lease (including the Work Letter); (xiv) costs arising from the negligence or willful misconduct of Lessor or its agents, employees, vendors, contractors or providers of materials or services or the negligence or willful misconduct of other identified tenants of the Building or Project; (xv) the cost of special services, goods or materials provided to any other tenant of the Building or Project, and not provided to Lessee; (xvi) expenses incurred for the repair, maintenance or operation of any parking facilities that do not provide parking for the Building; (xvii) Lessor's general overhead expenses not related to the Project; (xviii) costs of traffic studies, environmental impact reports, transportation system management plans and reports, traffic mitigation measures and other similar matters; (xix) legal fees, accountants' fees and other expenses incurred in connection with disputes of tenants or other occupants of the Building or Project or associated with the enforcement of the terms of any leases with tenants or the defense of Lessor's title to or interest in the Building or Project or any part thereof; (xx) costs (including, without limitation, penalties, late fees, and interest) incurred due to a breach by Lessor of this Lease or other contract or a violation by Lessor or any other tenant of the Project of the terms and conditions of any other lease or Governmental Regulations; (xxi) self-insurance retentions (excluding deductibles); (xxii) costs of Lessor's charitable, civic or political contributions, professional dues, entertainment, dining and travel expenses, or of the acquisition or installation of fine art maintained at the Building or Project; (xxiii) costs of selling, syndicating and otherwise transferring the Building or Project and Lessor’s interest in the Building or Project, including, without limitation, brokerage commission closing costs, title insurance premiums and transfer and other similar taxes and charges; (xxiv) any costs expressly excluded from Common Area Costs and Building Specific Costs elsewhere in this Lease.

5.2 Taxes.

(a) Lessee shall pay to Lessor, as additional rent, Lessee’s Proportionate Share of any and all Property Taxes which are assessed, levied, charged, confirmed, or imposed by any public or governmental authority or agency upon the Premises, the Property, its operations, or the rent (or any portion or component thereof).

(b) As used herein, “Property Tax” shall include the following:

(i) any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, income or estate taxes) imposed on the Premises, the Property, or any portion thereof by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Lessor in the Premises, the Property or in the real property of which the Property is a part, as against Lessor’s right to rent or other income therefrom, and as against Lessor’s business of leasing the Property or the Premises, so long as such are not levied or assessed as substitutes or in lieu of taxes to be paid by Lessor hereunder.
(ii) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real estate tax, including assessments, taxes, fees, levies and charges which may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants. It is the intention of Lessee and Lessor that all such new or adjusted assessments, taxes, fees, levies and charges be included within the definition of “Property Taxes” for the purposes of this Lease.

(iii) any assessment, tax, fee, levy or charge allocable to or measured by the area of the Property, the Premises or the rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the state, city or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by tenants of the Property or any portion thereof.

(iv) any assessment, tax, fee, levy or charge upon this transaction or any document to which Lessee is a party, creating or transferring an interest or an estate in the Premises, the Property, or any portion thereof.

(v) any assessment, tax, fee, levy or charge by any governmental agency related to any transportation plan, fund or system instituted within the geographic area of which the Property is a part.

(vi) reasonable and customary legal, consultants, and other professional fees, costs and disbursements actually incurred by Lessor in connection with proceedings to contest, determine or reduce Property Taxes.

(vii) any rent taxes or gross receipt taxes (whether assessed against Lessee and collected by Lessor, or both).

It is the intent of the foregoing that such obligation shall include only such taxes which would be assessed on or against the Property (and a proportionate share of the Common Area) if they were the only real property owned by Lessor, and shall not include taxes on Lessor’s net income, or any franchise, estate, succession or inheritance taxes, or any taxes based upon capital levies.

In the event of assessments which may be paid in installments by reason of bonding or otherwise, Lessee’s payment obligations under this Section 5.2 shall be determined as if Lessor elected to make payment over the longest period of time permitted by the assessment (with interest at the rate set forth in the assessment) and Lessee shall bear no responsibility for installments falling due following the expiration of this Lease.

(c) Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee’s trade fixtures, furnishings, equipment and other personal property contained in the Premises or, if permitted by this Lease, elsewhere on the Property. When possible, Lessee shall cause such trade fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the real property of Lessor. If either (i) any of Lessee’s personal property is assessed with Lessor’s real property, or (ii) Lessor owns personal property located in the Premises which is provided for Lessee’s exclusive use during the Term, then Lessee shall pay Lessor such taxes as are attributable to such personal property within ten (10) business days after receipt of a written statement therefor from Lessor, but no earlier than twenty (20) business days prior to the due date for such taxes.
(d) Lessee may, at its option but with contemporaneous notice to Lessor, employ a property tax consultant and/or contest any Property Tax against the Premises or the Property or seek a reduction in the assessed valuation of the Premises or the Property for the purpose of reducing, maintaining, or limiting the increase in any Property Tax (any such event, a “Property Tax Contest”). Lessee shall pay any and all appraisal costs and expenses of employing such consultant and/or in contesting or seeking a reduction in any Property Tax. Notwithstanding the foregoing, Lessor may, but shall not be obligated to, initiate a Property Tax Contest during the term of this Lease, in which event the related reasonable and customary costs actually incurred by Lessor shall be paid in accordance with Section 5.2(b) above.

(e) Lessee’s Proportionate Share of Property Taxes shall be paid to Lessor from time to time upon receipt by Lessee of a copy of the subject tax bill along with a calculation of Lessee’s Proportionate Share thereof.

Section 6

USE

6.1 Use. The Premises shall be used by Lessee for general business and office use, laboratory space (BSL-2), shipping and handling, warehouse space, and all other related uses, consistently with any legal and permitted uses in accordance with applicable zoning ordinances; provided, however, that Lessee shall have the right from time to time, with Lessor’s prior written consent not to be unreasonably withheld, conditioned or delayed, to pursue, at Lessee’s sole cost and expense, changes in or variances from zoning ordinances applicable to the Premises.

6.2 Compliance with Law.

(a) Except as otherwise expressly provided in the Work Letter, Lessor makes no warranty to Lessee regarding whether the Premises violate any Governmental Regulations in effect during the Term. However, Lessor represents and warrants that: (i) it has not received any notice from any governmental agency that the Building or Common Areas are not in compliance with all applicable Governmental Regulations, and to its actual knowledge without inquiry, no such non-compliance exists, and (ii) to its knowledge, as of each Phase Possession Date, the Lessor’s Work and Common Areas applicable to such Phase will be in compliance with all applicable Governmental Regulations, including but not limited to the Americans With Disabilities Act. If Lessee cannot obtain a building permit or occupancy permit solely because the Building or applicable Common Areas do not so comply, then unless such failure to comply is the result of Lessee’s Work or the plans related thereto, Lessor, at Lessor’s sole cost and expense, shall immediately commence and diligently prosecute to completion, the correction of the applicable deficiencies, and shall reimburse Lessee for its reasonable costs (including delay costs) incurred due to these necessary modifications.
(b) Other than with respect to Lessee’s compliance with Governmental Regulations concerning Hazardous Material, which shall be governed exclusively by the provisions of Section 45 hereof, without limiting any other provision of this Lease or the Work Letter and subject to any Lessor representations and warranties expressly provided for herein, Lessee shall, at Lessee’s expense, comply promptly with all Governmental Regulations (i) regulating the specific manner in which Lessee uses the Premises and/or (ii) applicable to the performance of any obligation that Lessee is required, or any work that Lessee is permitted, to perform hereunder in the Premises or anywhere on the Property or the Project including, without limitation, any alteration, improvement or addition to the Premises performed by Lessee; provided that Lessee may, with the prior written consent of Lessor which consent shall not be unreasonably withheld, conditioned, or delayed, contest any requirement of such Governmental Regulations, but further provided that any such contest shall (i) result in no lien against the Premises or subject Lessor to any loss, cost, expense or liability, (ii) be made in compliance with any and all applicable procedures set forth in such Governmental Regulations and (iii) not exacerbate any condition on the Premises giving rise to such requirement. Lessee shall not use or permit the use of the Premises in any manner that will tend to (A) create waste (as determined under applicable law) or a nuisance or, (B) if there shall be more than one tenant in the Building, disturb such other tenants. Performance of any compliance obligation under the Lease performed to the satisfaction of the authorities having jurisdiction shall be deemed to be full performance for all purposes of the Lease; provided, however, that if any of such authorities later changes or adds to its requirements such that Lessee’s performance is no longer satisfactory, Lessee will be obligated to satisfy such changed or additional requirements.

(c) Lessee acknowledges that Lessee accepts the Premises in the condition and with all defects, if any, existing as of the Commencement Date subject to the provisions of Section 2.1 hereof, to Lessor’s representations and warranties, and to Lessor’s maintenance obligations set forth in this Lease.

(d) Performance of the Lessor’s Work by Lessor shall be in compliance with Governmental Regulations as of the Commencement Date.
Section 7

MAINTENANCE, REPAIRS, ALTERATIONS AND INITIAL IMPROVEMENTS

7.1 Lessee’s Obligations. Lessor represents and warrants that as of the Phase IV Lease Commencement Date, the Lessor’s Work applicable thereto, the portion of the Common Areas applicable thereto, and all equipment and systems serving them shall be in good operating condition and repair. During the Term following the applicable Possession Date, Lessee shall through industry standard maintenance and proper use, keep in good order, condition and repair, the Premises (or portion thereof that has been delivered) and every non-structural part thereof (whether or not such portion of the Premises requiring repair or the means of repairing the same are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee’s use, any prior use, the elements or the age of such portion of the Premises) except for those items included within the Lessor Maintenance Obligations, which items are maintained by Lessor at either Lessor or Lessee’s expense, as applicable, pursuant to Section 5.1 of this Lease. Lessee’s responsibilities include, without limiting the generality of the foregoing, industry standard normal maintenance and proper use of all plumbing, heating, air conditioning serving the Premises exclusively, ventilating, electrical, lighting facilities and equipment within the Premises, fixtures, interior walls (other than structural elements of load bearing walls), ceiling, floors, windows, doors, plate glass located within the Premises. Lessee shall not perform any particular repair work without Lessor’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, where such repair shall involve material alterations to the structural portions of the Building, or any Building systems (e.g., air conditioning, heating, ventilation, electrical and mechanical systems, including all fire prevention and life safety systems). Within thirty (30) days of Lessor’s written request, Lessee shall promptly deliver to Lessor a report summarizing all repairs performed to the Premises from the applicable Phase Commencement Date, or the date of any prior such requested report, as applicable, that exceed $100,000 individually and which such costs above such $50,000 aggregate to a cost in excess of $500,000, and were not subject to Lessor’s prior written consent pursuant to the preceding sentence.
7.2 **Surrender.** On the last day of the Term hereof, or any sooner termination, Lessee shall surrender the Premises to Lessor “broom clean,” in good order and condition, ordinary wear and tear and damage by fire and other casualty excepted, and subject to the Lessor Maintenance Obligations, free and clear of debris; provided that Lessee shall be required to remove, within sixty (60) days after the expiration or earlier termination hereof, any of the following which, subject to the provisions of Section 7.5 hereof concerning the scope of the Required Removal Items (as hereinafter defined), Lessor requires (by written notice to Lessee) to be removed by Lessee: (a) Lessee’s tenant improvements, alterations or additions, but only to the extent the same were not installed by Lessee in compliance with the provisions of this Lease (including the Work Letter), (b) any and all furniture, furnishings, trade fixtures and equipment installed by Lessee and used in the Premises (all such items described in the foregoing clause “(b),” collectively, the “FF&E”), and (c) any material that has been contaminated by or otherwise contains Hazardous Material for which Lessee is responsible pursuant to Section 45 below. For the avoidance of confusion, it is the intent of the parties that so long as Lessee’s initial improvements or future improvements are installed in compliance with the applicable requirements of this Lease (if any) and do not contain Hazardous Material for which Lessee is responsible pursuant to Section 45 below, they shall not constitute Required Removal Items. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee’s tenant improvements, alterations or additions, trade fixtures or the FF&E. Notwithstanding anything to the contrary otherwise stated in this Lease, Lessee shall have the option to leave the air lines, and will leave all main power panels, main electrical distribution systems, lighting fixtures, space heaters, air conditioning, and plumbing on the Premises in serviceable and operating condition except for ordinary wear and tear and damage by fire and other casualty, and subject to the Lessor Maintenance Obligations.

7.3 **Lessor’s Rights.** If Lessee fails to perform Lessee’s obligations under Section 9 relating to destruction of the Premises within fifteen (15) days after Lessor’s written notice to Lessee of such failure, Lessor may at its option (but shall not be required to) enter upon the Premises after at least twenty-four (24) hours’ notice to Lessee and compliance with then applicable governmental security requirements and Lessee’s reasonable rules and regulations with respect to classified areas (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee’s behalf and put the Premises in good order, condition and repair, and the reasonable and actual cost thereof together with interest thereon at the maximum rate then allowable by law (not to exceed 8%) shall become due and payable as additional rent to Lessor together with Lessee’s next Rent installment.

7.4 **Lessor’s Obligations.** Except for the representations of Lessor under Section 7.1, the obligations of Lessor under Section 9 relating to destruction of the Premises, under Section 5 relating to maintenance of the Common Areas and the Lessor Maintenance Obligations, and under Section 14 relating to condemnation of the Premises, it is intended by the parties hereto that Lessor shall have no obligation whatsoever to repair or maintain the Premises, the Building located thereon or the equipment therein, all of which obligations are intended to be that of Lessee under Section 7.1 from and after the commencement of the Term. Lessee expressly waives, to the fullest extent permitted under applicable law, the benefit of any law now or hereinafter in effect which would otherwise afford Lessee the right to make repairs at Lessor’s expense or to terminate this Lease because of Lessor’s failure to keep the Premises in good order, condition and repair, except as hereinafter provided in this Section 7.4:
(a) If Lessor shall fail to commence any Lessor repair obligations required under this Lease within ten (10) business days following Lessee’s written request for such repairs and thereafter complete such repairs with commercially reasonable due diligence, then Lessee may elect to make such repairs at Lessor’s expense by complying with the following provisions of this Section 7.4(a) and Section 7.4(b) below. Before making any such repair, and following the expiration of the applicable period set forth above, Lessee shall deliver to Lessor a notice for the need for such repair (“Self-Help Notice”), which notice shall specifically advise Lessor that Lessee intends to exercise its self-help right hereunder. Should Lessor fail, within ten (10) business days following receipt of the Self-Help Notice (or within three (3) business days following written notice in the event of necessary emergency repairs), to commence the necessary repair (or to make other reasonable arrangements), then Lessee shall have the right to make such repair on behalf of Lessor so long as such repair is performed in strict compliance with all Governmental Regulations. Lessor agrees that Lessee will have access to the Building systems and Building structure to the extent necessary to perform the work contemplated by this Section 7.4(a). In the event Lessee properly takes such action in accordance with this Section 7.4(a), and such work will affect the Building structure and/or the Building systems, Lessee shall use only those contractors used or reasonably approved by Lessor in the Building for work on such Building structure or Building systems unless such contractors are unwilling or unable to immediately perform, or timely and competitively perform, such work, in which event Lessee may utilize the services of any other qualified licensed contractor which normally and regularly performs similar work in comparable buildings in the area of the Project. Lessee shall provide Lessor with a reasonably detailed invoice together with reasonable supporting evidence of the costs reasonably and actually incurred in performing such repairs. Lessor shall either reimburse Lessee for the reasonable costs of such repairs within thirty (30) days following receipt of Lessee’s invoice for such costs or deliver a written objection stating with specificity the reasons Lessor disputes Lessee’s actions or the costs incurred. If Lessor delivers to Lessee, within thirty (30) days, a written objection to the payment of such invoice, setting forth Lessor’s reasons for its claim that such action did not have to be taken by Lessor pursuant to the terms of this Lease or that the charges are excessive (in which case Lessor shall pay the amount it contends would not have been excessive if the only objection is to the costs incurred), then the dispute shall be resolved by arbitration pursuant to Section 7.4(b) below. If Lessee prevails in the arbitration, the amount of the award shall include interest at the per annum rate of eight percent (8%), compounded monthly, and reasonable attorneys’ fees and related costs. Lessee shall be responsible for obtaining any necessary governmental permits before commencing the repair work. Lessee shall be liable for any damage, loss or injury resulting from said work, except to the extent such damage, loss or injury was caused by Lessor’s negligence.

(b) Any dispute or claim under Section 7.4(a) will be finally settled by Binding Arbitration. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, without default under this provision.

7.5 Alterations and Conditions.
(a) Lessee shall not, without Lessor’s prior written consent, which consent shall not unreasonably be withheld, delayed or conditioned, make any alterations, improvements or additions to the Premises (including any such alterations, improvements or additions made in connection with Lessee’s initial occupancy of the Premises in addition to the Lessee’s Work performed by Lessor pursuant to the Work Letter) including, but not limited to, the walls (exterior and interior) and roof (exterior and interior); to the exterior appearance of the Building or to the utilities and building systems servicing the Premises. Notwithstanding the foregoing, Lessee may make any non-structural alteration, improvement or addition to the Premises individually costing less than One Hundred Thousand Dollars ($100,000.00) without Lessor’s prior written consent not to be unreasonably withheld, including any “Utility Installations” (which shall mean carpeting, window coverings, air lines, power panels, lighting fixtures, space heaters, or any electrical distribution systems, air conditioning, or plumbing exclusively serving the Premises) (collectively, “Permissive Alterations”); provided, however, that Lessee shall promptly provide to Lessor after completion thereof all “as-built” plans and specifications for all alterations, improvements and additions regardless of the cost thereof. Except for any of the Lessee’s Work, Lessor shall notify Lessee, in writing at the time of such approval, of any requirement with respect to the particular alteration or installation requiring Lessor’s prior consent hereunder, as a condition to such consent and specified in writing at the time of such consent, that Lessee remove any or all of said alterations, improvements or additions (collectively, the “Required Removal Items”) at the expiration or earlier termination of the Term, and restore the Premises to their prior condition. For the avoidance of confusion, it is the intent of the parties that so long as Lessee’s initial improvements or future improvements are installed in compliance with the applicable requirements of this Lease (if any) and do not contain Hazardous Material for which Lessee is responsible pursuant to Section 45 below, they shall not constitute Required Removal Items. Any alterations, improvements or additions to the Premises that Lessee desires to make and which require the consent of the Lessor shall be presented to Lessor in written form, with reasonably detailed proposed plans. If Lessor gives its consent thereto, said consent not to be unreasonably withheld, conditioned or delayed, such consent shall be deemed conditioned upon Lessee (i) acquiring permits to do so from any appropriate governmental agencies, (ii) furnishing a copy thereof to Lessor prior to the commencement of the work, and (iii) complying with all conditions of such permits in a prompt and expeditious manner, in each case, to the extent such permits are required under applicable Governmental Regulations.

(b) Except with respect to any such claims relating to portions of the Lessor’s Work, Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanics’ or materialmen’s lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) business days’ notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Lessee in good faith contests the validity of any such lien, claim or demand, then Lessee shall, at its sole expense, pay and satisfy or bond over the same in accordance with applicable law so as to remove it as a lien from the Property, and defend itself and Lessor against the same, in all events so that any adverse judgment that may be rendered thereon is not enforced against the Lessor or the Premises.
(c) Unless Lessor requires their removal pursuant to Section 7.5(a) or as otherwise expressly set forth herein, all alterations, improvements, suspended-tile ceilings, additions and Utility Installations (which are made to the Premises), shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration or earlier termination of the Term. Notwithstanding the provisions of this paragraph or anything to the contrary contained in this Lease, Lessee’s laboratory operations equipment (including but not limited to its laboratory automated systems, equipment, air compressors, RO/DI water systems, and environmental monitoring systems), which may be affixed to the Premises can be removed by the Lessee so long as there is no material damage to the Premises and any standard office partitions installed by Lessee and shall remain the property of Lessee and shall be removed by Lessee subject to the provisions of Section 7.2.

(d) Upon Lessee’s completion of any work of alteration, improvement or addition described herein, Lessee shall promptly deliver to Lessor copies of all plans and specifications prepared in connection with such work of alteration, improvement or addition.

7.6 Ownership of Lessee’s Work. At all times during the Term and notwithstanding any other provisions of this Lease including, without limitation, the Property Tax payment obligations under Section 5.2(c) and the insurance obligations under Section 8, Lessor shall be the sole owner of all of the Lessee’s Work except to the extent of any Differential (as defined in the Work Letter) paid by Lessee in accordance with the Work Letter on account of the Lessee’s Work in excess of the Tenant Improvement Allowance. At all times during the Term, Lessee shall be the sole owner of the Lessee’s Work to the extent, if any, paid for by Lessee as a result of any such Differential. At the expiration or earlier termination of this Lease, the Lessee’s Work owned by Lessee during the Term, if any, pursuant to the foregoing shall become the property of Lessor and remain upon and be surrendered by Lessee with the Premises, except as otherwise provided in Section 7.5(c).

Section 8

INSURANCE AND INDEMNITY

8.1 Liability Insurance. Lessee shall, at Lessee’s expense, obtain and keep in force during the Term of this Lease a policy of Commercial General Liability insurance insuring Lessee against any liability arising out of the use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be for a combined single limit covering liability for personal injury (including death resulting therefrom) and property damage in an amount not less than Two Million Dollars ($2,000,000) per occurrence and shall include Lessor and, if applicable, Lessor’s agents and any party holding an interest as to which this Lease is subordinate or may be subordinated and are designated in writing by Lessor to be included as additional insureds thereunder. Subject to policy terms, conditions and exclusions, the policy shall insure bodily injury liability and property damage liability by Lessee as specified in the indemnity provisions of this Lease (excluding the indemnity provisions set forth in Section 45); provided, however, that the limits of such insurance shall not limit the liability of Lessee hereunder.
8.2 **Property Insurance.** Lessor agrees to maintain All Risk Property Insurance including Boiler & Machinery insurance insuring the Building at replacement costs including, without limitation, if available for commercially reasonable premiums, earthquake, earth movement, mudslide or flood, together with business income coverage in the event of a loss due to a covered peril for a period of not less than eighteen (18) months) (“Insurance”). Such Insurance shall be for the sole benefit of Lessor and under its sole control. Lessor shall not be obligated to insure either (a) any furniture, equipment, machinery, goods or supplies not covered by this Lease which Lessee may keep or maintain in the Premises or (b) any leasehold improvements, additions or alterations which Lessee may make or cause to be made upon the Premises, whether paid for by Lessor or Lessee including, without limitation, any leasehold improvements, additions or alterations comprising a portion of the Lessee’s Work.

8.3 **Insurance Policies.** All insurance policies required hereunder shall be procured from and maintained with companies (which may be part of an association of companies) holding a “General Policyholders Rating” of at least A- and a financial rating of seven (VII) or better, or such other rating as may be required by any Mortgagee (as hereinafter defined), as set forth in the most current issue of “Best’s Insurance Guide”. On or before the Commencement Date, Lessee shall deliver to Lessor certificates of insurance (for liability insurance, the standard ACORD Certificate of Insurance form (ACORD 25-9) and for property insurance, the standard ACORD Evidence of Property Insurance form (ACORD 27), or, in each case, any insurer-specific equivalent form) evidencing the existence and amounts of such insurance, and evidence reasonably acceptable to Lessor of the compliance of such insurance with the requirements of this Section 8 including, without limitation, certificates evidencing the applicable policy specifying that (a) Lessor and any other person or entity required to be included as an additional insured under a Blanket Endorsement is so included in such policy and (b) the insurer recognizes the waiver of subrogation set forth in Section 8.4 hereof. Lessee may meet its insurance obligations hereunder through its standard blanket policies and deductibles, so long as the foregoing criteria are satisfied.

8.4 **Waiver of Subrogation.** Lessee and Lessor each hereby release, relieve and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under Section 8.2 which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease and shall procure the consent of such carrier or carriers to the foregoing mutual waiver of subrogation. All policies of insurance required hereunder shall include a Blanket clause or Blanket endorsement denying the insurer any rights of subrogation against the other party to the extent such rights are waived hereunder or have otherwise been waived by the insured prior to the occurrence of any insured loss.
8.5 Lessee Indemnity. Except with respect to any claims relating to Hazardous Material or Governmental Regulations concerning Hazardous Material, which shall be governed exclusively by the provisions of Section 45 hereof, and except to the extent due to Lessor’s negligence or willful misconduct or breach of this Lease, Lessee shall indemnify and hold Lessor harmless from and against any and all claims arising from Lessee’s use of the Premises or from the conduct of Lessee’s business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises, the Building or the Common Areas. Lessee shall further indemnify and hold Lessor harmless from and against any and all claims arising from a material breach or default in the performance of any obligation on Lessee’s part to be performed under the terms of this Lease or arising from the negligence of Lessee, or any of Lessee’s agents, contractors, or employees, and from and against all costs, attorneys’ fees, expenses and liabilities incurred in the defense of any such claim, or any action or proceeding brought thereon, and, if any action or proceeding be brought against Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee’s expense by counsel satisfactory to Lessor. Except as otherwise set forth in this Lease (including, without limitation, with respect to Lessor’s Work, Lessor’s express representations and warranties set forth in this Lease, Lessor’s indemnity obligations, and Lessor’s maintenance obligations) and except to the extent due to Lessor’s negligence or willful misconduct or breach of this Lease, Lessee (a) as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises arising from any cause, and (b) hereby waives all claims in respect thereof against Lessor. Lessee shall be entitled to timely notice and reasonable cooperation from Lessor, as well as to control of the defense and settlement of all such claims.

8.6 Exemption of Lessor from Liability; Lessor Indemnity.

(a) Except to the extent caused by Lessor’s gross negligence, willful misconduct, or breach of this Lease, Lessor shall not be liable for damage or injury to Lessee’s business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Lessee, Lessee’s employees, customers, or any other person in or about the Premises, nor shall Lessor be liable for injury to the person of Lessee, Lessee’s employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is accessible to Lessee. Except to the extent caused by Lessor’s gross negligence, willful misconduct, or breach of this Lease, Lessor shall not be liable for any damages arising from any act or neglect of any Occupancy Tenant or any other Occupant, if any, of the Building in which the Premises are located.

(b) Except with respect to any claims relating to Hazardous Material or Governmental Regulations concerning Hazardous Material, which shall be governed exclusively by the provisions of Section 45 hereof, and except to the extent due to Lessee’s negligence or willful misconduct, Lessor shall indemnify and hold Lessee harmless from and against any and all claims arising from any activity, work or things done, permitted or suffered by Lessor in or about the Premises, the Building or the Common Areas, to the extent caused by Lessor’s gross negligence, willful misconduct, or breach of this Lease.
Section 9

DAMAGE, DESTRUCTION, OBLIGATION TO REBUILD, RENT ABATEMENT

9.1 Obligation to Rebuild. In the event that all or any portion of the Building and/or the Premises itself are damaged or destroyed, partially or totally, from (a) an insured loss, (b) a loss due to earthquake, (c) a loss which would have been insured but for the actions or failure to act of Lessor, its agents, employees or invitees, or (d) a loss arising from a peril not required to be insured against pursuant to Section 8 hereof or that is uninsurable (either, an “Uninsured Loss”) which would cost less than One Million Dollars ($1,000,000.00) to repair (as reasonably determined by an independent licensed architect retained by Lessor) (collectively, a “Casualty Event”), then Lessor shall, within thirty (30) days of the date of such damage, provide Tenant with an estimate prepared by Landlord’s architect of the time required to complete such repairs, and shall repair, restore and rebuild the Premises to its condition existing immediately prior to such damage or destruction. For the duration of such repair work, this Lease shall remain in full force and effect; provided that, Rent shall be reduced in the proportion that the floor area of the Premises damaged or destroyed bears to the Premises Rentable Area prior to such Casualty Event. Such repair, restoration and rebuilding, all of which are herein individually and collectively called “repair”, shall be commenced within as soon as reasonably practicable after such damage or destruction has occurred and shall be diligently pursued to completion. Lessor shall pay all costs of such repair in excess of the available insurance proceeds. The appearance of Hazardous Material shall not be deemed an occurrence of damage or destruction which is subject to the terms of this Section. Notwithstanding anything to the contrary in this Section 9.1, if such repair work is estimated by Lessor’s architect to take longer than twelve (12) months to complete after the date of such damage and the Premises is rendered untenantable as a result of such damage for such 12-month period, Lessee may terminate this Lease upon written notice to Lessor within ten (10) business days after receipt of such estimate.

In the event of an Uninsured Loss which would cost One Million Dollars ($1,000,000.00) or more to repair, as reasonably determined by an independent licensed architect retained by Lessor, Lessor may elect, within ten (10) days following the date (“Determination Date”) of such cost estimate, to make such repair at its cost and, if Lessor does not so elect, Lessee shall have the option to contribute Lessee’s Proportionate Share of the cost for such repair in excess of One Million Dollars ($1,000,000.00), and require Lessor to repair the Premises at Lessor’s cost, in which event Lessee’s obligation to pay Rent shall not terminate during the period of reconstruction. Lessee shall notify Lessor of its election to require such repair within thirty (30) days after the Determination Date. In the event of an Uninsured Loss where Lessor elects not to repair the Premises at its cost, and Lessee elects not to exercise its option pursuant to the first sentence of this paragraph, this Lease shall terminate as of the date of such damage.

9.2 Insurance Proceeds. The proceeds of any insurance maintained under Section 8.2 shall be paid to Lessor; provided, however, such proceeds shall, subject to the rights of any Mortgagee to control the disbursement thereof, be used for payment of costs and expenses of repair including, without limitation, all costs related to the planning, design and construction thereof.

9.3 Damage Near End of Term.
(a) If the Premises are damaged or destroyed, either partially or totally, during the last nine (9) months of the Term of this Lease, Lessor or Lessee, at its option, may cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to the other of its election to do so within ten (10) days after the date of occurrence of such damage; provided, however, that neither party shall be permitted to exercise such election to cancel this Lease in the event such damage is not in excess of ten percent (10%) of the value of the improvements comprising the Building and either (i) can be repaired within thirty (30) days, as determined by Lessor’s independent licensed architect, which determination shall be made as soon as reasonably possible and shall be conclusive on the parties, or (ii) has in fact been repaired by Lessee at its sole cost and expense within thirty (30) days after the occurrence of the damage.

(b) Notwithstanding anything in Section 9.3(a) to the contrary, in the event Lessee has an Extension Option and the time within which such Extension Option may be exercised has not yet expired, Lessee shall exercise such Extension Option, if it is to be exercised at all, no later than thirty (30) days after the date of damage or destruction to the Premises, either total or partial, occurring during the last eighteen (18) months of the Term of this Lease, which damage or destruction is covered by insurance required to be maintained under Section 8. If Lessee duly exercises such Extension Option during such thirty (30) day period, Lessor shall, in accordance with Section 9.1, at Lessor’s expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect; provided that Rent shall be reduced in the proportion that the floor area of the Premises damaged or destroyed bears to the Premises Rentable Area prior to such damage or destruction. If Lessee fails to exercise any such Extension Option during such thirty (30) day period, Lessor may, at Lessor’s option, terminate and cancel this Lease as of the expiration of such thirty (30) day period, notwithstanding such Extension Option.

9.4 Intentionally Omitted.

9.5 Termination; Advance Payments. Upon termination of this Lease pursuant to this Section 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Notwithstanding any right of Lessor to terminate this Lease prior to the expiration hereof pursuant to this Section 9, Lessee may elect, in writing, within ten (10) business days of Lessor’s notice of termination, to continue to possess the undamaged portions of the Premises (to the extent permitted by law), at the full Rent prescribed herein and without any abatement of rent.

9.6 Waiver. Lessee waives the provisions of any statutes which relate to termination of leases when the premises leased is destroyed, and Lessee agrees that any such event shall be governed by the terms of this Lease.

Section 10

COMPETITORS

(a) Subject to Section 10(b) below, Lessor shall not enter into any lease in the Building (or consent to a sublease in the Building if Lessor has the right to withhold such consent), with the following companies: Natera Inc., Invitae Corporation, or Ambry Genetics.
(b) Lessor’s obligations under Section 10(g) above shall be void and of no effect in the following circumstances:
(i) other than with respect to those Events of Default described in clause “(iii)” below, during the time commencing from an Event of Default and continuing until the Event of Default alleged in the notice of default is cured (or in the case of an Event of Default under Section 13.1(c), such default’s cure has been commenced and Lessee is continuing diligently to effect a cure), or 
(ii) during the period of time commencing on the day after a monetary obligation to Lessor is due from Lessee and unpaid (without any necessity for notice thereof to Lessee) continuing until the obligation is paid in full, or (iii) at any time from and after the occurrence of an Event of Default described in Sections 13.1(d), 13.1(e) or 13.1(f) (without any necessity of Lessor to give notice of such default to Lessee), or (iv) if, within the immediately preceding twelve (12) consecutive-month period, Lessor has given to Lessee (A) three (3) notices of default pursuant to Section 13.1(b) hereof, (B) three (3) notices of default pursuant to Section 13.1(c), or (C) three (3) notices of default pursuant to the aggregate of either Section 13.1(b) or Section 13.1(c) hereof (but a notice of default given pursuant to Section 13.1(b) shall be counted toward said three (3) notices of default only if a late charge shall be payable pursuant to Section 13.4 hereof, whether or not collected, with respect to the default in the payment of rent described in such notice of default), such obligations of Lessor to remain void and of no effect notwithstanding any cure of the defaults described in such three (3) notices of default.
Section 11

UTILITIES

Lessor agrees to furnish, or cause to be furnished, throughout the Term to the Premises, at Lessee’s expense, natural gas, water, electricity for lighting, office machines and such other uses required by Lessee for the use and occupancy of the Premises. All utilities for the Premises shall be separately metered. Lessee shall immediately notify Lessor of the interruption of any service furnished by Lessor under this Lease necessary for Lessee’s conduct of its business (a “Service Interruption”), and following the receipt of such notice, Lessor shall use its best, commercially reasonable efforts to restore such service to the Premises as soon as reasonably practicable. Except as hereinafter provided in this Section 11, Lessor shall not be liable for any damages directly or indirectly resulting from, nor shall Monthly Basic Rent or any other monies owed Lessor under this Lease herein reserved be abated by reason of: (a) the installation, use or interruption of use of any equipment used in connection with the furnishing of the foregoing electrical utility service or any other utilities, (b) failure to furnish or delay in furnishing any such utilities or services when such failure or delay is caused by acts of God or the elements, labor disturbances of any character, any other accidents or other conditions beyond the reasonable control of Lessor, or (c) the limitation, curtailment, rationing or restriction on use of water, electricity, gas or any other form of energy or any other service or utility whatsoever serving the Premises or the Property. Notwithstanding the foregoing, if a Service Interruption continues for more than seven (7) consecutive days, Lessee shall be entitled to an abatement of all Rent until such time as such services are again provided. In the event Lessee is entitled to an abatement due to an interruption caused by Lessor which impairs Lessee’s ability to operate its business in the Premises, such abatement shall be proportional to the impairment. Lessee shall pay for all water, gas, heat, air conditioning, light, power, telephone, sewer, sprinkler charges and other utilities and services used on the Premises, together with any taxes, penalties (except to the extent such penalties are due to Lessor’s acts or omissions), surcharges or the like pertaining thereto, and maintenance charges for utilities and shall furnish, at Lessee’s expense, all electric light bulbs, ballasts and tubes. Lessor shall be responsible for all costs incurred to install and maintain said separate utility meters. If any such services are not separately metered to Lessee, Lessee shall pay an equitable proportion of all charges jointly serving the Premises and other premises, such proportion (the “Shared Utilities Charge”) to be reasonably determined by Lessor and approved by Lessee, such Lessee approval not to be unreasonably withheld, delayed or conditioned.

Section 12

ASSIGNMENT AND SUBLETTING

12.1 Lessor’s Consent Required. Except as otherwise provided in Section 12.2 and Section 12.6, Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee’s interest in this Lease or in the Premises (any, a “Transfer”) without Lessor’s prior written consent, which Lessor shall not unreasonably withhold, condition or delay. Lessor shall respond to Lessee’s request for consent hereunder within fifteen (15) business days after Lessee has furnished Lessor with a copy of the proposed sublease or assignment, setting forth in reasonable detail the identity of the proposed sublessee or assignee; the business terms of the proposed sublease or assignment and such other financial and other information as Lessor may reasonably request (provided that Lessor agrees to keep such information confidential). Except as otherwise expressly provided herein, any attempted Transfer without Lessor’s prior written consent shall be null and void and shall constitute a breach of this Lease.
12.2 **Lessee Affiliate.** Notwithstanding the provisions of Section 12.1, Lessee may assign or sublet the Premises or any portion thereof, without Lessor’s consent, to any successor-in-interest to Lessee or an Occupancy Tenant (as defined in Section 12.6 below) resulting from the merger or consolidation with Lessee or other sale of stock in Lessee, or to any person or entity which acquires all the assets of Lessee as a going concern of the business being conducted by Lessee on the Premises (any of the foregoing, a “Lessee Affiliate”); provided, however, that such assignee assumes, in full, the obligations of Lessee under this Lease and provided further that Lessee delivers to Lessor written notice of such assignment no later than fifteen (15) days prior to the effective date thereof (any, an “Affiliate Transfer”). In addition, Lessee may assign the Premises or any portion thereof, without Lessor’s consent, to any related corporation or other entity which controls Tenant, is controlled by Tenant, or is under common control with Tenant provided that, either (a) Lessee remains primarily liable under this Lease or guarantees the obligations of the assignee under this Lease or (b) such assignee has a net worth equal to or greater than the net worth of Lessee on the date of this Lease (any of the foregoing, a “Controlled Affiliate Transfer”). For purposes of this Section 12.1, “control” shall mean ownership of not less than fifty percent (50%) of all voting stock or legal or equitable interest in such corporation or entity. Any such Affiliate Transfer or Controlled Affiliate Transfer shall in no way affect or limit the liability of the assignee under this Lease. For purposes of this Section 12.1, “control” shall mean ownership of not less than fifty percent (50%) of all voting stock or legal or equitable interest in such corporation or entity.

12.3 **No Release of Lessee.** Regardless of Lessor’s consent thereto, no Transfer shall release Lessee’s obligations hereunder or alter the primary liability of Lessee to pay the Rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of Rent by Lessor from any other person or entity shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one Transfer shall not be deemed consent to any subsequent Transfer. In the event of default by an assignee of Lessee or any successor of Lessee in the performance of any of the terms hereof, Lessor may proceed directly against Lessee without the necessity of exhausting remedies against such assignee. Lessor may consent to subsequent assignments, amendments or modifications (each, a “Future Assignee Agreement”) to this Lease with assignees of Lessee, or to subletting of the Premises, with Lessee’s prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall not be required if Lessor in its sole discretion elects to release Lessee. In the event Lessee does not respond to a written request from Lessor for Lessee’s consent hereunder within ten (10) business days, Lessee conclusively shall be deemed not to have consented thereto. Notwithstanding the foregoing, if Lessee shall not have consented, or shall be deemed not to have consented, to any such Future Assignee Agreement, Lessor and the assignee may nonetheless enter into such Future Assignee Agreement, but in such event Lessee shall not be liable to the extent of any increase in liability resulting therefrom. Any Future Assignee Agreement: (a) approved or consented to by Lessee shall not relieve Lessee of liability under this Lease or the Future Assignee Agreement, and (b) not approved or consented to by Lessee shall not relieve Lessee of liability under this Lease, except to the extent of any increase in liability resulting from such Future Assignee Agreement.

12.4 **Reserved.**
12.5 **Bonus Rent.** Lessor shall receive fifty percent (50%) of any Bonus Rent to be realized from any Transfer that is not an Affiliate Transfer or a Controlled Affiliate Transfer. The term “Bonus Rent” shall mean any lump sum payment or other value received by Lessee, plus any base rent, percentage rent or periodic compensation received by Lessee from or for the benefit of an assignee, sublessee or other transferee in excess of (a) all amounts owed for Rent and other charges pursuant to this Lease, (b) all reasonable commissions and fees paid to any real estate broker or finder who is unaffiliated with Lessee in connection with the Transfer, and (c) all reasonable allowances, improvement costs, and concessions provided or incurred by Lessee for assignee, sublessee or other transferee. Lessor’s portion of the Bonus Rent shall be paid to Lessor on the first (1st) day of each calendar month next following Lessee’s receipt of each payment from its assignee, sublessee or other transferee, after reduction for all amounts described in clauses “(a)” and “(b)” and “(c)” above, amortized over the full term of the sublease or, in the case of an assignment, the remaining Term or then Extension Term of this Lease (without regard to any potential Extension Term under any unexercised Extension Option).

12.6 **Shared Occupancy.** Notwithstanding anything to the contrary contained in this Section 12, Lessor’s consent shall not be required for the use by Lessee of any portion of the Premises at any time (1) for occupancy by a subsidiary of Lessee (in such capacity, an “Occupancy Tenant”) or (2) for occupancy on a “desk space” basis by individuals working for Lessee’s customers and/or such customers’ subcontractors, provided that (a) Lessee provides to Lessor at least fifteen (15) days’ prior written notice that such occupant(s) will be occupying a portion of the Premises, setting forth the names of such occupants, the name of the subsidiary or of the entity such occupants work for, the portion of the Premises such occupants will be occupying and a description of the intended use of such portion of the Premises; (b) the areas of the Premises being used by such occupants do not have entrances or reception areas separate from the remainder of the Premises and are not separately demised; (c) such occupants, in Lessor’s reasonable judgment, are engaged in a business or activity, and the occupied portions of the Premises will be used in a manner, which (i) is in keeping with the then standards of the Building; (ii) is a use permitted under Section 6.1; and (iii) does not violate any restrictions set forth in this Lease, imposed by any instrument in favor of any Mortgagee, or any negative covenant as to use of the Premises required by any other lease in the Building; and (d) such occupants do not occupy such space pursuant to a sublease. Lessor shall notify Lessee within fifteen (15) business days after Lessor’s receipt of any such notice from Lessee, if Lessor reasonably determines that the requirements of this Section 12.6 have not been satisfied. Following receipt of such notice, Lessee shall have thirty (30) days in which to address the concerns set forth in Lessor’s notice. If Lessee fails to address such concerns within such thirty (30)-day period, such occupants shall then have no right to occupy any portion of the Premises. For greater certainty, any occupancy permitted by this Section 12.6 shall not constitute a Transfer.

Section 13

**DEFAULTS; REMEDIES**

13.1 **Defaults.** The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee (an “Event of Default”):

(a) The vacating or abandonment of the Premises by Lessee; provided, however, that a vacation or abandonment of the Premises by Lessee shall not constitute an Event of Default so long as Lessee complies with all of its obligations contained in this Lease and, in addition, provides in a manner satisfactory to Lessor adequate security and other measures deemed necessary or desirable by Lessor for the maintenance of the Premises in good order, condition and repair due to the vacation or abandonment of the Premises by Lessee.
(b) The failure by Lessee to make any payment of Rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee that such amount is past due. In the event that Lessor serves Lessee with a “Notice to Pay Rent or Quit”, or similar notice under applicable law, pursuant to applicable unlawful detainer statutes, such Notice to Pay Rent or Quit shall also constitute the notice required by this paragraph (b).

(c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of thirty (30) days after written notice hereof from Lessor to Lessee; provided, however, that if the nature of Lessee’s default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(d) (i) The making by Lessee of any general arrangement or assignment for the benefit of creditors, (ii) Lessee becomes a “debtor” as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless in the case of a petition filed against Lessee, the same is dismissed within one hundred twenty (120) days), (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee’s assets located at the Premises or of Lessee’s interest in this Lease, where possession is not restored to Lessee within one hundred twenty (120) days, or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee’s assets, or of Lessee’s assets located at the Premises, or of Lessee’s interest in this Lease, where such seizure is not discharged within one hundred twenty (120) days. However, in the event that any provision of this paragraph is contrary to any applicable law, such provision shall be of no force or effect.

(e) The discovery by Lessor that any financial statement given to Lessor by Lessee, any assignee of Lessee, any subtenant of Lessee, any successor in interest of Lessee, or any guarantor of Lessee’s obligations hereunder, or any of them, was knowingly and materially false, with an intent to deceive Lessor, when given to Lessor.

(f) (i) The breach of the representations or covenants contained in Section 45 with respect to the handling, use, storage, transport or disposal of any Hazardous Material on, about or from the Premises, or (ii) the failure of Lessee diligently and faithfully to pursue and keep in place any clean-up and/or remedial measures which may be required of Lessee pursuant to Section 45 from time-to-time by any governmental authority, subject to any limitations set forth in Section 45.

13.2 Remedies. Following the occurrence of an Event of Default, Lessor may at any time thereafter, in accordance with applicable law, with or without notice or demand (except as required under applicable law) and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason thereof:

(a) Terminate Lessee’s right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee’s default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting (including necessary renovation and alteration of the Premises, reasonable attorneys’ fees, and any real estate commission actually paid), as well as such damages as the court, in exercising its retained jurisdiction from time to time or otherwise, may award on account of the unpaid rent for the balance of the Term.
(b) Maintain Lessee’s right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor’s rights and remedies under this Lease, including the right to recover the Rent as it becomes due hereunder, and Lessor shall be entitled to sublet the Premises without Lessee’s consent thereto.

(c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the State wherein the Premises are located. Unpaid installments of Rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

(d) In the event of an Event of Default, Lessor shall use commercially reasonable efforts to mitigate Lessor’s damages in accordance with Utah law, and in no event shall Lessee be liable for consequential or special damages provided that Lessor and Lessee agree that such excluded damages shall not include or be deemed to include (1) Lessor’s costs of re-letting, including without limitation the costs and expenses of re-entering the Premises, terminating the Lease, demolition, reconstruction and refurbishment, marketing and brokerage fees and legal fees and costs actually paid or incurred, (2) the collection of amounts payable by Lessee and the satisfaction of non-monetary obligations of Lessee including without limitation the costs of any clean-up, remedial, removal, repair or restoration work as required by this Lease, including insurance deductibles, (3) costs and damages incurred in connection with a holdover in the Premises by Lessee after the expiration or earlier termination of this Lease, (4) re-taking possession of the Premises, (5) maintaining the Premises after default, (6) preparing the Premises or any portion thereof for reletting to a new tenant, including, without limitation, any reasonable repairs or alterations, whether for the same or a different use, and (7) any special concessions made to obtain a new tenant. Subject to Lessor’s obligation to mitigate damages, Lessee specifically acknowledges and agrees that in the event of an Event of Default, Lessor shall have the right to continue to collect Rent after any termination of this Lease by Lessor or the recovery of possession of the Premises by Lessor (whether said termination occurs through eviction proceedings or as a result of some other early termination pursuant to this Lease) for the remainder of the Term, less any amounts collected by Lessor from the reletting of the Premises, but in no event shall Lessee be entitled to receive any excess of any such rents collected over the Rent.

13.3 Default By Lessor. Lessor shall not be in default of this Lease unless Lessor fails to perform the obligations required of Lessor herein within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying that Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor’s obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default of this Lease if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Lessor be liable for consequential or special damages.
13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, beginning with the third (3rd) and all subsequent occurrences of any installment of Rent or any other sums due from Lessee not being received by Lessor or Lessor’s designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor, beginning with such third (3rd) late payment, a late charge within ten (10) days after each such amount shall be due, equal to four percent (4%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee’s default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted to Lessor hereunder.

13.5 Impounds. In the event that a late charge is payable hereunder, whether or not collected, for three (3) installments of Rent or any other monetary obligation of Lessee under the terms of this Lease during any twelve (12) month period during the Term, Lessee shall pay to Lessor, if Lessor shall so request, in addition to any other payments required under this Lease, a monthly advance installment, payable on the first (1st) day of each month, as estimated by Lessor, for real property tax and insurance expenses on the Premises which are payable by Lessee under the terms of this Lease. Such fund shall be established to insure payment when due, before delinquency, of any or all such real property taxes and insurance premiums. If the amounts paid to Lessor by Lessee under the provisions of this Section 13.5 are insufficient to discharge the obligations of Lessee to pay such real property taxes and insurance premiums as the same become due, Lessee shall pay to Lessor, upon Lessor’s demand, such additional sums necessary to pay such obligations. All moneys paid to Lessor under this Section 13.5 may be intermingled with other moneys of Lessor and shall not bear interest. In the event of an Event of Default by Lessee under this Lease, then any balance remaining from funds paid to Lessor under the provisions of this Section 13.5 may, at the option of Lessor, be applied to the payment of any monetary Event of Default of Lessee in lieu of being applied to the payment of real property tax and insurance premiums. After satisfaction of all monetary obligations of Lessee, Lessor shall refund to Lessee any funds collected hereunder that remain unspent at the expiration of the Lease herein.
Section 14

CONDEMNATION

If the Premises or any portion thereof or a material part of the Common Areas is taken under the power of eminent domain, or sold under the threat of the exercise of said power (herein, “Condemnation”), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than twenty-five percent (25%) of the floor area of the Premises is taken by Condemnation, or so much of the available parking for the Premises is taken by Condemnation such that a pro rata portion of the parking for the Premises can no longer be provided or access to the Premises is materially restricted, then Lessee may, at Lessee’s option, to be exercised in writing only within thirty (30) days after Lessor has given Lessee written notice of such Condemnation (or in the absence of such notice, within thirty (30) days after the condemning authority has taken possession) terminate this Lease as of the date the condemning authority takes such possession (unless, in the case of Condemnation of more than twenty-five percent (25%) of the parking for the Premises, the remaining parking can be re-striped by Lessor to provide the number of parking spaces set forth in this Lease, or Lessor otherwise makes available to Lessee improved parking spaces in the same number as the number of spaces then being provided under this Lease, at such locations as are reasonably acceptable to Lessee). If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that (a) the Monthly Basic Rent shall be reduced in the proportion that the floor area of the Premises taken bears to the Premises Rentable Area prior to the taking and (b) Lessee’s Proportionate Share and Lessee’s Common Area Share shall be adjusted in accordance with Section 5.1(b) if necessary to reflect the reduction in both the Premises Rentable Area and the Total Floor Area as a result of such taking. There shall be no abatement of rent in the event of a taking of Common Areas only. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee’s loss of or damage to Lessee’s trade fixtures and removable personal property, the unamortized cost of Lessee-paid leasehold improvements and/or Lessee’s relocation expenses so long as such separate award does not reduce the award otherwise payable to Lessor. In the event that this Lease is not terminated by reason of such Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation as soon as commercially and reasonably practicable and in a good and workmanlike manner and shall pay any amount (whether or not in excess of such severance damages) required to complete such repair.

Section 15

ESTOPPEL STATEMENT

15.1 Lessee Estoppel. Lessee shall at any time upon not less than seven (7) business days’ prior written notice and submission from Lessor, execute, acknowledge and deliver to Lessor a statement in writing submitted by Lessor (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, (b) acknowledging that there are not, to Lessee’s knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed, and (c) acknowledging such other matters as Lessor shall reasonably require. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises. Without limiting the foregoing, Lessee acknowledges that the form of estoppel attached to this Lease as Exhibit D is acceptable to it.
15.2 **Failure to Deliver Lessee Estoppel.** If Lessee fails to deliver such statement by the end of such seven (7) business day period, Lessor may send a second (2nd) request to Lessee, which request must contain the following inscription, in bold faced lettering: “SECOND NOTICE DELIVERED PURSUANT TO SECTION 15.2 OF THE LEASE—FAILURE TO DELIVER THE REQUESTED STATEMENT WITHIN THREE (3) BUSINESS DAYS SHALL RESULT IN AN IMMEDIATE EVENT OF DEFAULT UNDER THE LEASE.” If Lessor sends such a second request and Lessee fails to deliver such statement by the end of such three (3) business day period, such failure will constitute an immediate Event of Default by Lessee.

15.3 **Financial Information.** If Lessor desires to finance, refinance, or sell the Property, or any part thereof, Lessee (except during any period that its stock is publicly traded on a United States exchange) hereby agrees to deliver to any lender or purchaser designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three (3) years’ financial statements of Lessee. All such financial statements shall be received, held and maintained by Lessor and such lender or purchaser in confidence pursuant to the terms of a separate confidentiality and non-disclosure agreement reasonably acceptable to Tenant and shall be used only for the purposes herein set forth. In the event any Lessee has assigned this Lease, the current Lessee, the prior assigning Lessee (all prior Lessees who retain liability) shall also be required to comply with this Section 15.3 and provide such financial statements; provided, however, that with respect to any such entity which is then publicly traded and listed on a domestic national exchange, the recorded filed public non-delinquent financial statements of such entity and its website information shall be deemed to satisfy Lessee’s financial information obligations under this Section.

15.4 **Lessor Estoppel.** Lessor shall at any time upon not less than ten (10) business days’ prior written notice and submission from Lessee, acknowledge and deliver to Lessee a statement in writing submitted by Lessee (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent and other charges are paid in advance, if any, (b) acknowledging that there are not, to Lessor’s knowledge, any uncured defaults on the part of Lessee hereunder, or specifying such defaults if any are claimed, and (c) acknowledging such other matters as Lessee shall reasonably require. Any such statement may be conclusively relied upon by any prospective assignee, sublessee, or lender to Lessee or its assignee.

**Section 16**

**LESSOR’S LIABILITY**

The term “Lessor” herein shall mean only the owner or owners, at the time in question, of (a) the fee title to the real property on which the Building is located or (b) the lessee’s interest in a ground lease of such real property, as the case may be. In the event of any transfer of such title or interest, the then-current Lessor shall be relieved from and after the date of such transfer of all liability as respects Lessor’s obligations thereafter to be performed hereunder, provided that any funds in which Lessee has an interest in the hands of the successor Lessor at the time of such transfer shall be delivered to the successor Lessor. The obligations contained in this Lease to be performed by Lessor shall, subject to the foregoing, be binding on Lessor’s successors and assigns only during their respective periods of ownership.
Section 17

SEVERABILITY

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

Section 18

INTEREST ON PAST-DUE OBLIGATIONS

Except as expressly provided herein, any amount due from Lessee to Lessor that is not paid when due within the applicable cure period set forth in Section 13.1 shall bear interest at the lesser of eight percent (8%) per annum or the maximum rate then allowable by law from the date due until the date paid. Payment of such interest shall not excuse or cure any Event of Default by Lessee under this Lease; provided, however, that interest shall not be payable on late charges incurred by Lessee.

Section 19

TIME OF ESSENCE

Time is of the essence in each and every provision of this Lease.

Section 20

ADDITIONAL RENT

Any monetary obligations of Lessee to Lessor under the terms of this Lease shall be deemed to be rent.

Section 21

INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS

This Lease contains all agreements of the parties with respect to matters mentioned herein, and no prior agreements or understandings pertaining to such matters shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither Lessor nor its employees or agents have made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises, and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety Health Act, as may be amended, and all other laws covering similar matters, the legal use and adaptability of the Premises, and the compliance thereof with all applicable laws and regulations in effect during the term of this Lease, except as otherwise specifically stated in this Lease.

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Section 22

NOTICES

Any notice required or permitted to be given hereunder shall be in writing and shall be given: (a) by a nationally-recognized overnight delivery service, with charges prepaid or billed to the sending party, or (b) by certified mail, return receipt requested, postage prepaid, or (c) by email with a hard copy sent within one (1) business day by any of the foregoing means, and, if so given, shall be effective on the date of delivery or attempted delivery on a business day of the recipient prior to 4:00 p.m. California Time/5:00 p.m. Utah Time (otherwise effective on the next business day) if addressed to Lessee or to Lessor at the address set forth below the signature of the respective parties, as the case may be. Either party may by notice to the other as provided herein specify a different address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.

Section 23

WAIVERS

No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision hereof. Lessor’s consent to, or approval of, any act by Lessee shall not be deemed to render unnecessary the obtaining of Lessor’s consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor’s knowledge of such preceding breach at the time of acceptance of such rent.

Section 24

HOLDING OVER

(a) If Lessee, with Lessor’s consent, remains in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall be a month-to-month tenancy upon all the provisions of this Lease pertaining to the obligations of Lessee, but all Options, if any, granted to Lessee under the terms of this Lease shall be deemed terminated and be of no further effect during such month-to-month tenancy, and Lessee shall pay rent on a monthly basis in an amount equal to: (i) during the first three (3) months of such holding over, one hundred twenty-five percent (125%) of the most recently due Monthly Basic Rent, and (ii) after the first three (3) months of such holding over, one hundred fifty percent (150%) of the most recently due Monthly Basic Rent, in each case plus the amount of all additional rent which would be required to be paid hereunder.
(b) If any clean-up or monitoring procedure is required of Lessee by Section 45 hereof under applicable Governmental Regulations, in, on or about the Premises during the Term of the Lease as a consequence of Hazardous Material thereon for which Lessee is obligated to remediate pursuant to Section 45, and the procedure or clean-up is not completed to the satisfaction of all applicable governmental authorities prior to the expiration or earlier termination of this Lease, then Lessor shall, in consideration of a reasonable license fee to be determined by Lessor consistent with the scope of Lessee’s access rights (“License Fee”), grant to Lessee access to those portions of the Premises reasonably necessary for any such Lessee remediation obligations (“License Area”) after the expiration or earlier termination of this Lease, at reasonable times for the purposes of conducting such procedure or clean-up in accordance with Section 45 hereof (“Remediation Activities”). Such right of access shall be a license that shall terminate upon Lessee’s completion of the Remediation Activities and any related monitoring, the terms of which license shall, among other terms to be reasonably established by Lessor upon the granting of such license, require Lessee to: (i) give Lessor at least five (5) days’ prior notice before engaging in any new physical activities on the License Area; (ii) conduct all Remediation Activities on the Premises in such a manner as to cause the least practicable interference with the use thereof by Lessor, any successor lessee for the Premises or their respective invitees; (iii) remove any extraction or treatment equipment which may have been installed in the License Area upon completion of the Remediation Activities and (iv) replace or repair or cause the replacement or repair of any structure, equipment, landscaping or other underground or surface facility that is removed or damaged by Lessee in exercising its license rights. If Lessee’s need to enter the License Area on any given date would unreasonably interfere or conflict with the activities on the Premises of Lessor, any successor lessee, or their respective invitees or impose an unreasonable inconvenience on any of them, Lessor and Lessee shall cooperate in good faith to select an alternative date or dates upon which Lessee may have access to the License Area for purposes of carrying out the Remediation Activities. Provided Lessee (A) pays the License Fee when and as required by Lessor, (B) complies with the terms of such license and (C) diligently prosecutes the Remediation Activities to completion, then Lessee shall be deemed to have surrendered possession of the Premises to Lessor upon such expiration or earlier termination of this Lease. If Lessee should fail to satisfy the conditions set forth in the preceding sentence, then Lessee shall be deemed to have impermissibly held over and Lessor shall be entitled to all damages directly or indirectly incurred including, without limitation, damages occasioned by Lessor’s inability to redevelop or relet the Premises or a reduction on the fair market or rental value of the Premises.

Section 25
CUMULATIVE REMEDIES

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 26
COVENANTS AND CONDITIONS

Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.
Section 27

BINDING EFFECT; CHOICE OF LAW

Subject to: (a) any provisions hereof restricting assignment or subletting by Lessee and (b) the provisions of Section 16, this Lease shall bind the parties and their successors and assigns. This Lease shall be governed by the laws of the State wherein the Premises are located. Venue for any action arising out of this Lease shall be any state or federal court located in Salt Lake County, Utah.

Section 28

SUBORDINATION

28.1 Generally. Subject to the provisions of this Section 28.1, this Lease shall be subject and subordinate to any and all mortgages, trust indentures or other financing documents which may hereafter affect all or any portion of the Premises or any ground lease or underlying lease and the leasehold interest created thereby, and all renewals, extensions, supplements, amendments, modifications, consolidations and replacements thereof or thereto, substitutions therefor, and advances made thereunder (collectively, “Mortgages”). The parties acknowledge that the Premises are currently subject to the lien of a Mortgage on the Lease Date, but that a refinancing of the financing secured by said Mortgage is anticipated to occur within thirty (30) days after the Lease Date (the “Scheduled Refinancing”). In connection with the Scheduled Refinancing, the mortgagee of the related Mortgage has provided Lessor with a subordination, non-disturbance and attornment agreement (“SNDA”) to be entered into by and among Lessee, Lessor, and such Mortgagee. The form of SNDA provided by the mortgagee is attached hereto as Exhibit E, and has been approved by Lessor and Lessee. Lessor’s and Lessee’s obligations under this Lease are conditioned on the execution by the mortgagee of such SNDA and receipt of a copy thereof by Lessor and Lessee within thirty (30) days after the date the Mortgage securing the Scheduled Refinancing is recorded; provided, however, that if discussions with the mortgagee are continuing, then Lessor shall have such longer period as is necessary to cause this condition to be satisfied (not to exceed forty-five (45) days without Lessee’s consent). With respect to any mortgagee, trustee or other holder of a Mortgage (each, a “Mortgagee”) under any future Mortgage, Lessor agrees to obtain for Lessee an SNDA in the standard form customarily employed by such Mortgagee, which form shall be recordable, and shall provide that (a) if and so long as no Event of Default hereunder shall have occurred and be continuing, the leasehold estate granted to Lessee and the rights of Lessee pursuant to this Lease shall not be terminated, modified, affected or disturbed if the Mortgagee or any other person or entity shall succeed to the rights of Lessor under this Lease, whether through possession or foreclosure action or the delivery of a deed or new Mortgage (any, “Successor Lessor”), and (b) any such Successor Lessor shall recognize this Lease as being in full force and effect as if it were a direct lease between such Successor Lessor and Lessee upon all of the terms, covenants, conditions and Options granted to Lessee under this Lease, except as provided in clauses (i) through (vii) below or as otherwise expressly provided in any applicable SNDA. Lessor shall have no liability to Lessee in the event that Lessor is unable to obtain any such SNDA; provided, however, if Lessor is unable to obtain an SNDA for any future Mortgage, then, notwithstanding the provisions of the first sentence of this Section 28.1, this Lease shall remain superior to such future Mortgage.
If any Successor Lessor succeeds to the rights of Lessor under this Lease, then Lessee shall attorn to such Successor Lessor, if requested to do so or as provided in any applicable SNDA, and shall recognize such Successor Lessor as the Lessor under this Lease. So long as the requirements of any SNDA entered into by Lessee are observed by the other parties thereto and subject to the terms of the SNDA, Lessee waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give Lessee any right to terminate or otherwise adversely affect this Lease and the obligations of Lessee hereunder if any foreclosure proceeding respecting any Mortgage is prosecuted or completed. Lessee agrees that upon such attornment, unless otherwise expressly provided in any applicable SNDA, such Successor Lessor shall not be:

(i) liable for any act or omission of Lessor (except to the extent such act or omission continues beyond the date when such Successor Lessor succeeds to Lessor’s interest and Lessee gives notice of such act or omission);

(ii) subject to any defense, claim, counterclaim, set-off or offsets which Lessee may have against Lessor (except to the extent of an uncured default of Lessor that extends beyond the date of when such Successor Lessor succeeds to Lessor’s interest and Lessee gives notice of such default);

(iii) bound by any prepayment of more than one (1) month’s Monthly Basic Rent to any prior Lessor;

(iv) bound by any obligation to make any payment to Lessee which was required to be made prior to the time such Successor Lessor succeeded to Lessor’s interest; provided, however, that all SNDAs shall acknowledge that, to the extent the Tenant Improvement Allowance, including if applicable allowances for expansions, renewals, initial construction, refurbishing or remodeling, is not fully funded by Lessor, Lessee may offset the amount of the unfunded portion of the Tenant Improvement Allowance from the Monthly Basic Rent next becoming due and payable; provided that any such offset right shall be limited to 25% of each installment of Monthly Basic Rent, but any balance shall be carried forward and offset (subject to such 25% limitation) until fully exhausted;

(v) bound by any obligation to perform any work (subject to clauses (i) and (ii) above) or to make improvements to the Premises, unless Successor Lessor’s failure to do work or improvements which are Lessor’s obligation to perform pursuant to this Lease (including the Work Letter) or any future amendment to this Lease;

(vi) bound by any modification, amendment or renewal of this Lease made without the corresponding Mortgagee’s consent (where Lessor has given written notice to Lessee of such Mortgagee) unless such amendment or modification does not in any material respect (a) change the economic terms of the Lease, (b) increase the obligations of Lessor under the Lease, (c) reduce the rights and remedies of Lessor under the Lease, (d) reduce the obligations of Lessee under the Lease, (e) grant offset rights to Lessee under the Lease, (f) grant to Lessee any options or rights of first refusal in the Property, or (g) amend the term of the Lease; or

(vii) liable for the surrender of any security deposit or any letter of credit that may have been deposited with Lessor, unless and until such security deposit or letter of credit, if and as applicable, is actually delivered to such Successor Lessor.
28.2 Execution of Documents. Lessee shall at any time upon not less than seven (7) business days’ prior written notice and submission from Lessor, execute, acknowledge and deliver to Lessor any SNDA submitted to it that is reasonably agreed to by Lessee and that is reasonably required to effectuate any attornment or subordination, subject to the non-disturbance provisions above, and deliver the same to Lessor. If Lessee fails to deliver such SNDA by the end of such seven (7) business day period, Lessor may send a second (2nd) request to Lessee, which request must contain the following inscription, in bold faced lettering: “SECOND NOTICE DELIVERED PURSUANT TO SECTION 28.2 OF THE LEASE—FAILURE TO DELIVER THE REQUESTED SNDA WITHIN THREE (3) BUSINESS DAYS SHALL RESULT IN AN IMMEDIATE EVENT OF DEFAULT UNDER THE LEASE.” If Lessor sends such a second request and Lessee fails to deliver such SNDA by the end of such three (3) business day period, such failure will constitute an immediate Event of Default by Lessee.

Section 29

ATTORNEYS’ FEES

If either party named herein brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its actual fees for attorneys and other consultants.

Section 30

LESSOR’S ACCESS

Subject to the applicable notice, security and other limitations upon Lessor’s entry to the Premises which are set forth in this Lease, Lessor and Lessor’s agents shall have the right to enter the Premises at reasonable times and upon reasonable notice of at least twenty-four (24) hours for the purposes of inspecting the same, showing the same to prospective purchasers, lenders, or lessees (but only during the final twelve (12) months of the Term), and making such alterations, repairs, improvements or additions to the Premises or to the Building of which they are a part as Lessor may deem necessary or desirable or which Lessee is required to perform under this Lease but Lessee has failed to perform, pursuant to the provisions hereof, or for purposes of posting notices of non-responsibility. Subject to the same such limitations, Lessor may at any time during the last three hundred sixty (360) days of the Term hereof place on or about the Premises any “For Lease” sign, all without liability to Lessor or rebate of rent to Lessee.

Section 31

AUCTIONS

Lessee shall not conduct any public auction upon the Premises without first having obtained Lessor’s prior written consent. Notwithstanding the foregoing, Lessor’s consent with respect to an auction of Lessee’s trade fixtures, furniture and equipment to be held within the last twelve (12) months of the Term of this Lease, as extended, if applicable, shall not be unreasonably withheld, conditioned, or delayed.
Building D

Section 32

SIGNS

Lessor acknowledges that Lessor has previously caused a monument sign to be installed at the entrance to the Property (“Monument Sign”). The Monument Sign incorporates a multi-tenant format to permit the prominent depiction of the names of the tenants of the Building (including Lessee), all in accordance with Lessor’s signage program for the Property as may be revised from time to time. Lessee acknowledges that the existing tenant in the Building has previously placed its name/logo on the Monument Sign, and that the remaining space on the Monument Sign shall be used solely for Lessee’s name/logo. Lessee shall not place any sign upon the Monument Sign or anywhere else on the Property without Lessor’s prior written consent not to be unreasonably withheld, delayed or conditioned. All signs placed by Lessee upon the Monument Sign or elsewhere on the Property shall comply with Governmental Regulations. Subject to the foregoing, at such time and for so long as Lessee, or Occupancy Tenant or Lessee Affiliate or other Lessor-approved assignee occupies the entirety of the Building, Lessee shall have exclusive exterior Building signage and monument signage rights at the Property.

Lessee, at Lessee's sole cost and expense (and in accordance with the Work Letter, Lessee may use a portion of the Improvement Allowance for the same), shall be entitled to exclusive rights to install signage, including Lessee's name/logo, on the Building above the Premises as depicted on Exhibit F attached hereto, and on the outside wall of the Building adjacent to entry doors to Lessee’s Premises. In addition, Lessor agrees that if the current pylon sign bearing the “Unisys” name which is depicted on Exhibit G, is or becomes available, Lessee shall be permitted to use it without additional charge by Lessor, but it shall, for purposes of Section 7.1 above, be deemed a part of the Premises that Lessee is obligated to maintain.

Section 33

MERGER

The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation hereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

Section 34

GUARANTOR

In the event that there is a guarantor of this Lease, said guarantor shall have the same obligations as Lessee under this Lease.

Section 35

QUIET POSSESSION

Upon Lessee paying the Rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee’s part to be observed and performed hereunder, within any applicable notice and cure period given to Lessee in this Lease, Lessee shall have quiet possession and enjoyment of the Premises for the entire term, without interference, hindrance or interruption from Lessor, or anyone claiming by, through or under Lessor, hereof subject to all of the provisions of this Lease.
Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of Lessee, its agents, employees and invitees from acts of third parties (other than Lessor). The Building shall be compatible with twenty-four (24) hour, seven (7) day per week access via keycard, which shall be managed and controlled by Lessee. Lessee, at its sole cost and expense, shall have the right to install a Premises keycard security access system and to provide additional security to satisfy it needs, subject to not interfering with other Building tenants, and to Lessor’s reasonable approval of the plans and specifications therefor, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 38

EASEMENTS AND EXCLUSIVE RIGHTS

38.1 Lessor Reservation. Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications for ingress, egress, utilities or other purposes consistent with the use of the Property by Lessee, or as an accommodation to adjacent landowners, that Lessor deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises or the Common Areas (including specifically Lessee’s rights under Sections 2.2(b) and 2.2(d)) by Lessee or increase Lessee’s financial obligations hereunder or otherwise adversely affect Lessee’s rights under this Lease in any material respect. Lessee hereby acknowledges and agrees that Lessor has the right to execute the aforementioned documents, and further agrees that it shall, upon submission and reasonable request by Lessor, execute such documents relating to the matters set forth in this Section so long as there is no cost or liability to Lessee and such documents do not otherwise adversely affect Lessee’s rights under this Lease in any material respect.

38.2 Appurtenances. Lessee shall have throughout the Term of this Lease a non-exclusive right to use together with Lessor, or any third party claiming by or through Lessor, any right, title or interest of Lessor in and to any easements, rights-of-way or other interest in, on or to any land, highway, street, road or avenue open or proposed in, on, across, in front of, abutting or adjoining the Property, including, without limitation, the right to use any private electrical distribution system on any land adjoining the Property and servicing, directly or indirectly, the Premises.
Section 39

PERFORMANCE UNDER PROTEST

If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment “under protest” and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of such party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of such party to pay such sum or any part thereof, such party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

Section 40

AUTHORITY

Each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of such entity. In addition, each party shall, within seven (7) business days after execution and delivery of this Lease, deliver to the other party reasonable and customary evidence of the authority to enter into and perform this Lease (which may be satisfied by an incumbency certificate indicating that the person signing this Lease on behalf of a party has the authority to do so).

Section 41

RESERVED

Section 42

OPTIONS

42.1 Definition. As used in this Lease, the term “Options,” means all of the following (1) Lessee’s right of first refusal concerning the leasing of other premises in the Building that become Available for Lease during the Term, (2) Lessee’s right of first offer concerning the leasing of other premises in the Project that become Available for Lease during the Term, and (3) Lessee’s options to extend the Term of this Lease, each as hereinafter set forth.

42.2 Assignment. The Extension Options granted to Lessee in this Lease shall be assignable in connection with the assignment of this Lease, but shall not be assigned separate or apart from this Lease. All other Options granted to Lessee in this Lease may only be exercised by the original Lessee named herein or, following any Affiliate Transfer, by the corresponding Lessee Affiliate, or by any approved assignee, but shall become void and of no further force or effect upon any Transfer of this Lease that is not an Affiliate Transfer or to an approved assignee.

42.3 Multiple Options. In the event that Lessee has multiple Options to extend the term of this Lease, a later Option cannot be exercised unless the prior Option to extend the term of this Lease has been so exercised.

42.4 Effect of Default on Options.
(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of option to the contrary (i) other than with respect to those Events of Default described in clause “(iii)” below, during the time commencing from an Event of Default and continuing until the Event of Default alleged in the notice of default is cured (or in the case of an Event of Default under Section 13.1(c), such default’s cure has been commenced and Lessee is continuing diligently to effect a cure), or (ii) during the period of time commencing on the day after a monetary obligation to Lessor is due from Lessee and unpaid (without any necessity for notice thereof to Lessee) continuing until the obligation is paid in full, or (iii) at any time from and after the occurrence of an Event of Default described in Section 13.1(d) (without any necessity of Lessor to give notice of such default to Lessee) or 13.1(f), or (iv) if, within the twelve (12) consecutive-month period immediately preceding the date of the purported exercise of such Option, Lessor has given to Lessee (A) three (3) notices of default pursuant to Section 13.1(b) hereof, (B) three (3) notices of default pursuant to Section 13.1(c), or (C) three (3) notices of default pursuant to the aggregate of either Section 13.1(b) or Section 13.1(c) hereof (but a notice of default given pursuant to Section 13.1(b) hereof shall be counted toward said three (3) notices of default only if a late charge is payable pursuant to Section 13.4 hereof, whether or not collected, with respect to the default in the payment of rent described in such notice of default), such disability in exercising the Option to remain in effect notwithstanding any cure of the defaults described in such three (3) notices of default.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee’s inability to exercise an Option because of the provisions of Section 42.4(a) above or by reason of the termination of an exercise of an Option pursuant to Section 42.4(c) below.

(c) All rights of Lessee to complete the transaction contemplated by an Option shall terminate and be of no further force or effect, notwithstanding Lessee’s due and timely exercise of such Option, if, after such exercise and during the term of this Lease (i) Lessee fails to pay to Lessor a monetary obligation of Lessee for a period of thirty (30) days after such obligation becomes due (without any necessity of Lessor to give notice thereof to Lessee) or (ii) an Event of Default described in Section 13.1(d) occurs (without any necessity of Lessor to give notice of such default to Lessee).

Section 43

OPTIONS OF LESSEE

43.1 Available for Lease. Any space in the Building or Park shall be deemed “Available” at such time as Lessor decides to offer such space in the Building or Park, as applicable, for lease and such space is no longer or will no longer be: (i) leased or occupied by the then-current tenant; or (ii) assigned or subleased by the then-current tenant of the space; (iii) re-leased by the then-current tenant of the space; or (iv) subject to a valid, unexpired extension or expansion option, right of first refusal, right of first offer, or similar obligation currently existing, valid, and unexpired under any other tenant leases. Landlord represents that, as of the Effective Date, each existing tenant of the Project has an option to extend its current lease (except for the lease of the building in the Project commonly known as Building B) with respect to such tenant’s space. In addition, Lessor represents and warrants that the tenant of Building O has rights of first refusal and rights of first offer to lease space in the Project pursuant to its leases of various buildings in the Project, which rights are superior to the rights of Lessee under this Section 43.
43.2 Right of First Refusal to Lease. Throughout the Term, Lessee shall have the continuing right of first refusal to lease any Available space located in the Building as the same becomes Available during the Term (“First Refusal Space”). The precise size and configuration of the First Refusal Space shall be as reasonably determined by Lessor and shall be subject to the existing requirements then imposed by the applicable Governmental Regulations. On each occasion during the Term that Lessor receives a Third Party Offer (as hereinafter defined) for any First Refusal Space and prior to leasing such First Refusal Space to any third party, Lessor shall first deliver to Lessee a redacted copy of such Third Party Offer specifying the material business terms and conditions upon which such third-party has proposed to lease such First Refusal Space and which Lessor is willing to accept (the “ROFR Availability Notice”). Lessee shall then have ten (10) business days after its receipt of the ROFR Availability Notice in which Lessee may deliver to Lessor, if at all, notice of Lessee’s acceptance of the subject First Refusal Space on the terms and conditions (including the term of the lease for the First Refusal Space as set forth in the ROFR Availability Notice, which may not be coterminous with the Term of this Lease) specified in the ROFR Availability Notice (the “ROFR Acceptance Notice”); provided, however, that (i) if the ROFR Acceptance Notice is delivered to Lessor within the first twenty-four (24) months after the Phase IV Lease Commencement Date, Lessee shall lease the First Refusal Space on the same terms and conditions as are contained in this Lease (including lease expiration) with all allowances and concessions prorated on a per RSF and straight-line basis, and (ii) at Lessee’s option, the lease term for such First Refusal Space will be adjusted to permit an expiration co-terminus with this Lease but in no event shall the term be less than the lease term reflected in the Third Party Offer; and (iii) the ROFR Acceptance Notice shall be null and void if it attempts to modify in any way the material terms of the ROFR Availability Notice. Prior to giving the ROFR Availability Notice to Lessee and for ten (10) business days thereafter, Lessor shall not enter into any lease of such First Refusal Space with any other person. If during such ten (10) business day period Lessee gives Lessor a ROFR Acceptance Notice, Lessor and Lessee shall then promptly and at Lessor’s election enter into an amendment to this Lease incorporating the terms of the ROFR Acceptance Notice or enter into a new lease for such First Refusal Space substantially on the terms and conditions of this Lease, as modified by the ROFR Acceptance Notice. After expiration of such ten (10) business day period, if Lessee has not given Lessor a timely ROFR Acceptance Notice, then Lessor shall be free to lease the First Refusal Space specified in ROFR Availability Notice to any other person or entity on any terms and conditions which are not materially less favorable to Lessor than those as set forth in the Third Party Offer. In determining whether terms are materially less favorable than the terms in the Third Party Offer, no terms other than fixed rent (including any rent abatement or other monetary concession offered by Lessor), tenant improvement allowance (if any) and minimum term (including any options to extend) shall be considered and such economic terms shall not be deemed materially less favorable if such economic terms are no less than ninety-five percent (95%) of the fixed rent (including any rent abatement or other monetary concession offered by Lessor), tenant improvement allowance (if any) and minimum term (including any options to extend), respectively, set forth in the Third Party Offer. For purposes of this Section 43.2, the term “Third Party Offer” shall mean a bona fide offer to lease the First Refusal Space received by Lessor (including any term sheets or letters of intent) from an unaffiliated third party on terms which are acceptable to Lessor. For the avoidance of doubt, Lessee’s right of first refusal set forth above shall be a continuing right during the Term.
43.3 Right of First Offer to Lease. With respect to each First Offer Space (as defined below) or any portion thereof, Lessee shall have a one-time Right of First Offer to lease space located in the Building or the Project that becomes Available (“First Offer Space”). The precise size and configuration of the First Offer Space shall be as reasonably determined by Lessor and shall be subject to the existing requirements then imposed by the applicable Governmental Regulations. On each occasion during the Term that space becomes Available, prior to leasing the First Offer Space to any third party, Lessor shall first deliver to Lessee a written notice of the terms and conditions on which Lessor is willing to lease the First Offer Space (the “ROFO Availability Notice”). Lessee shall then have ten (10) business days after its receipt of the ROFO Availability Notice in which Lessee may deliver to Lessor, if at all, notice of Lessee’s acceptance of the subject First Offer Space on the terms and conditions (including the term of the lease for the First Offer Space as set forth in the ROFO Availability Notice, which may not be coterminous with the Term of this Lease) specified in the ROFO Availability Notice (the “ROFO Acceptance Notice”). Lessee shall then have ten (10) business days after its receipt of the ROFO Availability Notice in which Lessee may deliver to Lessor, if at all, notice of Lessee’s acceptance of the subject First Offer Space on the terms and conditions (including the term of the lease for the First Offer Space as set forth in the ROFO Availability Notice, which may not be coterminous with the Term of this Lease) specified in the ROFO Availability Notice (the “ROFO Acceptance Notice”); provided, however, that the ROFO Acceptance Notice shall be null and void if it attempts to modify in any way the terms of the ROFO Availability Notice. Prior to giving the ROFO Availability Notice to Lessee and for ten (10) business days thereafter, Lessor shall not enter into any lease of the First Offer Space with any other person. If during such ten (10) business day period Lessee gives Lessor a ROFO Acceptance Notice, Lessor and Lessee shall then promptly and at Lessor’s election enter into an amendment to this Lease incorporating the terms of the ROFO Acceptance Notice or enter into a new lease for the First Offer Space substantially on the terms and conditions of this Lease, as modified by the ROFO Acceptance Notice. After expiration of such ten (10) business day period, if Lessee has not given Lessor a timely ROFO Acceptance Notice, then Lessor shall be free to lease the First Offer Space to any other person or entity on any terms and conditions which are not materially less favorable to Lessor than those as set forth in the ROFO Availability Notice. In determining whether terms are materially less favorable than the terms in the ROFO Availability Notice, no terms other than fixed rent (including any rent abatement or other monetary concession offered by Lessor), tenant improvement allowance (if any) and minimum term (including any options to extend) shall be considered and such economic terms shall not be deemed materially less favorable if such economic terms are no less than ninety-five percent (95%) of the fixed rent, tenant improvement allowance (if any) and minimum term (including any options to extend), respectively, set forth in the ROFO Availability Notice.

43.4 Lessee’s Extension Options. Lessor hereby gives and grants to Lessee the exclusive right and option to extend the Term of this Lease (each, an “Extension Option”) for three (3) consecutive five (5) year extension terms (each, an “Extension Term”). Each such Extension Option may only be exercised by written notice declaring Lessee’s election to exercise the subject Extension Option given to Lessor not more than fifteen (15) months and not less than twelve (12) months prior to the expiration of the Term, the first Extension Term, or the second Extension Term, as applicable. All of the terms, covenants and conditions of this Lease shall apply during each such Extension Term, except that the Monthly Basic Rent for each Extension Term shall be determined as hereinafter provided. Promptly following the exercise of the subject Extension Option, the Fair Market Rental Value (as hereinafter defined) of the Premises shall be determined and, subject to the provisions of Section 44.2 below, the Monthly Basic Rent during the subject Extension Term shall be ninety-five percent (95%) of such Fair Market Rental Value. As soon as reasonably possible following the determination of the applicable Fair Market Rental Value, Lessor and Lessee shall execute an appropriate amendment to this Lease memorializing the subject Extension Term and the Monthly Basic Rent applicable thereto.

43.5 Qualifications of Options. Lessee acknowledges and agrees that, notwithstanding any other provision of this Lease, during (a) the last three hundred sixty-four (364) days of the Term (as the same may have been extended pursuant to Section 43.4 above), and (b) the third Extension Term, Lessee shall have no right to exercise any Option.
DETERMINATION OF FAIR MARKET RENTAL VALUE

44.1 Fair Market Rental Value. In each instance in this Lease where the fair market rental value of the Premises is to be determined, such determination shall be made in accordance with the procedures set forth in this Section 44. “Fair Market Rental Value” means the rate being charged to commercial tenants renewing existing leases for comparable space in similar commercial buildings in the County in which the Premises is located, with similar amenities, taking into consideration only the following: size, location, proposed term of the lease, extent of services, if any, to be provided, the age and condition of the improvements constituting the leased premises and the time that the particular rate under consideration became or is to become effective. For avoidance of doubt, the determination of Fair Market Rental Value shall include a determination of the then-market annual rate of increase in fixed rental applicable to the subject Extension Term.

44.2 Arbitration Procedures. Promptly following the giving of notice or other occurrence giving rise to the need to determine Fair Market Rental Value, the parties shall endeavor in good faith to agree upon such value. If Lessor and Lessee fail to reach agreement as to Fair Market Rental Value on or before the date that is twenty (20) days from the date of the giving of notice or other occurrence giving rise to the need to determine such value (the “Specified Date”), such determination shall be submitted to arbitration as follows:

(a) Lessor and Lessee shall each appoint one arbitrator, who shall by profession be a MAI-licensed real estate appraiser or licensed commercial real estate broker who has been active over the five (5) year period ending on the date of such appointment in the appraisal of commercial properties in the Salt Lake City area. The determination of the arbitrators shall be limited solely to the issue of whether Lessor’s or Lessee’s submitted figure for the Fair Market Rental Value is closest to the actual value as determined by the arbitrators, taking into account the requirements of this Section 44. Each such arbitrator shall be appointed within fifteen (15) days after the Specified Date.

(b) The two (2) arbitrators so appointed shall, within fifteen (15) days of the date of the appointment of the last appointed arbitrator, agree upon and appoint a third (3rd) arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators.

(c) The three (3) arbitrators shall within thirty (30) days of the appointment of the third (3rd) arbitrator determine whether the parties shall use Lessor’s or Lessee’s submitted Fair Market Rental Value and shall notify Lessor and Lessee thereof.

(d) The decision of the majority of the three (3) arbitrators shall be binding upon Lessor and Lessee.

(e) If either Lessor or Lessee fails to appoint an arbitrator within the time period specified hereinabove, the arbitrator appointed by one (1) of them shall reach a decision, notify Lessor and Lessee thereof, and such arbitrator’s decision shall be binding upon Lessor and Lessee.

(f) If the two (2) arbitrators fail to agree upon and appoint a third (3rd) arbitrator, both arbitrators shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association.

(g) The cost of arbitration shall be paid by Lessor and Lessee equally.
Covenants of Lessee. Lessor and Lessee agree as follows with respect to the existence or use of Hazardous Material on the Premises:

(a) Lessee hereby covenants to Lessor that any handling, transportation, storage, treatment or use of Hazardous Material by Lessee or any Lessee Party on the Premises from and after the Commencement Date (or any earlier entry permitted under the terms of the Work Letter) shall be in compliance with all applicable Governmental Regulations.

(b) (i) Lessee shall be responsible for all costs incurred in complying with all Governmental Regulations which apply to Hazardous Material as used, stored, disposed of or Released by Lessee or any Lessee Party on, in or about the Premises on or after the Commencement Date of this Lease (or any earlier entry permitted under the terms of the Work Letter), to the extent required by any governmental authority directly responsible for enforcement of any such Governmental Regulations. “Release” means any sudden, intermittent or gradual release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials into the indoor or outdoor environment (including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or subsurface strata).

(ii) Lessor shall be solely and exclusively responsible for all costs incurred in complying with all Governmental Regulations which apply to Hazardous Material on, in, about or under the Premises or the Building prior to the Commencement Date of this Lease, except to the extent the presence of such Hazardous Material was caused by Lessee or any Lessee Parties. Prior to the Phase I Possession Date, Lessor shall fully remove, at Lessor’s sole cost and expense, all Hazardous Materials identified in the R&R Environmental Reports to the extent such removal is indicated in the Lessor Remediation Plan or is otherwise required by a governmental agency with jurisdiction over the Property. Lessor’s cost for such removal and disposal shall be excluded from the Common Area Costs and Building Specific Costs passed through to the Lessee. As used herein, the term “R&R Environmental Reports” means (A) that certain report titled “Asbestos Survey and Assessment for Building D,” dated November 11, 2021, revised December 18, 2021, and (B) that certain report titled “Lead-Based Paint Inspection of Building D,” dated November 11, 2021, both of which were prepared for Lessor with respect to the Property by R&R Environmental, and the term “Lessor Remediation Plan” means that certain work plan titled “Asbestos Work Plan” dated December 21, 2021, prepared for Lessor by R&R Environmental with respect to the Property, all of which were previously delivered to Lessee. In addition to the foregoing, at such times after the Lease Date that Lessee determines to install skylights (whether pursuant Section 7 above or the Work Letter) in the roof above the Premises, or desires any other work to be done on or with respect to the roof above the Premises, plans and specifications for which are submitted to and approved by Lessor in accordance with the terms of this Lease, then Lessor shall (i) at Lessee’s cost, cause Lessor’s contractor to cut in the openings in the structural roof and membrane (for the skylights, and to the extent required for such other approved work), and (ii) at Lessor’s cost, pay the incremental cost to remove and dispose of any asbestos-containing materials or other Hazardous Materials contained therein. For the avoidance of doubt, at all times during the Term of this Lease, Lessor shall be solely responsible for all costs incurred in the removal and remediation of Hazardous Materials set forth in the R&R Environmental Reports and the Lessor Remediation Plan from the Premises or the Building.
(iii) If Hazardous Material are Released on, in, about or under the Premises or the Building after the Commencement Date of this Lease and such Release was not caused by either Lessor or Lessee or their agents or employees, then the same shall be a Common Area Cost shared on a pro rata basis with all lessees of the Project whose premises are physically affected by such Release; provided, however, that to the extent such Release was caused or exacerbated by any other lessee (or any employee, agent, contractor, licensee or invitee of any other lessee) of the Project, such expense shall, to the same extent, be passed through to such other lessee.

(iv) Lessee or Lessor may, with the prior written consent of the other party which consent shall not be unreasonably withheld, conditioned or delayed, contest any requirement of such Governmental Regulations provided such contest shall (i) result in no lien against the Premises or subject the other party to any unreimbursed loss, cost, expense or liability, (ii) be made in compliance with any and all applicable procedures set forth in such Governmental Regulations and (iii) not exacerbate the environmental condition giving rise to such requirement; provided, however, that notwithstanding any such contest, Lessee or Lessor (as applicable) shall promptly take any reasonable steps required to stop continuing Releases of Hazardous Materials or otherwise prevent further injury or damage to human health, property or the environment. Lessee shall not, nor shall any Lessee Party, enter into any settlement agreement, consent decree or other compromise (any, a “Settlement”) with respect to any claim or order relating to any Hazardous Material Released on, in, about, to or from the Premises without first (A) notifying Lessor of Lessee’s intention to do so and affording Lessor the opportunity to participate in such proceedings, and (B) obtaining Lessor’s prior written consent, which consent (1) may be withheld in Lessor’s sole discretion (subject to applicable Governmental Regulations) with respect to any Settlement which would result in (x) any lien or encumbrance on the Premises or (y) any restriction or other obligation concerning the Premises that would constitute a covenant running with the land or an equitable servitude against the Premises, but (2) shall not otherwise be unreasonably withheld.

(c) Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, damages, penalties, fines, costs, liabilities (including but not limited to damages for the loss or restriction of rentable or usable space or increased costs of demolition and removal of improvements which are part of the Premises at the expiration or earlier termination of the Term, or any levy, assessment or charge by any governmental authority against the Premises or Lessor or Lessee) to the extent incurred by Lessor as a consequence of the Release of Hazardous Material in, on or about the Premises, or the leaching or migration thereof to other properties, to the extent arising from Lessee’s or any Lessee Party’s use, storage or disposition of any Hazardous Material on or after the Commencement Date, or to the extent arising from any action or failure to act by Lessee or any Lessee Party which action or failure constitutes a default by Lessee under this Lease or a violation of applicable laws, and sums paid in settlement of claims, attorneys’ fees, consultant fees and expert fees which arise during or after the Term to the extent arising from a breach by Lessee or any Lessee Party of Lessee’s obligations under this Section 45.
(ii) Lessor shall indemnify, defend and hold Lessee harmless from and against any and all claims, damages, penalties, fines, costs, liabilities (including but not limited to damages for the loss of use of the Premises, or any levy, assessment or charge by any governmental authority against the Premises or Lessor or Lessee) to the extent incurred by Lessee as a consequence of the Release of Hazardous Material in, on or about the Premises, or the leaching or migration thereof to other properties, to the extent arising from any action or failure to act by Lessor or any Lessor Affiliate which action or failure constitutes a default by Lessor under this Lease or a violation of applicable laws, and sums paid in settlement of claims, attorneys’ fees, consultant fees and expert fees which arise during or after the Term to the extent arising from a breach by Lessor or any Lessor Affiliate of Lessor’s obligations under this Section 45.

(iii) The foregoing indemnification obligations include, without limitation, costs incurred by the indemnified party in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision due to a breach by the indemnifying party of its obligations under this Section 45. Without limiting the foregoing, if, during the Term of this Lease, any Hazardous Material is discovered on, in, under or about the Premises or the Building for which a response action is required by Governmental Regulations (“Response Action”), then Lessor and Lessee shall cooperate and exercise diligent efforts to determine which party is responsible to prosecute such Response Action. Following such mutual determination, the responsible party hereunder shall promptly take all actions at its sole expense as are necessary to prosecute such Response Action as required by Governmental Regulations; provided, however, (i) if Lessee is responsible for prosecuting such Response Action, then Lessor’s approval of such actions shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not have any potential to cause a material adverse long-term or short-term effect on the Premises or the Building and (ii) if Lessor is responsible for prosecuting such Response Action, then Lessee’s approval of such actions shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not have a material adverse long-term or short-term effect on Lessee’s use of the Premises for the conduct of Lessee’s business therein.

(d) Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Lessee or any Lessee Party, other than those identified in Schedule 45.1 (which schedule may be amended from time to time by Lessee subject to Lessor’s written approval, which approval shall not be unreasonably withheld, conditioned or delayed, it being understood that Lessor shall not withhold its consent if Lessee can demonstrate that such Hazardous Materials are essential to the operation of its business and Lessee complies with all Governmental Regulations regulating any such Hazardous Materials so brought upon, used, kept in or about, or disposed from the Premises). To the extent any such Hazardous Material is required to be identified in writing by any Governmental Regulations concerning the reporting of the storage, use, or disposal of Hazardous Material on or from the Premises, Lessee will identify any such Hazardous Material by providing a copy of any such report to Lessor prior to the Commencement Date. Lessee will keep, use, store, and dispose of all such Hazardous Materials in a manner that complies with all Governmental Regulations regulating any such Hazardous Materials so brought upon, used, kept in or about, or disposed from the Premises. This provision shall not apply to small quantities of Hazardous Materials customarily used in comparable operations as Lessee’s, provided they are used and disposed of in compliance with all applicable Governmental Regulations.

(e) Either party receiving notice of any inquiry or test or any investigation or enforcement proceeding concerning a Hazardous Material and involving the Premises shall promptly notify the other party of same.
(f) Performance of any compliance obligation under this Section 45 performed to the satisfaction of the governmental authorities having jurisdiction shall be deemed to be full performance for all purposes of the Lease; provided, however, that if during the Term of this Lease any of such authorities later changes or adds to its requirements such that the performance by Lessor or Lessee (defined for purposes of this paragraph as the “Non-Complying Party”) is no longer satisfactory for reasons other than an actual or planned change in the Property’s zoning or use (unless at the Non-Complying Party’s request), other releases of Hazardous Substances not caused by the Non-Complying Party, or new construction or renovation of existing improvements by or for the benefit of anyone other than the Non-Complying Party or its Occupants, Occupancy Tenants, assignee or sublessees, such Non-Complying Party will be obligated to satisfy such changed or additional requirements. This subsection 45.1(f) in no way alters or limits the obligations of Lessee or Lessor under subsections 45.1(c)(i) or 45.1(c)(ii) above.

45.2 Hazardous Material Definition. As used herein, the term “Hazardous Material” means any hazardous or toxic substance, material or waste which is or becomes regulated as such at any time during the Term of this Lease by any applicable federal, state or local governmental authority including, without limitation, (a) any material or substance which is listed in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation and Recovery Act, the Clean Water Act, the Toxic Substances Control Act, the Safe Drinking Water Act, Hazardous Waste Control Law, Safe Drinking Water and Toxic Enforcement Act of 1986, or in the regulations adopted and publications promulgated pursuant thereto, or in any other federal, state or local environmental law, ordinance, rule or regulation, (b) any waste, material or substance (whether in the form of liquids, solids or gases, and whether or not air-borne) which is or may be deemed to be, include or contain a pesticide, petroleum, asbestos (whether friable or non-friable) or asbestos containing materials, lead or lead-based paint, polychlorinated biphenyl, radioactive material, urea formaldehyde, or (c) any other pollutant or substance which is or may be deemed to be hazardous, toxic, ignitable, reactive, corrosive, explosive, carcinogenic, mutagenic or phytotoxic.

45.3 Governmental Regulations Defined. As used herein, the term “Governmental Regulations” means any statutes, laws, ordinances, rules, requirements, resolutions, policy statements, regulations, orders, covenants and restrictions of record, and requirements in effect during any part of the Term hereof whensoever arising (including, without limitation, those relating to land use, subdivision, zoning, environmental, toxic or hazardous waste, occupational health and safety, water, earthquake hazard reduction, and building and fire codes) of any governmental or quasi-governmental body or agency having jurisdiction over the Premises, Lessor or Lessee, bearing on the construction, alteration, rehabilitation, maintenance, leasing, use, operation or sale of the Premises.

This Section 45 shall survive the expiration or earlier termination of this Lease.

Section 46

LIENS

Lessee shall not suffer any lien to be recorded against the Premises as a consequence of a Hazardous Material brought onto or under the Property, or used, stored, or disposed of by Lessee or by its agents, employees, contractors, vendors, or invitees, including any so-called state, federal or local “superfund” lien relating to the clean-up of a Hazardous Material in, on or about the Premises.
Section 47
MEMORANDUM OF LEASE

Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form of memorandum of this Lease for recording purposes. The party requesting recordation shall be responsible for payment of any fees or taxes applicable thereto.

Section 48
PLACE OF PAYMENT

All payments to be paid to Lessor under the terms of this Lease shall be made in lawful money of the United States, without deduction, offset or recoupment whatsoever, and shall be delivered to Lessor by a check for currency or by means of a wire transfer to Lessor’s account at the following address or such other place as Lessor may from time to time designate hereafter to Lessee in writing:

Bay Bridge/Corporate, LLC
3/o Drawbridge Realty Operating Partnership, LLC
Three Embarcadero Center, Suite 2310
San Francisco, CA 94111

Section 49
LEASE COMMENCEMENT MEMORANDUM

Following the Phase IV Lease Commencement Date, Lessor shall prepare and deliver to Lessee, for Lessee’s countersignature, a supplemental instrument (“Lease Commencement Memorandum”) which shall memorialize the Commencement Date, Monthly Basic Rent amounts, and any other factual information respecting this Lease that the parties determine to be convenient to be so memorialized. Lessee agrees to (a) confirm the information set forth in the Lease Commencement Memorandum by countersigning same or (b) if Lessee disagrees with any information set forth therein, provide to Lessor evidence substantiating any such purported error, promptly following Lessee’s receipt of the Lease Commencement Memorandum. Notwithstanding the foregoing, the failure of Lessor to prepare, or Lessee to countersign, such Lease Commencement Memorandum shall not affect the determination of such dates, amounts or other information in accordance with the terms of this Lease.

Section 50
LESSEE’S BROKER

Lessee represents and warrants to Lessor that Lessee has dealt with no broker in connection with this Lease other than CBRE, Inc. (“Lessee’s Broker”). Lessee shall hold Lessor harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by Lessee of the foregoing representation and warranty. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. Lessor shall pay to Lessee’s Broker a commission respecting this Lease as and when earned, due and payable pursuant to a separate written agreement between Lessor and Lessee’s Broker ("Brokerage Commissions").
Subject to the provisions of this Section 51, and provided no Event of Default has occurred and is then continuing, Lessee may install, at its sole cost, microwave transmitter-receivers, rooftop antennas or satellite dishes (each, a “Satellite Dish”) on the roof of the Building, subject to (a) the availability of suitable space on the roof of the Building (to be determined in Lessor’s reasonable discretion by reference to Lessee’s Proportionate Share), and (b) Lessor’s prior written approval, in Lessor’s reasonable discretion, of plans and specifications for the subject Satellite Dish and the type and placement of all cabling and wiring ancillary thereto, including conduit and sleeving from the roof to the points of connection within the Premises. Lessee shall be responsible for obtaining and maintaining all approvals, permits and licenses required by any federal, state or local government for installation and operation of the Satellite Dish and shall pay all fees attendant thereto. If any Satellite Dish is installed, Lessee shall have sole responsibility for the maintenance, repair and replacement thereof and of all cabling and wiring and ancillary thereto at Lessee’s sole cost. Lessee shall utilize Lessor’s approved roofing vendor for any installation, alteration, or other work on the roof of the Building. Lessee acknowledges that it has the sole risk that applicable Governmental Regulations or any easements or other covenants, conditions and restrictions burdening the Property or the Project (“CC&Rs”) may not allow the installation of the subject Satellite Dish as a matter of right, and that a special exception may be required and/or may not be obtainable or granted by applicable governmental authorities. Any failure by Lessee to obtain required governmental approvals or approvals required under any CC&Rs to install any Satellite Dish shall not affect Lessee’s obligations under any provision of this Lease. Each Satellite Dish may only be used by Lessee in connection with the conduct of its business in the Premises and may not be licensed by Lessee for use by third parties.

Lessor shall not charge Lessee additional rent for the use of space on the roof for any Satellite Dish or other roof top equipment. However, if the insurance premium or real estate tax assessment charged to Lessor with respect to the Building increases as a result of the presence or operation of any Satellite Dish or equipment, Lessee shall pay the amount of such increase as additional rent within thirty (30) days after Lessor delivers a bill for such increase. If use of any Satellite Dish by Lessee ceases for any reason whatsoever, Lessee shall have neither a claim for abatement or diminution of rent, nor a claim for damages (except in the event of Lessor’s negligence or willful misconduct), on account of such cessation of use.

Lessee covenants that the ownership, installation, use, operation, maintenance, repair, replacement and removal of any and each Satellite Dish/equipment shall be at its sole risk. Lessee shall comply with the requirements of Lessor and of any roof warranty in connection with its activities on the roof, and Lessor may require that Lessee, its agents, employees and contractors be accompanied by Lessor’s personnel during Lessee’s activities on the Building roof. If any roof warranty applicable to the Building is voided as a result of Lessee’s activities on the Building roof (unless such installation of the subject Satellite Dish / equipment was approved by Lessor hereunder and completed in strict accordance with such approved scope of work), then, notwithstanding the provisions of Section 5.1(d), Lessee shall assume the obligation to perform all of the Lessor Maintenance Obligations, at Lessee’s cost and expense, respecting the maintenance and/or replacement of the Original Roof System or any replacement thereof theretofore installed, as the case may be. Lessee agrees to protect, indemnify and save Lessor harmless from and against any and all claims, actions, damages, liability and expenses, including reasonable attorney’s fees, arising from or relating to the ownership, installation, use, operation, maintenance, repair, replacement and removal of any and each Satellite Dish. To insure such indemnity, all of Lessee’s insurance policies required under this Lease shall include any and each Satellite Dish as an insured risk.
If any Satellite Dish or use thereof causes damage to the structure or to any systems of the Building, or interferes with any service provided to or the quiet enjoyment of any other Occupant of the Building or the Project, or violates any Governmental Regulations or CC&Rs, Lessor may revoke Lessee’s permission to use the subject Satellite Dish, in which case Lessee shall cease use of and promptly remove such Satellite Dish. Any failure by Lessee to comply with the provisions of this Section 51 shall be an Event of Default and, notwithstanding any provision of this Lease to the contrary including, without limitation, any longer cure period set forth in Section 13, Lessor may (i) upon five (5) business days’ notice and opportunity to cure, require Lessee to cease use of and remove the subject Satellite Dish / equipment, or (ii) avail itself of any and all remedies provided by this Lease or at law.

At the Expiration Date or upon the earlier termination of this Lease, Lessee shall remove each Satellite Dish from the Building roof. The ancillary cabling and wiring shall become the property of Lessor and shall remain in the Building, or be removed by Lessee, at Lessor’s election. If Lessee fails so to remove any such Satellite Dish, Lessor may remove and dispose of the subject Satellite Dish, at Lessee’s cost and expense, without liability for any property (whether owned by Lessee or a third party) disposed of or removed by Lessor.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIAL REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

Section 52

PROPERTY MANAGEMENT

The Property is currently managed and has been managed for several years by Cushman and Wakefield (“C&W”) pursuant to a property management agreement between Lessor and C&W. Should Lessor enter into a different property management agreement or retain a different property manager, Lessor agrees that such property management agreement shall require the property manager to have a local employee/contractor and to manage the Property in a first-class manner.
Section 53

CONSTRUCTION OF ADDITIONAL BUILDING

Subject to the terms and conditions of this Section 53, Lessee shall have the right to request Lessor to construct, in a location mutually acceptable to Lessor and Lessee within the existing shipping and receiving yard on the Property, an additional building containing approximately 2,000 RSF for certain of Lessee's mechanical equipment (the “Equipment Building”). Provided that Lessee makes such request in a written notice received by Lessor by no later than the Commencement Date, Lessor and Lessee shall promptly enter into an amendment to this Lease containing the following material terms: (a) Lessor shall agree to construct the Equipment Building at Lessor’s sole cost and expense in accordance with drawings and specifications prepared by Lessor’s architect, subject to reasonable revisions, if any, requested by Lessee and approved by Lessor, which shall not be unreasonably conditioned, withheld, or delayed, and in all cases approved by all applicable governmental authorities, (b) the RSF of the Equipment Building shall be measured from the drawings utilizing the Measurement Method, and such RSF shall be added to and increase the Confirmed Rentable Area of the Premises for purposes of this Lease, (c) as of the date the Equipment Building is substantially complete and Lessee is able to use the Equipment Building, any other provisions of this Lease which are a function of rentable area (e.g., Monthly Basic Rent, Lessee’s Common Area Share, Lessee’s Proportionate Share, etc.) shall be modified to take into account the RSF of the Equipment Building, and (d) the date on which Lessee is required to commence paying rent on the Equipment Building shall be the date upon which the Equipment Building is delivered to Lessee substantially complete and usable by Lessee. The Tenant Improvement Allowance and the HVAC Allowance in accordance with Exhibit B – Section 3 shall be provided by the Lessor to the Lessee for the additional square footage of Equipment Building.

Section 54

CONSTRUCTION OF SANITARY SEWER LINE

Pursuant to the terms of this Section 54, Lessee shall have the right to require Lessor to construct, at Lessee’s sole cost and expense and in a location mutually acceptable to Lessor and Lessee, a new sanitary sewer line servicing the Premises (including the Equipment Building, if applicable). Provided that Lessee makes such request in a written notice received by Lessor by no later than the Commencement Date, (a) Lessor shall construct the new sewer at Lessee’s sole cost and expense in accordance with drawings and specifications prepared by Lessor’s consultant, subject to reasonable revisions, if any, requested by Lessee and approved by Lessor, which shall not be unreasonably conditioned, withheld, or delayed, and in all cases approved by all applicable governmental authorities, and (b) Lessee shall pay the amounts incurred and invoiced by Lessor (accompanied by reasonable supporting documentation) from time to time within thirty (30) days of invoice receipt.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS.]
IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on the date set forth next to such party’s signature below.

Date: February __, 2022

Address:
c/o Drawbridge Realty Operating Partnership, LLC
Three Embarcadero Center, Suite 2310
San Francisco, CA 94111
Attention: Mike Embree
membree@drawbridgeproperty.com

with a copy to:
Mintz Levin
44 Montgomery Street, 36th Floor
San Francisco, CA 94104
Attention: Paul Churchill
pchurchill@mintz.com

Date: February 9, 2022

Address:
Myriad Genetics, Inc.
320 Wakara Way
Salt Lake City, Utah 84108
Attention: Chief Financial Officer
Email: briggsbee@myriad.com

With a copy to:
Myriad Genetics, Inc.
320 Wakara Way
Salt Lake City, Utah 84108
Attention: Vice President, Corporate Legal Affairs
Email: justin.hunter@myriad.com

LESSOR:

BAY BRIDGE/CORPORATE, LLC,
a Delaware limited liability company
By: Drawbridge Realty Partners, LP, a Delaware limited
   partnership, its Manager
   By: Drawbridge Realty GP, LLC,
       Its General Partner
       By: Charlie McEachron
           Name: Charlie McEachron
           Title: Chief Operating Officer

By: Drawbridge Realty Sponsor, LLC, a Delaware limited
   Liability company, its Member
By: /s/ Charlie McEachron
Name: Charlie McEachron
Title: Chief Operating Officer

LESSEE:

MYRIAD GENETICS, INC.,
a Delaware corporation
By: /s/ R. Bryan Riggsbee
Name: R. Bryan Riggsbee
Title: Chief Financial Officer
EXHIBIT A-3

LEGAL DESCRIPTION OF THE PROPERTY

THAT CERTAIN IMPROVED REAL PROPERTY LOCATED IN THE CITY OF SALT LAKE CITY, COUNTY OF SALT LAKE, STATE OF UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF 2200 WEST STREET SAID POINT BEING SOUTH 89°51'50" EAST ALONG THE CENTER SECTION LINE 1332.20 FEET AND NORTH 0°02'38" EAST 409.49 FROM THE CENTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT ALSO BEING SOUTH 0°02'38" WEST ALONG MONUMENTED LINE OF 2200 WEST 2930.93 FEET, SOUTH 89°51'50" EAST 45.11 FEET, TO THE SAID EAST RIGHT OF WAY LINE, AND NORTH 0°02'38" EAST 409.49 FEET, FROM FOUND CENTERLINE MONUMENT 2200 WEST AND 700 NORTH AND RUNNING THENCE SOUTH 89°54'50" EAST 683.82 FEET; THENCE SOUTH 0°19'01" WEST 328.98 FEET; THENCE SOUTH 89°51'07" EAST 191.61 FEET; THENCE NORTH 0°07'40" EAST 76.47 FEET; THENCE SOUTH 89°58'26" EAST 178.70 FEET; THENCE SOUTH 1°01'48" WEST 702.46 FEET; THENCE NORTH 89°51'50" WEST 1040.59 FEET, TO EAST LINE OF 2200 WEST STREET; THENCE NORTH 0°02'38" EAST ALONG SAID RIGHT OF WAY LINE 953.99 FEET, TO THE POINT OF BEGINNING.

CONTAINS 892,501 SF OR 20.49 ACRES
EXHIBIT A-4

SITE PLAN OF THE PROJECT
EXHIBIT B

WORK LETTER

The purpose of this Work Letter is to set forth how the work to be performed by Lessor as described with specificity on Schedule 1 attached to this Work Letter (the “Lessor’s Work”) is to be constructed, and how the work to be performed by Lessee (the “Lessee’s Work”) is to be designed and constructed, who will perform such work, how such work will be paid for, and the estimated time schedule for completion of such work. Except as defined in this Work Letter to the contrary, all capitalized terms utilized in this Work Letter shall have the same meanings as the defined terms in the Lease. The terms, conditions and requirements of the Lease, except where clearly inconsistent or inapplicable to this Work Letter, are incorporated into this Work Letter.

1. Lessor’s Work. The Lessor’s Work will be performed and completed in phases, as follows:

   (a) The “Phase I Premises” will consist of approximately 113,181 RSF as denoted on Schedule 2 attached hereto (the “Phasing Schedule”). Lessor will utilize its best, commercially reasonable efforts to deliver the Phase I Premises to Lessee in the condition described on Schedule 3 attached hereto (the “Space Delivery Condition”) by April 1, 2022 (the “Phase I Possession Date”);

   (b) The “Phase II Premises” will consist of approximately 51,967 RSF as denoted on the Phasing Schedule, in addition to the fenced yard depicted thereon. Lessor will utilize its best, commercially reasonable efforts to deliver the Phase II Premises to Lessee in the Space Delivery Condition by June 1, 2022 (the “Phase II Possession Date”);

   (c) The “Phase III Premises” will consist of approximately 34,740 RSF as denoted on the Phasing Schedule. Lessor will utilize its best, commercially reasonable efforts to deliver the Phase III Premises to Lessee in the Space Delivery Condition by January 1, 2023 (the “Phase III Possession Date”);

   (d) The “Phase IV Premises” will consist of approximately 11,837 RSF as denoted on the Phasing Schedule. Lessor will utilize its best, commercially reasonable efforts to deliver the Phase IV Premises to Lessee in the Space Delivery Condition by March 15, 2023 (the “Phase IV Possession Date”); and

   (e) The “Phase V Premises” will consist of approximately 20,116 RSF as denoted on the Phasing Schedule. Lessor will utilize its best, commercially reasonable efforts to deliver the Phase V Premises to Lessee in the Space Delivery Condition by January 1, 2026 (the “Phase V Possession Date”).

Each of the foregoing possession dates may be referred to generally in this Lease from time to time as a “Phase Possession Date.” Each Phase Possession Date shall automatically be extended by the number of days, if any, of Lessee Delay (as defined in Section 5 of this Work Letter). Lessee acknowledges and agrees that Lessor may be doing certain portions of Lessor’s Work (e.g., installation of windows or skylights) in a Phase after the related Phase Possession Date due to factors such as seasonal weather conditions, and agrees to cooperate reasonably with Lessor in connection therewith.

2. Lessee’s Work. Lessee shall construct, furnish or install all improvements, equipment or fixtures, that are necessary for Lessee’s use and occupancy of the entirety of the
Premises (collectively, the “Lessee’s Work”), although it is currently anticipated that the process described in this Section 2 will be repeated on a Phase-by-Phase basis. Lessee shall utilize its best, commercially reasonable efforts to complete construction of the Lessee’s Work for the applicable Phase within seven (7) months after the associated Phase Possession Date. If applicable, Lessee shall also be responsible for the cost of any alterations to the Building required as a result of the Lessee’s Work.

Lessee will engage a consultant reasonably approved by Lessor to manage the design and construction of the Lessee’s Work (“Tenant Improvement Project Manager”). Lessee shall cause all drawings and specifications for the Lessee’s Work to be prepared by an architect selected by Lessee and reasonably approved by Lessor (“Tenant Improvement Architect”) and to be constructed by a general contractor licensed in Utah, selected by Lessee, and reasonably approved by Lessor (“Tenant Improvement Contractor”). Lessor’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed, shall be required if Lessee desires to change its Tenant Improvement Architect, Tenant Improvement Contractor or Tenant Improvement Project Manager. Lessee shall furnish to Lessor a copy of the executed contracts between Lessee and Tenant Improvement Architect, and Lessee and Tenant Improvement Contractor, covering all of Lessee’s obligations under this Work Letter.

The Lessee’s Work shall be in conformity with drawings and specifications submitted to and approved by Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed, and shall be performed in accordance with the following provisions:

**Tenant Improvement Space Plans:** Lessee shall prepare and submit to Lessor for its approval Tenant Improvement space plans (the “Tenant Improvement Space Plans”). Within five (5) business days after receipt of Lessee’s drawings Lessor shall return one set of prints thereof with Lessor’s approval and/or suggested modifications noted thereon. If Lessor has approved Lessee’s drawings subject to modifications, such modifications shall be deemed to be acceptable to and approved by Lessor unless Lessee shall prepare and resubmit revised drawings for further consideration by Lessor. If Lessor has suggested modifications without approving Lessee’s drawings Lessee shall prepare and resubmit revised drawings within five (5) business days for consideration by Lessor. All revised drawings shall be submitted, with changes highlighted, to Lessor within five (5) business days following Lessor’s return to Lessee of the drawings originally submitted, and Lessor shall approve or disapprove such revised drawings within five (5) business days following receipt of the same. Lessor shall be provided with a copy of Lessee’s preliminary floor plan and associated CAD files as a condition to receiving reimbursement. Lessor will reimburse Lessee and/or the Tenant Improvement Architect for the cost of two (2) preliminary test fit space plans, inclusive of one (1) revision, such reimbursement not to exceed $0.15 per rentable square foot, for a maximum reimbursement (based on 231,841 RSF) of $34,776.15. All other space planning fees shall be charged against the Tenant Improvement Allowance.

**Tenant Improvement Design Development Plans:** Lessee shall prepare and submit to Lessor for its approval Tenant Improvement design development plans (“Tenant Improvement Design Development Plans”). Within five (5) business days after receipt of Lessee’s drawings Lessor shall return one set of prints thereof with Lessor’s approval and/or suggested modifications noted thereon. If Lessor has approved Lessee’s drawings subject to modifications, such modifications shall be deemed to be acceptable to and approved by Lessee unless Lessee prepares and resubmits revised drawings for further consideration by Lessor. If Lessor has suggested modifications without approving Lessee’s drawings Lessee shall prepare and resubmit revised drawings within five (5) business days for consideration by Lessor. All revised drawings shall be submitted, with changes highlighted, to Lessor within five (5) business days following Lessor’s return to Lessee of the drawings originally submitted.
submitted, and Lessor shall approve or disapprove such revised drawings within five (5) business days following receipt of the same.

Lessee’s Working Drawings: Lessee shall prepare and submit to Lessor for its approval Lessee’s Working drawings (“Lessee’s Working Drawings”) including mechanical, electrical, and plumbing plans (“MEP”). Within five (5) business days after receipt of Lessee’s drawings Lessor shall return one set of prints thereof with Lessor’s approval and/or suggested modifications noted thereon. If Lessor has approved Lessee’s drawings subject to modifications, such modifications shall be deemed to be acceptable to and approved by Lessee unless Lessee shall prepare and resubmit revised drawings for further consideration by Lessor. If Lessor has suggested modifications without approving Lessee’s drawings Lessee shall prepare and resubmit revised drawings within seven (7) business days for consideration by Lessor. All revised drawings shall be submitted, with changes highlighted, to Lessor within seven (7) business days following Lessor’s return to Lessee of the drawings originally submitted, and Lessor shall approve or disapprove such revised drawings within five (5) business days following receipt of the same.

Final Tenant Improvement Plans: Lessee shall submit the approved Lessee’s Working Drawings to the Salt Lake City Building Department for a Tenant Improvement building permit prior to the commencement of such work. The Lessee’s Working Drawings as modified by the Salt Lake City Building Department are defined herein as the “Final Tenant Improvement Plans.” Prior to commencing construction, Lessee shall deliver to Lessor a copy of the building permit for the Final Tenant Improvement Plans received from the Salt Lake City Building Department.

Notwithstanding the foregoing process for developing the Final Tenant Improvement Plans:

(i) For any floor of the Building on which Lessee leases the entire rentable area, Lessee shall have the right to reconfigure the VAV system on such floor, subject to Lessor’s prior written approval (not to be unreasonably withheld, conditioned or delayed);

(ii) Lessor shall not unreasonably withhold its approval of Lessee’s installation/use of a tenant Building Management System (a “BMS”) within the premises with ‘read only’ connection to the building BMS system;

(iii) Lessee shall have the right to make structural alterations and install reinforcing of the floor framing structure as required, subject to Lessor’s review and approval in its reasonable discretion of the plans and specifications therefor;

(iv) Lessee shall be permitted to install microwave transmitter-receivers, rooftop antennas or satellite dishes pursuant to and in accordance with Section 51 of the Lease;

(v) Lessee may install a back-up generator that can power the Premises on the Property in a mutually acceptable location, at Lessee’s sole expense, provided that Lessee shall have the right to utilize the Tenant Improvement Allowance for the cost thereof; and

(vi) Lessee shall install a new 3-stage HVAC mechanical system to service the Premises (or such other mechanical system as will adequately heat and cool the Premises for Lessee’s intended use).
(b) Any material changes to the Final Tenant Improvement Plans shall be subject to Lessor’s prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Any material deviation in construction from the design specifications and criteria set forth in the Final Tenant Improvement Plans, other than as approved in writing by Lessor (such approval not to be unreasonably withheld, conditioned or delayed), shall constitute a default for which Lessor may, within ten (10) business days after giving written notice to Lessee, elect to exercise the remedies available in an Event of Default under the provisions of this Lease, unless such default is cured within such ten (10) business day period, or, if the cure reasonably requires more than ten (10) business days, unless such default is cured as soon as reasonably practicable but in no event later than sixty (60) days after Lessor’s notice to Lessee. Only new materials shall be used in the construction of the Lessee’s Work, except with the written consent of Lessor.

(c) Lessee acknowledges that it will engage the Tenant Improvement Architect, the Tenant Improvement Project Manager, and the Tenant Improvement Contractor, and shall be solely responsible for the actions and omissions of its architects, engineers, contractors, and project/construction managers and for any loss, liability, claim, cost, damage or expense suffered by Lessor or any other entity or person as a result of the acts or omissions of its architect, engineers or project/construction managers. Lessor’s approval of any of Lessee’s architects, engineers or project/construction managers and of any documents prepared by any of them shall not be for the benefit of Lessee or any third party, and Lessor shall have no duty to Lessee or to any third parties for the actions or omissions of Lessee’s architects, engineers or project/construction managers. Lessee shall indemnify and hold harmless Lessor from and against any and all losses, costs, damages, claims and liabilities arising from the actions or omissions of Lessee’s architects, engineers and project/construction managers.

(d) The Lessee’s Work shall be constructed by the Tenant Improvement Contractor in accordance with the Final Tenant Improvement Plans, in compliance with all of the terms and conditions of this Work Letter and the Lease, and with all applicable laws and regulations. The Tenant Improvement Contractor shall obtain a builder’s risk policy of insurance in an amount and form and issued by a carrier reasonably satisfactory to Lessor, and its subcontractors shall carry worker’s compensation insurance for their employees as required by law. The builder’s risk policy of insurance shall name Lessor as an additional insured and shall not be cancelable without at least thirty (30) days’ prior written notice to Lessor. From and after each applicable Phase Possession Date, Lessee shall be permitted to enter and have 24/7 access to the applicable Phase for construction purposes, along with Lessee's agents, contractors, architects, etc. Such right of access shall include but not be limited to, as applicable, Lessee’s allocated surface parking areas, loading docks, elevators, electrical systems and related facilities. There shall be no charge for the use of said facilities.

(e) Lessee shall notify Lessor of its intention to commence construction ten (10) days prior to commencement and shall again notify Lessor of actual commencement within one (1) business day thereafter. Lessor shall have the right to post in a conspicuous location on the Building or the Premises, as well as record with the County of Salt Lake, a Notice of Nonresponsibility.

(f) All work to be performed inside or outside of the Building shall be coordinated with Lessor. Lessee and the Tenant Improvement Contractor shall conduct their work and employ labor in such manner as to maintain harmonious labor relations.

(g) Lessee, at Lessee’s sole cost and expense, shall clear debris resulting from the Tenant Improvement construction as necessary so as not to interfere with the construction of the Lessor’s Work. No trash, or other debris, or other waste may be deposited at any time outside the Building except in containers reasonably approved by Lessor. If so, Lessor may, after written notice to Lessee, remove it at Lessee’s expense, which expense shall equal the cost of
removal plus five percent (5%) of such costs as a management fee. Storage of Tenant Improvement construction materials, tools and equipment shall be coordinated with Lessor’s contractor. Lessee shall reimburse Lessor within thirty (30) days of written notice for the cost of repairing any damage to the Building caused by Tenant Improvement Contractor and its subcontractors during the construction of the Lessee’s Work. Upon completion of the Lessee’s Work, Lessee shall cause the Building and the Common Areas to be clean and free from construction debris resulting from Lessee’s Tenant Improvement construction.

(h) Lessee shall submit to Lessor on or before the applicable Phase Commencement Date (as defined in the Lease) a Certificate of Substantial Completion, AIA Document G704, by its Tenant Improvement Architect for the Final Tenant Improvement Plans associated with the applicable Phase, a copy of all final inspection cards for the Lessee’s Work signed by the appropriate Salt Lake City inspector and the Temporary Certificate of Occupancy from the appropriate department of the city of Salt Lake City.

(i) Lessee shall submit to Lessor two CDs containing copies of all Tenant Improvement as-built plans and specifications, warranties, and operating manuals covering all of the work in the Final Tenant Improvement Plans.

(j) Any minor work required for Lessee’s occupancy of the Premises but not included in the Final Tenant Improvement Plans such as the procurement and installation of furniture, fixtures, equipment, interior artwork and signage, shall not require Lessor approval but shall be installed in a good and workmanlike manner by Lessee.

3. Project Costs. The costs and expenses of the development and construction of the Lessor’s Work and the Lessee’s Work shall be paid in accordance with this Section 3.

(a) Lessor’s Work. The costs and expenses of the development and construction of the Lessor’s Work shall be paid by Lessor.

(b) Lessee’s Work. Unless specified otherwise herein, Lessee shall bear and pay the cost of the Lessee’s Work (which cost shall include, without limitation, the costs of construction as provided for in the Tenant Improvement Contractor’s contract, the cost of permits, and all architectural, design, space planning, and engineering services obtained by Lessee in connection with Lessee’s Work, laboratory and office improvements, break rooms with appropriate sinks/cabinetry, wiring and cabling costs, and cubicle costs); provided that so long as Lessee is not in monetary or material non-monetary default under the Lease, Lessor shall contribute a maximum of $85 per rentable square foot, for an aggregate maximum (based on total Premises RSF of 231,841) of $19,706,485 (the “Tenant Improvement Allowance”), which may be utilized for all hard and soft costs of Lessee’s Work (and if applicable, the cost of the new sanitary sewer line described in Section 54 of the Lease), including architectural and engineering fees, but not for moving expenses, furniture, fixtures & equipment, and wiring and cabling except as described in the balance of this paragraph. The foregoing shall not be read to prevent Tenant from curing the applicable default and then being entitled to the applicable disbursement(s) once the default is cured if such cure is completed within the applicable cure period, if any, expressly set forth in this Work Letter or the Lease. Up to an aggregate maximum of 25% of any unused Tenant Improvement Allowance may be used by Lessee for payment of Basic Monthly Rent, reimbursement of moving expenses, wiring and cabling, specialty consultants, signage costs, and the acquisition and installation of furniture, fixtures & equipment. Except for a $75,000 oversight fee, Lessor shall not be entitled to impose a charge of any kind for general conditions, profit, overhead or supervision in connection with the construction or review of Lessee’s Work, unless said review requires an outside, specialty consultant such as a structural engineering firm.

EXHIBIT B
(i) In addition, Lessor shall contribute a maximum of $15 per rentable square foot, for an aggregate maximum (based on total Premises RSF of 231,841) of $3,477,615 (the “HVAC Allowance”), for a new HVAC system for the Premises. In the event the mechanical fees associated with such HVAC system exceed the HVAC Allowance, Lessee may allocate any portion of the Tenant Improvement Allowance towards such mechanical work.

(ii) Lessee shall have until twelve (12) months following (A) the Phase V Possession Date to fully utilize and bill Lessor for the HVAC Allowance and the portion of the Tenant Improvement Allowance allocable to the Phase I Premises, the Phase II Premises, the Phase III Premises, and the Phase IV Premises, and (B) the Phase V Possession Date to fully utilize and bill Lessor for the portion of the Tenant Improvement Allowance allocable to the Phase V Premises, after which (in each case (A) and (B)) Lessor shall have no further obligation to provide any portion of the HVAC Allowance or the Tenant Improvement Allowance. Subject to such deadline, and based upon applications for payment prepared, certified and submitted by Lessee as described below, Lessor shall make progress payments from the Tenant Improvement Allowance and the HVAC Allowance to Lessee in accordance with the provisions of this Section 3 (but in no event more than $15 per square foot for the HVAC Allowance or $85 per square foot for the applicable space under construction of the Tenant Improvement Allowance), as follows:

(i) Not later than the 25th day of each month Lessee shall submit applications for payment to Lessor in a form reasonably acceptable to Lessor, including Tenant Improvement Contractor’s Application and Certification for Payment AIA G702 certified by Tenant Improvement Architect, certified as correct by an officer of Lessee and by Lessee’s architect, for payment of that portion of the cost of the Lessee’s Work allocable to labor, materials and equipment incorporated in the Building during the period from the first day of the same month projected through the last day of the month. Each application for payment shall set forth such information and shall be accompanied by such supporting documentation as shall be reasonably requested by Lessor, including the following:

(A) Invoices and canceled checks.

(B) Fully executed conditional lien releases in the form prescribed by law from the Tenant Improvement Contractor and all subcontractors and suppliers furnishing labor or materials during such period and fully executed unconditional lien releases from all such entities covering the prior payment period.

(C) Tenant Improvement Contractor’s worksheets showing percentages of completion.

(D) Tenant Improvement Contractor’s certification as follows:

“There are no known mechanics’ or materialmen’s liens outstanding at the date of this application for payment, all due and payable bills with respect to the Building have been paid to date or shall be paid from the proceeds of this application for payment, and there is no known basis for the filing of any mechanics’ or materialmen’s liens against the Building or the Property, and, to the best of our knowledge, waivers from all subcontractors are valid and constitute an effective waiver of lien under applicable law to the extent of payments that have been made or shall be made concurrently herewith.”

(ii) Lessee shall submit with each application for payment all documents necessary to effect and perfect the transfer of title to the materials or equipment for which application for payment is made.

EXHIBIT B
(iii) On or before the 30th day following submission of the application for payment, so long as Lessee is not in monetary or material non-monetary default under the terms of this Work Letter or the Lease, Lessor shall pay a share of such payment determined by multiplying the amount of such payment by a fraction, the numerator of which is the amount of the Tenant Improvement Allowance allocable to the Phase(s) under construction (the “Applicable Phases”), and the denominator of which is the sum of (i) estimated construction cost of all Lessee’s Work and materials for the Applicable Phases, and (ii) the estimated cost of all professional services, fees and permits in connection therewith. The foregoing shall not be read to prevent Tenant from curing the applicable default and then being entitled to the applicable disbursement(s) once the default is cured if such cure is completed within the applicable cure period, if any, expressly set forth in this Work Letter or the Lease. Lessee shall pay the balance of such payment, provided that at such time as Lessor has paid the entire Tenant Improvement Allowance on account of such Lessee’s Work, all billings shall be paid entirely by Lessee (any amounts being paid by Lessee being defined herein and in the Lease as the “Differential”). Lessor shall have no obligation to advance the Tenant Improvement Allowance to the extent it exceeds the total cost of the Lessee’s Work. In no event shall Lessor have any responsibility for the cost of the Lessee’s Work in excess of the Tenant Improvement Allowance. Lessor shall have no obligation to make any payments to Tenant Improvement Contractor’s material suppliers or subcontractors or to determine whether amounts due them from Tenant Improvement Contractor in connection with the Lessee’s Work have, in fact, been paid.

(c) Evidence of Completion of Improvement Work. Upon the completion of the Improvement Work, Lessee shall:

(i) Submit to Lessor a detailed breakdown of Lessee’s final and total construction costs, together with receipted evidence showing payment thereof, satisfactory to Lessor.

(ii) Submit to Lessor the building permit for the Lessee’s Work signed off by the applicable governmental authorities and authorization for physical occupancy of the Building.

(iii) Submit to Lessor the as-built plans and specifications referred to above.

4. Assignment of Rights Against Architect, Contractor, etc. Lessee hereby assigns to Lessor on a non-exclusive basis any and all rights Lessee may have against the Tenant Improvement Contractor, the Tenant Improvement Architect, the Tenant Improvement Project Manager, and any other of Lessee’s consultants, subcontractors, agents, etc., relating to the Lessee’s Work, without in any way obligating Lessor to pursue or prosecute such rights. Lessee shall retain the right to pursue or prosecute any such rights to the extent that Lessor does not do so. Lessee shall promptly cause the Tenant Improvement Contractor, the Tenant Improvement Architect, the Tenant Improvement Project Manager, and any other of Lessee’s consultants, subcontractors, agents, etc. (once each such person has been engaged) to execute and deliver to Lessor a consent in the form of Exhibit A hereto, consenting to the foregoing assignment.

5. Lessee Delay. If Lessor is delayed in substantially completing the Lessor’s Work as a result any of the following (collectively, “Lessee Delays”):

(a) Any entry into the applicable Phase prior to the related Phase Possession Date, by Lessee, or any of Lessee’s agents, employees, licensees, contractors or subcontractors, which delays substantial completion of the Lessor’s Work; or

(b) Any matters specifically identified elsewhere in this Work Letter or in the Lease as Lessee Delays.
then the date upon which substantial completion of the Lessor’s Work is deemed to have occurred shall be advanced by the cumulative duration of such Lessee Delays, and the date upon which the and the applicable Phase Possession Date shall be deemed to have occurred in advance of the actual delivery date by the cumulative duration of such Lessee Delays.

6. **Lessor Delay.** If Lessee shall be delayed in substantially completing the Lessee’s Work as a result any of the following (collectively, “Lessor Delays”):

   (a) Any entry into the applicable Phase after the related Phase Possession Date, by Lessor or any of Lessor’s agents, employees, licensees, contractors or subcontractors, which delays substantial completion of the Lessee’s Work; or

   (b) Any failure by Lessor to comply with the timelines and deadlines applicable to Lessor set forth in this Work Letter; or

   (c) Any matters specifically identified elsewhere in this Work Letter or in the Lease as Lessor Delays.

then Lessee shall be entitled to one day of abated Basic Monthly Rent for each day of Lessor Delay.

EXHIBIT B
SCHEDULE 1 TO WORK LETTER

LESSOR’S WORK

Landlord, at Landlord’s cost, shall perform such work as is necessary to deliver the Premises in accordance with the following conditions:

1. Renovation of existing office building as described in “Space Delivery Condition”;

2. Demolition of existing out-buildings at northeast corner of Building.

3. Exterior building upgrades to include:
   a. New glazing and architectural composite metal at building entries (three total).
   b. New two-story curtainwall and composite metal lobby at west façade.
   c. New curtainwall infill of existing two-story pre-cast concrete double-tees (xx total).
   d. New perimeter architectural composite metal cornice at two-story volume.
   e. New exterior paint at existing two-story volume.
   f. New exterior paint at existing single-story volume to match adjacent Building C.
   g. New painted steel canopies above existing windows on west elevation of single-story volume to match adjacent Building C.

4. Site upgrades to include:
   a. Exterior courtyard enhancements at east entrance.
   b. New masonry screen wall at east electrical sub-station.
   c. New LED pole light fixtures.
   d. New parking striping throughout.
   e. Addition of 4” data/telecom conduit(s) from public or city ROW to Building in order for there to be a total of two (2) such conduits from the ROW to the Building at two separate locations.
   f. New east/west drive aisle north of building.
   g. Addition of ten new electric vehicle charging stations.

5. Interior upgrades to include:
   a. Renovation of existing Common Cafeteria.
   b. Second floor infill as indicated in Phase Plan.
   c. New stair and elevator in two-story lobby.
   d. Continuous 1.5” thick aluminum faced panels to be provided at interior surface of all existing exterior walls.

EXHIBIT B
SCHEDULE 2 TO WORK LETTER

PHASING SCHEDULE

PHASE SCHEDULE AND MAP | LEVEL ONE

PHASES AND MAP LEVEL TWO

EXHIBIT B
RENTABLE SQUARE FOOTAGE CALCULATION | BOMA PHASE I

RENTABLE SQUARE FOOTAGE CALCULATION | BOMA PHASE II

EXHIBIT B
SCHEDULE 3 TO WORK LETTER

SPACE DELIVERY CONDITION

1. Ensure the building shell and exterior, including perimeter window frames, seals, mullions, and glazing are in good condition;

2. Premises shall be vacant in broom clean condition with removal of all furniture (including demountable partitions), and all security and telecom/data cabling and in broom clean condition, legally demised and in compliance with all applicable laws;

3. All floor coverings should be removed from premises that include friable mastic adhesive, as well as any wrapping on Building pipes that contains friable asbestos;

4. If a partial floor is needed, Lessor shall construct a new building standard code compliant multi-tenant corridor with legal ingress and egress to and from the Premises along with demising walls between tenants. The Premises side of the corridor to be left open to allow for wiring and cabling.

5. Fireproofing, fire stopping and enclosure of any exposed structural steel has been completed to meet all applicable codes. Lessor will ensure that all shafts, pipe penetrations, etc. in the Building are fire-stopped per applicable governmental requirements;

6. The Premises shall be free of all environmentally hazardous materials (including mold and lead paint), including insulation on steam pipes, piping within columns, within any under floor distribution system, etc. in accordance with all applicable legal requirements. Prior to delivering the Premises to Lessee, Lessor shall inform Lessee about any Asbestos in the space and the location of this Asbestos. If Asbestos exists in the space – Lessor to remediate at their cost;

7. Primary fire sprinkler system consisting of main piping and associated control(s) valves, mains, branch piping, and arm overs with sprinkler heads and secondary distribution as required by Code for the unoccupied Premises;

8. Lessor to provide allowance for Lessee to design and install new mechanical systems to meet their specifications.

9. All Building systems brought to the Premises and fully operational in accordance with agreed upon specifications, including electric specs set forth herein and in the RFP;

10. Fire stair doors shall comply with all codes (including ADA) and shall be operated so that they remain locked from the stair side except in an emergency. Reentry floors shall have an electric lockset and shall be tied to the Class E system. If applicable Lessee shall have the right to use stairway for convenience between floors and also tie into its card access system; Not Applicable

11. Connection points on not more than one floor above or below the Premises for Lessee’s strobes and related Class E connections. Lessor, at its expense, shall provide sufficient points for Lessee tie-ins. All fire and safety systems, including alarms, speakers, communications, etc. shall be in full service, addressable and available on all floors of the Premises. Lessor, at its expense, shall also install strobes and any other

EXHIBIT B
code-required devices in the core lavatories. All installations shall be per ADA guidelines;

12. Subject to confirmation by Lessee’s consultants, existing meters and/or sub-meters, electric panels and transformers shall be left in place and shall be in good working order and condition when turned over to Lessee. Please provide any electrical studies.

13. Furnish and install common area exits and other (e.g., restrooms, electrical/mechanical rooms/fire stairs) signage as required by Code for multi-tenant floors;

14. Access to domestic condenser water (amounts as specified in the lease), including vent and drainage risers, for Lessee’s supplemental cooling systems;

15. Current core service electrical rooms shall remain.

16. Metering or sub-metering as required by Lessor shall be installed at Lessor’s sole cost and expense; and

17. Lessor will provide (a) two dedicated 4” vertical conduits (with mule tape) within separate telecom risers from the Building MPOE to the Premises and (b) a dedicated 2” vertical conduits from the Premises to the roof for Lessee’s satellite dish. If additional space is needed, Lessor will provide Lessee with sufficient unobstructed, asbestos-free, secure Shaft Space from the Telecom Points of Entry (“POE”) in the Building to the Premises, and from the Premises to the roof, for Lessee’s telecommunications requirements (DAS).

18. Lessor to remove all perimeter roof railings on the building and provide screening of all rooftop equipment in the new building exterior design.

EXHIBIT B
EXHIBIT A TO WORK LETTER

FORM OF CONSENT TO ASSIGNMENT

This Consent to Assignment ("Consent") is dated as of this ___ day of __________, 202___, by __________________, a ____________________ (["Tenant Improvement Architect"/"Tenant Improvement Contractor"/"Tenant Improvement Project Manager"/"Other Consultant"], in favor of Bay Bridge/Corporate, LLC, a Delaware limited liability company ("Lessor").

Recitals

A. Lessor and __________________, a ____________________ ("Lessee") entered into that certain Lease Agreement dated as of __________, 202___ (the "Lease") for premises located in the City of __________, County of __________, State of Utah, commonly known as or otherwise described as _________________ Road, Suite __, __________, Utah; and

B. Exhibit ___ to the Lease is a Work Letter pursuant to which Lessee has retained [Tenant Improvement Architect/Tenant Improvement Contractor/Tenant Improvement Project Manager/Other Consultant].

Agreement

Now Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, [Tenant Improvement Architect/Tenant Improvement Contractor/Tenant Improvement Project Manager/Other Consultant] hereby consents to the assignment effected by Section ___ of the Work Letter.

In Witness Whereof, [Tenant Improvement Architect/Tenant Improvement Contractor/Tenant Improvement Project Manager/Other Consultant] has executed this Consent as of the date first written above.

[ Tenant Improvement Architect/Tenant Improvement Contractor/Tenant Improvement Project Manager/Other Consultant ]

By: __________________________________________
Title: _________________________________________

By: __________________________________________
Title: _________________________________________

EXHIBIT B
EXHIBIT D

ESTOPPEL CERTIFICATE

This Estoppel Certificate is made by the undersigned and entered into effective as of the date below the undersigned’s signature, with reference to the following facts:

A. __________________________ LLC, a ___________ limited liability company ("Lessor") and _____________________ (“Lessee”) entered into that certain Lease dated as of _____________________ (the “Lease”) pursuant to which Lessor leased to Lessee and Lessee leased from Lessor certain "Premises," as more particularly described in the Lease.

B. Except as otherwise set forth herein, all capitalized terms used in this certificate shall have the same meaning given such terms in the Lease.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee hereby represents and certifies to Lessor and to [state names of other parties requiring certification (e.g., lender, purchaser, investor)] ("Lender”/ “Purchaser”/ “Investor”) and each of your respective successors and assigns as follows:

1. The Lease constitutes the entire agreement between the undersigned and landlord thereunder with respect to the property and has not been modified or amended, except as specifically set forth in Exhibit A hereto.

2. The Lease is in full force and effect.

3. Lessee is the tenant under the Lease.

4. Lessee has not sublet any of the space demised under the Lease, except as follows: __________________________ [If none, leave blank]

5. [Prior to completion of the Lessor Work pursuant to the Lease] Lessor is currently prosecuting the construction of the Lessor’s Work pursuant to the Work Letter attached to the Lease. With respect to the Lessee Improvements to be constructed pursuant to the Work Letter, Lessee is entitled to a total Improvement Allowance equal to $__________. The current undisbursed balance of the Improvement Allowance is $_____________.

6. [After completion of the Lessor Work pursuant to the Lease] Lessee has accepted the Premises and is the actual occupant in possession and Lessor has completed and, to Lessee’s knowledge, complied with all required conditions precedent to such delivery of the Premises. Lessee has no claims, defenses or rights of offset against any rents payable thereunder known to Lessee as of the date hereof. All improvements including the Lessor’s Work pursuant to the Work Letter to be constructed on the Premises have been completed and accepted by Lessee and [any amounts due to Lessee have been paid and Lessee has no claim for any additional construction or moving allowances or reimbursements from Lessor] or [Lessee is entitled to a total Improvement Allowance equal to $__________. The current undisbursed balance of the Improvement Allowance is $_____________.]

7. The Lease Commencement Date is: ______________.
8. The Lease Expiration Date is __________, with _______ remaining options to extend the term of the Lease, each for _______ years. Except as set forth in Sections 3.2, 9.1, 9.3, and 14 of the Lease, Lessee has no right to terminate the Lease.

9. The Rent Commencement Date is _____________________________ and the Monthly Basic Rent payable under the Lease is $_______.

10. The monthly amount of the Additional Charges payable under the Lease based on Lessor’s estimates as provided in the Lease, is currently $_______ and has been paid through ____________, 20__. 

11. There is no free rent period pending under the Lease for the current or any future month, except as expressly set forth in the Lease (if any).

12. The undersigned has deposited the sum of $_________ with Lessor as security for the performance of its obligations as tenant under the Lease, and to Lessee’s knowledge, no portion of such deposit has been applied by Lessor to any obligation under the Lease.

13. As of the date of this Certificate, there exists no breach or default, nor state of facts which, with notice, the passage of time, or both, would result in a breach or default on the part of either Lessee or, to the best of Lessee’s knowledge, Lessor.

14. The undersigned has not received notice of a prior transfer, assignment, hypothecation or pledge by Lessor of any of Lessor’s interest in the Lease.

15. Except as otherwise expressly set forth in the Lease, Lessee has no option or preferential right to purchase all or any part of the Premises (or the real property of which the Premises is a part) nor any right or interest with respect to the Premises other than as Lessee under the Lease.

16. No voluntary actions, or to the Lessee’s best knowledge, involuntary actions are pending against Lessee under the bankruptcy laws of the United States or any state thereof.

Lessee acknowledges and agrees that (a) this estoppel certificate may be relied upon by Lessor and by any lender secured directly or indirectly by mortgages encumbering the Premises or by the ownership interests in Lessor, and by any current or prospective investor in Lessor or purchaser of the Premises, and by their respective successors and assigns, including but not limited to, any designee or successor, and shall be binding upon the undersigned and its successors and assigns, as Lessee under the Lease and (b) Lessor and Lender/Purchaser/Investor are relying and will rely upon this estoppel certificate and the accuracy of the information contained herein.

IN WITNESS WHEREOF, this Certificate has been executed as of the day and year set forth below the signatures below.

LESSEE:

__________________
Dated: ________________
By: ____________________

EXHIBIT D
EXHIBIT A TO LESSEE ESTOPPEL

[Please list any amendments or modifications to the Lease]

EXHIBIT D
EXHIBIT E

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the “Agreement”) is made as of ______________, 2022, by and among FORETHOUGHT LIFE INSURANCE COMPANY, an Indiana life insurance company, having an address at 30 Hudson Yards, Suite 7500, New York, New York 10001 (together with its affiliates, participants, successors, and/or assigns, “Lender”), MYRIAD GENETICS, INC., a Delaware corporation, having an address at 320 Wakara Way, Salt Lake City, Utah 84108 (“Tenant”), and BAY BRIDGE/CORPORATE, LLC, a Delaware limited liability company, having an address at Three Embarcadero Center, Suite 2310, San Francisco, California 94111 (“Landlord”).

RECITALS:

A. Lender intends to make a loan to Landlord, which such loan will be secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Security Instrument”), given by Landlord to Lender which will encumber the fee simple absolute estate of Landlord in certain premises described in Exhibit A attached hereto (the “Property”) and which, among other security instruments, secures the payment of the loan evidenced by a certain promissory note, given by Landlord to Lender (the “Note”; the Security Instrument, the Note and each of the other documents executed and/or delivered by Landlord to Lender in connection with the loan, the “Loan Documents”);

B. Tenant is the holder of a leasehold estate in a portion of the Property under and pursuant to the provisions of a certain lease dated _____ __, ______ between Landlord, as landlord and Tenant, as tenant (as may have been amended the “Lease”); and

C. Tenant has agreed to subordinate the Lease to the Security Instrument and to the lien thereof and Lender has agreed to grant non-disturbance to Tenant under the Lease on the terms and conditions hereinafter set forth.

AGREEMENT:

For good and valuable consideration, Tenant, Lender and Landlord agree as follows:

1. Subordination. The Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the lien of the Security Instrument, including without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof and to all sums secured thereby and advances made thereunder with the same force and effect as if the Security Instrument had been executed, delivered and recorded prior to the execution and delivery of the Lease. Notwithstanding the foregoing, as between Landlord and Tenant, nothing contained in this Agreement shall be deemed to: (a) excuse or reduce any obligation owed by Landlord to Tenant under the Lease; or (b) waive, in whole or in part, any of Tenant’s rights or remedies against Landlord under the Lease.

2. Non-Disturbance. If any action or proceeding is commenced by Lender for the foreclosure of the Security Instrument or the sale of the Property, Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder shall not result in the termination of the Lease or disturb the Tenant’s possession or use of the premises demised thereunder in accordance with the terms of the Lease. In addition, in the event of the sale or foreclosure of the Property in any such action or proceeding or the exercise
by Lender of any of its other rights under the Loan Documents, Purchaser (as defined below) shall (a) not terminate or disturb Tenant’s quiet enjoyment or possession of Tenant’s premises under the Lease or any other rights under the Lease, except in accordance with the terms of the Lease, and (b) be bound to Tenant under all terms and conditions of the Lease and the Security Instrument or the other Loan Documents shall be made subject to all rights of Tenant under the Lease, provided that at the time of any such sale, foreclosure or exercise of any such other remedy by Lender (a) the Lease shall be in full force and effect and (b) Tenant shall not be in an Event of Default (as defined in the Lease) or in default under any terms, covenants or conditions of this Agreement on Tenant’s part to be observed or performed.

3. Attornment. If Lender or any other subsequent purchaser of the Property shall become the owner of the Property by reason of the foreclosure of the Security Instrument or the acceptance of a deed or assignment in lieu of foreclosure or by reason of any other enforcement of the Security Instrument (Lender or such other purchaser being hereinafter referred as “Purchaser”), and the conditions set forth in Section 2 above have been met at the time Purchaser becomes owner of the Property, the Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between Purchaser and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to Purchaser and Purchaser by virtue of such acquisition of the Property shall be deemed to have agreed to accept such attornment, provided, however, that Purchaser shall not be:

(a) liable for the failure of any prior landlord (any such prior landlord, including Landlord and any successor landlord (other than Purchaser), being hereinafter referred to as a “Prior Landlord”) to perform any of its obligations under the Lease which have accrued prior to the date on which Purchaser shall become the owner of the Property, provided that the foregoing shall not limit Purchaser’s obligations under the Lease to correct any defaults or conditions of a continuing nature (each, a “Continuing Default”) that (i) existed as of the date Purchaser shall become the owner of the Property and (ii) violate or breach Purchaser’s obligations as Landlord under the Lease; provided further, however, that Purchaser shall have received written notice of such omissions, conditions or violations and has had a reasonable opportunity to cure the same, all pursuant to the terms and conditions of the Lease. Without limiting the foregoing, Tenant reserves all of its rights and remedies under the Lease with respect to a Continuing Default by Landlord, whether occurring or accruing prior to or after the date Purchaser takes title to or control of the Property, subject, however, to the rights of Purchaser as set forth in Section 3 of this Agreement;

(b) subject to any offsets, defenses, abatements or counterclaims which shall have accrued in favor of Tenant against any Prior Landlord prior to the date upon which Purchaser shall become the owner of the Property, except as provided for in Section 3(a);

(c) bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one (1) month in advance to any Prior Landlord unless (i) such sums are actually received by Purchaser or (ii) such prepayment shall have been expressly approved of by Purchaser;

(d) bound by any agreement amending or modifying the rent, term, commencement date or other material term of the Lease, made without Lender’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Landlord and Tenant may enter into Lease amendments and/or modifications without Lender’s prior consent and Purchaser shall be bound to such amendment or modification to the same extent Landlord would be bound by it, provided any such amendment or modification does not in any material respect: (a) change the economic terms of the Lease, (b) increase the obligations of Landlord under the Lease;
(c) reduce the rights and remedies of Landlord under the Lease; (d) reduce the obligations of Tenant under the Lease; (e) grant offset rights to Tenant under the Lease; (f) grant to Tenant any options or rights of first refusal in the Property; or (g) amend the term of the Lease. If Lender fails to respond to a written request to approve a Lease amendment or modification within ten (10) business days, Lender shall be deemed to have granted its consent;

(e) bound by any surrender, cancellation or termination of the Lease agreed upon between Landlord and Tenant, unless and until Lender has been given an opportunity to cure any breach or default under the Lease under Section 6; or

(e) bound by any assignment of the Lease or sublease of the Property, or any portion thereof, made prior to the time Purchaser succeeded to Landlord’s interest other than any assignment or sublease made pursuant to the provisions of the Lease.

Alternatively, upon the written request of Lender or its successors or assigns, Tenant shall enter into a new lease of the Premises with Lender or such successor or assign, at Lender’s or such successor or assign’s cost and expense, for the then remaining term of the Lease, upon the same terms and conditions as contained in the Lease, except as otherwise specifically provided in this Agreement.

4. Notice to Tenant. After notice is given to Tenant by Lender that the Landlord is in default under the Note, the Security Instrument and the other Loan Documents and that the rentals under the Lease should be paid to Lender pursuant to the terms of the assignment of leases and rents executed and delivered by Landlord to Lender in connection therewith, Tenant shall (but subject at all times to compliance with applicable law) thereafter pay to Lender or as directed by the Lender, all rentals and all other monies due or to become due to Landlord under the Lease and Landlord hereby expressly authorizes Tenant to make such payments to Lender and hereby releases and discharges Tenant from any liability to Landlord on account of any such payments. Landlord acknowledges and agrees that all payments made by Tenant in accordance herewith shall constitute payments under the terms of the Lease. Landlord hereby waives all claims against Tenant and agrees to indemnify Tenant against all costs and liability for following any payment instructions given pursuant to this Agreement, even if those instructions prove to be improper or are disallowed by a court of competent jurisdiction. Without limiting the foregoing, Tenant shall not be required to make any inquiry or conduct any investigation into the validity or appropriateness of Lender’s written demand for payment of rent pursuant hereto. In the event Tenant receives conflicting instructions from either Lender or Landlord, Tenant shall have the right to request clarification or further assurances from either or both of Lender or Landlord.

5. Lender’s Consent. Tenant shall not, without obtaining the prior written consent of Lender, (a) enter into any agreement amending or modifying the Lease, except in accordance with and as provided under Section 3(d), (b) prepay any of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due dates thereof, (c) voluntarily surrender the premises demised under the Lease or terminate the Lease without cause or shorten the term thereof other than pursuant to the provisions of the Lease or applicable law except as provided under Section 6, or (d) assign the Lease or sublet the premises demised under the Lease or any part thereof other than any assignment or sublease pursuant to the provisions of the Lease.

6. Notice to Lender and Right to Cure. Tenant shall notify Lender of any default by Landlord under the Lease and agrees that, notwithstanding any provisions of the Lease to the contrary, no notice of cancellation thereof or of an abatement shall be effective unless Lender shall have received notice of default giving rise to such cancellation or abatement and (i)
in the case of any such default that can be cured by the payment of money, until thirty (30) days shall have elapsed following the

giving of such notice or (ii) in the case of any other such default, until a reasonable period for remedying such default shall have

elapsed following the giving of such notice and following the time when Lender shall have become entitled under the Security

Instrument to remedy the same, including such time as may be necessary to acquire possession or control of the Property if

possession or control is necessary to effect such cure, provided Lender, with commercially reasonable diligence, shall (a) pursue

such remedies as are available to it under the Security Instrument so as to be able to remedy the default, and (b) thereafter shall

have commenced and continued to remedy such default or cause the same to be remedied with commercially reasonable diligence

and continuity. Notwithstanding the foregoing, Lender shall have no obligation to cure any such default. Tenant agrees to accept

performance by Lender of any terms of the Lease required to be performed by Landlord with the same force and effect as though

performed by Landlord. Notwithstanding the foregoing, Tenant shall be permitted to exercise its rights and remedies under the

Lease, including, without limitation, any rights available to Tenant at law or equity if Lender has not cured such default within

ninety (90) days from the date that Lender receives notice of such default. Tenant hereby reserves all rights and claims against

Landlord for defaults under the Lease.

7. Notices. All notices or other written communications hereunder shall be deemed to have been properly given

(i) upon delivery, if delivered in person or by facsimile transmission with receipt electronically confirmed, (ii) one (1) Business

Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii)

three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal

Service and sent registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Tenant:     Myriad Genetics, Inc.,
                320 Wakara Way
                Salt Lake City, Utah 84108
                Attention: Chief Financial Officer

If to Lender:    Forethought Life Insurance Company
c/o KKR Real Estate Manager LLC
                30 Hudson Yards, Suite 7500
                New York, New York 10001
                Attention: Jason Kelley

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 7,

the term “Business Day” shall mean a day on which commercial banks are not authorized or required by law to close in the state

or commonwealth where the Property is located. Either party by notice to the other may designate additional or different

addresses for subsequent notices or communications.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Lender, Tenant and

Purchaser and their respective successors and assigns.

9. Governing Law. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the

State or Commonwealth where the Property is located and shall in all respects be governed, construed, applied and enforced in

accordance with the laws of the State or Commonwealth where the Property is located.

10. Miscellaneous. This Agreement may not be modified in any manner or terminated except by an instrument in

writing executed by the parties hereto. If any term, covenant or condition of this Agreement is held to be invalid, illegal or

unenforceable in any
Building D

respect, this Agreement shall be construed without such provision. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

11. Joint and Several Liability. If Tenant consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

12. Definitions. The term “Lender” as used herein shall include the successors and assigns of Lender and any person, party or entity which shall become the owner of the Property by reason of a foreclosure of the Security Instrument or the acceptance of a deed or assignment in lieu of foreclosure or otherwise. The term “Landlord” as used herein shall mean and include the present landlord under the Lease and such landlord’s predecessors and successors in interest under the Lease, but shall not mean or include Lender unless and until Lender has succeeded to the interest of Landlord under the Lease. The term “Property” as used herein shall mean the Property, the improvements now or hereafter located thereon and the estates therein encumbered by the Security Instrument.

13. Further Acts. Tenant will, at the cost of Tenant, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts and assurances as Lender shall, from time to time, require, for the better assuring and confirming unto Lender the property and rights hereby intended now or hereafter so to be, or for carrying out the intention or facilitating the performance of the terms of this Agreement or for filing, registering or recording this Agreement, or for complying with all applicable laws.

14. Limitations on Purchaser’s Liability. In no event shall the Purchaser, nor any heir, legal representative, successor, or assignee of the Purchaser have any personal liability for the obligations of Landlord under the Lease and should the Purchaser succeed to the interests of the Landlord under the Lease, Tenant shall look only to the estate and property of any such Purchaser in the Property for the satisfaction of Tenant’s remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by any Purchaser as landlord under the Lease, and no other property or assets of any Purchaser shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant’s remedies under or with respect to the Lease; provided, however, that the Tenant may exercise any other right or remedy provided thereby or by law in the event of any failure by Landlord to perform any such obligation. Lender shall not, either by virtue of the Security Instrument, this Agreement or any of the other Loan Documents, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the Landlord’s interest in the Property, by foreclosure or otherwise, and then such liability or obligation of Lender under the Lease (as modified by the terms of this Agreement) shall extend only to those liabilities or obligations accruing subsequent to the date that Lender has acquired Landlord’s interest in the Property. Notwithstanding anything contained in this Agreement or the Lease to the contrary, upon Lender’s transfer or assignment of Lender’s interests in the Loan, the Lease (or any new lease executed pursuant to this Agreement), or the Property, Lender shall be deemed released and relieved of any obligations under this Agreement, the Lease (or any new lease executed pursuant to this Agreement), and with respect to the Property arising from and after the date of such transfer or assignment.
15. **Estoppel Certificate.** Tenant, shall, from time to time, within ten (10) business days after request by Lender, execute, acknowledge and deliver to Lender a statement by Tenant certifying (a) that the Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) the amounts of fixed rent, additional rent, percentage rent or other sums, if any, which are payable in respect of the Lease and the commencement date and expiration date of the Lease, (c) the dates to which the fixed rent, additional rent, percentage rent if any, and other sums which are payable in respect to the Lease have been paid, (d) whether or not Tenant is entitled to credits or offsets against such rent, and, if so, the reasons therefor and the amount thereof, (e) that, to the knowledge of the person certifying on behalf of Tenant, there are no uncured defaults in the performance of any of Tenant’s obligations under the Lease and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, or specifying such defaults if any are claimed, (f) whether or not, to the knowledge of the person certifying on behalf of Tenant, Landlord is in default in the performance of any of its obligations under the Lease, and, if so, specifying the same, (g) whether or not, to the knowledge of such person, any event has occurred which with the giving of such notice or passage of time, or both would constitute such a default, and, if so, specifying each such event, and (h) whether or not, to the knowledge of such person, Tenant has any claims, defenses or counterclaims against Landlord under the Lease, and, if so, specifying the same, it being intended that any such statement delivered pursuant hereto shall be deemed a representation and warranty to be relied upon by Lender and by others with whom Lender may be dealing, regardless of independent investigation. Tenant also shall include in any such statement such other information concerning the Lease as Lender may reasonably request.
IN WITNESS WHEREOF, Lender, Tenant and Landlord have duly executed this Agreement as of the date first above written.

LENDER:

FORETHOUGHT LIFE INSURANCE COMPANY,
an Indiana life insurance company

By: ______________
Name: 
Title: 

STATE OF _______)
COUNTY OF _______)
On __________, before me, the undersigned, personally appeared __________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said County and State

Name: __________
(SEAL)

TENANT:

MYRIAD GENETICS, INC.,
a Delaware corporation

By: ______________
STATE OF UTAH    )
§
COUNTY OF _____________    )

The foregoing instrument was acknowledged before me this _____ day of ________ 2022, by ________________,
the ________________ of Myriad Genetics, Inc., a Delaware corporation.

(SEAL)  Notary Public

Residing at:__________

My Commission Expires:______
LANDLORD:

BAY BRIDGE/CORPORATE, LLC,
a Delaware limited liability company

By: _____________
Name: 
Title:

STATE OF ________)
COUNTY OF ________)

On ______________, before me, the undersigned, personally appeared _____________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said County and State

Name: _____________
(SEAL)
EXHIBIT A

Legal Description of Property

THAT CERTAIN IMPROVED REAL PROPERTY LOCATED IN THE CITY OF SALT LAKE CITY, COUNTY OF SALT LAKE, STATE OF UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF 2200 WEST STREET SAID POINT BEING SOUTH 89°51'50" EAST ALONG THE CENTER SECTION LINE 1332.20 FEET AND NORTH 0°02'38" EAST 409.49 FROM THE CENTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT ALSO BEING SOUTH 0°02'38" WEST ALONG MONUMENTED LINE OF 2200 WEST 2930.93 FEET, SOUTH 89°51'50" EAST 45.11 FEET, TO THE SAID EAST RIGHT OF WAY LINE, AND NORTH 0°02'38" EAST 409.49 FEET, FROM FOUND CENTERLINE MONUMENT 2200 WEST AND 700 NORTH AND RUNNING THENCE SOUTH 89°54'50" EAST 683.82 FEET; THENCE SOUTH 0°19'01" WEST 328.98 FEET; THENCE SOUTH 89°51'07" EAST 191.61 FEET; THENCE NORTH 0°07'40" EAST 76.47 FEET; THENCE SOUTH 89°58'26" EAST 178.70 FEET; THENCE SOUTH 1°01'48" WEST 702.46 FEET; THENCE NORTH 89°51'50" WEST 1040.59 FEET, TO EAST LINE OF 2200 WEST STREET; THENCE NORTH 0°02'38" EAST ALONG SAID RIGHT OF WAY LINE 953.99 FEET, TO THE POINT OF BEGINNING. CONTAINS 892,501 SF OR 20.49 ACRES
EXHIBIT F
SIGNAGE RENDERING
EXHIBIT G
EXISTING PYLON SIGN
### SCHEDULE 45.1

<table>
<thead>
<tr>
<th>CHEMICAL</th>
<th>HAZARD CLASS</th>
<th>EVALUATION (CARCINOGENIC POTENTIAL, REPRODUCTIVE TOXICITY, ACUTE TOXICITY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acetic Acid, Glacial</td>
<td>Flammable, Corrosive</td>
<td>Danger: Flammable liquid and vapor. Causes severe skin burns and eye damage.</td>
</tr>
<tr>
<td>Ammonium Acetate</td>
<td>!</td>
<td>Warning: Skin and eye irritant. Possible respiratory irritant</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>Gas Cylinder</td>
<td>Warning: Contents under pressure. Possible asphyxiant</td>
</tr>
<tr>
<td>Dimethyl Sulfoxide (DMSO)</td>
<td>Flammable</td>
<td>Warning: Combustible liquid.</td>
</tr>
<tr>
<td>EDTA</td>
<td>!</td>
<td>Warning: Causes serious eye irritation</td>
</tr>
<tr>
<td>Ethylene Glycol</td>
<td>!, Health Hazard</td>
<td>Danger: Category II Flammable Liquid</td>
</tr>
<tr>
<td>Fluorescein</td>
<td>Health Hazard</td>
<td>Warning: Harmful if swallowed</td>
</tr>
<tr>
<td>Formamide</td>
<td>! Health Hazard</td>
<td>Danger: Possible skin and/or respiratory allergic reactions</td>
</tr>
<tr>
<td>Hydrochloric Acid</td>
<td>Corrosive</td>
<td>DANGER! Corrosive. Causes severe skin, eye, and digestive tract burns. Harmful if swallowed. Mist or vapor extremely irritating to eyes and respiratory tract.</td>
</tr>
<tr>
<td>Isopropyl Alcohol (Isopropanol)</td>
<td>!, Flammable</td>
<td>Danger: Highly Flammable liquid and vapor. Eye irritant</td>
</tr>
<tr>
<td>Liquinox</td>
<td>Corrosive</td>
<td>Danger: Causes skin irritation and eye damage.</td>
</tr>
<tr>
<td>Liquid Nitrogen</td>
<td>Gas Cylinder</td>
<td>Warning: Contains refrigerated gas. May cause cryogenic burns or injury. Possible asphyxiant</td>
</tr>
<tr>
<td>POP-7 Polymer</td>
<td>!</td>
<td>Warning: Skin and eye irritant. Possible respiratory irritant</td>
</tr>
<tr>
<td>Proclin</td>
<td>!, Corrosive, Environment</td>
<td>Danger: Harmful if swallowed, can cause severe skin burns and eye damage, toxic to aquatic life</td>
</tr>
<tr>
<td>Sec Butanol</td>
<td>!, Flammable</td>
<td>Warning: Flammable liquid and vapor. Eye and respiratory irritant</td>
</tr>
<tr>
<td>Sodium Dodecyl Sulfate (SDS) Solution</td>
<td>!</td>
<td>Eye Irritant</td>
</tr>
<tr>
<td>Sodium Hydroxide</td>
<td>Corrosive</td>
<td>Danger: May be corrosive to metals. Causes skin burns and eye damage.</td>
</tr>
<tr>
<td>Chemical</td>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------</td>
<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>Sodium Hypochlorite</td>
<td>Corrosive</td>
<td>Danger: Skin, eye, and respiratory irritant. Harmful if swallowed.</td>
</tr>
<tr>
<td>Tartrazine</td>
<td>Health Hazard</td>
<td>Danger: Possible skin and/or respiratory allergic reactions</td>
</tr>
<tr>
<td>Tris-borate-EDTA</td>
<td>Health Hazard</td>
<td>Danger: Reproductive Toxicity</td>
</tr>
<tr>
<td>Powder (TBE) Buffer</td>
<td>!</td>
<td>Warning: Eye irritant.</td>
</tr>
<tr>
<td>Powder</td>
<td>!</td>
<td>Warning: Skin and eye irritant. Possible respiratory irritant.</td>
</tr>
<tr>
<td>Triton X</td>
<td>!</td>
<td>Warning: Eye irritant.</td>
</tr>
<tr>
<td>Trizma Crystals</td>
<td>!</td>
<td>Warning: Skin and eye irritant. Possible respiratory irritant.</td>
</tr>
<tr>
<td>Trizol</td>
<td>Health Hazard, Toxic, Corrosive</td>
<td>Danger: oral toxicity, dermal toxicity</td>
</tr>
<tr>
<td>Xylene</td>
<td>!, Flammable</td>
<td>Warning: Flammable liquid and vapor. Harmful upon contact with skin or inhalation. Skin irritant.</td>
</tr>
<tr>
<td>Xylene Cyanol</td>
<td>!</td>
<td>Warning: Skin and eye irritant. Possible respiratory irritant.</td>
</tr>
</tbody>
</table>
NEXUS ON GRAND

LEASE

This Lease (the "Lease"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "Summary"), below, is made by and between BAYSIDE AREA DEVELOPMENT, LLC, a Delaware limited liability company ("Landlord"), and MYRIAD GENETICS, INC., a Delaware corporation ("Tenant").

SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE

1. Lease Effective Date:

   December 7, 2021

2. Premises (Article 1).

   2.1 Building:

   That certain five-story building containing approximately 148,411 rentable square feet of space ("RSF"), located at:

   233 E Grand Avenue
   South San Francisco, California 94080

   2.2 Premises:

   Approximately 63,246 RSF in the aggregate, located on the 4th and 5th floors of the Building, as further set forth in Exhibit A to the Lease.

3. Lease Term (Article 2).

   3.1 Length of Term:

   Ten (10) years following the Lease Commencement Date.

   The earlier of (i) the date the Tenant Improvements in the Premises are Substantially Complete (as such terms are defined in the Tenant Work Letter), and (ii) the date that is nine (9) months after the “Possession Date”, as defined in Section 1.1.1 of the Lease.

   The day prior to the tenth (10th) anniversary of the Lease Commencement Date.

4. Base Rent (Article 3):

   Lease Year

<table>
<thead>
<tr>
<th>Annual Base Rent</th>
<th>Monthly Installment of Base Rent</th>
<th>Monthly Base Rent per RSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1* $5,122,926.00</td>
<td>$426,910.50</td>
<td>$6.75</td>
</tr>
<tr>
<td>2 $5,302,266.36</td>
<td>$441,855.53</td>
<td>$6.9863</td>
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<tr>
<td>3 $5,487,830.12</td>
<td>$457,319.18</td>
<td>$7.2308</td>
</tr>
</tbody>
</table>
5. Tenant Improvement Allowance (\textit{Exhibit B}):  

\begin{itemize}
  \item [5.1] Tenant Improvement Allowance: An amount equal to $170.00 per RSF of the Premises (\textit{i.e.}, $10,751,820.00 based upon 63,246 RSF in the Premises).
  \item [5.2] Additional Tenant Improvement Allowance: An amount equal to up to $35.00 per RSF of the Premises (\textit{i.e.}, $2,213,610.00 based upon 63,246 RSF in the Premises).
\end{itemize}

6. Tenant's Share (\textit{Article 4}): 42.62%

7. Permitted Use (\textit{Article 5}):

The Premises shall be used only for general office, research and development, engineering, laboratory, vivarium, storage and/or warehouse uses, including, but not limited to, administrative offices and other lawful uses reasonably related to or incidental to such specified uses, all (i) consistent with first class life sciences projects in South San Francisco, California ("\textit{First Class Life Sciences Projects}"), and (ii) in compliance with, and subject to, applicable laws and the terms of this Lease.

8. Letter of Credit (\textit{Article 21}): $1,163,675.00

9. Parking (\textit{Article 28}):

2.5 unreserved parking spaces for every 1,000 rentable square feet of the Premises, subject to the terms of \textit{Article 28} of the Lease.
10. Address of Tenant
    (Section 29.18):
    Myriad Genetics, Inc.
    180 Kimball Way
    South San Francisco, CA 94080
    Attention:
    (Prior to Lease Commencement Date)
    and
    Myriad Genetics, Inc.
    233 E Grand Avenue
    South San Francisco, California 94080
    Attention:
    (After Lease Commencement Date)

11. Address of Landlord
    (Section 29.18):
    See Section 29.18 of the Lease.

12. Broker(s)
    (Section 29.24):
    CBRE, Inc.
1. PREMISES, BUILDING, PROJECT, AND COMMON AREAS.

1.1 Premises, Building, Project and Common Areas.

1.1.1 The Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "Premises"). The outline of the Premises is set forth in Exhibit A attached hereto. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Notwithstanding the foregoing, Landlord shall construct the Building and Premises in accordance with the specifications set forth on Schedule 1 to Exhibit B. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit B (the "Tenant Work Letter"), Landlord shall tender possession of the Premises and all base Building systems, including, but not limited to, HVAC, plumbing, roof/roof membrane and electrical systems in good working condition and repair and in compliance with all local, state and federal codes including the Americans with Disabilities Act and environmental requirements to the extent necessary to obtain a legal occupancy certificate, or legally required equivalent, as required for occupancy of the Premises under applicable law. Landlord shall warrant base Building systems for the first twelve (12) months of the Lease Term. Landlord shall tender possession of the Premises to Tenant on or before August 1, 2022 (the "Anticipated Delivery Date"). The actual date that Landlord tenders possession of the Premises to Tenant in the required condition specified in this Section 1.1 shall be deemed the "Possession Date". If Landlord does not deliver possession of the Premises to Tenant in the required condition specified in this Section 1.1 (the "Required Condition") within ninety (90) days after the Anticipated Delivery Date (the "Delivery Deadline"), then Tenant shall be entitled to one (1) day of abatement of Rent for each day of such delay, starting on the Delivery Deadline and continuing until Landlord actually delivers possession of the Premises to Tenant in the Required Condition. If Landlord does not deliver possession of the Premises to Tenant in the Required Condition within one hundred twenty (120) days after the Anticipated Delivery Date (the "Outside Delivery Deadline"), Tenant may elect to cancel this Lease by giving written notice to Landlord within twenty (20) business days after the Outside Delivery Deadline. If Tenant gives such notice, this Lease shall be cancelled, effective immediately, and neither Landlord nor Tenant shall have any further obligation to the other. If Tenant does not give such notice within such specified time period, Tenant’s right to cancel the Lease shall expire and the Lease Term shall commence upon the delivery of possession of the Premises to Tenant. The Delivery Deadline and the Outside Delivery Deadline shall each be extended for any delays in delivery of the Premises caused by Force Majeure (as defined in Section 29.16, below). Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter.

1.1.2 The Building and The Project. The Premises constitutes floors in the building set forth in Section 2.1 of the Summary (the "Building"). The Building is part of an office/laboratory project currently known as "Nexus on Grand." The term "Project," as used in this Lease, shall mean (i) the Building and the Common Areas, and (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located.

1.1.3 Common Areas. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, but subject to Tenant’s rights under this Lease, are collectively referred to herein as the "Common Areas"). The manner in which the Common Areas are maintained and operated shall be commensurate with other First Class Life Science Projects in the vicinity of the Project and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time (subject to Tenant’s rights under this Lease). Subject to Tenant’s rights under this Lease, Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas, provided that, in connection therewith, Landlord shall perform such closures, alterations, additions or changes in a commercially reasonable manner and, in connection therewith, shall use commercially reasonable efforts to minimize interference with Tenant's use of and access to the Premises or parking areas.
1.1.4 **Project Amenities.** Landlord hereby acknowledges that as of the date of this Lease Landlord is planning to provide a grab and go food service, outdoor seating and meeting space, connection to the rails-to-trails walking/biking path and a fitness center for use by the tenants of the Project during the Lease Term, and in connection therewith Landlord agrees to utilize commercially reasonable efforts to maintain such amenities throughout the Lease Term; provided, however, Tenant nevertheless acknowledges hereby that if despite such commercially reasonable efforts, Landlord is unable for any reason to maintain continuous operation of such amenities during the Lease Term, in no event shall such failure be deemed a default of the Lease, nor shall such failure impact the validity of this Lease and Landlord shall not be subject to any liability for such failure. In such event Landlord shall utilize commercially reasonable efforts to provide replacement food services to Tenant (e.g., the routine scheduling of food trucks to the Project).

1.2 **Rental Square Feet of Premises.** Following the completion of the construction of the Building by Landlord, Landlord will cause the Building and Premises to be remeasured by Landlord's space planning consultant in accordance with Landlord's standard method of space measurement (which method of measurement has been provided to Tenant and is set forth in the Preliminary Report, dated September 21, 2021, of Stevenson Systems). If the measurement shows a RSF of the Premises that is less than ninety-five percent (95%) of that set forth in Section 2.2 of the Summary, then the RSF of the Premises, the Base Rent, Tenant’s Share and Tenant Improvement Allowance shall all be appropriately modified, and the parties shall enter into an amendment to this Lease to document such modification. If any such measurement shows a RSF of the Premises that is not less than ninety-five percent (95%) of the RSF set forth in Section 2.2 of the Summary, then the Premises shall be deemed to contain the amount of RSF as set forth in the Summary, and shall not be subject to remeasurement or adjustment during the Lease Term.

1.3 **Right of First Offer.** Subject and subordinate to the rights of any existing tenant of the First Offer Space (defined below), Landlord hereby grants to the Tenant named in the Summary (the "Original Tenant") and its Permitted Assignee a right of first offer with respect to the space located on the 3rd floor of the Building (the "First Offer Space"), on the terms and conditions set forth in this Section 1.3. Such right of first offer shall commence on the Lease Commencement Date, and shall continue through the first five (5) Lease Years, at which point it will terminate and be of no further force or effect. Notwithstanding the foregoing, Tenant acknowledges that if the First Offer Space is not subject to a lease as of the Lease Commencement Date, Tenant’s right of first offer shall be subject to Landlord’s initial lease of such space to a third party, and any rights granted to the tenant under such initial lease.

1.3.1 **Procedure for Offer.** Prior to Landlord entering into any new lease of the First Offer Space, Landlord shall offer, in a writing meeting the requirements of Section 29.18 of this Lease (the "First Offer Notice"), to lease to Tenant such First Offer Space. If Landlord intends to lease the First Offer Space as a part of a transaction including additional space, then the First Offer Notice shall include such additional space, provided that such additional space is located in the Building, as well as the First Offer Space. The First Offer Notice shall describe the space so offered to Tenant and shall set forth the rent and other economic terms upon which Landlord is willing to lease such space to Tenant (the "First Offer Rent").

1.3.2 **Procedure for Acceptance.** If Tenant wishes to exercise Tenant's right of first offer with respect to the space described in the First Offer Notice, then within seven (7) days after delivery of the First Offer Notice to Tenant, Tenant shall deliver notice to Landlord of Tenant's election to exercise its right of first offer with respect to the entire space described in the First Offer Notice on the terms contained in the First Offer Notice. If Tenant does not so notify Landlord within the seven (7) day period, then Landlord shall be free to lease the space described in the First Offer Notice to anyone to whom Landlord desires on any terms Landlord desires, provided that, prior to entering into a lease on net economic terms (including all required payments, economic concessions, and allowances to be provided and the length of the prospective term), calculated on a present value basis, that are more than 5% more favorable to the proposed tenant than those set forth in the First Offer Notice, Landlord shall be required to first re-offer such space to Tenant on such reduced terms, in accordance with this Section 1.3. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to the entire space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof.

1.3.3 **Construction In First Offer Space.** Tenant shall take the First Offer Space in its "as is" condition, subject to any improvement allowance granted as a component of the First Offer Rent, and the construction of improvements in the First Offer Space shall comply with the terms of Article 8 of this Lease.
1.3.4 Amendment to Lease. If Tenant timely exercises Tenant's right to lease the First Offer Space as set forth herein, Landlord and Tenant shall promptly thereafter execute an amendment to this Lease adding such First Offer Space (and any additional space) to the Premises upon the terms and conditions as set forth in the First Offer Notice and this Section 1.3. Tenant shall commence payment of Rent for the First Offer Space, and the term of the First Offer Space shall commence upon the date specified in the First Offer Notice (the "First Offer Commencement Date") and terminate on the date set forth in the First Offer Notice.

1.3.5 Termination of Right of First Offer. The rights contained in this Section 1.3 shall be personal to the Original Tenant and its Permitted Assignee, and may only be exercised by the Original Tenant and its Permitted Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if the Original Tenant and/or its Permitted Assignee occupies substantially all of the Premises, and only during the first five (5) Lease Years of the initial Lease Term. The right of first offer granted herein shall terminate upon the failure by Tenant to exercise its right of first offer with respect to First Offer Space as offered by Landlord. Tenant shall not have the right to lease First Offer Space, as provided in this Section 1.3, if, as of the date of the attempted exercise of any right of first offer by Tenant, or as of the scheduled date of delivery of such First Offer Space to Tenant, Tenant is in default under this Lease, after the expiration of any applicable notice and cure period, or Tenant has previously been in default under this Lease, after the expiration of any applicable notice and cure period, more than twice.

1.4 Future Lease With Landlord Affiliate. If during the Lease Term, Tenant enters into a lease with Landlord or an affiliate of Landlord (i.e., an entity that controls or is under common control with Landlord) for more than 100,000 RSF (a “Future Lease”), then Landlord shall agree to terminate this Lease as of the lease commencement date of such Future Lease. Notwithstanding any such termination, Tenant’s obligation to repay any then outstanding amount of the Additional Tenant Improvement Allowance, by continuing the payment of the Additional Monthly Base Rent (as provided in Section 2.1.2 of the Tenant Work Letter), shall survive such termination of the Lease until such amounts are fully paid. Notwithstanding the foregoing, neither Landlord nor Tenant shall have any obligation to negotiate or agree to any Future Lease, and any Future Lease shall be entered into only in the sole and absolute discretion of Landlord and Tenant.

2. LEASE TERM; OPTION TERM.

2.1 Lease Term. The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "Lease Term") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "Lease Commencement Date"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "Lease Expiration Date") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term. At any time during the Lease Term, Landlord may deliver to Tenant, in accordance with Exhibit C, attached hereto, a notice in the form as set forth in Section 2.1.2 of the Tenant Work Letter and installing IT infrastructure, phone systems and furniture in the Premises (the "Construction Period"). Tenant shall have no obligation to pay Base Rent or Tenant's Share of Direct Expenses with respect to the Construction Period, but Tenant shall pay for all utilities used by Tenant in the Premises during the Construction Period.

2.2 Option Term.

2.2.1 Option Right. Landlord hereby grants the Tenant originally named in this Lease (the “Original Tenant”), and any assignee of Original Tenant's entire interest in the Lease that has been approved in accordance with the terms of Article 14, below (a "Permitted Assignee"), one (1) option to extend the Lease Term for a period of ten (10) years (the “Option Term”). Such option to extend shall be exercisable only by written notice delivered to Tenant to Landlord not more than twelve (12) months nor less than nine (9) months prior to the expiration of the initial Lease Term (or initial Option Term, as the case may be), stating that Tenant is thereby irrevocably exercising its option to lease the Premises during the applicable Option Term. Upon the proper exercise of the option to extend, and provided that, as of the date of delivery of such notice, Tenant is not in default under this Lease, after the expiration of any applicable notice and cure period, and as of the end of the initial Lease Term, Tenant is not in default under this Lease, the Lease Term shall be extended for a period of ten (10) years. The rights contained in this Section 2.2 shall be personal to Original Tenant and any Permitted Assignee (and not any other assignee, sublessee or "Transferee," as that term is defined in Section 14.1, below, of Tenant's interest in this Lease).
2.2.2 **Option Rent.** The Base Rent payable by Tenant during the first (1st) year of the Option Term (the "Option Rent") shall be equal to the "Market Rent," as that term is defined in Exhibit F, attached hereto, as such Market Rent is determined pursuant to Exhibit F, attached hereto. The calculation of the "Market Rent" shall be derived from a review of, and comparison to, the "Net Equivalent Lease Rates" of the "Comparable Transactions," as provided for in Exhibit F, and, thereafter, the Market Rent shall be stated as a "Net Equivalent Lease Rate" for the Option Term. The Rent payable by Tenant during each subsequent year of the Option Term shall be increased in accordance with the Market Rent.

2.2.3 **Determination of Option Rent.** In the event Tenant timely and appropriately exercises its option to extend the Lease, Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is ninety (90) days prior to the expiration of the initial Lease Term (the "Outside Agreement Date"), then, within ten (10) business days thereafter, each party shall make a separate determination of the Option Rent, and such determinations shall be submitted to arbitration in accordance with Sections 2.2.3.1 through 2.2.3.4, below.

2.2.3.1 Landlord and Tenant shall each appoint one arbitrator who shall be, at the option of the appointing party a licensed MAI appraiser or a real estate broker, who shall have been active over the five (5) year period ending on the date of such appointment in the leasing or appraisal, as the case may be, of life science properties in South San Francisco. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent, taking into account the requirements of Section 2.2.2 of this Lease, as determined by the arbitrators. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions. The arbitrators so selected by Landlord and Tenant shall be deemed "Advocate Arbitrators."

2.2.3.2 The two (2) Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("Neutral Arbitrator") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators, except that neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior to or subsequent to his or her appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.3.3 The three arbitrators shall, within thirty (30) days of the appointment of the Neutral Arbitrator, reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent, and shall notify Landlord and Tenant thereof.

2.2.3.4 The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant.

2.2.3.5 If either Landlord or Tenant fails to appoint an Advocate Arbitrator within fifteen (15) days after the Outside Agreement Date, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint such Advocate Arbitrator subject to the criteria in Section 2.2.3.1 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Advocate Arbitrator.

2.2.3.6 If the two (2) Advocate Arbitrators fail to agree upon and appoint the Neutral Arbitrator, then either party may petition the presiding judge of the Superior Court of San Mateo County to appoint the Neutral Arbitrator, subject to criteria in Section 2.2.3.2 of this Lease, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such arbitrator.

2.2.3.7 The cost of the arbitration shall be paid by Landlord and Tenant equally.

2.2.3.8 In the event that the Option Rent has not been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall pay Base Rent at a rate equal to 103% of the Base Rent in effect at the end of the initial Lease Term, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts of Option Rent due, and the appropriate party shall make any corresponding payment to the other party.
3. **BASE RENT; RENT ABATEMENT.**

3.1 **Base Rent.** Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing upon thirty (30) days advance written notice, by a check for currency or means of a wire transfer or deposit to Landlord's account, which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("Base Rent") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term occurring after the "Rent Abatement Period", as defined in Section 3.2, below, shall be paid on the Possession Date. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. 

All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Rent Abatement.** Notwithstanding any provision to the contrary set forth in Section 3.1, above, provided that Tenant is not then in default of this Lease, after receipt of any required notices and expiration of any applicable cure periods, Tenant shall have no obligation to pay any Base Rent (the "Rent Abatement") attributable to the first three (3) months of the Lease Term (the "Rent Abatement Period"). If Tenant is in default under the Lease, and fails to cure such default within the time, if any, provided for cure pursuant to the Lease, then, in addition to any other remedies Landlord may have under the Lease, as amended, Landlord, at its option, may elect, by delivery of written notice to Tenant, that the unapplied portion of the Rent Abatement as of such default shall be moved to the end of the Lease Term, and Tenant shall immediately be obligated to pay Base Rent for the Premises at the full amounts of the monthly installments set forth in Section 4 of the Summary.

4. **ADDITIONAL RENT.**

4.1 **General Terms.**

4.1.1 **Direct Expenses: Additional Rent.** In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "Additional Rent", and the Base Rent and the Additional Rent are herein collectively referred to as "Rent." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 attributable to the Lease Term shall survive the expiration of the Lease Term.

4.1.2 **Triple Net Lease.** Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "TRIPLE NET" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for Tenant's Share of the costs and expenses incurred by Landlord to operate, maintain, manage, and repair the Building and the Project, and Tenant's operation therefrom, subject to and in accordance with the terms of this Lease. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent.

4.2 **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 Intentionally Deleted.

4.2.2 "Direct Expenses" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "Expense Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.
4.2.4 "Operating Expenses" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following, to the extent actually incurred by Landlord: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program (including the "TDMP" as defined in Section 29.31); (iii) the cost of all insurance carried by Landlord in connection with the Project and Premises as reasonably determined by Landlord; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) the cost of parking area operation, repair, restoration, and maintenance; (vi) fees and other costs, including management and/or incentive fees (not to exceed 3% of the Base Rent hereunder), consulting fees, legal fees and accounting fees, of all contractors and consultants directly related to the management, operation, maintenance and repair of the Project; (vii) intentionally deleted; (viii) subject to item (i), below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons directly engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial, alarm, security and other services for the common areas, and replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including reasonable interest on the unamortized cost) over the useful life thereof determined in accordance with sound real estate management and accounting principles, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof (provided that such amortized cost and related interest shall only be included in Operating Expenses for that portion of the useful life of such improvement that falls within the Lease Term); (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to improve economies in the operation or maintenance of the Project, or any portion thereof, or to reduce current or future Operating Expenses or to enhance the safety or security of the Project or its occupants, (B) that are required to comply with mandatory conservation programs, (C) which are replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, or (D) that are required under any governmental law or regulation that was not in effect or in force as of the Lease Commencement Date; provided, however, that any capital expenditure shall be amortized (including reasonable interest on the amortized cost) over the useful life thereof determined in accordance with sound real estate management and accounting principles (provided that such amortized cost and related interest shall only be included in Operating Expenses for that portion of the useful life of such improvement that falls within the Lease Term); and (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 29.2.5, below, (xv) intentionally deleted, and (xvi) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, any parking licenses, and any agreements with transit agencies affecting the Property (collectively, "Underlying Documents"). Costs incurred as a result of insurance deductible amounts shall be included in Operating Expenses only in the manner provided in this Section 4.2.4, and only to the extent otherwise allowed to be included in Operating Expenses by this Section 4.2.4. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including legal fees, space planners' fees, advertising and promotional expenses (except as otherwise set forth above), brokerage fees, and any permit and impact fees, in each case, incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for tenants occupying space in the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, costs of capital repairs and alterations, and costs of capital improvements and equipment;
(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project, condemnation proceeds, or by insurance by its carrier or any tenant's carrier or by anyone else, and utility or service costs for which any tenant is separately metered and billed, either by Landlord or directly pursuant to contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(f) the wages and benefits of any employee to the extent such employee does not devote his or her employed time to the Project, meaning that such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-à-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) except for a Project management fee (provided that Tenant's Share thereof shall not exceed three percent (3%) of the Base Rent paid by Tenant hereunder), overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing engineering, janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(m) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(n) costs arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors or providers of materials or services; and
(o) costs incurred to comply with laws relating to the monitoring, testing, removal or remediation of hazardous material (as defined under applicable law) which was in existence in the Premises, Building or Project prior to the Lease Commencement Date, or migrated to the Premises, Building or Project after the Lease Commencement Date and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on the Project, would likely have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord, any Landlord Party (defined below) or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would likely have then required the removal of such hazardous material or other remedial or containment action with respect thereto;

(p) the cost of special services, goods or materials provided to any other tenant of the Project, and not provided to Tenant;

(q) repairs, alterations, additions, improvements or replacements needed to rectify or correct any defects in the original design, construction, materials or workmanship of the Project or common areas or the failure of the Building to comply as of the Commencement Date with any then existing laws;

(r) Landlord's general overhead expenses not related to the Project;

(s) legal fees, accountants' fees (other than normal, customary bookkeeping expenses) and other expenses incurred in connection with disputes of tenants or other occupants of the Project or associated with the enforcement of the terms of any leases with tenants or the defense of Landlord's title to or interest in the Project or any part thereof;

(t) costs incurred due to a violation by Landlord or any other tenant of the Project of the terms and conditions of a lease or applicable laws;

(u) self-insurance retentions;

(v) any bad debt and rent loss reserve funds;

(w) costs of Landlord’s charitable or political contributions, entertainment, dining and travel expenses, or of the acquisition or installation of fine art maintained at the Project;

(x) items for which Landlord is otherwise reimbursed or entitled to be reimbursed or would have been reimbursed but for Landlord’s failure to comply with the requirements therefor, including, without limitation, by insurance or condemnation proceeds or under any warranties;

(y) debt service on indebtedness secured by any mortgage, deed of trust or similar instrument encumbering the Property, and points, pre-payment penalties and financing and refinancing costs for such indebtedness, including, without limitation, the cost of appraisals, title insurance and environmental, geotechnical, zoning and other reports;

(z) costs of selling, syndicating and otherwise transferring the Property and Landlord’s interest in the Building, including, without limitation, brokerage commission closing costs, title insurance premiums and transfer and other similar taxes and charges; and

(aa) expenses for capital repairs and other capital work caused by fire, windstorm and other casualty (excluding costs comprising Landlord’s insurance deductible).
4.2.5 **Taxes.**

4.2.5.1 "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises or the improvements thereon.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are incurred. Tax refunds shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord within thirty (30) days of receipt of written invoice, together with reasonable documentation of such costs, for Tenant's Share of any such increased Tax Expenses. Notwithstanding anything to the contrary contained in this Section 4.2.5, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.5.4 **Tenant's Share** shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Intentionally Omitted.**

4.4 **Calculation and Payment of Additional Rent.** Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, Tenant's Share of Direct Expenses for each Expense Year.
4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Landlord shall give to Tenant within one hundred twenty (120) days following the end of each Expense Year, a statement (the “Statement”) which shall state the Direct Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of Tenant's Share of Direct Expenses. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay, with its next installment of Base Rent due, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, Tenant shall pay to Landlord such amount within thirty (30) days of receipt of a written invoice therefor (subject to the provisions of Section 4.6), and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of Direct Expenses attributable to any Expense Year which are first billed to Tenant more than eighteen (18) months after the earlier of the expiration of the applicable Expense Year or the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant’s Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year (provided that Landlord delivers Tenant a bill for such amounts within twelve (12) months following Landlord’s receipt of the bill therefor).

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall endeavor to give Tenant a yearly expense estimate statement (the “Estimate Statement”) which shall set forth Landlord’s reasonable estimate (the “Estimate”) of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "Estimated Direct Expenses"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.
4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible.** Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.6 **Landlord's Books and Records.** Within ninety (90) days after Tenant's receipt of a Statement, if Tenant disputes the amount of Additional Rent set forth in the Statement, if Tenant disputes the amount of Additional Rent set forth in the Statement, an independent certified public accountant (which accountant is a member of a nationally recognized accounting firm and is not working on a contingency fee basis) ("Tenant's Accountant"), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices, provided that there is no existing Event of Default and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within ninety (90) days of Tenant's receipt of such Statement shall be deemed to be Tenant's approval of such Statement and, except in the case of fraud, Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "Accountant") mutually selected by Landlord and Tenant; provided that if such determination by the Accountant proves that Direct Expenses were overstated by more than seven percent (7%), then the cost of the Tenant's Accountant and the Accountant and the cost of such determinations shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and except in the case of fraud, Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

5. **USE OF PREMISES.**

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses.** Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect, or any Underlying Documents. Landlord shall have the right to impose reasonable and customary rules and regulations regarding the use of the Project, as reasonably deemed necessary by Landlord with respect to the orderly operation of the Project, and Tenant shall comply with such reasonable rules and regulations (subject to Tenant's rights under this Lease). Tenant shall not do or permit anything to be done in or about the Premises which will interfere with the rights of other tenants or occupants of the Building, or injure them or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions now or hereafter affecting the Project of which Tenant has received a copy.
5.3 Hazardous Materials

5.3.1 Tenant's Obligations

5.3.1.1 Prohibitions. As a material inducement to Landlord to enter into this Lease with Tenant, Tenant has fully and accurately completed Landlord’s Pre-Leasing Environmental Exposure Questionnaire (the “Environmental Questionnaire”), which is attached as Exhibit E. Tenant agrees that except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire, neither Tenant nor Tenant’s employees, contractors and subcontracts of any tier, entities with a contractual relationship with Tenant (other than Landlord), or any entity acting as an agent or sub-agent of Tenant (collectively, "Tenant’s Agents") will produce, use, store or generate any "Hazardous Materials," as that term is defined below, on, under or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, manufactured, generated, blended, handled, recycled, used or "Released," as that term is defined below, on, in, under or about the Premises. If any information provided to Landlord by Tenant on the Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is knowingly false, incomplete, or misleading in any material respect, the same shall be deemed a default by Tenant under this Lease. Upon Landlord’s reasonable request, or in the event of any material change in Tenant’s use of Hazardous Materials at the Premises, Tenant shall deliver to Landlord an updated Environmental Questionnaire at least once a year. Landlord’s prior written consent, not to be unreasonably withheld, conditioned or delayed, shall be required for any Hazardous Materials use for the Premises not described on the initial Environmental Questionnaire. Tenant shall not install or permit any underground storage tank on the Premises. For purposes of this Lease, "Hazardous Materials" means all flammable explosives, petroleum and petroleum products, waste oil, radon, radioactive materials, toxic pollutants, asbestos, polychlorinated biphenyls ("PCBs"), medical waste, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including without limitation any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” or “toxic substances” under any Environmental Laws. The term “Hazardous Materials” for purposes of this Lease shall also include any mold, fungus or spores, whether or not the same is defined, listed, or otherwise classified as a “hazardous material” under any Environmental Laws, if such mold, fungus or spores may pose a risk to human health or the environment or negatively impact the value of the Premises. For purposes of this Lease, "Release" or "Released" or "Releases" shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment.
5.3.1.2 **Notices to Landlord.** Each Party shall notify the other Party in writing as soon as possible but in no event later than five (5) days after (i) the occurrence of any actual Release of any Hazardous Material in, on, under, from, about or in the vicinity of the Premises or the Project (whether past or present), regardless of the source or quantity of any such Release caused by Tenant, or (ii) such Party becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises or the Project, or (iii) such Party becomes aware of any claims by any person or entity relating to any Hazardous Materials in, on, under, from, about or in the vicinity of the Premises or the Project, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims." Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, Tenant shall promptly advise Landlord in writing of Tenant’s discovery of any occurrence or condition on, in, under or about the Premises that could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use of the Premises under any "Environmental Laws," as that term is defined below. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims without first notifying Landlord of Tenant’s intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord or the Premises without Landlord’s prior written consent. Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim. For purposes of this Lease, "Environmental Laws" means all applicable present and future laws relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (i) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Materials, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials; and (ii) all requirements pertaining to the health and safety of employees or the public. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601, et seq., the Hazardous Materials Transportation Authorization Act of 1994, 49 USC § 5101, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Hazardous and Solid Waste Amendments of 1984, 42 USC § 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC § 1251, et seq., the Clean Air Act of 1966, 42 USC § 7401, et seq., the Toxic Substances Control Act of 1976, 15 USC § 2601, et seq., the Safe Drinking Water Act of 1974, 42 USC §§ 300f through 300j; the Occupational Safety and Health Act of 1970, as amended, 29 USC § 651 et seq., the Oil Pollution Act of 1990, 33 USC § 2701 et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 USC § 11001 et seq., the National Environmental Policy Act of 1969, 42 USC § 4321 et seq., the Federal Insecticide, Fungicide and Rodenticide Act of 1947, 7 USC § 136 et seq., California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq., Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code, §§ 25500 et seq., Underground Storage of Hazardous Substances provisions, California Health & Safety Code, §§ 25280 et seq., California Hazardous Waste Control Law, California Health & Safety Code, §§ 25100 et seq., and any other state or local law counterparts, as amended, as such applicable laws, are in effect as of the Lease Commencement Date, or hereafter adopted, published, or promulgated.

5.3.1.3 **Releases of Hazardous Materials.** If any Release of any Hazardous Material in, on, under, from or about the Premises shall occur at any time during the Lease Term and/or if any other Hazardous Material condition exists at the Premises that requires response actions of any kind, in addition to notifying Landlord as specified above, Tenant, at its own sole cost and expense, shall (i) immediately comply with any and all reporting requirements imposed pursuant to any and all Environmental Laws, (ii) provide a written certification to Landlord indicating that Tenant has complied with all applicable reporting requirements, (iii) if Tenant or any Tenant Party is responsible for such Release pursuant to the terms of this Lease, (A) take any and all necessary investigation, corrective and remedial action in accordance with any and all applicable Environmental Laws, utilizing, if required by Applicable Law, an environmental consultant selected by Tenant and reasonably acceptable to Landlord, all in accordance with the provisions and requirements of this Section 5.3, including, without limitation, Section 5.3.4, and (B) take any such additional investigative, remedial and corrective actions as may be required under Environmental Laws such that the Premises are remediated to the condition existing prior to such Release.
5.3.1.4 **Indemnification.**

5.3.1.4.1 **In General.** Without limiting in any way Tenant’s obligations under any other provision of this Lease, Tenant shall be solely responsible for and shall protect, defend, indemnify and hold the Landlord Parties harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including, without limitation, actual attorneys’ fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including sums paid in settlement of claims, that arise during or after the Lease Term in whole or in part, directly arising out of or attributable to Tenant’s or Tenant’s Agent’s use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises, except to the extent such liabilities result from the negligence or willful misconduct of, or breach of this Lease by, Landlord or any Landlord Party.

5.3.1.4.2 **Limitations.** Notwithstanding anything in Section 5.4.1.4, above, to the contrary, Tenant's indemnity of Landlord as set forth in Section 5.4.1.4, above, shall not be applicable to (i) claims based upon any Hazardous Materials existing in, on or under the Premises, Building or Project as of the date of this Lease (the "Existing Hazardous Materials"); (ii) claims based upon Hazardous Materials that migrated in, on or under the Premises, Building or Project (the "Migrating Hazardous Materials"); and (iii) claims based upon Hazardous Materials brought in, on or under the Premises, Building or Project by Landlord or any Landlord Party or any other party (other than Tenant or Tenant’s Agents) ("Landlord’s Hazardous Materials"), except to the extent that Tenant's construction activities and/or Tenant's other acts or omissions caused or exacerbated the subject claim. Landlord shall indemnify, defend, protect and hold harmless Tenant and Tenant’s Agents from and against any and all claims to the extent arising out of any Existing Hazardous Materials, Migrating Hazardous Materials or Landlord’s Hazardous Materials, except to the extent made Tenant's responsibility by the preceding sentence.

5.3.1.5 **Compliance with Environmental Laws.** Without limiting the generality of Tenant’s obligation to comply with applicable laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Environmental Laws; provided, however, that Tenant's obligation to perform remediation shall be limited to Releases of Hazardous Materials by Tenant or Tenant's Agents only. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant’s use of Hazardous Materials. Within thirty (30) days of written request of Landlord, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant’s activities involving Hazardous Materials and showing to Landlord’s satisfaction compliance with all Environmental Laws and the terms of this Lease.

5.3.2 **Assurance of Performance.**

5.3.2.1 **Environmental Assessments In General.** Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform environmental assessments of a scope reasonably determined by Landlord (an "Environmental Assessment") to ensure Tenant’s compliance with the requirements of this Lease with respect to Hazardous Materials.

5.3.2.2 **Costs of Environmental Assessments.** All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with any of the provisions of this Section 5.3, then all of the uncontested costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within thirty (30) days after receipt of written demand thereof, together with reasonable documentation of such costs and a copy of the Environmental Assessment.
5.3.3 **Tenant's Obligations upon Surrender.** At the expiration or earlier termination of the Lease Term, Tenant, at Tenant’s sole cost and expense, shall: (i) if Tenant has used Hazardous Materials in the Premises or if any Release by Tenant or any Tenant Agent occurred during the Lease Term, cause an Environmental Assessment of the Premises to be conducted in accordance with Section 5.3; (ii) cause all Hazardous Materials Released by Tenant or a Tenant Agent to be removed from the Premises and disposed of in accordance with all Environmental Laws and as necessary to allow the Premises to be used for any purpose permitted as of the Lease Commencement Date, subject to applicable land use regulations; and (iii) cause to be removed all containers installed or used by Tenant or Tenant’s Agents to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises caused by such removal.

5.3.4 **Clean-up.**

5.3.4.1 **Environmental Reports; Clean-Up.** If any written report, including any report containing results of any Environmental Assessment (an "Environmental Report") indicates (i) the presence of any Hazardous Materials for which Tenant has a removal or remediation obligation under this Section 5.3, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the "Clean-up") of any Hazardous Materials is required, Tenant shall immediately prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord’s written approval (not to be unreasonably withheld, conditioned or delayed), specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises are restored to the conditions required by this Lease. Upon Landlord’s approval of the Clean-up plan, Tenant shall, at Tenant’s sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-Up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. If, within thirty (30) days after receiving Landlord’s approval of the Clean-up plan, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such thirty-day period, fails to proceed with diligence to complete the Clean-up as promptly as practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises, and recover all of the costs and expenses thereof from Tenant as Additional Rent, payable within thirty (30) days after receipt of written demand therefor.

5.3.4.2 **No Rent Abatement.** Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up for which Tenant has a removal or remediation obligation under this Section 5.3, and shall not be entitled to any reduction, offset or deferral of any Base Rent or Additional Rent due or accruing under this Lease during any such Clean-up.

5.3.4.3 **Surrender of Premises.** Tenant shall complete any required Clean-up for which Tenant has a removal or remediation obligation under this Section 5.3 prior to surrender of the Premises upon the expiration or earlier termination of this Lease. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the existing use of the Premises ("Closure Letter"). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits Tenant obtained and expense, shall:

5.3.4.4 **Failure to Timely Clean-Up.** Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not use commercially reasonable efforts to receive the Closure Letter and any governmental approvals required under Environmental Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, then Tenant shall be liable to Landlord as a holdover tenant (as more particularly provided in Article 16) until Tenant has fully complied with its obligations under this Section 5.3.

5.3.5 **Confidentiality.** Unless compelled to do so by applicable law, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises to any Person (other than Tenant’s consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is compelled by applicable law, it shall provide Landlord ten (10) days’ advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective purchasers or lenders, subject to any such parties’ written agreement to be bound by the terms of this Section 5.3.
5.3.6 **Copies of Environmental Reports.** Within thirty (30) days of receipt thereof, Tenant shall provide Landlord with a copy of any and all environmental assessments, audits, studies and reports regarding Tenant’s activities with respect to the Premises, or ground water beneath the Land, or the environmental condition or Clean-up thereof. Tenant shall be obligated to provide Landlord with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials.

5.3.7 **Intentionally Deleted.**

5.3.8 **Signs, Response Plans, Etc.** Tenant shall be responsible for posting on the Premises any signs required under applicable Environmental Laws. Tenant shall also complete and file any business response plans or inventories required by any applicable laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

5.3.9 **Survival.** Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Section 5.3 shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant’s obligations under this Section 5.3 have been completely performed and satisfied.

6. **SERVICES AND UTILITIES.**

6.1 **In General.** Prior to the Possession Date, Landlord will be responsible, at its sole cost and expense, for connecting all utilities in the Building and all base building systems to the Premises, including, but not limited to heating, ventilation and air-conditioning, electricity, gas, water, and telephone. Landlord will be responsible for providing and maintaining, in good working condition and repair and in compliance with all Applicable Laws, all utility connections and base Building systems to the Premises at all times during the Lease Term. Tenant will be responsible, at its sole cost and expense, for providing janitorial and interior Building security services.

6.1.1 All utilities (including without limitation, electricity, gas, sewer and water) to the Building are separately metered at the Premises and shall be paid directly by Tenant to the applicable utility provider, provided that in the event any utilities are not so separately metered, then Tenant shall reimburse Landlord for the actual cost of all such utilities used in the Premises, based on Tenant’s usage as measured by a submeter.

6.1.2 Landlord shall not provide janitorial services for the Premises. Tenant shall be solely responsible for performing all janitorial services and other cleaning of the Premises, all in compliance with applicable laws. The janitorial and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with First Class Life Sciences Projects.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems. Provided that Landlord agrees to provide and maintain and keep in continuous service utility connections to the Project, including electricity, water and sewage connections, Landlord shall have no obligation to provide any services or utilities to the Building, including, but not limited to heating, ventilation and air-conditioning, electricity, water, telephone, janitorial and interior Building security services.

6.2 **Interruption of Use.** Except as expressly set forth in Section 19.5.2, below, (a) 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 breakage, 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 Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause that is not within Landlord’s reasonable control; and (b) 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, except for bodily injury or property damage to the extent arising from Landlord’s negligence or willful misconduct or breach of its obligations under this Lease, 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 6.
6.3 **Access.** Subject to applicable laws and the other provisions of this Lease, including, without limitation, the Rules and Regulations, and except in the event of an emergency, Tenant shall have 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.

6.4 **Energy Performance Disclosure Information.** Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "Energy Disclosure Requirements"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "Energy Disclosure Information"). Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by applicable laws, Tenant hereby waives any right Tenant may have to receive the Energy Disclosure Information, including, without limitation, any right Tenant may have to terminate this Lease as a result of Landlord’s failure to disclose such information. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Landlord’s failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Lease. Tenant’s acknowledgment of the AS-IS condition of the Premises pursuant to the terms of this Lease shall be deemed to include the energy performance of the Building. Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant’s energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "Tenant Energy Use Disclosure"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure. The terms of this Section 6.3 shall survive the expiration or earlier termination of this Lease.

6.5 **Generator.** Commencing on the Lease Commencement Date, Tenant shall have the right to connect to the Building back-up generator (the "Generator"), for Tenant’s Share of the Generator’s capacity (after accounting for Building Common Area requirements) to provide back-up generator services to the Premises at no additional cost. During the Lease Term and any renewal terms, Landlord shall maintain the Generator in good working order, condition and repair. The costs of operation, maintenance, and repair of the Generator shall be included in Operating Expenses to the extent provided in Section 4.2.4, and Tenant shall not be responsible for any costs with respect thereto outside of Tenant’s Share of Operating Expenses. Landlord shall not be liable for any damages whatsoever resulting from any failure in operation of the Generator, or the failure of the Generator to provide suitable or adequate back-up power to the Premises, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and/or liabilities relating to, arising out of and/or resulting from the failure of the Generator, or the failure of the Generator to provide back-up power to the Premises, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the Premises and any and all income derived or derivable therefrom.

6.6 **Chemical Storage Room.** Tenant shall have the right to utilize the storage spaces designated as spaces “Tenant 4” and “Tenant 5” on Exhibit A-1, attached, or a similarly sized area as otherwise reasonably designated by Landlord (collectively, the “Chemical Storage Room”), for chemical storage in compliance with all applicable laws and the terms of this Lease. Tenant shall be responsible for providing any equipment or modifications (e.g., self-contained bunkers, dedicated exhaust, additional fire rating, etc.) to support Tenant’s specific usage. During the Term, Landlord shall maintain the Chemical Storage Room in good condition and repair, and Tenant shall be responsible for a share of the costs of such maintenance and repair based on the proportion of the capacity of the Chemical Storage Room allocated to Tenant’s use (subject to the provisions of Section 4.2.4 above). The terms of Tenant’s indemnification and insurance obligations under this Lease shall apply to the portion of the Chemical Storage Room used by Tenant, as if such area were a part of the Premises. Tenant shall not be liable for any damages whatsoever resulting from any failure in operation of the Chemical Storage Room, or the failure of the Chemical Storage Room to provide suitable or adequate storage of Tenant’s chemicals, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the Chemical Storage Room or the Premises and any and all income derived or derivable therefrom.
7. REPAIRS.

7.1 Tenant Repair Obligations. Tenant shall, throughout the Term, at its sole cost and expense, maintain, repair or replace as required, the Premises in a good standard of maintenance, repair and replacement as required, and in good and sanitary condition, all in accordance with the standards of First Class Life Sciences Projects, except for the Landlord Repair Obligations, whether or not such maintenance, repair, replacement or improvement is required in order to comply with applicable Laws ("Tenant's Repair Obligations"), including without limitation, all electrical facilities and equipment, including lighting fixtures, lamps, fans and any exhaust equipment and systems, electrical motors and all other appliances and equipment of every kind and nature located in the Premises; all communications systems serving the Premises; all of Tenant's security systems in or about or serving the Premises; Tenant's signage; interior demising walls and partitions (including painting and wall coverings), equipment, floors. Tenant shall additionally be responsible, at Tenant's sole cost and expense, to furnish all expendables, including light bulbs, paper goods and soaps, used in the Premises.

7.2 Landlord's Consent to Alterations. Except in the case of emergencies, Tenant shall notify Landlord in writing at least ten (10) days prior to performing any Tenant's Repair Obligation which is reasonably anticipated to cost more than $50,000.00. Upon receipt of such notice from Tenant, Landlord shall have the right to either (i) perform such material Tenant's Repair Obligation by delivering notice of such election to Tenant within fifteen (15) days following receipt of Tenant's notice, and Tenant shall pay Landlord the cost thereof (including Landlord's actual out of pocket expenses in supervising such work, not to exceed $1,500.00) within thirty (30) days after receipt of an invoice therefor, or (ii) require Tenant to perform such Tenant's Repair Obligation at Tenant's sole cost and expense. If Tenant fails to perform any Tenant's Repair Obligation within a reasonable time period, as reasonably determined by Landlord, then Landlord may, but need not, following delivery of notice to Tenant of such election, make such Tenant Repair Obligation, and Tenant shall pay Landlord the cost thereof, (including Landlord's reasonable supervision fee) within thirty (30) days after receipt of an invoice therefor.

7.3 Landlord Repair Obligations. Landlord shall be responsible, as a part of Operating Expenses, to the extent provided in Section 4.2.4, above, for repairing, operating and maintaining in good order, condition, and repair the Building, in each case commensurate with a First Class Life Sciences Project, including, without limitation: (1) exterior windows, window frames, window casements (including the repairing, resealing, cleaning and replacing of exterior windows); (2) exterior doors, door frames and door closers; (3) the Building (as opposed to the Premises) and Project plumbing, sewer, drainage, electrical, fire protection, life safety and security systems and equipment, existing heating, ventilation and air-conditioning systems, and all other mechanical and HVAC systems and equipment (collectively, the "Building Systems"), (4) the exterior glass, exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, including, without limitation, any painting, sealing, patching and waterproofing of exterior walls, and (5) repairs to the elevator in the Building and underground utilities, except to the extent that any such repairs are required due to the negligence or willful misconduct of Tenant (the "Landlord Repair Obligations"); provided, however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant's expense, or, if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith. Costs expended by Landlord in connection with the Landlord Repair Obligations shall be included in Operating Expenses to the extent allowed pursuant to the terms of Article 4, above. Landlord shall cooperate with Tenant to enforce any warranties that Landlord holds that could reduce Tenant's maintenance obligations under this Lease.

8. ADDITIONS AND ALTERATIONS.

8.1 Landlord's Consent to Alterations. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than fifteen (15) days prior to the commencement thereof, and which consent shall not be unreasonably withheld, conditioned or delayed by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days’ notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations (i) do not affect the building systems or equipment, (ii) are not visible from the exterior of the Building, (iii) cost less than $50,000.00 for a particular job of work, and (iv) do not require the issuance of a building permit. The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.
8.2 **Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that upon Landlord's request, made at the time such consent is given, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority). Upon completion of any Alterations (or repairs), Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, to the extent required by Applicable Law, Tenant agrees to cause a Notice of Completion to be recorded in the office of the county recorder in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project construction manager a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements.** If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to three percent (3%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work, not to exceed three percent (3%) of the cost of such work.

8.4 **Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Tenant's contractors and subcontractors shall be required to carry Commercial General Liability Insurance in an amount approved by Landlord and otherwise in accordance with the requirements of Article 10 of this Lease, with Landlord, and, at Landlord's option, Landlord's property manager and project manager, as additional insureds in an amount approved by Landlord, and (ii) workers compensation insurance with a waiver of subrogation in favor of Landlord. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property.** All Alterations, fixtures, and/or appurtenances which may be installed or fixed to the Premises (other than any free-standing laboratory operations equipment, air compressor systems and RO-DI water purification systems), from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord and remain in place at the Premises following the expiration or earlier termination of this Lease. Notwithstanding the foregoing, upon Landlord's consent to any Alteration or improvement and/or Tenant's request for a determination of removal requirements, Landlord shall notify Tenant whether the applicable Alteration or improvement will be required to be removed pursuant to the terms of this Section 8.5 at the end of the Lease Term and if Landlord requires such removal, then, at the end of the Lease Term, Tenant, at its expense, will remove any Alteration or improvement within the Premises and repair any damage to the Premises caused by such removal and return the affected portion of the Premises to a building standard tenant improved condition as reasonably determined by Landlord, Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

9. **COVENANT AGAINST LIENS.** Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least fifteen (15) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility (to the extent applicable pursuant to then applicable laws). Tenant shall remove any such lien or encumbrance by bond or otherwise within thirty (30) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof.
10. INSURANCE.

10.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to Tenant's property, or property of third parties, or injury to persons in or upon the Premises and agrees that Landlord, its lenders, partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (collectively, "Landlord Parties") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except to the extent arising from or related to the negligence or willful misconduct of, or breach of this Lease by, Landlord or any Landlord Party. Tenant shall indemnify, defend, and hold harmless the Landlord Parties from any and all loss, cost, damage, injury, expense and liability (including without limitation court costs and reasonable attorneys’ fees) during the Lease Term, or any period of Tenant’s occupancy of the Premises prior to the commencement or after the expiration of the Lease Term, incurred in connection with or arising from any cause in, on or about the Premises, any negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term, except to the extent arising from or related to the negligence or willful misconduct of, or breach of this Lease by, Landlord or any Landlord Party. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 Tenant’s Compliance With Landlord’s Property Insurance. Landlord shall insure the Building and the Project during the Lease Term (for the full replacement value to the extent consistent with the practices of landlords of the Comparable Buildings) against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage. Such coverage shall be from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine. Additionally, at the option of Landlord, such insurance coverage 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 Building or the ground or underlying lessors of the Building, or any portion thereof. Subject to Tenant’s rights under this Lease, Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises directly causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase within thirty (30) days of receipt of an invoice therefor (to the extent such increase is not included as an Operating Expense), together with reasonable documentation of such costs. Subject to Tenant’s rights under this Lease, Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 Tenant’s Insurance. Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance on an occurrence form covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities including a products and completed operations coverage, for limits of liability on a per location basis of not less than:

- Bodily Injury and Property Damage Liability: $2,000,000 each occurrence
- Property Damage Liability: $3,000,000 annual aggregate
- Personal Injury Liability: $3,000,000 each occurrence

10.3.2 Property Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant (collectively, "Tenant’s Property"), (ii) the "Tenant Improvements," as that term is defined in the Tenant Work Letter, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "Original Improvements"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "open perils" of physical loss or damage basis, for the full replacement cost value (subject to reasonable deductible amounts) 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 coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.
10.3.3 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations, and including a waiver of subrogation in favor of Landlord.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) include Landlord, and any other party the Landlord so specifies, as an additional insured or loss payee, as applicable, including Landlord's managing agent, if any; (ii) be issued by an insurance company having a rating of not less than A:VII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled unless the insurer shall endeavor to provide ten (10) days' prior written notice to Landlord and any mortgagee of Landlord. Tenant shall deliver certificates thereof to Landlord on or before the Lease Commencement Date and at least ten (10) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation.** Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree to cause their respective insurance companies insuring the Premises or insuring their property on or in the Premises to include a waiver of subrogation clause embodying the requirements of this paragraph in all insurance policies required by this Lease.

10.6 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but in no event in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Premises.

11. **DAMAGE AND DESTRUCTION.**

11.1 **Repair of Damage to Premises by Landlord.** Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, upon notice (the "Landlord Repair Notice") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease (other than for Tenant's Property) that are necessary to repair the Premises, and Landlord shall repair (and use such insurance proceeds to repair) any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair to the Tenant Improvements by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs to the Tenant Improvements shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, 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 the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises.
11.2 **Landlord's Option to Repair.** Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Premises are substantially damaged by fire or other casualty or cause, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project requires that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or terminates the ground lease, as the case may be; (iii) the damage is not fully covered by Landlord's and Tenant's insurance policies; (iv) intentionally deleted; (v) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. In addition to the foregoing, if Landlord elects to make restoration following such casualty and does not complete such restoration within one hundred eighty (180) days (or such longer period as initially estimated for such repair and agreed to by Tenant), Tenant may terminate this Lease upon not less than thirty (30) days’ prior written notice to Landlord, provided however, this Lease shall not terminate in the event Landlord so completes such restoration within thirty (30) days after the date of Tenant's termination notice. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) Tenant is not then in default under this Lease; (c) the damage to the Building or Premises does not substantially impair Tenant's right to use and enjoy the Premises and Tenant's ability to continue its business; (d) the damage to the Building or Premises does not substantially impair Tenant's right to use and enjoy the Premises and Tenant's business in a manner substantially similar to the manner of use and enjoyment immediately prior to the damage; (e) the damage to the Building or Premises does not substantially impair Tenant's right to use and enjoy the Premises and Tenant's business in a manner substantially similar to the manner of use and enjoyment immediately prior to the damage; and (f) the damage to the Building or Premises does not substantially impair Tenant's right to use and enjoy the Premises and Tenant's ability to continue its business. In addition, Tenant may terminate this Lease if the damage to the Premises occurs during the last twelve (12) months of the Lease Term, and, as a result of such damage, Tenant cannot reasonably conduct business from all or a portion of the Premises for a period of thirty (30) days or more.

11.3 **Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

12. **NONWAIVER.** No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.
13. CONDEMNATION. If the whole or any part of the Premises, Building or Project is taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, then either Landlord or Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of ninety (90) days or less, and provided that such temporary taking does not materially preclude or unreasonably diminish Tenant's ability to conduct business from the Premises, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking, provided, however, that Tenant shall be entitled to a share of the award for any loss of fixtures and improvements and for moving and other reasonable expenses that do not otherwise reduce Landlord's recovery.

14. ASSIGNMENT AND SUBLETTING.

14.1 Transfers. Tenant shall not, without the prior written consent of Landlord, 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 transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant, its Affiliates, and their respective employees and contractors (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 desires 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 fifteen (15) days nor more than one hundred eighty (180) days 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 terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee 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 (provided that the requirement set forth in subclause (iv) is subject to and contingent upon Landlord executing a customary confidentiality agreement with the proposed Transferee if so requested by the proposed Transferee). 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 consents to any proposed Transfer, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, not to exceed $2,500.00, within thirty (30) days after written request by Landlord.

14.2 Landlord's Consent. Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is engaged in a business which is not consistent with the quality of the Building or the Project;

14.2.2 The Transferee is either a governmental agency or instrumentality thereof;
14.2.3 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; or

14.2.4 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any material changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld, conditioned or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a suit for contract damages or declaratory judgment and an injunction for the relief sought, and Tenant hereby waives any right at law or equity to terminate this Lease as a result thereof.

14.3 Transfer Premium. 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 any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, and after deduction of (i) any costs of any changes, alterations and improvements made to the Subject Space in connection with such Transfer, (ii) brokerage commissions paid in connection with such Transfer, (iii) reasonable legal fees incurred in connection with such Transfer and (iv) any free or abated rent or other concessions reasonably provided to the Transferee in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, in the event Tenant contemplates a Transfer which, together with all prior Transfers then remaining in effect, would cause fifty percent (50%) or more of the Premises to be transferred for more than fifty percent (50%) of the then remaining Lease Term (taking into account any extension of the Lease Term which has irrevocably exercised by Tenant), Tenant shall give Landlord notice (the "Intention to Transfer Notice") of such contemplated Transfer (whether or not the contemplated Transfer is or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "Contemplated Transfer Space"), the contemplated date of commencement of the Contemplated Transfer (the "Contemplated Effective Date"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. 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 such Contemplated Transfer Space under this Section 14.4, then, subject to the other terms of this Article 14, for a period of nine (9) months (the "Nine Month Period") commencing on the last day of such twenty (20) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Nine Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Nine Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such Nine Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Section 14.4.
14.5 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 Tenant's chief financial officer, 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 the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right no more than once within six (6) months of a Transfer to audit the books, records and papers of Tenant relating to such Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting such Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's costs of such audit.

14.6 Intentionally Deleted.

14.7 Occurrence of Default. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease is terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee, after the expiration of any applicable notice and cure period, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person.

14.8 Non-Transfers. Notwithstanding anything to the contrary contained in this Article 14, and without effect of the profit sharing and recapture provisions of Section 14.3 and 14.4 hereof, (i) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant) (an "Affiliate"), (ii) an assignment of the Premises to an entity which acquires all or substantially all of the assets or interests (partnership, stock or other) of Tenant, (iii) an assignment of the Premises to an entity which is the resulting entity of a merger or consolidation of Tenant, or (iv) a sale of corporate shares of capital stock in Tenant in connection with a sale or partial sale of Tenant, bona fide financing or capitalization for the benefit of Tenant, or an initial public offering of Tenant's stock on a nationally-recognized stock exchange (collectively, a "Permitted Transferee"), shall not be deemed a Transfer under this Article 14, provided that Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any reasonable and customary documents or information requested by Landlord regarding such assignment or sublease or such affiliate, and further provided that such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease. An assignee of Tenant's entire interest in this Lease that is also a Permitted Transferee will also be known as a "Permitted Assignee".

15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES.

15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing 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, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.
15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, 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, casualty damage, and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of Tenant’s Property or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its reasonable discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

15.3 **Environmental Assessment.** In connection with its surrender of the Premises, Tenant shall submit to Landlord, at least thirty (30) days prior to the expiration date of this Lease (or in the event of an earlier termination of this Lease, as soon as reasonably possible following such termination), an environmental Assessment of the Premises by a competent and experienced environmental engineer or engineering firm reasonably satisfactory to Landlord (pursuant to a contract reasonably approved by Landlord and providing that Landlord can rely on the Environmental Assessment), which (i) evidences that the Premises are in a clean and safe condition and free and clear of any Hazardous Materials that are the responsibility of Tenant hereunder, and (ii) includes a review of the Premises by an environmental consultant for asbestos, mold, fungus, spores, and other moisture conditions, on-site chemical use, and lead-based paint. If such Environmental Assessment reveals that remediation or Clean-up that is the responsibility of Tenant hereunder is required under any Environmental Laws, Tenant shall submit a remediation plan prepared by a recognized environmental consultant and shall be responsible for all costs of remediation and Clean-up, as more particularly provided in Section 5.3, above.

15.4 **Condition of the Building and Premises Upon Surrender.** In addition to the above requirements of this Article 15, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, surrender the Premises with Tenant having complied with all of Tenant’s obligations under this Lease, including those relating to improvement, repair, maintenance, compliance with law, testing and other related obligations of Tenant set forth in Article 7 of this Lease. In the event that the Premises shall be surrendered in a condition which does not comply with the terms of this Section 15.4, because Tenant failed to comply with its obligations set forth in Lease, then following thirty (30) days’ notice to Tenant, during which thirty (30) day period Tenant shall have the right to cure such noncompliance, Landlord shall be entitled to expend all reasonable costs in order to cause the same to comply with the required condition upon surrender and Tenant shall promptly reimburse Landlord for all such costs upon notice and Tenant shall be deemed during the period that Tenant or Landlord, as the case may be, perform obligations relating to the surrender improvements to be in holdover under Article 16 of this Lease.

16. **HOLDING OVER.** If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term. If Tenant holds over after the expiration of the Lease Term of earlier termination thereof, without the express or implied consent of Landlord, such tenancy shall be deemed to be a tenancy by sufferance only, and shall not constitute a renewal hereof or an extension for any further term. In either case, Rent shall be payable at a monthly rate equal to 125% of the Rent applicable during the last rental period of the Lease Term under this Lease for the first thirty (30) days of such holdover and 150% thereafter. Such month-to-month tenancy or tenancy by sufferance, as the case may be, shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord 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 Article 16 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, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys’ fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom. Any potential costs beyond holdover rent to be incurred by Tenant due to such holdover shall be communicated by Landlord in writing to Tenant prior to the holdover for each thirty (30) day window.
17. ESTOPPEL CERTIFICATES. Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit D, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof, and reasonably approved by Tenant), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year, provided such financial statements are readily available and Landlord enters into a customary confidentiality agreement pursuant to which it agrees to keep such financial statements confidential. Notwithstanding the foregoing, no financial statements will be required to be provided if Tenant is a publicly traded company.

18. SUBORDINATION. This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, 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, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Landlord's delivery to Tenant of commercially reasonable non-disturbance agreement(s) in favor of Tenant (that is reasonably acceptable to Tenant) from any ground lessors, mortgage holders or lien holders of Landlord who come into existence following the date hereof but prior to the expiration of the Lease Term shall be in consideration of, and a condition precedent to, Tenant's agreement to subordinate this Lease to any such ground lease, mortgage or lien. Tenant shall, within ten (10) business 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, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law 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. Landlord represents and warrants that, as of the date of this Lease, there are no ground or underlying leases or liens of any mortgage or trust deed encumbering the Building or Project.

19. DEFAULTS; REMEDIES.

19.1 Events of Default. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 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 unless such failure is cured within five (5) business days after notice; or

19.1.2 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 that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than three (3) business days after notice from Landlord; provided that if the nature of such default is such that the same cannot reasonably be cured within a two (2) business day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.
19.2 Remedies Upon Default. Upon the occurrence of any event of default by Tenant, and after the expiration of any applicable notice and cure period, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 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 the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the damage or loss proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 Subleases of Tenant. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.
19.4 Efforts to Relit. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant.

19.5 Landlord Default.

19.5.1 General. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless 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 required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue 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.

19.5.2 Abatement of Rent. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform, after the Lease Commencement Date and required by this Lease, which substantially interferes with Tenant's use of the Premises, or (ii) any failure to provide or allow services, utilities or access to the Premises as required by this Lease (either such set of circumstances as set forth in items (i) or (ii), above, to be known as an "Abatement Event"), then Tenant shall give Landlord notice of such Abatement Event, and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such notice (the "Eligibility Period") and either (A) Landlord does not diligently commence and pursue to completion the remedy of such Abatement Event, (B) Landlord receives proceeds from its rental interruption insurance which covers such Abatement Event or (C) Landlord does not complete the remedy of such Abatement Event within fifteen (15) days from receipt of the Abatement Event notice, then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation to pay for parking (to the extent not utilized by Tenant) shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, for the normal conduct of Tenant's business, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent and Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered by Articles 11 or 12 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 11 or 12, as applicable, and the Eligibility Period shall not be applicable thereto. Such right to abate Base Rent and Tenant's Share of Direct Expenses shall be Tenant's sole and exclusive remedy for rent abatement at law or in equity for an Abatement Event. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

20. COVENANT OF QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant of quiet enjoyment, express or implied.

21. LETTER OF CREDIT.
21.1 **Delivery of Letter of Credit.** Tenant shall deliver to Landlord, within fifteen (15) business days after Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount set forth in Section 8 of the Lease Summary (the "L-C Amount"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco Bay Area office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "Bank"), which Bank must have a rating from Standard and Poor's Corporation of A- or better (or any equivalent rating thereto from any successor or substitute rating service selected by Lessor) and a letter of credit issuer rating from Moody's Investor Service of A3 or better (or any equivalent rating thereto from any successor rating agency thereto) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be in the form of Exhibit G, attached hereto. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "L-C Expiration Date") that is no less than sixty (60) days after the expiration of the Lease Term (as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev), International Chamber of Commerce Publication #500, or the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, and has not been paid within applicable notice and cure periods (or, if Landlord is prevented by law from providing notice, within the period for payment set forth in the Lease), (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code that is not dismissed within ninety (90) days, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, and Tenant has not provided a replacement L-C that satisfies the requirements of this Lease at least thirty (30) days prior to such expiration, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand thereof (each of the foregoing being an "L-C Draw Event"). The L-C shall be honored by the Bank regardless of whether Tenant or any other party shall have provided Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "FDIC Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. Tenant shall be responsible for the payment of any and all Tenant's and Bank's costs incurred with the review of any replacement L-C, which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed, and the actual and reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within thirty (30) days of billing.
21.2 **Application of L-C.** Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, in the amount necessary to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant’s breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant’s bankruptcy estate shall have any right to restrict or limit Landlord’s claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **Maintenance of L-C by Tenant.** If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date and upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than thirty (30) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as thirty (30) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights as provided above, (i) any unused proceeds shall constitute the property of Landlord (and not Tenant’s property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant’s bankruptcy estate) and need not be segregated from Landlord’s other assets, and (ii) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant’s creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. If Landlord draws on the L-C due to Tenant’s failure to timely renew or provide a replacement L-C, such failure shall not be considered a default under this Lease and Landlord shall return such cash proceeds upon Tenant’s presentation of a replacement L-C that satisfies the requirements of this Lease, subject to reasonable satisfaction of any preference risk to Landlord.
21.4 **Transfer and Encumbrance.** The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) its entire interest in and to the L-C to another party, person or entity, in accordance with the terms of the L-C, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and Landlord shall be responsible for any costs imposed by the Bank in connection with such transfer.

21.5 **L-C Not a Security Deposit.** Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "Security Deposit Laws"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.6 **Remedy for Improper Drafts.** Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof from the next installment(s) of Base Rent.

22. **COMMUNICATIONS AND COMPUTER LINE.**

Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "Lines"), provided that Tenant shall obtain Landlord's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease. Tenant shall pay all costs in connection therewith. Landlord reserves the right, upon written notice to Tenant prior to the expiration or earlier termination of this Lease, to require that Tenant, at Tenant's sole cost and expense, remove any Lines located in or serving the Premises prior to the expiration or earlier termination of this Lease.
23. SIGNS.

23.1 Exterior Signage. Subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, at its sole cost and expense, may install (i) non-exclusive identification signage on the existing Project monument sign, (ii) signage identifying Tenant at the entrance to the Building, and (iii) a proportionate share of non-exclusive exterior Building signage as shown on Exhibit H (collectively, "Tenant Signage"), all in accordance with the Project master signage program; provided, however, in no event shall Tenant's Signage include an "Objectionable Name," as that term is defined in Section 23.2, of this Lease. All such signage shall be subject to Tenant's obtaining all required governmental approvals. All permitted signs shall be maintained by Tenant at its expense in a first-class and safe condition and appearance. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of its signs at Tenant's sole cost and expense. The graphics, materials, colors, design, lettering, size, illumination, specifications and exact location of Tenant's Signage (collectively, the "Sign Specifications") shall be set forth on Exhibit H or subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining terms of this Lease shall be unaffected.

23.2 Objectionable Name. Tenant's Signage shall not include a name or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "Objectionable Name"). Landlord agrees that "Myriad Genetics" or any reasonably similar name does not constitute an Objectionable Name.

23.3 Prohibited Signage and Other Items. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. 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, shall be subject to the prior approval of Landlord, in its sole discretion.

24. COMPLIANCE WITH LAW.

Tenant shall not do anything or knowingly suffer anything to be done in or about the Premises or the Project which would 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, "Applicable Laws"). At its sole cost and expense, Tenant shall promptly comply with all such Applicable Laws which relate to (i) Tenant's particular use of the Premises, (ii) any Alterations made by Tenant to the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office or life science improvements, or Tenant's use of the Premises for non-general office or life-science use. Notwithstanding the foregoing terms of this Article 24 to the contrary, Tenant may defer such compliance with Applicable Laws while Tenant contests, in a court of proper jurisdiction or otherwise, in good faith, the applicability of such Applicable Laws to the Premises or Tenant's specific use or occupancy of the Premises; provided, however, Tenant may only defer such compliance if such deferral shall not (a) prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, (b) prohibit Landlord from obtaining or maintaining a certificate of occupancy for the Building or any portion thereof, (c) unreasonably and materially affect the safety of the employees and/or invitees of Landlord or Tenant, (d) create a significant health hazard for the employees and/or invitees of Landlord or Tenant, (e) otherwise materially and adversely affect Tenant's use of or access to the Buildings or the Premises, or (f) impose material obligations, liability, fines, or penalties upon Landlord, or would materially and adversely affect the use of or access to the Building by Landlord. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Landlord shall comply with all Applicable Laws relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably affect the safety of Tenant's employees or create a health hazard for Tenant's employees, or would otherwise materially and adversely affect Tenant's use of or access to the Premises. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Section 4.2.7 above.

[Myriad Genetics, Inc.]
For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Project, Building and Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord (which approval shall not be unreasonably withheld); and (b) in such event, Tenant, at its cost, is responsible for making any repairs within the Premises to correct violations of construction-related accessibility standards; and, if anything done by or for Tenant in its use or occupancy of the Premises shall require repairs to the Building (outside the Premises) to correct violations of construction-related accessibility standards, then Landlord shall perform such repairs at Landlord’s sole cost and expense, which costs shall not be included as part of Operating Expenses. Tenant's obligations under this Article 24 are subject to the limitation in Section 10.2, above.

25. LATE CHARGES. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. Notwithstanding the foregoing, Landlord shall not charge Tenant a late charge for the first late payment in any twelve (12) month period (but in no event with respect to any subsequent late payment in any twelve (12) month period) during the Lease Term that Tenant fails to timely pay Rent or another sum due under this Lease, provided that such late payment is made within five (5) days following the expiration of the five (5) business day period following written notice. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) business days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

26. LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT.

26.1 Landlord's Cure. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant fails to perform any material obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.5, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any uncured default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 Tenant's Reimbursement. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within thirty (30) days of delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease that are owed to Landlord pursuant to Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.
27. ENTRY BY LANDLORD. Landlord reserves the right at all reasonable times and upon a minimum of twenty-four (24) hours’ notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last nine (9) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility (to the extent applicable pursuant to then applicable law); or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building’s systems and equipment. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes. In an emergency, Landlord shall have the right to use any means that Landlord may reasonably deem proper to open the doors in and to the Premises. Landlord shall use commercially reasonable efforts to minimize interference with the conduct of Tenant’s business in connection with entries into the Premises and agrees to comply at all times with Tenant’s reasonable safety protocols and regulations when entering the Premises. Any entry into the Premises by Landlord in the manner hereinafter 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.

28. TENANT PARKING. Tenant shall have the right, free of charge, to use the amount of parking set forth in Section 9 of the Summary, in the on-site parking facility (or facilities) which serve the Project. Tenant shall abide by all reasonable non-discriminatory rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the parking facilities), and shall reasonably cooperate in seeing that Tenant's employees and visitors also comply with such rules and regulations. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities, except for bodily injury or property damage to the extent due to Landlord's gross negligence or willful misconduct.

29. MISCELLANEOUS PROVISIONS.

29.1 Terms; Captions. The words “Landlord” and “Tenant” as used herein shall include the plural as well as the singular. 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.

29.2 Binding Effect. Subject to all other provisions of this Lease, each of the covenants, conditions and 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 heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 No 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. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is temporarily obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease, provided that such obstruction shall not last longer than is reasonably necessary to complete any such repairs, improvements, maintenance or cleaning.

29.4 Modification of Lease. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way adversely change the rights or obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within thirty (30) days following the request therefor.
29.5 **Transfer of Landlord's Interest.** Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and in the event of such a transfer, Landlord shall transfer (or credit the amount of) Tenant's Security Deposit to such transferee. Tenant agrees that in the event of any such transfer, upon the transfer or credit of the Security Deposit and assumption by such transferee of Landlord's liabilities and obligations under this Lease from and after the date of such transfer, Landlord shall be released from all liability under this Lease from and after the transfer date, and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be liable for all obligations of this Lease to be performed by Landlord from and after the date of such transfer, including the return of any Security Deposit, and Tenant shall attorn to such transferee.

29.6 **Prohibition Against Recording.** Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any uncontested payments or obligations of Tenant hereunder, in such order and amounts as Landlord, in its reasonable discretion, may elect.

29.10 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Project, including any rents, profits or proceeds derived therefrom. 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. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Except with respect to bodily injury or property damage to the extent caused by the negligence or willful misconduct of Landlord or the Landlord Parties or a breach of this Lease by Landlord or the Landlord Parties, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring, or loss to inventory, scientific research, scientific experiments, laboratory animals, products, specimens, samples, and/or scientific, business, accounting and other records of every kind and description kept at the premises and any and all income derived or derivable therefrom.
29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. 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 Project.

29.16 **Force Majeure.** Notwithstanding anything to the contrary contained in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, casualty, actual or threatened public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, declarations or quarantines by a governmental entity or health organization (including, without limitation, any shelter-in-place orders, stay at home orders or any restrictions on travel related thereto that preclude Tenant, its agents, contractors or its employees from accessing the Premises, national or regional emergency), breaches in cybersecurity, and other causes beyond the reasonable control of the party obligated to perform, regardless of whether such other causes are (i) foreseeable or unforeseeable or (ii) related to the specifically enumerated events in this paragraph (collectively, a "**Force Majeure**"), shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage. If this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. Notwithstanding anything to the contrary in this Lease, no event of Force Majeure shall (i) excuse Tenant's obligations to pay Rent and other charges due pursuant to this Lease, (ii) be grounds for Tenant to abate any portion of Rent due pursuant to this Lease, or entitle either party to terminate this Lease, except as allowed pursuant to **Articles 11 and 13** of this Lease, or (iii) excuse Tenant's obligations under **Articles 5 and 24** of this Lease.

29.17 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights 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.

29.18 **Notices.** All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) transmitted by telecopy, if such telecopy is promptly followed by a Notice sent by Mail, (C) delivered by a nationally recognized overnight courier, or (D) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in **Section 10** of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the telecopy is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made. As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

**Bayside Area Development, LLC**
c/o Healthpeak Properties, Inc.
5050 S Syracuse St. #800
Denver, CO 80237
Attention: Legal Department

with a copy to:

**Healthpeak Properties, Inc.**
2000 Sierra Point Parkway, Suite 100
Brisbane, CA 94005
Attention: Scott Bohn

and
29.19 **Joint and Several.** If there is more than one tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority.** If Tenant is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant 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. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in the State of California.

29.21 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY, IF THE JURY WAIVER PROVISIONS OF THIS SECTION 29.22 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THEN THE FOLLOWING PROVISIONS SHALL APPLY. IT IS THE DESIRE AND INTENTION OF THE PARTIES TO AGREE UPON A MECHANISM AND PROCEDURE UNDER WHICH CONTROVERSIES AND DISPUTES ARISING OUT OF THIS LEASE OR RELATED TO THE PREMISES WILL BE RESOLVED IN A PROMPT AND EXPEDITIOUS MANNER. ACCORDINGLY, EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER OR WITH RESPECT TO THE PREJUDGMENT REMEDY OF ATTACHMENT, ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBSIDIARIES OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, SHALL BE HEARD AND RESOLVED BY A REFEREE UNDER THE PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, SECTIONS 638 — 645.1, INCLUSIVE (AS SAME MAY BE AMENDED, OR ANY SUCCESSOR STATUTE(S) THERETO) (THE "REFEREE SECTIONS"). ANY FEE TO INITIATE THE JUDICIAL REFERENCE PROCEEDINGS AND ALL FEES CHARGED AND COSTS INCURRED BY THE REFEREE SHALL BE PAID BY THE PARTY INITIATING SUCH PROCEDURE (EXCEPT THAT IF A REPORTER IS REQUESTED BY EITHER PARTY, THEN A REPORTER SHALL BE PRESENT AT ALL PROCEEDINGS WHERE REQUESTED AND THE FEES OF SUCH REPORTER – EXCEPT FOR COPIES ORDERED BY THE OTHER PARTIES – SHALL BE BORNE BY THE PARTY REQUESTING THE REPORTER); PROVIDED HOWEVER, THAT ALLOCATION OF THE COSTS AND FEES, INCLUDING ANY INITIATION FEE, OF SUCH PROCEEDING SHALL BE ULTIMATELY DETERMINED IN ACCORDANCE WITH SECTION 29.21 ABOVE. THE VENUE OF THE PROCEEDINGS SHALL BE IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED. WITHIN TEN (10) DAYS OF RECEIPT BY ANY PARTY OF A WRITTEN REQUEST TO RESOLVE ANY DISPUTE OR CONTROVERSY PURSUANT TO THIS SECTION 29.22, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT ON SUCH ISSUES AS REQUIRED BY THE REFEREE SECTIONS. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN SUCH TEN (10) DAY PERIOD, THEN ANY PARTY MAY THEREAFTER FILE A LAWSUIT IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED FOR THE PURPOSE OF APPOINTMENT OF A REFEREE UNDER THE REFEREE SECTIONS. IF THE REFEREE IS APPOINTED BY THE COURT, THE REFEREE SHALL BE A NEUTRAL AND IMPARTIAL RETIRED [Nexus on Grand] [Myriad Genetics, Inc.]
JUDGE WITH SUBSTANTIAL EXPERIENCE IN THE RELEVANT MATTERS TO BE DETERMINED, FROM JAMS, THE AMERICAN ARBITRATION ASSOCIATION OR SIMILAR MEDIATION/ARBITRATION ENTITY. THE PROPOSED REFEREE MAY BE CHALLENGED BY ANY PARTY FOR ANY OF THE GROUNDS LISTED IN THE REFEREE SECTIONS. THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS OR HER DECISION ON SUCH ISSUES, AND TO ISSUE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS BEFORE THE REFEREE, INCLUDING AN AWARD OF ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THIS LEASE. THE REFEREE SHALL NOT, HOWEVER, HAVE THE POWER TO AWARD PUNITIVE DAMAGES, NOR ANY OTHER DAMAGES WHICH ARE NOT PERMITTED BY THE EXPRESS PROVISIONS OF THIS LEASE, AND THE PARTIES HEREBY WAIVE ANY RIGHT TO RECOVER ANY SUCH DAMAGES. THE PARTIES SHALL BE ENTITLED TO CONDUCT ALL DISCOVERY AS PROVIDED IN THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE, WITH RIGHTS TO REGULATE DISCOVERY AND TO ISSUE AND ENFORCE SUBPOENAS, PROTECTIVE ORDERS AND OTHER LIMITATIONS ON DISCOVERY AVAILABLE UNDER CALIFORNIA LAW. THE REFERENCE PROCEEDING SHALL BE CONDUCTED IN ACCORDANCE WITH CALIFORNIA LAW (INCLUDING THE RULES OF EVIDENCE), AND IN ALL REGARDS, THE REFEREE SHALL FOLLOW CALIFORNIA LAW APPLICABLE AT THE TIME OF THE REFERENCE PROCEEDING. THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS OF THIS SECTION 29.22. IN THIS REGARD, THE PARTIES AGREE THAT THE PARTIES AND THE REFEREE SHALL USE BEST EFFORTS TO ENSURE THAT (A) DISCOVERY BE CONDUCTED FOR A PERIOD NO LONGER THAN SIX (6) MONTHS FROM THE DATE THE REFEREE IS APPOINTED, EXCLUDING MOTIONS REGARDING DISCOVERY, AND (B) A TRIAL DATE BE SET WITHIN NINE (9) MONTHS OF THE DATE THE REFEREE IS APPOINTED. IN ACCORDANCE WITH SECTION 644 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE DECISION OF THE REFEREE UPON THE WHOLE ISSUE MUST STAND AS THE DECISION OF THE COURT, AND UPON THE FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE IF THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. ANY DECISION OF THE REFEREE AND/OR JUDGMENT OR ORDER ENTERED THEREON SHALL BE APPEALABLE TO THE SAME EXTENT AND IN THE SAME MANNER THAT SUCH DECISION, JUDGMENT, OR ORDER WOULD BE APPEALABLE IF RENDERED BY A JUDGE OF THE SUPERIOR COURT IN WHICH VENUE IS PROPER HEREUNDER. THE REFEREE SHALL IN HIS/HER STATEMENT OF DECISION SET FORTH HIS/HER FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH THE CODE OF CIVIL PROCEDURE. NOTHING IN THIS SECTION 29.22 SHALL PREJUDICE THE RIGHT OF ANY PARTY TO OBTAIN PROVISIONAL RELIEF OR OTHER EQUITABLE REMEDIES FROM A COURT OF COMPETENT JURISDICTION AS SHALL OTHERWISE BE AVAILABLE UNDER THE CODE OF CIVIL PROCEDURE AND/OR APPLICABLE COURT RULES.

29.23 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 Brokers. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "Brokers"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. The terms of this Section 29.24 shall survive the expiration or earlier termination of the Lease Term.

29.25 Independent Covenants. Except as otherwise provided in this Lease, (a) this Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and (b) Tenant hereby expressly waives the benefit of any statute to the contrary and 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.
29.26 **Project or Building Name, Address and Signage.** Landlord shall have the right at any time to change the name and/or address of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's reasonable discretion, desire; provided that Landlord shall provide Tenant with at least thirty (30) days' notice prior to changing the name or address of the Building or Project. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in public advertising or other publicity or for any purpose other than internally for promotional purposes or recruiting or as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed.

29.27 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Intentionally Deleted.**

29.29 **Development of the Project.**

29.29.1 **Subdivision.** Landlord reserves the right to subdivide all or a portion of the buildings and Common Areas. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from a subdivision and any all maps in connection therewith. Notwithstanding anything to the contrary set forth in this Lease, the separate ownership of any buildings and/or Common Areas by an entity other than Landlord shall not affect the calculation of Direct Expenses or Tenant's payment of Tenant's Share of Direct Expenses.

29.29.2 **Construction of Property and Other Improvements.** Tenant acknowledges that portions of the Project may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. In the event of any such construction, Landlord shall use commercially reasonable efforts to mitigate impacts or disruption to Tenant's use and occupancy of the Premises. Except as provided in Section 19.5.2, Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

29.30 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation. Landlord hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Landlord to be in violation of any agreement, instrument, contract, law, rule or regulation by which Landlord is bound, and Landlord shall protect, defend, indemnify and hold Tenant harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Landlord's breach of this warranty and representation.

29.31 **Transportation Management.** Tenant shall fully comply with all present or future governmentally mandated programs intended to manage parking, transportation or traffic in and around the Project and/or the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises as required by law by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. Such programs may include, without limitation: (i) restrictions on the number of peak-hour vehicle trips generated by Tenant; (ii) increased vehicle occupancy; (iii) implementation of an in-house ridesharing program and an employee transportation coordinator; (iv) working with employees and any Project, Building or area-wide ridesharing program manager; (v) instituting employer-sponsored incentives (financial or in-kind) to encourage employees to rideshare; and (vi) utilizing flexible work shifts for employees.

29.32 **Signatures.** The parties hereto consent and agree that this Lease may be signed and/or transmitted by facsimile, e-mail of .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party’s handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Lease using electronic signature technology, by clicking “SIGN”, such party is signing this Lease electronically, and (2) the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.
IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

BAYSIDE AREA DEVELOPMENT, LLC,
a Delaware limited liability company

By: /s/ Scott Bohn
Name: Scott Bohn
Title: Senior Vice President

TENANT:

MYRIAD GENETICS, INC.,
a Delaware corporation

By: /s/ Bryan Riggsbee
Bryan Riggsbee
Its: CFO

By: __

Print Name

Its: __

Print Name
EXHIBIT A

NEXUS ON GRAND

OUTLINE OF PREMISES

FOURTH FLOOR

FIFTH FLOOR
EXHIBIT A-1
NEXUS ON GRAND
CHEMICAL STORAGE ROOM
EXHIBIT B

NEXUS ON GRAND

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant following the date of this Lease. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during construction in the Premises.

SECTION 1

CONDITION OF PREMISES

Tenant acknowledges that except as provided in the preceding sentence, Tenant shall accept the Premises in their existing, "as-is" condition on the date of delivery thereof to Tenant, provided that Landlord shall cause the Premises to be in the condition set forth on Schedule 1 attached hereto (the "Warm Shell Condition").

SECTION 2

TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance; Additional Allowance

2.1.1 Tenant Improvement Allowance. Commencing as of the Possession Date, Tenant shall be entitled to use the "Tenant Improvement Allowance", as defined in Section 5.1 of the Summary to this Lease, for the costs relating to the design and construction of Tenant's improvements, which are permanently affixed to the Premises or which are "Tenant Improvement Allowance Items," as that term is defined in Section 2.2.1, below (collectively, the "Tenant Improvements"). In addition to the Tenant Improvement Allowance, Landlord shall promptly reimburse Tenant up to $0.15 per RSF of the Premises for costs relating to Tenant’s initial space planning for the Premises. In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter or otherwise in connection with Tenant's construction of the Tenant Improvements or any Tenant Improvement Allowance Items, as defined below, in a total amount which exceeds the sum of the Tenant Improvement Allowance. All Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease; provided, however, Landlord may, by written notice to Tenant given concurrently with Landlord's approval of the "Final Working Drawings", as that term is defined in Section 3.3, below, require Tenant, prior to the end of the Lease Term, or upon any earlier termination of this Lease, at Tenant's expense, to remove any Tenant Improvements and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a Building standard general office or lab condition, as applicable. Any portion of the Tenant Improvement Allowance that is not disbursed or allocated for disbursement by the date that is twelve (12) months after the Possession Date, shall revert to Landlord and Tenant shall have no further rights with respect thereto.

2.1.2 Additional Tenant Improvement Allowance. Tenant shall have the right, by written notice to Landlord, to increase the Tenant Improvement Allowance by up to the amount of the Additional Tenant Improvement Allowance as set forth in Section 5.2 of the Summary to this Lease (the amount of such additional Tenant Improvement Allowance used by Tenant, the "Additional Tenant Improvement Allowance"). If Tenant elects to so increase the Tenant Improvement Allowance, then Tenant shall reimburse Landlord for such Additional Tenant Improvement Allowance by paying to Landlord, on a monthly basis over the Lease Term, the "Additional Monthly Base Rent," as that term is defined below. The "Additional Monthly Base Rent" shall be determined as the missing component of an annuity, which annuity shall have (i) the amount of the Additional Tenant Improvement Allowance utilized by Tenant as the present value amount, (ii) the number of full calendar months remaining in the Lease Term as the number of payments, (iii) eight percent (8%) as the annual interest factor, and (iv) the Additional Monthly Base Rent as the missing component of the annuity. Tenant shall be permitted, at any time and without penalty, to prepay the Additional Monthly Base Rent. Tenant must elect the amount of Additional Tenant Improvement Allowance, if any, on or before the Lease Commencement Date.

2.2 Disbursement of the Tenant Improvement Allowance

2.2.1 Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance and Additional Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "Tenant Improvement Allowance Items"): 

2.2.1.1 Payment of all fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, project management fees, and payment of the fees incurred by,
and the cost of documents and materials supplied by, Landlord and Landlord's consultants and Tenant and Tenant's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.2 of this Tenant Work Letter; 

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements; 

2.2.1.3 The payment for all demolition and removal of existing improvements in the Premises; 

2.2.1.4 The cost of construction of the Tenant Improvements, including, without limitation, testing and inspection costs, costs incurred for removal of existing furniture, fixtures or equipment in the Premises, hoisting and trash removal costs, costs to purchase and install in the Premises equipment customarily incorporated into laboratory improvements or laboratory utility systems, including, without limitation, UPS, RO/DI Water Purification Systems, boilers, humidification/dehumidification systems, air compressors, vacuum systems, glass/cage washers and autoclaves, painting, and contractors' fees, staffing and general conditions; 

2.2.1.5 The cost of any changes in the Base Building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith; 

2.2.1.6 The cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the "Code"); 

2.2.1.7 Sales and use taxes; and 

2.2.1.8 The "Coordination Fee", as defined in Section 4.1.1, below. 

2.2.2 Disbursement of Tenant Improvement Allowance. During the construction of the Tenant Improvements, Landlord shall make monthly disbursement of the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows. 

2.2.2.1 Monthly Disbursements. On or before the fifth (5th) day of each calendar month, during the design and construction of the Tenant Improvements (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for payment to the "Contractor," as that term is defined in Section 4.1.1 of this Tenant Work Letter, approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials for the Premises; (iii) executed conditional mechanic's lien releases, as applicable, from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 3262(d); and (iv) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Within forty-five (45) days thereafter, Landlord shall deliver a check to Tenant in payment of the lesser of: (A) the amounts so requested by Tenant as set forth in this Section 2.2.2.1, above (or, subject to the terms of Section 4.2.1, below, a percentage thereof), and (B) the balance of any remaining available portion of the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Working Drawings," as that term is defined in Section 3.2, below, or due to any substandard work. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request. 

2.2.2.2 Final Deliveries. Following the completion of construction of the Tenant Improvements, Tenant shall deliver to Landlord properly executed final mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all of Tenant's Agents, and a certificate certifying that the construction of the Tenant Improvements in the Premises has been substantially completed. Tenant shall record a valid Notice of Completion in accordance with the requirements of Section 4.3 of this Tenant Work Letter. 

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance and Additional Improvement Allowance, if applicable, to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance and Additional Improvement Allowance have been made available shall be deemed Landlord's property under the terms of this Lease. 

2.4 Building Standards. The quality of Tenant Improvements shall be in a manner adequate to maintain the Premises in a manner consistent with First Class Life Sciences Projects.
SELECTION 3
CONSTRUCTION DRAWINGS

3.1 Selection of Architect. Tenant shall retain an architect/space planner (the "Architect") approved in advance by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) to prepare the Final Space Plan and Final Working Drawings as provided in Section 3.2 and 3.3, below. Tenant shall retain the engineering consultants or design/build subcontractors designated by Tenant and reasonably approved in advance by Landlord (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life safety, and sprinkler work in the Premises, which work is not part of the Base Building. All such plans and drawings shall comply with industry standards, and shall be subject to Landlord's reasonable approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of any plans or drawings as set forth in this Section 3 shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Tenant acknowledges that the Premises shall be designed and constructed so as to comply with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system and to maintain the Premises LEED commercial interior certification.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, labs, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require within ten (10) business days after Landlord's request.

3.3 Final Working Drawings. After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Working Drawings" (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is sufficiently complete to allow all of Tenant's Agents to bid on the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Working Drawings to be revised in accordance with such review and any disapproval of Landlord in connection therewith.

3.5 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "Approved Working Drawings") prior to the commencement of construction of the Premises by Tenant. Concurrently with Tenant's delivery of the Final Working Drawings to Landlord for Landlord's approval, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed.

SECTION 4
CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractor: Landlord's Project Manager. Tenant shall retain a licensed general contractor, approved in advance by Landlord, to construct the Tenant Improvements ("Contractor"). Landlord's approval of the Contractor shall not be unreasonably withheld, conditioned or delayed. Landlord shall retain Project Management Advisors, Inc. ("PMA") as a third party project manager for construction oversight of the Tenant Improvements on behalf of Landlord, and Tenant shall pay a fee to Landlord with respect to the PMA services (the

EXHIBIT B
-3-
4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "Tenant's Agents"). The subcontractors used by Tenant, but not any laborers, materialmen, and suppliers, must be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed; provided, however, Landlord may nevertheless designate and require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building subcontractors for work on the Base Building Systems. If Landlord does not approve any of Tenant's proposed subcontractors, Tenant shall submit other proposed subcontractors for Landlord's written approval.

4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Tenant shall engage the Contractor under a commercially reasonable and customary construction contract (collectively, the "Contract"). Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade (CSI Division), of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.10, above, in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the estimated total costs of the work of the Tenant Improvement project (the "Final Budget"). Any costs necessary for design and construction of the Tenant Improvements in excess of the Tenant Improvement Allowance shall be paid by Tenant out of its own funds, but Tenant shall continue to provide Landlord with the documents described in Sections 2.2.2.1 (i), (ii), (iii) and (iv) of this Tenant Work Letter, above, for Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed, prior to Tenant paying such costs. All Tenant Improvements paid for by Tenant in such manner shall be deemed Landlord's property under the terms of the Lease.

4.2.2 Tenant's Agents.

4.2.2.1 Compliance with Drawings and Schedule. Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Working Drawings; and (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment required under this Lease. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Tenant's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises. The foregoing indemnities shall not apply to claims caused by, or arising from, the negligence or willful misconduct of Landlord, its member partners, shareholders, officers, directors, agents, employees, and/or contractors.

4.2.2.3 Require the Contractor to carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in this Lease.
4.2.4.2 **Special Coverages.** Tenant or its Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to this Lease immediately upon completion thereof. Landlord shall be an additional insured under such builders risk policy. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents, including all contractors, shall carry general liability, including Products and Completed Operation Coverage insurance, each in amounts not less than $5,000,000 per incident, $5,000,000 in aggregate, as well as workers compensation insurance and in form and with companies as are required to be carried by Tenant as set forth in this Lease.

4.2.4.3 **General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.4.3 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before any equipment of Tenant's Agents is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will endeavor to give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. Tenant shall provide Landlord notice of any cancellation or lapse of the effective date or reduction in the amounts of such insurance promptly following Tenant's receipt of such notice from its insurer. In the event that the Tenant Improvements are damaged during the course of the construction thereof as a result of Tenant's or Tenant's Agents' negligence or willful misconduct, Tenant shall immediately repair the same at Tenant's sole cost and expense and may retain any and all available insurance proceeds relating thereto (unless such damage results from a fire or casualty event affecting the Building or Project, in which case the applicable provisions of this Lease shall apply). Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for Products and Completed Operations Coverage insurance required by Landlord, which is to be maintained for a commercially reasonable period following completion of the Tenant Improvements and acceptance by Landlord and Tenant. The builders risk policy carried under this Section 4.2.4.3 shall name Tenant, Tenant's agents and Landlord as Additional Insureds. All insurance maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder, and the public liability insurance shall name Landlord, HCP, Inc., Project Management Advisors, Inc., CB Richard Ellis, or other manager of the Project, as an additional insured or loss payee, as applicable. Such insurance shall provide that it is primary insurance and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not serve to limit the indemnification of Landlord by Tenant under Section 4.2.4.3 of this Tenant Work Letter.

4.2.2 **Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 **Inspection by Landlord.** Landlord shall have the right to inspect the Tenant Improvements at all reasonable times and upon reasonable notice, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements, on the grounds that the construction is defective or fails to comply with the Approved Working Drawings, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any such defects or deviations shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists that might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord reasonably deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's reasonable satisfaction.

4.2.5 **Meetings.** Commencing upon the execution of this Lease, Tenant shall hold regular meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 **Notice of Completion; Copy of Record Set of Plans.** Within ten (10) business days after completion of construction of the Tenant Improvements, Tenant shall cause a valid Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section
3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (ii) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (iii) to deliver to Landlord two (2) sets of copies of such record set of drawings (hard copy and CAD files) within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises. Within fifteen (15) days after request by Tenant following the Substantial Completion of the Tenant Improvements, Landlord will acknowledge its approval of the Tenant Improvements (provided that such approval has been granted) by placing its signature on a Contractor’s Certificate of Substantial Completion fully executed by the Architect, Contractor and Tenant. Landlord’s approval shall not create any contingent liabilities for Landlord with respect to any latent quality, design, Code compliance or other like matters that may arise subsequent to Landlord’s approval.

SECTION 5

MISCELLANEOUS

5.1 Tenant’s Representative. Tenant has designated Joe Romero, Vice President, Real Estate, as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice, shall each have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 Landlord’s Representative. Landlord has designated PMA as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 Time is of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord in accordance with the terms herein, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 Tenant’s Lease Default. Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any default by Tenant under the Lease or this Tenant Work Letter occurs at any time on or before the substantial completion of the Tenant Improvements, after the expiration of any applicable notice and cure period, and such default remains uncured beyond the applicable notice and cure period set forth in the Lease, then in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements and any costs occasioned thereby).

EXHIBIT B

[Myriad Genetics, Inc.]
SCHEDULE 1 TO EXHIBIT B

WARM SHELL CONDITION

EXHIBIT B

-7-
13. Exterior service yard framed with steel and CMU supported on a mat slab at grade level.

**ROOFING**
2. Rigid insulation, flashing, and sealants.
3. Roofing penetrations for base building equipment and systems.
4. Future rooftop equipment space for pro-rata allocation amongst tenants.

**EXTERIOR**
1. Unitized, non-load-bearing glazed aluminum curtain wall with high performance glass.
2. Building entrances and openings. One automatic door for ADA access.
3. Window washing system for periodic glass cleaning.
4. Exterior, building mounted signage connection points for signage by tenant.

**COMMON AREAS**
1. Build-out of Main Lobby, fully furnished including reception/security desk
2. Stair enclosures painted at all building levels
3. Main Electrical Room
4. Security Room
5. Emergency Electrical Room
6. Domestic Pump Room
7. Fire Booster Pump Room
8. Elevator Control Room
9. Telecommunications Minimum Point of Entry (MPOE) Room
10. Service Yard/Loading Dock Area, including trash enclosure, storage, and generator enclosure
11. Campus amenities including grab and go café and fitness center.

**ELEVATORS**
1. Two (2) passenger elevators.
2. One (1) freight elevator.

**TENANT AREAS**
1. Restroom Cores: one (1) set per floor including Men’s and Women’s Restrooms with janitor’s closet, tile floors and wet walls, solid surface countertops, floor-mounted wash basins, hard-lid ceiling, down lights and plumbing fixtures.
2. Shower stalls and locker rooms located inside fitness center on ground floor.
3. Stud wall framing at restroom core to underside of slab.
4. Electrical Room – one (1) per floor on floors 2-5 consisting of concrete floor, unfinished drywall and taped walls, and no ceiling.
5. Intermediate Distribution Frame (IDF) riser closet – one (1) per floor on floors 2-5 consisting of concrete floor, unfinished drywall and taped walls, and no ceiling.
6. Freight elevator vestibule – one (1) per floor.

**FIRE PROTECTION**
1. Wet fire protection system: risers, distribution piping, and sprinkler heads for core areas.
2. Primary distribution and sprinkler heads adequate for "Ordinary Hazard, Group 2" for core and shell coverage.
3. Fire extinguisher cabinets at common areas.
4. Fire safety at slab edge and base building vertical penetrations, including penetrations for mechanical, electrical, and plumbing systems.
5. Fire service and double-check valve assembly.
6. Fire pump, jockey pump, controller, and test header.
7. 1" plugs throughout office floors provided for future tenant build out.

### PLUMBING
1. Building storm and overflow drainage system, including site underground storm sewer system and connection to storm sewer mains.
2. Domestic water service with backflow prevention and base building risers to tenant spaces. 2" domestic cold-water stubs for tenant use on each floor.
3. Domestic water booster pump.
4. Building sanitary waste consisting of under slab piping, ground floor stub-outs, risers, sanitary waste, and sanitary vent stubs in tenant space.
5. Domestic sanitary waste piping and sewer connection to on-site sanitary sewer line.
6. Building lab waste consisting of under slab piping, ground floor stub-outs, risers, lab waste and lab vent stubs in tenant space.
7. Lab waste sewer connection to sanitary sewer, lab waste sampling port at connection.
8. Main water meter and irrigation meter
9. Building grease waste consisting of under-slab piping and ground floor stub out (4"
10. Grease waste sewer connection to on-site sanitary sewer, exterior grease interceptor prior to connection to sanitary sewer.

### NATURAL GAS
1. Medium pressure (2 psi) natural gas service to Building.
2. Natural gas riser to the roof and service to base building boilers.
3. 4" medium pressure stub in penthouse for tenant use.

### HEATING, VENTILATION, AIR CONDITIONING
1. Two (2) 55,500 CFM custom, 100% outside air and roof mounted air handlers serving tenant lab spaces. Allocation to tenant space: Approximately 44,200 CFM per floor (100% lab) and 22,100 CFM (varies from 21,450 CFM to 22,500 CFM depending on floor) per tap. The units are connected to standby power.
2. Two (2) 32,000 CFM custom, supply/return roof mounted air handlers serving tenant office spaces. Allocation to tenant space: Approximately 25,600 cfm per floor (100% office) and 12,800 cfm (varies from 12,450 CFM to 13,050 CFM depending on floor) per tap.
3. Three (3) Cleaver Brooks, 2,500 MBH input gas fired, high efficiency, condensing boilers.
4. Two (2) 330-ton Trane Agility water-cooled centrifugal chillers. The chillers have magnetic bearings with enhanced compressor speeds.
5. Chilled Water Pipe Risers, stub-outs to each floor for tenant space for future TI build out, if needed. Chilled water stub outs not meant for 24/7 systems.
6. Two (2) 330-ton BAC induced draft, crossflow type cooling towers with S.S. hot & cold-water basins.

7. Secondary mechanical equipment, including pumps, roof ducting, piping, valves, manifolds, etc. to support Base Building mechanical systems.

8. Heating hot water risers, stub-outs to each floor for tenant space for future TI built out's reheat coils.

9. Lab supply and office supply return air duct risers are in mechanical shaft, and stub-out to each floor with a fire smoke damper. Lab Exhaust system uses individual duct from each floor which tapped into an exhaust plenum above roof.

10. Horizontal supply air distribution. Main lobby will be fully conditioned by office air handler AHU-R-3. Two (2) VAV boxes with reheat coils and linear slot diffusers (installed perimeter area of lobby) connected by ductwork.

11. Six (6) variable volume roof mounted dilution lab exhaust fan systems, with 27,750 CFM capacity per system, allocated to Tenant space (connected to standby power).

12. Base building restroom exhaust: One (1) 4,000 CFM centrifugal exhaust fan with VFD. Each floor horizontal ductwork will have a fire smoke damper at the shaft penetration.

13. Base Building Electrical Room exhaust: One (1) 7,500 CFM centrifugal exhaust fan with VFD connected to standby power. The exhaust riser will be in a separate shaft. Each floor electrical room exhaust will have a fire smoke damper and manual volume damper at the shaft. The transfer air will be via a transfer air grille with a fire smoke damper installed on electrical room wall.

14. Chemical Storage room exhaust: One (1) 1,325 CFM centrifugal exhaust fan. High and low exhaust will be provided each room. Transfer air via grille with a fire smoke damper installed on the wall between Storage room and TI space. The fan is connected to standby power.

15. Building Management System (BMS) for core area and Landlord infrastructure (Distech Controls).

**ELECTRICAL**

1. Site campus 12kV medium voltage distribution system with connection to PG&E grid via two pad mounted utility transformers (One per service) adjacent to building.

2. One (1) 4000A 480/277V Base Building Service Switchboard fed underground from PG&E transformer; One (1) 3000A 480/277V Base Building Service Switchboard fed underground from PG&E transformer.

3. Normal power 2,000 bus duct riser providing average of 400 amps @ 480/277V per floor.

4. One (1) 1500kW diesel life safety/standby power generator.

5. Standby power 1000A bus duct risers providing average of 200 amps @480/277V per floor. (p. 296)

6. Automatic transfer switch for Tenant load (bypass isolation).

7. Ground bar per floor connecting back to the Main Electric Room.

8. Lighting and power distribution provided for core areas separated from tenant distribution.

9. Base building common area life safety emergency lighting and exit signage provided throughout.
<table>
<thead>
<tr>
<th>FIRE ALARM</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Base Building fire alarm system with devices in core areas (connected to life safety power).</td>
<td></td>
</tr>
<tr>
<td>2. Fire Alarm Termination Cabinet (FATC) in IDF riser.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TELEPHONE/DATA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Underground local fiber optic &amp; telephone conduit only to Minimum Point of Entry (MPOE) Room.</td>
<td></td>
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<tr>
<td>2. Two (2) 4&quot; conduit risers from MPOE to Intermediate Distribution Frame (IDF) closet on each floor.</td>
<td></td>
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<tr>
<td>3. Four (4) 4&quot; sleeves for future satellite antenna and ERBS antenna from IDF closets to the roof; Landlord approval required for usage.</td>
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<tr>
<td>4. Teledata consisting of six (6) 4&quot; conduits to street vaults.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SECURITY</th>
<th></th>
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<tbody>
<tr>
<td>1. Card access at Building entries, elevators, stairs, MPOE, and other Base Building rooms.</td>
<td></td>
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<tr>
<td>2. Video surveillance at building exterior and intercom system at entrance and receiving doors of the Building. Keypad access for emergency department provided.</td>
<td></td>
</tr>
<tr>
<td>3. Main Lobby desk for future security operations. Security guard scope TBD.</td>
<td></td>
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<tr>
<td>4. Door position switches for monitoring exterior and generator doors.</td>
<td></td>
</tr>
<tr>
<td>5. Access control, surveillance, and intercom server infrastructure for the Landlord's campus wide security system.</td>
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</table>
NOTICE OF LEASE TERM DATES

To: _______________________
_______________________
_______________________
_______________________

Re: Office Lease dated ____________, 20__, between ____________________, a _____________________ ("Landlord"), and _________________________, a _______________________ ("Tenant") concerning Suite ______ on floor(s) _________ of the office building located at __________________________, California.

Gentlemen:

In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on ____________ for a term of ______________ ending on ________________.
2. Rent commenced to accrue on ____________, in the amount of ________________.
3. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.
4. Your rent checks should be made payable to ______________ at ________________.
5. The exact number of rentable/usable square feet within the Premises is _________ square feet.
6. Tenant's Share as adjusted based upon the exact number of usable square feet within the Premises is ____________%.

"Landlord":

_______________________
_______________________
By: __
Its: __

Agreed to and Accepted as of ____________, 20__.

"Tenant":

_______________________
_______________________
By: __
Its: __
EXHIBIT D

NEXUS ON GRAND

FORM OF TENANT’S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of __________, 20__ by and between _________________ as Landlord, and the undersigned as Tenant, for Premises consisting of the entire office building located at ________________, California, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on __________, and the Lease Term expires on ___________, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on ____________.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through ___________. The current monthly installment of Base Rent is $_________________.

7. To the undersigned’s knowledge, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. As of the date of this estoppel, except as provided in Exhibit B, no rental concessions or leasing brokerage commissions remain outstanding.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease. Neither Landlord, nor its successors or assigns, shall in any event be liable or responsible for, or with respect to, the retention, application and/or return to Tenant of any security deposit paid to any prior landlord of the Premises, whether or not still held by any such prior landlord, unless and until the party from whom the security deposit is being sought, whether it be a lender, or any of its successors or assigns, has actually received for its own account, as landlord, the full amount of such security deposit.

9. As of the date hereof, to Tenant’s knowledge, there are no existing defenses or offsets, or claims or any basis for a claim, that the undersigned has against Landlord.

10. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

11. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

12. Tenant is in full compliance with all federal, state and local laws, ordinances, rules and regulations affecting its use of the Premises, including, but not limited to, those laws, ordinances, rules or regulations relating to hazardous or toxic materials. Tenant has never permitted or suffered, nor does Tenant have any knowledge of, the generation, manufacture, treatment, use, storage, disposal or discharge of any hazardous, toxic or dangerous waste,
substance or material in, on, under or about the Project or the Premises or any adjacent premises or property in violation of any federal, state or local law, ordinance, rule or regulation.

13. To the undersigned's knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full. All work (if any) in the common areas required by the Lease to be completed by Landlord has been completed and all parking spaces required by the Lease have been furnished and/or all parking ratios required by the Lease have been met.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at ______________ on the ____ day of ___________, 20__.  

"Tenant":

______________________________  ________________________________
By: ________________________
Its: ________________________

______________________________  ________________________________
By: ________________________
Its: ________________________
EXHIBIT E
NEXUS ON GRAND
ENVIRONMENTAL QUESTIONNAIRE

ENVIRONMENTAL QUESTIONNAIRE
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

---

Tenant Name:  
Lease Address:

Lease Type (check correct box – right click to properties):  ☐ Primary Lease/Lessee  ☐ Sublease from:

Instructions: The following questionnaire is to be completed by the Lessee representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

1.0 PROCESS INFORMATION

Describe planned site use, including a brief description of manufacturing processes and/or pilot plants planned for this site, if any.

---

2.0 HAZARDOUS MATERIALS – OTHER THAN WASTE

Will (or are) non-waste hazardous materials be/being used or stored at this site? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property?  ☐ Yes  ☐ No

[A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.] If YES, check (right click to properties) the applicable correct Fire Code hazard categories below.

<table>
<thead>
<tr>
<th>Hazard Category</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combustible dusts/fibers</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Explosives</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Compressed gas - inert</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Compressed gas - flammable/pyrophoric</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Flammable solids/pyrophorics</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Organic peroxides</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Compressed gas - oxidizing</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Flammable liquids</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Oxidizers - solid or liquid</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Reactives - unstable or water reactive</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Toxics - solid or liquid</td>
<td>☐</td>
<td>☐</td>
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</tbody>
</table>

2-2. For all materials checked in Section 2.1 above, please list the specific material(s), use(s), and quantities of each used or stored on the site in the table below; or attach a separate inventory. NOTE: If proprietary, the constituents need not be named but the hazard information and volumes are required.
<table>
<thead>
<tr>
<th>Material/Chemical</th>
<th>Physical State (Solid, Liquid, or Gas)</th>
<th>Container Size</th>
<th>Number of Containers Used &amp; Stored</th>
<th>Total Quantity</th>
<th>Units (pounds for solids, gallons or liters for liquids, &amp; cubic feet for gases)</th>
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<tbody>
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</table>

2-3. Describe the planned storage area location(s) for the materials in Section 2-2 above. Include site maps and drawings as appropriate.
2-4. Other hazardous materials. Check below (right click to properties) if applicable. NOTE: If either of the latter two are checked (BSL-3 and/or radioisotope/radiation), be advised that not all lease locations/cities or lease agreements allow these hazards; and if either of these hazards are planned, additional information will be required with copies of oversight agency authorizations/licenses as they become available.

<table>
<thead>
<tr>
<th>Risk Group 2/Biosafety Level-2 Biohazards</th>
<th>Risk Group 3/Biosafety Level-3 Biohazards</th>
<th>Radioisotopes/Radiation</th>
</tr>
</thead>
</table>

3.0 **HAZARDOUS WASTE (i.e., REGULATED CHEMICAL WASTE)**

Are (or will) hazardous wastes (be) generated? □ Yes □ No

If YES, continue with the next question. If not, skip this section and go to section 4.0.

3.1 Are or will any of the following hazardous (CHEMICAL) wastes generated, handled, or disposed of (where applicable and allowed) on the property?

|☐| Liquids |☐| Process sludges |☐| PCBs |
|☐| Solids |☐| Metals |☐| wastewater |

3.2 List and estimate the quantities of hazardous waste identified in Question 3-1 above.

<table>
<thead>
<tr>
<th>HAZARDOUS (CHEMICAL) WASTE GENERATED</th>
<th>SOURCE</th>
<th>WASTE TYPE</th>
<th>APPROX. MONTHLY QUANTITY with units</th>
<th>DISPOSITION [e.g., off-site landfill, incineration, fuel blending scrap metal; wastewater neutralization (onsite or off-site)]</th>
</tr>
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<tbody>
<tr>
<td>FORMCHECKBOX FORMCHECKBOX</td>
<td>RCRA listed (federal)</td>
<td>Non-RCRA (California ONLY or recycle)</td>
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<tr>
<td>FORMCHECKBOX FORMCHECKBOX</td>
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3-3. Waste characterization by: Process knowledge □ EPA lab analysis □ Both □

3-4. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility if applicable. Attach separate pages as necessary. If not yet known, write "TBD."

<table>
<thead>
<tr>
<th>Hazardous Waste Transporter/Disposal Facility Name</th>
<th>Facility Location</th>
<th>Transporter (T) or Disposal (D) Facility</th>
<th>Permit Number</th>
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3-5. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? NOTE: This does NOT mean fume hoods; examples include air scrubbers, cyclones, carbon or HEPA filters at building exhaust fans, sedimentation tanks, pH neutralization systems for wastewater, etc.

EXHIBIT E

[Nexus on Grand] [Myriad Genetics, Inc.]

4864-7268-1728.5 183307.00004/2-27-24/ejs/ejs

-3-
☐ Yes ☐ No

If YES, please list/describe:

4.0 OTHER REGULATED WASTE (i.e., REGULATED BIOLOGICAL WASTE, referred to as “Medical Waste” in California)

4-1. Will (or do) you generate medical waste? ☐ Yes ☐ No If NO, skip to Section 5.0.

4-2. Check the types of waste that will be generated, all of which fall under the California Medical Waste Act:

- Contaminated sharps (i.e., if contaminated with ≥ Risk Group 2 materials)
- Animal carcasses
- Pathology waste known or suspected to be contaminated with ≥ Risk Group 2 pathogens
- Red bag biohazardous waste (i.e., with ≥ Risk Group 2 materials) for autoclaving
- Human or non-human primate blood, tissues, etc. (e.g., clinical specimens)
- Trace Chemotherapeutic Waste and/or Pharmaceutical waste NOT otherwise regulated as RCRA chemical waste

4-3. What vendor will be used for off-site autoclaving and/or incineration?

4-5. Do you have a Medical Waste Permit for this site? ☐ Yes ☐ No, not required. ☐ No, but an application will be submitted.

5.0 UNDERGROUND STORAGE TANKS (USTS) & ABOVEGROUND STORAGE TANKS (ASTS)

5-1. Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? ☐ Yes ☐ No

**NOTE**: If you will have your own diesel emergency power generator, then you will have at least one AST! [NOTE: If a backup generator services multiple tenants, then the landlord usually handles the permits.]

If NO, skip to section 6.0. If YES, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.

<table>
<thead>
<tr>
<th>UST or AST</th>
<th>Capacity (gallons)</th>
<th>Contents</th>
<th>Year Installed</th>
<th>Type (Steel, Fiberglass, etc.)</th>
<th>Associated Leak Detection / Spill Prevention Measures*</th>
</tr>
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*NOTE: The following are examples of leak detection / spill prevention measures: integrity testing, inventory reconciliation, leak detection system, overfill spill protection, secondary containment, cathodic protection.

5-2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.
5-3. Is the UST/AST registered and permitted with the appropriate regulatory agencies? ☐ Yes ☐ No, not yet
If YES, please attach a copy of the required permit(s). See Section 7-1 for the oversight agencies that issue permits, with the exception of those for diesel emergency power generators which are permitted by the local Air Quality District (Bay Area Air Quality Management District = BAAQMD; or San Diego Air Pollution Control District = San Diego APCD).

5-4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

5-5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property?
☐ Yes ☐ No
If YES, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

5-6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes?
☐ Yes ☐ No
For new tenants, are installations of this type required for the planned operations? ☐ Yes ☐ No
If YES to either question in this section 5-6, please describe.

6.0 ASBESTOS CONTAINING BUILDING MATERIALS
Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

7.0 OTHER REGULATORY PERMITS/REQUIREMENTS

7-1. Does the operation have or require an industrial wastewater permit to discharge into the local National Pollutant Discharge Elimination System (NPDES)? [Example: This applies when wastewater from equipment cleaning is routed through a pH neutralization system prior to discharge into the sanitary or lab sewer for certain pharmaceutical manufacturing wastewater; etc.] Permits are obtained from the regional sanitation district that is treating wastewater.
☐ Yes ☐ No ☐ No, but one will be prepared and submitted to the Landlord property management company.
If so, please attach a copy of this permit or provide it later when it has been prepared.

7-2. Has a Hazardous Materials Business Plan (HMBP) been developed for the site and submitted via the State of California Electronic Reporting System (CERS)? [NOTE: The trigger limits for having to do this are ≥ 200 cubic feet if any one type of compressed gas (except for carbon dioxide and inert simple asphyxiating gases, which have a higher trigger limit of ≥ 1,000 cubic feet); ≥ 55 gallons if any one type of hazardous...]

EXHIBIT E
Nexus on Grand
chemical liquid; and ≥500 pounds of any one type of hazardous chemical solid. So a full-sixe gas cylinder and a 260-liter of liquid nitrogen are triggers! Don’t forget the diesel fuel in a backup emergency generator if the diesel tank size is ≥ 55 gallons and it is permitted under the tenant (rather than under the landlord). / NOTE: Each local Certified Unified Program Agency (CUPA) in California governs the HMBP process so start there. Examples: the CUPA for cities in San Mateo County is the County Environmental Health Department; the CUPA for the City of Hayward, CA is the Hayward Fire Department; the CUPA for Mountain View is the Mountain View Fire Department; and, the CUPA for San Diego is the County of San Diego Hazardous Materials Division (HMD).

☐ Yes ☐ No, not required. ☐ No, but one will be prepared and submitted, and a copy will be provided to the landlord property management company.

If one has been completed, please attach a copy. Continue to provide updated versions as they are completed. This is a legal requirement in that State law requires that the owner/operator of a business located on leased or rented real property shall notify, in writing, the owner of the property that the business is subject to and is in compliance with the Hazardous Materials Business Plan requirements (Health and Safety Code Chapter 6.95 Section 25505.1).

7-3. NOTE: Please be advised that if you are involved in any tenant improvements that require a construction permit, you will be asked to provide the local city with a Hazardous Materials Inventory Statement (HMIS) to ensure that your hazardous chemicals fall within the applicable Fire Code fire control area limits for the applicable construction occupancy of the particular building. The HMIS will include much of the information listed in Section 2-2. Neither the landlord nor the landlord’s property management company expressly warrants that the inventory provided in Section 2-2 will necessarily meet the applicable California Fire Code fire control area limits for building occupancy, especially in shared tenant occupancy situations. It is the responsibility of the tenant to ensure that a facility and site can legally handle the intended operations and hazardous materials desired/ needed for its operations, but the landlord is happy to assist in this determination when possible.

CERTIFICATION

I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Lessor will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature: ____________________________________________

Name: _______________________________________________

Title: ________________________________________________

Date: ________________

ne: __
**EXHIBIT F**

**MARKET RENT ANALYSIS**

When determining Market Rent, the following rules and instructions shall be followed.

1. **RELEVANT FACTORS.** The "Market Rent," as used in this Lease, shall be derived from an analysis (as such derivation and analysis are set forth in this Exhibit F) of the "Net Equivalent Lease Rates," of the "Comparable Transactions." The "Market Rent," as used in this Lease, shall be equal to the annual rent per rentable square foot as would be applicable on the commencement of the Option Term at which tenants, are, pursuant to transactions consummated within the twelve (12) month period immediately preceding the first day of the Option Term (provided that timing adjustments shall be made to reflect any perceived changes which will occur in the Market Rent following the date of any particular Comparable Transaction up to the date of the commencement of the Option Term) leasing non-sublease, non-encumbered, non-equity space comparable in location and quality to the Premises and consisting of one full floor or greater transactions, for a comparable term, in an arm's-length transaction, which comparable space is located in the "Comparable Buildings," as that term is defined in Section 4, below (transactions satisfying the foregoing criteria shall be known as the "Comparable Transactions"). The terms of the Comparable Transactions shall be calculated as a Net Equivalent Lease Rate pursuant to the terms of this Exhibit F and shall take into consideration only the following terms and concessions: (i) the rental rate and escalations for the Comparable Transactions, (ii) the amount of parking rent per parking permit paid in the Comparable Transactions, (iii) operating expense and tax escalation protection granted in such Comparable Transactions such as a base year or expense stop (although for each such Comparable Transaction the base rent shall be adjusted to a triple net base rent using reasonable estimates of operating expenses and taxes as determined by Landlord for each such Comparable Transaction); (iv) tenant improvements or allowances provided or to be provided for such comparable space, taking into account, the value of the existing improvements, if any, in the Premises and/or improvement allowances granted to Tenant, such value of existing improvements to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by general office users (as contrasted to the Tenant), and (v) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; provided, however, that no consideration shall be given to (1) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with the applicable term or the fact that the Comparable Transactions do or do not involve the payment of real estate brokerage commissions, and (2) any period of rental abatement, if any, granted to tenants in Comparable Transactions in connection with the design, permitting and construction of tenant improvements in such comparable spaces. The Market Rent shall include adjustment of the stated size of the Premises, based upon the standards of measurement utilized in the Comparable Transactions. In no event shall Alterations or improvements constructed by Tenant at Tenant’s cost be considered in determining the comparability of other space.

2. **TENANT SECURITY.** The Market Rent shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for Tenant's Rent obligations during the Option Term. Such determination shall be made by reviewing the extent of financial security then generally being imposed in Comparable Transactions from tenants of comparable financial condition and credit history to the then existing financial condition and credit history of Tenant (with appropriate adjustments to account for differences in the then-existing financial condition of Tenant and such other tenants).

3. **TENANT IMPROVEMENT ALLOWANCE.** If, in determining the Market Rent for an Option Term, Tenant is entitled to a tenant improvement or comparable allowance for the improvement of the Option Space (the "Option Term TI Allowance"), the mechanism of payment of such Option Term TI Allowance, and the extent to which such Option Term TI Allowance is paid to Tenant as an allowance, or not paid to Tenant as an allowance and instead applied to adjust the Market Rent, shall be mutually and reasonably agreed upon by Landlord and Tenant in accordance with general market practices at the time.

4. **COMPARABLE BUILDINGS.** For purposes of this Lease, the term "Comparable Buildings" shall mean the Building and those certain other first-class life-science projects and spaces in South San Francisco, California. With respect to Comparable Transactions that are not located in the Building, the Market Rent shall be adjusted, if necessary, to take into consideration the size, age, quality of construction and appearance of the Comparable Buildings as they relate to the Building.

5. **METHODOLOGY FOR REVIEWING AND COMPARING THE COMPARABLE TRANSACTIONS.** In order to analyze the Comparable Transactions based on the factors to be considered in calculating Market Rent, and given that the Comparable Transactions may vary in terms of length or term, rental rate, concessions, etc., the following steps shall be taken into consideration to "adjust" the objective data from each of the Comparable Transactions. By taking this approach, a "Net Equivalent Lease Rate" for each of the

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<thead>
<tr>
<th>RELEVANT FACTORS</th>
<th>RULES AND INSTRUCTIONS</th>
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<tbody>
<tr>
<td>1. RELEVANT FACTORS.</td>
<td>The &quot;Market Rent,&quot; as used in this Lease, shall be derived from an analysis of the &quot;Net Equivalent Lease Rates,&quot; of the &quot;Comparable Transactions.&quot;</td>
</tr>
<tr>
<td>2. TENANT SECURITY.</td>
<td>The Market Rent shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for Tenant's Rent obligations during the Option Term.</td>
</tr>
<tr>
<td>3. TENANT IMPROVEMENT ALLOWANCE.</td>
<td>If, in determining the Market Rent for an Option Term, Tenant is entitled to a tenant improvement or comparable allowance for the improvement of the Option Space (the &quot;Option Term TI Allowance&quot;), the mechanism of payment of such Option Term TI Allowance, and the extent to which such Option Term TI Allowance is paid to Tenant as an allowance, or not paid to Tenant as an allowance and instead applied to adjust the Market Rent, shall be mutually and reasonably agreed upon by Landlord and Tenant in accordance with general market practices at the time.</td>
</tr>
<tr>
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<td>For purposes of this Lease, the term &quot;Comparable Buildings&quot; shall mean the Building and those certain other first-class life-science projects and spaces in South San Francisco, California. With respect to Comparable Transactions that are not located in the Building, the Market Rent shall be adjusted, if necessary, to take into consideration the size, age, quality of construction and appearance of the Comparable Buildings as they relate to the Building.</td>
</tr>
<tr>
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<td>In order to analyze the Comparable Transactions based on the factors to be considered in calculating Market Rent, and given that the Comparable Transactions may vary in terms of length or term, rental rate, concessions, etc., the following steps shall be taken into consideration to &quot;adjust&quot; the objective data from each of the Comparable Transactions. By taking this approach, a &quot;Net Equivalent Lease Rate&quot; for each of the</td>
</tr>
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</table>
Comparable Transactions shall be determined using the following steps to adjust the Comparable Transactions, which will allow for an "apples to apples" comparison of the Comparable Transactions.

5.1 The contractual rent payments for each of the Comparable Transactions should be arrayed monthly or annually over the lease term. All Comparable Transactions should be adjusted to simulate a net rent structure, wherein the tenant is responsible for the payment of all property operating expenses and taxes in a manner consistent with this Lease. This results in the estimate of Net Equivalent Rent received by each landlord for each Comparable Transaction being expressed as a periodic net rent payment.

5.2 Any free rent or similar inducements received over time should be deducted in the time period in which they occur, resulting in the net cash flow arrayed over the lease term.

5.3 The resultant net cash flow from the lease should be then discounted (using an annual discount rate equal to 8.0%) to the lease commencement date, resulting in a net present value estimate.

5.4 From the net present value, up front inducements (improvements allowances and other concessions) should be deducted. These items should be deducted directly, on a "dollar for dollar" basis, without discounting since they are typically incurred at lease commencement, while rent (which is discounted) is a future receipt.

5.5 The net present value should then amortized back over the lease term as a level monthly or annual net rent payment using the same annual discount rate of 8.0% used in the present value analysis. This calculation will result in a hypothetical level or even payment over the option period, termed the "Net Equivalent Lease Rate" (or constant equivalent in general financial terms).

6. USE OF NET EQUIVALENT LEASE RATES FOR COMPARABLE TRANSACTIONS. The Net Equivalent Lease Rates for the Comparable Transactions shall then be used to reconcile, in a manner usual and customary for a real estate appraisal process, to a conclusion of Market Rent which shall be stated as a Net Equivalent Lease Rate applicable the Option Term.
EXHIBIT G

FORM OF LETTER OF CREDIT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART
DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE
CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR ADVISE SUCH LC'S IN THE FUTURE.
PLEASE QUOTE OUR PRE-VET REFERENCE NUMBER IN ALL FUTURE CORRESPONDENCE INCLUDING APPLICATION ONCE SUBMITTED.
PRE-VET REF: Myriad Genetics_Bayside Lease 12032021_JM_20211108IE022990_Revised

**************************************************************************************

JPMORGAN CHASE BANK, N.A.
GLOBAL TRADE OPERATIONS
10420 HIGHLAND MANOR DRIVE, FLOOR 04
TAMPA, FL 33610-9128
SWIFT: CHASUS33

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _________ DATED: _________
To: Bayside Area Development, LLC
1920 Main Street, Suite 1200
Irvine, CA 92614
DEAR SIR/MADAM:
WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR.
BENEFICIARY: Bayside Area Development, LLC
1920 Main Street, Suite 1200
Irvine, CA 92614
ACCOUNT PARTY: Myriad Genetics Inc.
320 Wakara Way
Salt Lake City, UT 84108

DATE OF EXPIRY: _______________
PLACE OF EXPIRY: OUR COUNTERS
AMOUNT: $1,163,675.00
APPLICABLE RULES: ISP LATEST VERSION
WE HEREBY ISSUE THIS LETTER OF CREDIT FOR THE ACCOUNT OF APPLICANT/OBLIGOR, **NAME AND FULL
ADDRESS INCLUDING CITY AND STATE** ON BEHALF OF ACCOUNT PARTY, **NAME**.
FUNDS UNDER THIS CREDIT ARE AVAILABLE AT SIGHT WITH JPMORGAN CHASE BANK, N.A. UPON
PRESENTATION OF BENEFICIARY'S SIGNED AND DATED STATEMENT READING AS FOLLOWS:

"THE UNDERSIGNED HEREBY CERTIFIES THAT Bayside Area Development, LLC (THE "LANDLORD"), EITHER
(A) DUE TO DEFAULT BY TENANT UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE
TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD ______ UNDER LETTER
OF CREDIT NO. _________, IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE
AGREEMENT DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE
"LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY Myriad Genetics Inc. (THE "TENANT") TO

BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, OR THE TERMINATION OF SUCH LEASE, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN USD -----------------, THE FULL AVAILABLE AMOUNT OF LETTER OF CREDIT NO. ___________ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY Myriad Genetics Inc. (THE “TENANT”) UNDER THAT CERTAIN OFFICE LEASE AGREEMENT DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN USD -----------------, THE FULL AVAILABLE AMOUNT OF LETTER OF CREDIT NO. ___________ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST Myriad Genetics Inc. (THE “TENANT”) UNDER THAT CERTAIN OFFICE LEASE AGREEMENT DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR


IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL ONE YEAR PERIODS FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 60 DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. HOWEVER IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRY DATE OF __________. UPON SUCH NOTICE TO YOU, YOU MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE BALANCE REMAINING IN THIS LETTER OF CREDIT WITHIN THE THEN-APPLICABLE EXPIRY DATE, BY PRESENTATION OF YOUR DATED SIGNED STATEMENT READING AS FOLLOWS:

“THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF THE ELECTION BY JPMORGAN CHASE BANK, N.A. NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. ___________ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE. WE, THEREFORE, HEREBY DRAW USD ------------ UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NO. .........................”
THIS LETTER OF CREDIT IS TRANSFERABLE, BUT ONLY IN ITS ENTIRETY, AND MAY BE SUCCESSIVELY TRANSFERRED. TRANSFER OF THIS LETTER OF CREDIT SHALL BE EFFECTED BY US UPON YOUR SUBMISSION OF THIS ORIGINAL LETTER OF CREDIT, INCLUDING ALL AMENDMENTS, IF ANY, ACCOMPANIED BY YOUR TRANSFER REQUEST FORM DULY COMPLETED AND EXECUTED. IF YOU WISH TO TRANSFER THE LETTER OF CREDIT, PLEASE CONTACT US FOR THE FORM WHICH WE SHALL PROVIDE TO YOU UPON YOUR REQUEST. IN ANY EVENT, THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON OR ENTITY LISTED IN OR OTHERWISE SUBJECT TO, ANY SANCTION OR EMBARGO UNDER ANY APPLICABLE RESTRICTIONS. CHARGES AND FEES RELATED TO SUCH TRANSFER WILL BE FOR THE ACCOUNT OF THE ACCOUNT PARTY.

WE ENGAGE WITH YOU THAT DOCUMENTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED WITHIN THREE (3) BUSINESS DAYS, AFTER RECEIPT, IF PRESENTED BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE AT 10420 HIGHLAND MANOR DRIVE, 4TH FLOOR, TAMPA, FLORIDA 33610 ATTN: STANDBY LETTER OF CREDIT UNIT ON OR BEFORE THE EXPIRATION DATE. ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY’S ACCOUNT PER THEIR INSTRUCTIONS. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH.

DRAWINGS HEREUNDER MAY BE PRESENTED BY FACSIMILE/TELECOPY ("FAX") TO FAX NUMBER 856-294-5267 UNDER TELEPHONE PRE-ADVICE TO 1-800-634-1969. SUCH FAX PRESENTATION(S) MUST BE RECEIVED ON OR BEFORE THE EXPIRY DATE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT. ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY FAX, THE ORIGINAL DOCUMENTS SHOULD NOT ALSO BE PRESENTED. HOWEVER, THE ABSENCE OF SUCH TELEPHONE CONFIRMATION AS DESCRIBED ABOVE DOES NOT AFFECT OUR OBLIGATION TO HONOR SUCH DRAWING, IF SUCH DRAWING IS OTHERWISE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS STANDBY LETTER OF CREDIT.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A TRUE COPY OF THE ORIGINAL HEREOF UPON RECEIPT OF A WRITTEN REQUEST FROM YOU AND A CERTIFICATION BY YOU (PURPORTEDLY SIGNED BY YOUR AUTHORIZED REPRESENTATIVE) OF THE LOSS, THEFT, MUTILATION, OR OTHER DESTRUCTION OF THE ORIGINAL HEREOF.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT ISP98 WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. ANY DISPUTES ARISING FROM OR IN CONNECTION WITH THIS STANDBY LETTER OF CREDIT SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN.
PLEASE ADDRESS ALL WRITTEN CORRESPONDENCE TO THE BANK REGARDING THIS LETTER OF CREDIT TO JPMORGAN CHASE BANK, N.A., GLOBAL TRADE OPERATIONS, 10420 HIGHLAND MANOR DR., 4TH FL., TAMPA, FL 33610 ATTN: STANDBY LETTER OF CREDIT DEPT., INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. ALL INQUIRIES REGARDING THIS TRANSACTION MAY BE DIRECTED TO OUR CLIENT SERVICE GROUP AT THE FOLLOWING TELEPHONE NUMBER OR EMAIL ADDRESS QUOTING OUR REFERENCE __________________.
TELEPHONE NUMBER 1-800-634-1969
EMAIL ADDRESS: GTS.CLIENT.SERVICES@JPMCHASE.COM

YOURS FAITHFULLY,
JPMORGAN CHASE BANK, N.A.

---------------------------------------------------------------
Authorized Signature

EXHIBIT G
The proposed locations above are conceptual top building signage locations which are subject to City of South San Francisco approval. A final Master Signage Program will be provided to Tenant.
LEASE

NEXUS ON GRAND

BAYSIDE AREA DEVELOPMENT, LLC,
a Delaware limited liability company

as Landlord,

and

MYRIAD GENETICS, INC.,
a Delaware corporation,

as Tenant.
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Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least fifteen (15) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility (to the extent applicable pursuant to then applicable laws). Tenant shall remove any such lien or encumbrance by bond or otherwise within thirty (30) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof.

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.
13. CONDEMNATION. If the whole or any part of the Premises, Building or Project is taken by power of eminent domain or
condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be
so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or
remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such
taking by eminent domain or condemnation, then either Landlord or Tenant shall have the option to terminate this Lease effective
as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim
against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award
or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any
taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term
pursuant to the terms of this Lease, and for moving expenses. All Rent shall be apportioned as of the date of such termination.
If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant
hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure.
Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of
the Premises for a period of ninety (90) days or less, and provided that such temporary taking does not materially preclude or
unreasonably diminish Tenant's ability to conduct business from the Premises, then this Lease shall not terminate but the Base
Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable
square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the
entire award made in connection with any such temporary taking, provided, however, that Tenant shall be entitled to a share of the
award for any loss of fixtures and improvements and for moving and other reasonable expenses that do not otherwise reduce
Landlord's recovery.

14. ASSIGNMENT AND SUBLETTING.

15. SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES.

16. HOLDING OVER. If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with the express or
implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an
extension for any further term. If Tenant holds over after the expiration of the Lease Term of earlier termination thereof, without
the express or implied consent of Landlord, such tenancy shall be deemed to be a tenancy by sufferance only, and shall not
constitute a renewal hereof or an extension for any further term. In either case, Rent shall be payable at a monthly rate equal to
125% of the Rent applicable during the last rental period of the Lease Term under this Lease for the first thirty (30) days of such
holdover and 150% thereafter. Such month-to-month tenancy or tenancy by sufferance, as the case may be, shall be subject to
every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as
consent by Landlord to any holding over by Tenant, and Landlord 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 Article 16 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, in addition to
any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all
loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality
of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to
Landlord resulting therefrom. Any potential costs beyond holdover rent to be incurred by Tenant due to such holdover shall be
communicated by Landlord in writing to Tenant prior to the holdover for each thirty (30) day window.
17. ESTOPPEL CERTIFICATES. Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit D, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof, and reasonably approved by Tenant), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year, provided such financial statements are readily available and Landlord enters into a customary confidentiality agreement pursuant to which it agrees to keep such financial statements confidential. Notwithstanding the foregoing, no financial statements will be required to be provided if Tenant is a publicly traded company.

18. SUBORDINATION. This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, 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, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Landlord's delivery to Tenant of commercially reasonable non-disturbance agreement(s) in favor of Tenant (that is reasonably acceptable to Tenant) from any ground lessors, mortgage holders or lien holders of Landlord who come into existence following the date hereof but prior to the expiration of the Lease Term shall be in consideration of, and a condition precedent to, Tenant's agreement to subordinate this Lease to any such ground lease, mortgage or lien. Tenant shall, within ten (10) business 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, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law 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. Landlord represents and warrants that, as of the date of this Lease, there are no ground or underlying leases or liens of any mortgage or trust deed encumbering the Building or Project.

19. DEFAULTS; REMEDIES. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant of quiet enjoyment, express or implied.

20. COVENANT OF QUIET ENJOYMENT. Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant of quiet enjoyment, express or implied.

21. LETTER OF CREDIT.

22. COMMUNICATIONS AND COMPUTER LINE.

23. SIGNS.
24. **COMPLIANCE WITH LAW.**

25. **LATE CHARGES.** If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. Notwithstanding the foregoing, Landlord shall not charge Tenant a late charge for any late payment in any twelve (12) month period (but in no event with respect to any subsequent late payment in any twelve (12) month period) during the Lease Term that Tenant fails to timely pay Rent or another sum due under this Lease, provided that such late payment is made within five (5) days following the expiration of the same (5) business day period following written notice. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) business days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

26. **LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT.**

27. **ENTRY BY LANDLORD.** Landlord reserves the right at all reasonable times and upon a minimum of twenty-four (24) hours' notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last nine (9) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility (to the extent applicable pursuant to then applicable law); or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes. In an emergency, Landlord shall have the right to use any means that Landlord may reasonably deem proper to open the doors in and to the Premises. Landlord shall use commercially reasonable efforts to minimize interference with the conduct of Tenant's business in connection with entries into the Premises and agrees to comply at all times with Tenant's reasonable safety protocols and regulations when entering the Premises. Any entry into the Premises by Landlord 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.

28. **TENANT PARKING.** Tenant shall have the right, free of charge, to use the amount of parking set forth in Section 9 of the Summary, in the on-site parking facility (or facilities) which serve the Project. Tenant shall abide by all reasonable non-discriminatory rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the parking facilities), and shall reasonably cooperate in seeing that Tenant's employees and visitors also comply with such rules and regulations. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities, except for bodily injury or property damage to the extent due to Landlord's gross negligence or willful misconduct.

29. **MISCELLANEOUS PROVISIONS.**
A  OUTLINE OF PREMISES
A-1  CHEMICAL STORAGE ROOM
B  TENANT WORK LETTER
C  FORM OF NOTICE OF LEASE TERM DATES
D  FORM OF TENANT'S ESTOPPEL CERTIFICATE
E  ENVIRONMENTAL QUESTIONNAIRE
F  MARKET RENT DETERMINATION
G  FORM OF LETTER OF CREDIT
H  TENANT SIGNAGE
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SEVERANCE AND CHANGE OF CONTROL AGREEMENT

This Severance and Change of Control Agreement (the “Agreement”) is made and entered into on December 11, 2023 (the “Effective Date”), by and between Myriad Genetics, Inc., a Delaware corporation (the “Company”), and Samraat S. Raha (“Employee”).

WHEREAS, Employee is currently employed by the Company under the terms of a separate employment agreement (the “Employment Agreement”); and

WHEREAS, Employee and the Company desire to enter into an agreement addressing severance generally as well as severance in the specific circumstances of a Change of Control (as defined below) of the Company.

NOW, THEREFORE, in consideration of the mutual promises, terms, provisions, and conditions contained herein, the parties agree as follows:

1. Definitions.

   (a) Definition of “Disability”. For purposes of this Agreement, “Disability” shall mean Employee’s inability to perform Employee’s duties with the Company for one hundred twenty (120) days or more (cumulative or consecutive) within any twelve (12) month period as a result of Employee’s physical or mental condition, subject to documentation by a medical expert appointed by mutual agreement between the Company and Employee who has examined Employee.

   (b) Definition of “Cause”. As used herein, “Cause” shall mean: (i) Employee’s gross negligence in the performance of Employee’s duties to the Company; (ii) Employee’s willful misconduct, embezzlement, misappropriation, fraud, or professional dishonesty; (iii) Employee’s material breach of any non-disclosure, invention assignment, non-compete, or similar agreement between Employee and the Company; (iv) Employee’s commission of a felony or of a crime involving moral turpitude; (v) Employee’s willful and material failure to comply with lawful directives of the Board; or (vi) Employee’s willful and material breach of a material provision of any employment agreement between Employee and the Company or willful and material violation of a material provision of any written Company employment policy applicable to its senior executive officers; provided that (A) the Company provides Employee with written notice that the Company intends to terminate Employee’s employment hereunder for one of the circumstances set forth in this Section 1(b) within sixty (60) days of the Board’s knowledge of such circumstance(s) occurring (which notice shall set forth in reasonable detail the circumstance(s) that the Company alleges constitute(s) Cause), (B) in the event that a circumstance described in subsection (v) or (vi) is capable of being cured, Employee has failed to cure such circumstance within a period of thirty (30) days after the date of receipt of such written notice, and (C) the Company terminates Employee’s employment within sixty five (65) days from the date of the notice referred to in clause (A). Conduct shall not be considered “willful” unless done (or omitted to be done) not in good faith and without a reasonable belief that such conduct (or lack thereof) was in the best interest of the Company.
(c) Definition of “Good Reason”. As used herein, “Good Reason” shall mean: (i) a material diminution in Employee’s duties, authority or responsibilities; (ii) a material diminution in Employee’s Base Salary, other than a reduction of similar magnitude to the base salaries of other Company senior executives if there is a reduction of Company senior executive base salaries generally, or a failure by the Company to provide the compensation and benefits provided for in this Agreement; or (iii) a material breach by the Company of this Agreement or any other agreement between the Company and Employee; provided that (A) Employee provides the Company with written notice that Employee intends to terminate Employee’s employment hereunder for one of the circumstances set forth in this Section 1(c) within sixty (60) days of such circumstance occurring (which notice shall set forth in reasonable detail the circumstance(s) that Employee alleges constitute Good Reason), (B) if such circumstance is capable of being cured, the Company has failed to cure such circumstance within a period of thirty (30) days after the date of receipt of such written notice, and (C) Employee terminates Employee’s employment within sixty five (65) days from the date of the notice referred to in clause (A). For purposes of clarification, the above-listed conditions shall apply separately to each occurrence of Good Reason, and failure to adhere to such conditions in the event of a specific occurrence of Good Reason shall not disqualify Employee from asserting Good Reason for any subsequent occurrence of Good Reason. For purposes of this Agreement, “Good Reason” shall be interpreted in a manner, and limited to the extent necessary, so that it shall not cause adverse tax consequences for either party with respect to Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended (the “Code”), and any successor statute, regulation and guidance thereto.

(d) Definition of “Change of Control”. As used herein, a “Change of Control” shall mean the occurrence of any of the following events: (A) Ownership: any “Person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the “Beneficial Owner” (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities (excluding for this purpose any such voting securities held by the Company, any subsidiary of the Company, or any employee benefit plan of the Company); or (B) Merger/Sale of Assets: (1) a merger or consolidation of the Company whether or not approved by the Board, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such entity, as the case may be, outstanding immediately after such merger or consolidation; or (2) the sale or disposition by the Company of all or substantially all of the Company’s assets; or (C) Board Change: a change in the Board or its members such that individuals who, as of the Effective Date or, if later, the date that is one year prior to such change (the later of such two dates referred to herein as the “Measurement Date”), constitute the Board (the “Incumbent Board”) cease to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Measurement Date whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (including for these purposes, any new members whose election or nomination was so approved, without counting the member and his or her predecessor twice) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.
2. **Payments upon Termination.**

   (a) **Accrued Obligations.** Employee's employment is “at will,” meaning that Employee or the Company may terminate Employee's employment at any time for any or no reason. In the event of the termination of Employee's employment for any reason, the Company shall pay Employee the “Accrued Obligations,” defined as: (i) the portion of Employee's base salary that has accrued prior to any termination of Employee's employment with the Company and has not yet been paid (to be paid on or promptly after the date of termination of employment); (ii) any annual bonus previously earned by Employee with respect to the fiscal year prior to the year in which separation occurs and not yet paid (to the extent such annual bonus would have been payable had Employee's employment with the Company continued and to be paid when such annual bonus would have otherwise been paid had Employee's employment with the Company continued) (provided that this clause (ii) shall not apply, and shall not be included as a component of the Accrued Obligations, in the event of a termination by the Company for Cause or by Employee without Good Reason); (iii) the amount of any expenses properly incurred by Employee on behalf of the Company prior to any such termination and not yet reimbursed (to be paid in the normal course); and (v) Employee's entitlement to any other compensation or benefit under any retirement, health, welfare or other plan of the Company (which shall be governed by, and determined and paid in accordance with, the terms of the applicable plan, except as otherwise specified in this Agreement).

   (b) **Termination by the Company for Cause or by Employee without Good Reason.** If Employee's employment is terminated by the Company for Cause or by Employee without Good Reason, then the Company shall pay the Accrued Obligations to Employee and shall have no further payment or benefit obligation to Employee. Without limiting the foregoing: (i) in the event of a termination by the Company for Cause, all vested and unvested equity grants automatically shall terminate and be forfeited; and (ii) in the event of a termination by Employee without Good Reason, any unvested portion of equity grants automatically shall terminate and be forfeited, and Employee shall have no right to vest in or further acquire any portion of such unvested equity grant.

   (c) **Termination by the Company without Cause, Disability or Death, or by Employee for Good Reason.** In the event that: (i) Employee's employment is terminated by action of the Company other than for Cause, Disability or death, or (ii) Employee terminates Employee's employment for Good Reason, then, in addition to the Accrued Obligations, Employee shall receive the following, subject to the terms and conditions of Section 3(a):

      (i) **Severance Payment.** Payment in an amount equal to 150% of the sum of Employee's then-current base salary (disregarding any reduction to such base salary amount effected in the twelve months prior to Employee's termination of employment) plus Employee's then-current target amount of annual bonus (disregarding any reduction to such target amount effected in the twelve months prior to Employee's termination of employment), paid in one lump sum amount within sixty (60) days following Employee's last day of employment with the Company, the "Separation Date"), less customary and required taxes and employment-related deductions.

      (ii) **Pro-Rata Severance Bonus.** Payment in an amount equal to a pro-rata portion of Employee's then-current target amount of annual bonus (disregarding any reduction to such target amount effected in the twelve months prior to the Separation Date) for the fiscal year in which the Separation Date occurs (such pro-ration based on the portion of the fiscal year worked prior to the Separation Date), paid in one lump sum amount within sixty (60) days following the Separation Date, less customary and required taxes and employment-related deductions.
(iii) **Equity Vesting.** Equity awards granted to Employee and outstanding immediately prior to the Separation Date shall vest on the Separation Date to the extent scheduled to vest on or before the date two (2) years following the Separation Date. For purposes of determining the portion of equity awards that vest under this Section 2(c)(iii): (A) any annual vesting installments shall be deemed to vest in monthly installments over the applicable 2-year period (i.e., an equity award initially scheduled to vest in annual installments over a two-year period shall, for purposes of determining such acceleration, be considered to vest in twenty-four (24) monthly installments over that same two-year period, and vesting shall include any fully-completed month within such 2-year period), and (B) any outstanding equity award with an unsatisfied performance-based condition shall remain outstanding and, if the applicable performance condition is satisfied during such two (2) year period, shall, to the extent so earned, vest to the extent scheduled to vest within such two-year period upon satisfaction of such performance-based condition.

(iv) **Benefits Payments.** Upon completion of appropriate forms and subject to applicable terms and conditions under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), the Company shall pay or reimburse Employee for the premiums charged to continue Employee’s medical coverage pursuant to COBRA, at the same or reasonably equivalent medical coverage for Employee (and, if applicable, Employee’s eligible dependents) as in effect immediately prior to the Separation Date, until the earlier to occur of eighteen (18) months following the Separation Date or the date Employee begins employment with another employer.

(d) **Termination by the Company as a Result of Employee’s Disability or Death.** In the event that Employee’s employment hereunder is terminated by the Company as a result of Employee’s Disability or death, then, in addition to the Accrued Obligations, Employee (or Employee’s estate as applicable) shall receive the following, subject to the terms and conditions of Section 3(a):

(i) **Pro-Rata Severance Bonus.** Payment in an amount equal to a pro-rata portion of Employee’s then-current target amount of annual bonus (disregarding any reduction to such target amount effected in the twelve months prior to the Separation Date) for the fiscal year in which the Separation Date occurs (such pro-rata based on the portion of the fiscal year worked prior to the Separation Date), paid in one lump sum amount within sixty (60) days following the Separation Date, less customary and required taxes and employment-related deductions.

(ii) **Equity Vesting.** Pro-rata vesting of Employee’s time-based equity awards based on the period of employment between the most recent vesting date prior to the Separation Date and the Separation Date and including any time-based vesting of performance-based awards that the Compensation Committee determines to have been earned based on achievement of applicable milestones prior to the Separation Date. For purpose of determining the portion of equity awards that vest under this Section 2(d)(ii), any annual vesting installments shall be deemed to vest in monthly installments over the applicable year of service (i.e., an equity award initially scheduled to vest in annual installments over a two-year period shall, for purposes of determining such acceleration, be considered to vest in twenty-four (24) monthly installments over that same two-year period, and vesting shall include any fully-completed month within such 2-year period).

The severance payments and benefits described in Section 2(d) shall not be in addition to the severance payments and benefits described in Section 2(c). In the event that Employee is eligible for the severance payments and benefits under Section 2(d), Employee shall not be eligible for the severance payments and benefits under Section 2(c).
Termination by the Company other than for Cause, Disability or Death, or by Employee for Good Reason, In Connection with a Change of Control. In the event that a Change of Control (as defined below) occurs, and within a period of three (3) months prior to, upon, or within twenty four (24) months following a Change of Control, either: (i) Employee's employment is terminated by the Company other than for Cause, Disability or death, or (ii) Employee terminates Employee's employment for Good Reason, then, in addition to the Accrued Obligations, Employee shall receive the following, subject to the terms and conditions in Section 3(a):

(i) **Severance Payment.** Employee shall receive the severance payment described in Section 2(c)(i), subject to the terms and conditions described therein.

(ii) **Pro-Rata Severance Bonus.** Employee shall receive the severance bonus described in Section 2(c)(ii), subject to the terms and conditions described therein.

(iii) **Equity.** All equity awards granted to Employee and outstanding on the date of termination shall immediately accelerate and vest, subject to the terms of any applicable equity plan and equity agreements.

(iv) **Benefits Payments.** Employee shall receive the benefits payments described in Section 2(c)(iv), subject to the terms and conditions described therein.

The severance payments and benefits described in Section 2(e) shall not be in addition to the severance payments and benefits described in Section 2(c). In the event that Employee is eligible for the severance payments and benefits under Section 2(e), Employee shall not be eligible for the severance payments and benefits under Section 2(c).

2. **Conditions on Termination Payments under Section 2.**

(a) **Separation Agreement; Timing of Severance Benefits.** Provision of any severance payments, benefits, and equity described in Sections 2(c), 2(d) and 2(e) (collectively "Severance Benefits") is expressly conditioned on Employee's execution without revocation of a separation agreement in a form acceptable to the Company, which shall include a release of claims and standard terms regarding non-disparagement, confidentiality, continuation of covenants, cooperation and the like (the "Separation Agreement"). The Separation Agreement shall be provided to Employee within ten (10) days following separation from service and be signed and irrevocable no later than sixty (60) days following Employee's separation from service. The Company shall commence payment of Severance Benefits on the next regular payroll date following the date on which the Separation Agreement becomes signed and irrevocable, provided that: (i) if the 60-day period during which the Separation Agreement is required to become signed and irrevocable crosses a tax year, then provision of the Severance Benefits shall be delayed until the second tax year; (ii) if applicable, the first payment of the Severance Benefit shall include all amounts that the Company would otherwise have paid to Employee between the date on which the termination of Employee's employment became effective and the date of the first payment; and (iii) equity awards included in the Severance Benefits shall vest on the date in such 60-day period that the Separation Agreement becomes signed and irrevocable, provided if the 60-day period during which the Separation Agreement is required to become signed and irrevocable crosses a tax year, then such equity awards shall vest on the later of the date the Separation Agreement becomes signed and irrevocable and January 1 of the second tax year.
(b) **COBRA.** If the payment of any COBRA or health insurance premiums by the Company on behalf of Employee as described herein would otherwise violate any applicable nondiscrimination rules or cause the reimbursement of claims to be taxable under the Patient Protection and Affordable Care Act of 2010, together with the Health Care and Education Reconciliation Act of 2010 (collectively, the “Act”) or Section 105(h) of the Code, the COBRA premiums paid by the Company shall be treated as taxable payments (subject to customary and required taxes and employment-related deductions) and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code. If the Company determines in its reasonable discretion that it cannot provide the COBRA benefits described herein under the Company’s health insurance plan without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Employee a taxable lump sum payment in an amount equal to the sum of the monthly (or then remaining) COBRA premiums that Employee would be required to pay to maintain Employee’s group health insurance coverage in effect on the Separation Date for the remaining portion of the period for which Employee shall receive the payments described in Sections 2(c) or 2(e) above, and subject to Section 3(a) above.

(c) **Forfeiture/Clawback.** The compensation described in this Agreement shall be subject to any forfeiture or clawback policy established by the Company generally for employees from time to time, including to the extent the forfeiture or clawback is required by the Sarbanes-Oxley Act of 2002 or other applicable law.

(d) **Property and Records.** Upon the termination of Employee’s employment for any reason, or if the Company otherwise requests, Employee shall: (a) return to the Company all Company confidential information and copies thereof (regardless of how such confidential information or copies are maintained) then in Employee’s possession; and (b) deliver to the Company any property of the Company which may be in Employee’s possession, including, but not limited to, cell phones, smart phones, laptops, products, materials, memoranda, notes, records, reports or other documents or photocopies of the same; provided that Employee may retain copies of applicable benefit plans, contracts to which Employee personally (i.e., not in Employee’s capacity as a Company employee) is a party, and Employee’s personal contacts, calendars, and correspondence.

4. **Certification Regarding Conflicting Obligations.** Employee hereby represents and warrants that the execution of this Agreement and the performance of Employee’s obligations hereunder shall not breach or be in conflict with any other agreement to which Employee is a party or is bound, or any other obligation or undertaking of Employee.

5. **Taxation.** All compensation, payments and benefits provided to Employee hereunder shall be subject to applicable and customary withholdings and deductions as required under law, statute, regulation, rule or term of any employee benefit plan in which Employee participates.

6. **Code Section 409A.**

(a) Employee acknowledges and agrees that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement, including but not limited to consequences related to Code Section 409A.

(b) In the event that the payments or benefits set forth in Section 2 of this Agreement constitute “non-qualified deferred compensation” subject to Code Section 409A, then the following conditions apply to such payments or benefits:
(i) Any termination of Employee’s employment triggering payments or benefits under Section 2 must constitute a “separation from service” under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of Employee’s employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by Employee to the Company at the time Employee’s employment terminates), any such payments under Section 2 that constitute deferred compensation under Code Section 409A shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 6(b) shall not cause any forfeiture of benefits on Employee’s part, but shall only act as a delay until such time as a “separation from service” occurs.

(ii) Notwithstanding any other provision with respect to the timing of payments under Section 2 if, on the date of termination of Employee’s employment, Employee is deemed to be a “specified employee” of the Company (within the meaning of Section 409A(a)(2)(B)(i) of the Code), then limited only to the extent necessary to comply with the requirements of Code Section 409A, any payments to which Employee may become entitled under Section 2 which are subject to Code Section 409A (and not otherwise exempt from its application) shall be withheld until the first (1st) business day of the seventh (7th) month following the termination of Employee’s employment, at which time Employee shall be paid an aggregate amount equal to the accumulated, but unpaid, payments or benefits otherwise due to Employee under the terms of Section 2.

(c) It is intended that each installment of the payments and benefits provided under Section 2 of this Agreement shall be treated as a separate “payment” for purposes of Code Section 409A. Neither the Company nor Employee shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Code Section 409A. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Code Section 409A, or liability for increased taxes, excise taxes or other penalties under Code Section 409A. The parties intend this Agreement to be in compliance with Code Section 409A.

7. Code Section 280G.

(a) If any payment or benefit Employee would receive under this Agreement, when combined with any other payment or benefit Employee receives pursuant to a Change of Control (for purposes of this section, a “Payment”) would constitute a “parachute payment” within the meaning of Code Section 280G and, but for this sentence, be subject to the excise tax imposed by Code Section 4999 (the “Excise Tax”), then such Payment shall be either: (i) the full amount of such Payment; or (ii) such lesser amount (a “Reduced Payment”) as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in Employee’s receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax.

(b) With respect to Section 7(a), if there is more than one method of reducing the Reduced Payment amount that would result in no portion of the Payment being subject to the Excise Tax, then the Payment shall be reduced or eliminated in the following order: (i) cash payments; (ii) taxable benefits; (iii) nontaxable benefits; and (iv) accelerated vesting of equity awards in a manner that maximizes the amount to be received by Employee.
(c) The determination of whether Section 7(a)(i) or (ii) applies, and the calculation of the amount of the Reduced Payment if applicable, shall be performed by a nationally recognized certified public accounting firm as may be designated by the Company (the “Accounting Firm”). The Accounting Firm shall provide detailed supporting calculations to both the Company and Employee within fifteen (15) business days of the receipt of notice from Employee that there has been a Payment, or such earlier time as is requested by the Company, in a form that can be relied upon for tax filing purposes. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(d) Employee may receive a Payment that is, in the aggregate, either more or less than the amount described in Section 7(a)(i) or (ii) (as applicable, an “Overpayment” or “Underpayment”). If it is finally determined by a court of competent jurisdiction pursuant to a final non-appealable judgment, or the Internal Revenue Service, or by the Accounting Firm upon request by either the Company or Employee, that an Overpayment or Underpayment has been made, then: (i) in the event of an Overpayment, Employee shall promptly repay the Overpayment to the Company, together with interest on the Overpayment at the applicable federal rate from the date of Employee’s receipt of such Overpayment until the date of such repayment; and (ii) in the event of an Underpayment, the Company shall promptly pay an amount equal to the Underpayment to Employee, together with interest on such amount at the applicable federal rate from the date such amount would have been paid to Employee had the provisions of Section 7(a)(ii) not been applied until the date of payment.

8. General.

(a) Notices. Except as otherwise specifically provided herein, any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; or (iii) by certified or registered mail, return receipt requested, upon verification of receipt.

• Notices to Employee shall be sent to:

  The last known address in the Company’s records or such other address as Employee may specify in writing.

• Notices to the Company shall be sent to:

  Myriad Genetics, Inc.
  322 N. 2200 West
  Salt Lake City, Utah 84116
  Attn: Chief Legal Officer or, in the case of notices from the Chief Legal Officer to the Company, Attn: Chair or to such other the Company representative as the Company may specify in writing.

(b) Modifications; Amendments; Waivers; Consents. The terms of this Agreement may be modified or amended only by written agreement executed by the parties hereto. The terms of this Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given and shall not constitute a continuing waiver or consent.

(c) Assignment. The Company shall require any successor to all or substantially all of the Company's business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Employee may not assign Employee’s rights and obligations under this Agreement without the prior written consent of the Company.
(d) **Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Utah, without giving effect to any choice or conflict of law provision or rule. Any legal action permitted by this Agreement to enforce an award or for a claimed breach shall be governed by the laws of the State of Utah and shall be commenced and maintained solely in any state or federal court located in the State of Utah, and both parties hereby submit to the jurisdiction and venue of any such court.

(e) **Headings and Captions.** The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

(f) **Entire Agreement.** This Agreement, together with any other agreements specifically referenced herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(g) **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, and this Agreement will be construed as if such invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

(h) **Not Employment Contract.** Employee acknowledges that this Agreement does not constitute a contract of employment, does not imply that the Company will continue Employee's employment for any period of time, does not change the at-will nature of Employee's employment, and does not supersede the Employment Agreement.

This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For all purposes an electronic signature shall be treated as an original.

[Signature Page to Follow]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

EMPLOYEE

/s/ Samraat S. Raha
Name: Samraat S. Raha
Title: Chief Operating Officer

MYRIAD GENETICS, INC.

/s/ R. Bryan Riggsbee
Name: R. Bryan Riggsbee
Title: Chief Financial Officer
EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”), made and entered into this 15th day of December, 2023 (the “Effective Date”), by and between Myriad Genetics, Inc., a Delaware corporation (the “Company”), and Scott Leffler (“Executive”).

WHEREAS, the Company wishes to employ Executive as its Chief Financial Officer;

WHEREAS, Executive represents that Executive has no obligation to any other person or entity which would prevent, limit or interfere with Executive’s ability to do so; and

WHEREAS, Executive and the Company desire to enter into a formal employment agreement on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises, terms, provisions, and conditions contained herein, the parties agree as follows:

1. Title; Role; Duties.
   (a) The Company shall employ Executive as its Chief Financial Officer (“CFO”) beginning on the Commencement Date and continuing for the Term (as such terms are defined in Section 2). Executive accepts such employment upon the terms and conditions set forth herein. During the Term, Executive shall report solely to the Company’s Chief Executive Officer (the “CEO”). Executive shall have the duties, responsibilities and authorities normally associated with the position of chief financial officer of a company of a similar size and similar nature of the Company. Executive agrees to faithfully and diligently perform to the best of Executive’s ability the duties and responsibilities of his position as CFO, as well as any such other duties and responsibilities (which are consistent with such position) as determined by the Board of Directors of the Company (the “Board”) and/or CEO from time to time. Executive’s principal place of work for the Company shall be in the Company’s office locations in Salt Lake City, Utah; provided, however, that Executive shall not be required to relocate to Salt Lake City and shall be permitted to work remotely in accordance with Company policy as it may be amended from time to time.
   (b) During the Term and except as provided below, Executive shall devote all of Executive’s business time, energies and efforts to the business and affairs of the Company.
   (c) Notwithstanding the foregoing, nothing contained in this Section 1 shall prevent or limit Executive’s right to manage Executive’s personal investments, including the right to make passive investments in the securities of: (i) any entity which Executive does not control, directly or indirectly, provided that such entity does not compete with the Company; or (ii) any publicly held entity so long as Executive’s aggregate direct and indirect interest does not exceed five percent (5%) of the issued and outstanding securities of any class of securities of such publicly held entity. Subject to the consent of the Board or a committee thereof and the procedures associated with obtaining same, Executive shall be permitted to sit on boards of directors or similar governing bodies of other businesses; provided that the Company acknowledges and agrees that Executive may continue to serve on the boards on which he currently serves and that he has disclosed to the Company (and applicable committees thereof). In addition, nothing in this Section 1 shall prevent or limit Executive’s involvement in civic and charitable activities so long as such activities do not interfere with Executive’s duties for the Company.
2. Term: Termination.

(a) Term. Executive’s employment hereunder shall commence on or before January 29, 2024 as mutually agreed upon by the Company and Executive (the “Commencement Date”) and shall continue until terminated hereunder by either party. Such term of employment shall be referred to herein as the “Term.”

(b) Separation Process and Requirements. Notwithstanding the at-will nature of employment, and subject to the terms and conditions of the Company’s Severance and Change of Control Agreement (the “Severance Agreement”), attached hereto as Exhibit A:

(i) In the event of a termination of employment by the Company based on Executive’s Disability (as defined in the Severance Agreement), termination shall occur upon written notice by the Company to Executive that Executive’s employment is being terminated as a result of Executive’s Disability, which termination shall be effective on the date of such notice pursuant to the notice provisions of the Severance Agreement.

(ii) In the event of a termination of employment by the Company for Cause (as defined in the Severance Agreement), termination shall occur upon written notice by the Company to Executive (following any cure period, if applicable) that Executive’s employment is being terminated for Cause, which termination shall be effective pursuant to the notice provisions of the Severance Agreement.

(iii) In the event of a termination of employment by the Company for reasons other than Disability or Cause, termination shall occur upon written notice by the Company to Executive that Executive’s employment is being terminated, which termination shall be effective on the date of such notice pursuant to the notice provisions of the Severance Agreement.

(iv) In the event of a termination of employment by Executive for Good Reason (as defined in the Severance Agreement), termination shall occur upon written notice by Executive to the Company (following any cure period, if applicable) that Executive is terminating Executive’s employment for Good Reason, which termination shall be effective pursuant to the notice provisions of the Severance Agreement.

(v) In the event of a termination of employment by Executive without Good Reason, termination shall occur upon written notice by Executive to the Company that Executive is terminating Executive’s employment pursuant to the notice provisions of the Severance Agreement, provided that termination shall be effective at least thirty (30) days after the date of such notice, unless the Company elects an earlier effective date, which the Company may so elect in its sole discretion without such election modifying the nature of such termination.

Notwithstanding anything in this Section 2(b), the Company may at any point terminate Executive’s employment for Cause (to the extent Cause exists and the applicable notice and cure periods have been satisfied) prior to the effective date of any other termination contemplated hereunder.

Any notice of termination of Executive’s employment shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

To the extent any conflict exists between a provision of this Section 2(b) of this Agreement and a provision of the Severance Agreement, the provision of the Severance Agreement shall govern.
(c) **Termination Prior to the Commencement Date.** In the event the Company revokes its offer of employment to Executive or terminates this Agreement prior to the Commencement Date for reasons other than Cause (a “Pre-Commencement Date Termination Event”), the Company shall pay severance benefits to Executive in an amount equal to the termination benefits which Executive would have been entitled to receive under Section 2(c) of the Severance Agreement had Executive incurred a termination without Cause on the Commencement Date, provided that the termination benefits set forth in Section 2(c)(iii) of the Severance Agreement may be paid by the Company in cash. Except as expressly set forth in this Section 2(c) of this Agreement, Executive shall not be eligible for any other payments or other forms of compensation or benefits in the event of a Pre-Commencement Date Termination Event, and the payments and benefits expressly described in this Section 2(c) of this Agreement shall be the sole remedy available to Executive in the event that Executive brings any claim against the Company relating to a Pre-Commencement Date Termination Event.

(d) **Eligibility for Severance and Change in Control Agreement.** The Company shall offer Executive, and Executive shall be eligible for benefits under, the Severance Agreement, in accordance with the terms of such Severance Agreement. Except as expressly described in the Severance Agreement, Executive shall not be eligible for any other payments or other forms of compensation or benefits in the event of a termination, and the payments and benefits expressly described in the Severance Agreement shall be the sole remedy, if any, available to Executive in the event that Executive brings any claim against the Company relating to the termination of Executive’s employment under this Agreement.

(d) **Resignation of All Other Positions.** On termination of the Executive’s employment hereunder for any reason, the Executive shall be deemed to have resigned from all positions that the Executive holds as an employee, officer, director, or manager of the Company or any of its affiliates.

3. **Compensation.**

(a) **Base Salary.** The Company shall pay Executive a base salary (the “Base Salary”) at the annual rate of five hundred fifty thousand dollars ($550,000.00), subject to withholdings and deductions in accordance with applicable law. Executive’s Base Salary shall be reviewed annually and may be increased, but not decreased (other than a reduction of similar magnitude to the base salaries of Company senior executives if there is a reduction of the Company’s senior executive base salaries generally), from time to time from the level then in effect. The Base Salary shall be payable in substantially equal periodic installments in accordance with the Company’s payroll practices as in effect from time to time.

(b) **Annual Cash Incentive Bonus.** Executive shall be eligible to receive an annual cash incentive bonus (the “Annual Bonus”) in a target amount equal to seventy-five percent (75%) of Executive’s Base Salary. The Annual Bonus amount shall be determined as part of the Company’s Management Business Objectives (“MBO”) program, which includes the assessment of Executive’s performance in established areas, the Company’s financial performance, and other factors. The Compensation and Human Capital Committee of the Board (the “Compensation Committee”) or the CEO, after consultation with Executive, shall in its sole discretion approve MBOs for Executive for each fiscal year of the Company during the Term, which MBOs may consist of individual objectives, pre-established financial performance targets for the Company such as revenue and adjusted operating income, and other objectives. The Annual Bonus shall be paid to Executive no later than March 15th of the calendar year immediately following the calendar year in which it was earned. Executive must be employed by the Company on the date that the Annual Bonus is payable in order to be eligible for such Annual Bonus.
(c) **Sign-On Bonus.** The Company shall pay Executive a one-time sign-on bonus (the “Sign-On Bonus”) in the amount of four hundred thousand dollars ($400,000.00), payable on the Company’s next regularly scheduled payroll date following the Commencement Date, provided that if Executive voluntarily terminates employment with the Company (for any reason other than death, Disability, or Good Reason) or the Company terminates Executive’s employment for Cause within two (2) years following the Commencement Date (either a “Disqualifying Termination”), then Executive shall be required to repay to the Company some or all of the Sign-On Bonus in accordance with the following terms. If the Disqualifying Termination date occurs before the first anniversary of the Commencement Date then Executive shall repay to the Company the entire amount of the Sign-On Bonus that was paid to Executive. If the Disqualifying Termination date occurs on or after the first anniversary of the Commencement Date and before the second anniversary of the Commencement Date then Executive shall repay to the Company a portion of the Sign-On Bonus amount (with such portion equal to the product of $200,000 multiplied by the difference of 1 minus the quotient of the number of days between the first anniversary of the Commencement Date and the Disqualifying Termination date, divided by 365). Any such repayment of the Sign-On Bonus shall be remitted to the Company within thirty (30) calendar days of the Disqualifying Termination and Executive authorizes and permits the Company to deduct any outstanding repayment amounts from amounts otherwise scheduled to be paid to Executive, to the extent permitted by applicable law. For avoidance of doubt, if Executive’s employment terminates for any reason other than a Disqualifying Termination, Executive shall retain the entire Sign-On Bonus (or be paid the full Sign-On Bonus upon termination of employment if the Sign-On Bonus had not been previously paid to Executive).

(d) **Initial RSU Grant.** The Company shall grant Executive an initial one-time grant (the “Initial RSU Grant”) of restricted stock units (“RSUs”) with respect to the Company’s common stock, $0.01 par value per share (“Common Stock”). The Initial RSU Grant shall be granted on the Commencement Date, as to a number of RSUs equal to (1) one million two hundred and fifty thousand dollars ($1,250,000.00) divided by the closing price of a share of the Common Stock on the Nasdaq Stock Market on the last trading day before the Commencement Date and (2) one million two hundred and fifty thousand dollars ($1,250,000.00) divided by the closing price of a share of the Common Stock on the Nasdaq Stock Market on the last trading day before the date on which the Company makes public disclosure of Executive being hired. The RSUs shall be subject to the Company’s 2017 Employee, Director and Consultant Equity Incentive Plan, as amended (the “2017 Equity Plan”), and the terms of the Company’s form Restricted Stock Unit Agreement (the “RSU Agreement”), and shall vest in four (4) equal installments on each of the first four (4) anniversaries of the Commencement Date provided that Executive remains employed by the Company on such dates.

(e) **2024 Annual Equity Grant.** Executive shall also in 2024 be granted an additional equity award of RSUs valued (based on the closing price of a share of the Common Stock on the last trading day before the grant date) at approximately two million dollars ($2,000,000.00) in accordance with the Company’s annual equity grant cycle, which grant is targeted for March 2024. Such award shall consist of (i) fifty percent (50%) RSUs subject to time-based vesting conditions applicable to similarly situated senior executives of the Company and (ii) fifty percent (50%) RSUs subject to vesting upon meeting certain performance metrics and time-based vesting conditions applicable to similarly situated senior executives of the Company, in each case subject to Executive’s continuous employment with the Company through each vesting date and subject to the 2017 Equity Plan, RSU Agreement, and as determined by the Company’s Compensation Committee in its sole discretion.

(f) **Paid Time Off.** Executive may take paid time off each year, to be scheduled to minimize (to the extent reasonably possible) disruption to the Company’s operations, pursuant to the terms and conditions of the Company’s policies and practices as applied to the Company’s senior executives.
(g) **Fringe Benefits; Insurance.** Executive shall be entitled to participate in all benefit, retirement, and welfare plans and fringe benefits provided to similarly situated executives of the Company, if and when the Company offers such plans and benefits, subject to the terms of each applicable plan. Executive understands that, except when prohibited by applicable law or the terms of the applicable plan, the Company’s benefit and retirement plans and fringe benefits may be amended or terminated by the Company from time to time in its sole discretion. Executive shall be covered, to the same extent as similarly situated senior executives of the Company, under any Company maintained directors and officers errors and omissions liability insurance policy.

(h) **Reimbursement of Expenses.** The Company shall reimburse Executive for all ordinary and reasonable out-of-pocket business expenses incurred by Executive in furtherance of the Company’s business in accordance with the Company’s policies and procedures with respect thereto as in effect from time to time. In addition, within 30 days after the Effective Date, the Company shall pay Executive’s legal counsel for legal fees in an amount not to exceed ten thousand dollars ($10,000.00) incurred in connection with this Agreement and its exhibits and related materials. Executive shall travel via first class or business class for all business-related travel. All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended (the “Code”) including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive’s employment with the Company; (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

4. **Forfeiture/Clawback.** Any amounts payable hereunder or in the future by the Company are subject to any policy (whether currently in existence or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to Executive. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

5. **Indemnification.** Executive shall be entitled to indemnification with respect to Executive’s services provided hereunder pursuant to Utah law, and the Company’s Certificate of Incorporation, By-Laws and standard Director and Executive Officer Indemnification Agreement, attached as Exhibit B hereto.

6. **Confidentiality; Restrictive Covenants; Inventions Assignment.** In light of the competitive and proprietary aspects of the business of the Company, and as a condition of Executive’s employment hereunder, Executive agrees to execute and abide by the Company’s Employee Invention Assignment, Confidentiality, and Restrictive Covenants Agreement, attached as Exhibit C hereto.

7. **Return of Property and Records.** Upon the termination of Executive’s employment hereunder for any reason, Executive shall: (a) return to the Company all Company confidential information and copies thereof (regardless of how such confidential information or copies are maintained) then in Executive’s possession or control; and (b) deliver to the Company any property of the Company which may be in Executive’s possession or control, including, but not limited to, cell phones, smart phones, laptops, products, materials, memoranda, notes, records, reports or other documents or photocopies of the same; provided that Executive may retain copies of applicable benefit plans, contracts to which he personally (i.e., not in his capacity as a Company employee) is a party, and his personal contacts, calendars, and correspondence.
8. Certification Regarding Conflicting Obligations. Executive hereby represents and warrants that: (a) the execution of this Agreement and the performance of Executive’s obligations hereunder shall not breach or be in conflict with any other agreement to which Executive is a party or is bound, or any other obligation or undertaking of Executive; (b) Executive is not subject to any covenant against competition or similar covenant, or any court order, or any other legal obligation that would restrict, limit or affect the performance of Executive’s obligations hereunder; and (c) all facts Executive has presented to the Company are accurate and true in all material respects. Executive agrees that (y) Executive shall not disclose to or use on behalf of the Company any proprietary information of a third party without such party’s consent; and (z) Executive shall be subject to, and comply with, the Company’s Stock Ownership Guidelines, as such guidelines are amended from time to time.

9. Taxation. All compensation, payments and benefits provided to Executive hereunder shall be subject to applicable and customary withholdings and deductions as required under law, statute, regulation, rule or term of any employee benefit plan in which Executive participates.

10. Code Section 409A. Executive acknowledges and agrees that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement, including but not limited to consequences related to Code Section 409A, as set forth in greater detail in the Severance Agreement.

11. Code Section 280G. Executive and the Company are bound by the Code Section 280G provisions set forth in greater detail in the Severance Agreement.

12. Cooperation. The parties agree that certain matters in which the Executive will be involved during the Term may necessitate the Executive's cooperation in the future. Accordingly, following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board or the CEO, the Executive shall reasonably cooperate with the Company in connection with matters arising out of the Executive's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable expenses incurred in connection with such cooperation.


(a) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party’s address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) sent by overnight courier, (iii) sent by registered mail, return receipt requested, postage prepaid; or (iv) by electronic mail. All notices, requests, consents and other communications hereunder shall be deemed to have been given either (A) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth in Executive's Employment Agreement, (B) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, (C) if sent by registered mail, on the fifth business day following the day such mailing is made or (D) if by electronic mail, then immediately upon delivery thereof to the receiving party’s email address.

Notices to Executive shall be sent to:

The last known address in the Company’s records or such other address as Executive may specify in writing.

Notices to the Company shall be sent to:
or to such other the Company representative as the Company may specify in writing.

(b) **Modifications; Amendments; Waivers; Consents.** The terms of this Agreement may be modified or amended only by written agreement executed by the parties hereto. The terms of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(c) **Assignment.** The Company shall require any successor to all or substantially all of the Company’s business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Executive may not assign Executive’s rights and obligations under this Agreement without the prior written consent of the Company.

(d) **Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Utah, without giving effect to any choice or conflict of law provision or rule. Any legal action permitted by this Agreement to enforce an award or for a claimed breach shall be governed by the laws of the State of Utah, and shall be commenced and maintained solely in any state or federal court located in the State of Utah, and both parties hereby submit to the jurisdiction and venue of any such court.

(e) **Headings and Captions.** The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

(f) **Entire Agreement.** This Agreement, together with the other agreements specifically referenced herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement. Except as otherwise expressly provided in Section 2(b), to the extent any conflict exists between any provision of this Agreement and any other provision of any agreement between the parties (including without limitation the offer letter or any exhibit to this Agreement) or any Company policy, the provision of this Agreement shall govern.

(g) **Counterparts.** This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For all purposes an electronic signature shall be treated as an original.
(h) **No Mitigation.** Except as required by applicable law or any Company clawback policy applicable to similarly situated senior executives, in no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under this Agreement (or its exhibits), nor shall the amount of any payment or benefit under this Agreement (or its exhibits) be reduced by any compensation earned by the Executive as a result of employment by another employer, other than as described in Section 2(c)(iv) and Section 2(e)(iv) of the Severance Agreement.

[Signature Page to Follow]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SCOTT LEFFLER

/s/ Scott Leffler
Signature

MYRIAD GENETICS, INC.

By: /s/ Paul J. Diaz
Paul J. Diaz
President and Chief Executive Officer
Exhibit A

Severance and Change of Control Agreement

See attached.
Exhibit B

Indemnification Agreement

See attached.
Exhibit C
Employee Invention Assignment, Confidentiality, and Restrictive Covenants Agreement
See attached.
SEPARATION AND CONSULTING AGREEMENT AND RELEASE OF CLAIMS

This Separation and Consulting Agreement and Release of Claims ("Agreement"), dated as of December 15, 2023, is entered into by and between Myriad Genetics, Inc. (together with its subsidiaries, affiliates, successors and assigns, the “Company”) and R. Bryan Riggsbee (“Executive” and together with the Company, the “Parties” and each a “Party”).

WHEREAS, Executive is employed by the Company and currently serves as the Company’s Chief Financial Officer;

WHEREAS, the Parties executed an employment agreement on October 8, 2014 (the “Employment Agreement”);

WHEREAS, Executive’s employment with the Company shall terminate, and the parties desire to plan for an orderly transition of Executive’s duties and to resolve any and all disputes or potential disputes that may exist between them, including, but not limited to, those relating to Executive’s employment with or separation from the Company; and

WHEREAS, the Parties have agreed that, following Executive’s termination of employment, Executive shall continue as a consultant for the Company immediately following such date, and desire to enter into this Agreement to memorialize such consulting relationship and additional post-employment matters.

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties agree as follows:

1. **Separation from Employment.** Executive’s separation from employment will occur on January 31, 2024 (the “Transition Date”) provided that, Executive hereby resigns, effective as of the earlier of (a) January 31, 2024 and (b) the date that a new Chief Financial Officer of the Company commences his or her employment at the Company, from all positions Executive may hold as a director or officer of the Company and/or any of its subsidiaries or affiliates including, without limitation, the position of Chief Financial Officer. Executive’s employment will continue on an at-will basis, pursuant to the Employment Agreement, through the Transition Date, and Executive will be expected to remain in compliance with Company rules and policies during this time period. Executive hereby confirms Executive’s resignation, effective as of the Transition Date, from all positions he may hold as an employee of Company and/or any of its subsidiaries or affiliates.

2. **Consulting Agreement.** Provided Executive is employed on the Transition Date and does not revoke the Agreement during the revocation period set forth below, effective as of the Transition Date, Executive shall become a consultant for the Company until March 31, 2024 (the “Separation Date”) for the purpose of providing certain transition and consulting services. During the Consulting Period, the Company agrees to not terminate this Agreement prior to March 31, 2024, except for Cause. “Cause” is defined as (a) Executive’s persistent refusal to complete the Services (defined below) promptly and adequately; (b) Executive’s gross negligence, intentional misconduct, misappropriation, or professional dishonesty; (c) reprehensible or criminal conduct by Executive that is likely to bring public disgrace upon the Company; (d) material violation of Company policies concerning ethics, compliance, or personnel matters; or (e) Executive's material breach of this Agreement or any other non-disclosure, investment assignment, non-competition, or similar agreement between Executive and the Company. Executive may terminate his consultancy by providing 30 days written notice to the Company. In the event of a termination of the consultancy by Executive or by the Company for Cause, the consulting fee payments under Section 2.b. automatically shall terminate and the Company shall have no further obligation to pay (and Executive shall have no right to receive) any further consulting fee payment, without impacting any other provision of this Agreement, each of which shall remain in full force and effect. In the event the Company terminates the consultancy without Cause, the consulting fee payments under Section 2.b. shall continue until the Separation Date in accordance with Section 2.b.
a. Services. During the period beginning as of the Transition Date and until the Separation Date (the “Consulting Period”), Executive will (1) assist the Company in effecting an orderly transition of his duties and transfer of relevant institutional know-how to his replacement and (2) perform such other duties as are reasonably requested by the Company, including the services described below (the “Services”). The Services may specifically include providing strategic advice and consultation to the Company concerning the management of its business, advising the Company concerning financial matters, and assisting with matters over which Executive was previously responsible. Executive shall exercise the highest degree of professionalism and utilize his expertise and creative talents in performing the Services. During the Consulting Period, Executive shall be free to pursue other employment, consulting engagements, or directorships with third parties, provided such engagements do not violate the terms of this Agreement and do not unreasonably interfere with his performance of the Services to the Company. Executive shall be available for up to ten (10) hours per week to provide the Services. Except as reasonably required for in-person meetings, Executive shall not be expected to report to work at the Company’s offices during the Consulting Period, and will provide his own workspace during the Consulting Period and be reasonably available by means of electronic communication. Executive agrees not to use the Company’s name, confidential material, trade secrets, know-how, or privileged information to solicit from any agency, company, business, or organization, work that would result in income or compensation to Executive or another company or business organization.

b. Consulting Fee. During the Consulting Period, Executive shall be paid a weekly consulting fee of $2,713.65. All weekly consulting fees earned each calendar month during the Consulting Period shall be paid no later than the fifth (5th) day of the immediately following calendar month by wire transfer or other electronic funds transfer to the financial account designed by Executive.

c. Expense Reimbursement. During the Consulting Period, Executive shall be reimbursed for business expenses in accordance with the Company’s standard procedures, provided that Executive shall have sixty (60) days from the conclusion of the Consulting Period to submit all outstanding business expenses, if any, with appropriate documentation for reimbursement by the Company. Failure to submit documented business expenses for reimbursement within this time period shall be considered a representation by Executive that he has been reimbursed for all such business expenses.

d. Independent Contractor Status. During the Consulting Period, the parties agree that Executive shall be an independent contractor and not an employee. Executive shall not qualify for any Company employee benefit program, unemployment benefits, or otherwise. No amount will be withheld from the consulting fee paid to Executive pursuant to Section 2(b) for payment of any federal, state, or local taxes and Executive has sole responsibility to pay such taxes, if any, and file such returns as shall be required by applicable laws and regulations. Except as expressly authorized the President and Chief Executive Officer of the Company, Executive shall not act, or hold himself out, as an agent of the Company and shall not purport to represent the Company in an unauthorized capacity, or act on Company’s behalf except as expressly required under this Agreement.

e. Benefits. Executive understands and acknowledges that, following the Transition Date, he will be entitled to no benefits from the Company other than those expressly set forth in this Agreement.

3. Additional Consideration. Provided that (A) this Agreement becomes effective pursuant to its terms, (B) Executive has performed all of his obligations under this Agreement through both the Transition Date and the Separation Date (other than due to a termination without Cause under this Agreement), (C) Executive has not been terminated for Cause under this Agreement, and (D) Executive remains in compliance with this Agreement thereafter, the Company agrees to provide the following additional consideration to Executive:
a. If and to the extent bonus-eligible employees of the Company generally receive bonus compensation for the fiscal year ending December 31, 2023, Executive shall be eligible to receive an annual bonus for fiscal year 2023, which will not be prorated. Such bonus will be based on Executive’s performance in relation to his 2023 management business objectives as determined by the Compensation and Human Capital Committee of the Board of Directors of the Company in its sole discretion, with any such bonus amount to be paid contemporaneously with payment of 2023 bonuses to other bonus-eligible executive officers and no later than March 15, 2024. Any such bonus payment shall be subject to all applicable taxes and withholdings.

b. Subject to Executive timely and validly electing continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”), the Company shall directly pay for the full monthly COBRA premiums charged to continue Executive’s medical coverage pursuant to COBRA, at the same or reasonably equivalent medical coverage for Executive and any covered dependents as in effect immediately prior to the Transition Date, from the time Executive becomes ineligible for coverage owing to his transition to consultant status on the Transition Date until the earlier to occur of (1) the one-year anniversary of the Transition Date or (2) the date Executive begins employment with another employer and becomes eligible for medical coverage through such employment (and Executive shall promptly notify the Company in advance of such employment). The Company or its agent will provide Executive with the COBRA election form(s) and document(s) and pay the premiums directly to its COBRA administrator after Executive elects COBRA coverage.

c. Executive’s change of status from an employee to a consultant under this Agreement shall not constitute a termination of services under Section 11 and 12 of the 2017 Employer, Director and Consultant Equity Incentive Plan, as amended (the “2017 Plan”) or any other applicable section of the 2017 Plan and Executive shall be treated as a “Consultant” under the Plan during the Consulting Period. Accordingly, any and all restricted stock units previously granted to Executive pursuant to the 2017 Plan while an employee of the Company and outstanding immediately prior to the Transition Date will continue to vest in accordance with the terms and conditions of the applicable equity award (“Equity Awards Vesting During the Consulting Period”) until the Separation Date, provided that Executive authorizes the sale or withholding a number of the underlying shares of Company common stock which are issued to Executive, as necessary, to satisfy applicable withholding taxes for income tax purposes.

d. Any restricted stock units subject to only time-based vesting requirements previously granted to Executive and outstanding pursuant to the 2017 Plan immediately prior to the Transition Date, other than Equity Awards Vesting During the Consulting Period, shall be deemed to vest in monthly installments over the applicable vesting period starting on the grant date (“RSUs Vesting Monthly”) and all such RSUs Vesting Monthly shall vest on the Separation Date to the extent scheduled to vest as modified by this Section 3.d. on or before the date one (1) year following the Separation Date; provided, that Executive authorizes the sale or withholding of a number of the underlying shares of Company common stock which are issued to Executive, as necessary, to satisfy applicable withholding taxes for income tax purposes.

e. Any restricted stock units with an unsatisfied performance based condition previously granted to Executive and outstanding pursuant to the 2017 Plan immediately prior to the Transition Date, other than Equity Awards Vesting During the Consulting Period, shall remain outstanding and, if the applicable performance condition is satisfied on or before the date one (1) year following the Separation Date, such restricted stock units shall, to the extent so earned, vest to the extent scheduled to vest within such one year period upon satisfaction of such performance based condition; provided, that Executive authorizes the sale or withholding of a number of the underlying shares of Company common stock which are issued to Executive, as necessary, to satisfy applicable withholding taxes for income tax purposes.
Within thirty (30) calendar days of the execution of this Agreement, so long as Executive does not revoke the Agreement during the revocation period set forth herein, the Company shall reimburse the Executive for his attorneys’ and consultants’ fees associated with the review and negotiation of this Agreement, in a check made payable to the attorneys and consultants as directed by Executive, up to a maximum amount of $5,000.00 in the aggregate.

Executive acknowledges this consideration, payments, and promises as good, sufficient and valuable consideration for the promises, releases, and waivers contained in this Agreement. Executive agrees that he is not otherwise entitled to the consideration set forth herein and that this consideration is accepted as the full and final resolution of all matters related to Executive’s employment, or termination of such employment, with the Company.

Communication and Return of Company Property.

a. Nothing in this Agreement, including, without limitation, the provisions of Section 4.a, 8, 9, 10 or 11, is intended to or will be used in any way to limit Executive’s communications with any government agency, as provided for, protected under, or warranted by applicable law, including, but not limited to, filing a charge or participating in an investigation before any government agency, the Equal Employment Opportunity Commission, any state or local agency, or the National Labor Relations Board.

b. Executive agrees to abide by the terms of the Employment Agreement and the Restrictive Covenant Agreements, dated March 20, 2023 and May 2, 2023, by and between the Company and Executive, each of which survive the termination of his employment with the Company.

c. Executive agrees that on or promptly following the earlier of the Separation Date or the date directed in writing by the Company, Executive shall return to the Company all Company property, including Company equipment, and confidential and proprietary information in Executive’s possession, in any medium or format. Notwithstanding the foregoing, the Company agrees that upon the Separation Date or earlier date directed in writing by the Company, the Executive may keep possession of and take ownership of his then-currently issued Company laptop, printers, computer monitors, and associated accessories (collectively, “Computer Equipment”), provided that Company information technology professionals have first removed all of the Company’s proprietary software and confidential information from the Computer Equipment and taken such other actions as may be necessary or advisable to protect the interests of the Company, including, but not limited to, reformatting the hard drive. The Company shall have no liability to Executive or otherwise for any loss of data or information stored on the Computer Equipment and/or any other damage to the Computer Equipment as a result of or arising from the foregoing actions.

d. Executive also hereby acknowledges that Company, at least by virtue of this Agreement, has informed Executive, in accordance with 18 U.S.C. § 1833(b), that Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret where the disclosure is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Payment of Unpaid Wages and Other Amounts.

Whether or not this Agreement becomes effective pursuant to its terms, the Company, through and including the Transition Date, will provide Executive with (i) all accrued and unpaid wages and any paid time off that has been accrued but unused in accordance with the Company’s policies; (ii) the amount of expenses properly incurred by Executive on behalf of the Company and not yet reimbursed; and (iii) the amounts accrued and credited to Executive’s account under the Company’s 401(k) savings plan in accordance with the terms and conditions of such plan. Except as set forth herein, including the amounts to be paid pursuant to the preceding sentence, Executive acknowledges and agrees that the Company owes no other wages, commissions, bonuses, vacation pay, sick pay or benefits to Executive as of the Transition Date.
6. **Release of Claims.**

   a. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company. Executive, on behalf of themselves and their respective heirs, executors and assigns, hereby fully and forever releases the Company and its parent corporations, sister corporations and subsidiaries, as well as those entities’ affiliates, operating units, officers, directors, executives and former executives, investors, shareholders, administrators, partners, divisions, predecessor and successor corporations, and assigns (collectively, the “Company Parties”), from, and agrees not to sue concerning, any and all claims, charges, demands, actions, judgments, orders, duties, obligations, causes of action, damages, liabilities, costs and expenses of any kind, and liability of any kind or nature, whether in law or equity, relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess arising from any omissions, acts or facts (i) that are related in any way to Executive’s employment or separation of employment, or (ii) that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

   (i) any and all claims relating to or arising from Executive’s employment relationship with the Company and the termination of that relationship as well as from any agreements Executive may have with the Company including employment agreements, change in control agreements, etc.;

   (ii) any and all claims for wrongful discharge of employment (including constructive discharge); termination in violation of public policy; discrimination; retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

   (iii) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Executive Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Older Workers Benefit Protection Act, the Occupation Safety and Health Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief and Economic Security Act, the Utah Antidiscrimination Act, the Utah Payment of Wages Act, 42 U.S.C. § 1981, North Carolina state employment laws, and any other state or federal statutory acts;

   (iv) any and all claims for violation of the federal, or any state, constitution;

   (v) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

   (vi) any and all claims for attorneys’ fees and costs.

   b. Executive agrees that the release set forth in this Section 6 shall be and remain in effect in all respects as a complete general release as to the matters released.
c. Notwithstanding the foregoing, nothing in this Section 6 shall release or discharge: (A) Executive’s rights, if any, to unemployment insurance benefits, workers’ compensation benefits, or any rights and interests Executive has in the Company’s 401(k) retirement plan, including any individual account balance as vested per the terms of that plan; (B) Executive’s right to enforce, or bring any claim for breach of, this Agreement; (C) Executive’s rights or obligations under the Company’s bylaws, charter, or other organizational documents, or that certain Indemnification Agreement between Myriad Genetics, Inc. and Executive, dated February 23, 2015; or (D) any rights or claims Executive may have to any vested benefits under any Company equity or incentive plan, including under the 2017 Plan and any related award agreements. Executive will be sent the necessary paperwork to allow Executive to withdraw Executive’s money from those retirement accounts, if any.

7. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 (“ADEA”) and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing that (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has at least twenty-one (21) days within which to consider this Agreement; (c) Executive has seven (7) days following the execution of this Agreement to revoke the Agreement; and (d) this Agreement shall not be effective until the seven-day revocation period has expired. Notice of revocation should be sent via email to the Company’s legal counsel Justin D. Hunter (justin.hunter@myriad.com).

8. Future Lawsuits. Subject to Section 4.a of this Agreement, Executive agrees that during the Consulting Period and thereafter, Executive will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company or any Company Party unless required to do so under a court order or subpoena.

9. Confidentiality. The parties acknowledge that the Company is required to publicly disclose this Agreement pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. Given the sensitive nature of his position, Executive agrees that he will not disclose any non-public information about the Company to others, including to the media, current or former executives of the Company, and other members of the public (including, but not limited to, print journalists, newspapers, radio, television, cable, satellite programs, Internet media, web pages, social media, e-mail texts, blogs, and/or “chat rooms”). Executive also agrees that during the Consulting Period and thereafter, Executive shall continue to maintain the confidentiality of all confidential or proprietary information of the Company, including any confidential information that may be provided to the Company by other persons or businesses. Under no circumstances is Executive allowed to take any confidential, proprietary, or trade secret information from the Company or use or disclose such information except for purposes that benefit the Company and with Company permission. The restrictions on disclosure in this paragraph do not apply to: (a) disclosures the Parties make as may be necessary to enforce the Agreement’s terms; (b) disclosures compelled by law, the courts, or governmental authorities (including disclosures explicitly permitted by this Agreement); and (c) disclosures the Parties make to their respective attorneys, accountants, tax preparers, federal, state and local tax authorities, board of directors, financial advisors, spouse, and any other individual(s) with whom they share a legally privileged and confidential relationship as recognized under law, provided that the party first informs such persons of the provisions of this confidentiality provision and they agree to be bound thereby. Executive’s duty of confidentiality shall continue into the future to the time, if any, when such information shall become public knowledge, through no action of Executive.
10. **Assistance to the Company.** Executive agrees that he will reasonably cooperate with the Company with respect to potential, threatened or actual litigation or similar proceeding involving the Company, including but not limited to cooperation relating to any such litigation or similar proceeding or other legal matter in which Executive has been, is or may become involved or with respect to which Executive has knowledge by virtue of his employment with, or services to, the Company, and further including but not limited to any existing or future litigation or similar proceeding involving the Company, whether administrative, civil or criminal in nature in which and to the extent the Company deems Executive’s cooperation necessary or advisable. Executive shall be eligible for reimbursement by the Company of reasonable out-of-pocket costs and expenses, including, to the extent reasonably necessary, reasonable attorneys’ fees, incurred by Executive in connection with complying with Executive’s obligations to the Company under this Section 10.

11. **Non-Disparagement.** Subject to Section 4.a of this Agreement, Executive agrees to refrain from any defamation, disparagement, negative comments, libel or slander of the Company and its respective officers, directors, executives, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns or tortious interference with the contracts and relationships of the Company and its respective officers, directors, executives, investors, customers, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns. Executive shall refrain from the aforementioned actions contained in this paragraph verbally and in any written form, including, but not limited to, any posts, actions, or complaints on social media or the internet. Nothing in this Section shall prohibit any person from making truthful statements when required by order of a court or other regulatory body having jurisdiction.

12. **Non-Competition.**

   a. Solely for purposes of this Section 12, the following terms shall have the meanings set forth below:

      (i) “Competitive Products” means any product or service available from third parties that are the same or substantially similar to the products or services offered or under development by the Company at any time during the twenty-four (24) months prior to the Transition Date or during the Consulting Period in the Territory.

      (ii) “Competitor” means any person or entity (including Executive or an entity that Executive becomes affiliated with or renders services to) that offers Competitive Products within the Territory.

      (iii) “Territory” means the United States of America, or anywhere in the world where the Company does business.

      (iv) “Directly or indirectly” means conduct taken individually, through other individuals, or as a partner, shareholder, member, officer, director, manager, Executive, salesperson, independent contractor, agent, or consultant for any other individual or entity.

   b. During the Consulting Period and for twelve (12) months thereafter, Executive shall not, either for Executive’s own account or for or on behalf of any Competitor, directly or indirectly, take any of the following actions without the Company’s prior written consent:

      (i) have an ownership or financial interest in a Competitor, provided, however, that the foregoing restriction shall not prohibit Executive from owning, solely as a passive investment, up to five percent (5%) of the issued and outstanding securities of a Competitor that is traded publicly on a national stock exchange;
(ii) advise or consult with a Competitor concerning any Competitive Product in the Territory;

(iii) be employed by, or provide services to, a Competitor in the Territory;

(iv) engage in the development, production, sale or distribution of Competitive Products in the Territory;

or

(v) market, sell, or otherwise offer or provide Competitive Products in the Territory.

13. **Non-Solicitation.**

a. Solely for purposes of this Section 13, the following terms shall have the meanings set forth below:

(i) “Customer” means those entities or individuals (a) who were customers or prospective customers whom the Company was actively seeking to cultivate and (b) with whom Executive had personal contact during the final twenty-four (24) months of his employment with the Company.

(ii) “Recruit and solicit” shall include, but “recruit and solicit” are not limited to, providing names of employees of the Company, information about employees of the Company, providing the Company’s proprietary information to another individual, or entity, and allowing the use of Executive’s name by any company (or any employees of any other company) other than the Company, in the solicitation of the business of Company’s Customers.

b. During the Consulting Period and for twelve (12) months thereafter, Executive shall not:

(i) on Executive’s own behalf or on behalf of any other entity, directly or indirectly solicit any Customer in relation to business currently being provided by the Company or directly or indirectly solicit any business of any Customer in regard to any activities in competition with activities of the Company of which Executive acquired knowledge during his employment with the Company; and

(ii) directly or indirectly recruit or solicit any then-current employee (including consultants and independent contractors) of the Company to work for Executive or any other person or company.

14. **Acknowledgements; Enforcement.**

a. Executive acknowledges that the restrictions contained in Sections 12 and 13, in view of the nature of the business in which the Company is engaged, are reasonable and necessary in order to protect the legitimate interests of the Company, and that any violation thereof would result in irreparable injuries to the Company, and Executive therefore acknowledges that, in the event of Executive’s violation of any of these restrictions, the Company shall be entitled to obtain from any court of competent jurisdiction preliminary and permanent injunctive relief (without the posting of any bond) as well as damages and an equitable accounting of all earnings, profits and other benefits arising from such a violation, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.
b. The invalidity or unenforceability of any provision or provisions of Sections 12 and 13 shall not affect the validity or enforceability of any other provision or provisions of Sections 12 and 13 of this Agreement, which shall remain in full force and effect. If any provision of Sections 12 and 13 is held to be invalid, void or unenforceable in any jurisdiction, any court or arbitrator so holding shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of Sections 12 and 13 and shall correspondingly modify the Company’s obligations under Section 2 and Section 3.

c. Executive may, but shall not be required to, disclose potential business activities or opportunities to the Company for the purpose of seeking assurance that the Company would not consider the pursuit of such activities or opportunities to be in violation of this Agreement. Disclosures under this subpart should be made in writing to the Company’s legal counsel. The Company shall use reasonable efforts to respond to such disclosure within 15 business days.

15. No Admission of Liability. The Parties understand and acknowledge that this Agreement constitutes a mutually acceptable vehicle for effecting Executive’s departure from the Company. No action taken by the Parties hereto, or either of them, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by either party of any fault or liability whatsoever to the other party or to any third party.

16. Certain Tax Considerations. All amounts referenced herein shall be subject to applicable tax withholding. The Company shall make all determinations as to whether it is obligated to withhold any taxes hereunder the amount thereof. The intent of the Parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement which are subject to Section 409A until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation under Section 409A, and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between Executive and the Company during the six-month period immediately following Executive’s separation from service shall instead be paid on the first business day after the date that is six months following Executive’s separation from service (or, if earlier, Executive’s date of death). Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. The Company makes no representation that any or all of the payments described in this Agreement shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Executive shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

17. Costs. Subject to Section 3.f above, the Parties shall each bear their own costs, expert fees, attorneys’ fees and other fees incurred in connection with this Agreement.
18. Authority. The Company represents and warrants that the undersigned officer of the Company has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that Executive has the capacity to act on Executive’s own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Agreement. Executive warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

19. No Representations. Executive represents that Executive has had the opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this Agreement.

20. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

21. Entire Agreement. This Agreement, and any agreements referenced herein, represent the entire agreement and understanding between the Company and Executive concerning Executive’s separation from the Company, and supersedes and replaces any and all prior agreements and understandings concerning Executive’s relationship with the Company and Executive’s compensation by the Company. This Agreement does not supersedes or replace, but is to be read in concert with, any prior agreement Executive has signed with Company, including the Executive’s Employment Agreement, Offer Letter and/or any other agreements related to confidentiality, non-disclosure, restrictive covenants, employee inventions, or similar obligations that survive the separation of employment.

22. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the President/CEO of the Company or the Company’s Chief People Officer.

23. Governing Law and Jurisdiction. This Agreement shall be governed by the laws of the State of Utah. Executive and the Company each submits to the exclusive jurisdiction of any state or federal court sitting in the State of Utah in any action or proceeding arising out of or relating to this Agreement, and each party agrees that all claims of whatever type relating to or arising out of this Agreement may be heard and determined only in a state or federal court sitting in the State of Utah. Executive and the Company each waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought, and waives any bond, surety, or other security that might be required of any other party with respect thereto. Executive and the Company each agrees, unless prohibited by law, that if any action or proceeding relating to or arising out of this Agreement is brought in any other court or forum other than a state or federal court sitting in the State of Utah, the action or proceeding shall be dismissed with prejudice and the party bringing the action or proceeding shall pay the other party’s legal fees and costs.

24. Attorneys’ Fees. Should an action be brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs incurred in prosecuting the action. For purposes of the foregoing, (a) “prevailing party” means (i) in the case of the party initiating the enforcement of rights or remedies, that it recovered substantially all of its claims, and (ii) in the case of the party defending against such enforcement, that it successfully defended substantially all of the claims made against it, and (b) if no party is a “prevailing party” within the meaning of the foregoing, then no party will be entitled to recover its attorney’s fees and costs from any other party.

25. Effective Date. The Effective Date, as used in this Agreement, is defined as the eighth day after Executive signs this Agreement, and the Agreement is signed by the Company. So long as the Company signs the Agreement within the seven-day revocation period between the signature of Executive and the Effective Date, the Effective Date will be on the eighth day.
26. **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

27. **Voluntary Execution of Agreement.** This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that they have read this Agreement, have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel, understand the terms and consequences of this Agreement and of the releases it contains, and are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: December 15, 2023

By: /s/ Shereen Solaiman  
Name: Shereen Solaiman  
Title: Chief People Officer

Dated: December 15, 2023

By: /s/ R. Bryan Riggsbee  
Name: R. Bryan Riggsbee
This Separation and Consulting Agreement and Release of Claims ("Agreement"), dated as of October 4, 2023, is entered into by and between Myriad Genetics, Inc. (together with its subsidiaries, affiliates, successors and assigns, the "Company") and Nicole Lambert ("Executive" and together with the Company, the "Parties" and each a "Party").

WHEREAS, Executive is employed by the Company and currently serves as the Company’s Chief Operating Officer; 

WHEREAS, the Parties executed an employment agreement on June 11, 2001 (the "Employment Agreement");

WHEREAS, Executive’s employment with the Company shall terminate, and the parties desire to plan for an orderly transition of Executive’s duties and to resolve any and all disputes or potential disputes that may exist between them, including, but not limited to, those relating to Executive’s employment with or separation from the Company; and

WHEREAS, the Parties have agreed that, following Executive’s termination of employment, Executive shall continue as a consultant for the Company immediately following such date, and desire to enter into this Agreement to memorialize such consulting relationship and additional post-employment matters.

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties agree as follows:

1. **Separation from Employment.** Executive’s separation from employment will occur on October 31, 2023 (the "Transition Date"). Executive’s employment will continue on an at-will basis, pursuant to the Employment Agreement, through the Transition Date, and Executive will be expected to remain in compliance with Company rules and policies during this time period. By signing this Agreement, Executive hereby confirms Executive’s resignation, effective as of the Transition Date, from all positions she may hold as a director, officer or employee of Company and/or any of its subsidiaries or affiliates including, without limitation, the position of Chief Operating Officer.

2. **Consulting Agreement.** Provided Executive is employed on the Transition Date and does not revoke the Agreement during the revocation period set forth below, effective as of the Transition Date, Executive shall become a consultant for the Company until March 31, 2024 (the "Separation Date") for the purpose of providing certain transition and consulting services. During the Consulting Period, the Company agrees to not terminate this Agreement prior to March 31, 2024, except for Cause. “Cause” is defined as (1) Executive’s persistent refusal to complete the Services (defined below) promptly and adequately; (2) Executive’s gross negligence, intentional misconduct, misappropriation, or professional dishonesty; (3) reprehensible or criminal conduct by Executive that is likely to bring public disgrace upon the Company; (4) material violation of Company policies concerning ethics, compliance, or personnel matters; or (5) Executive's material breach of this Agreement or any other non-disclosure, investment assignment, non-competition, or similar agreement between Executive and the Company. Executive may terminate her consultancy by providing 30 days written notice to the Company. In the event of a termination of the consultancy by Executive or by the Company for Cause, the consulting fee payments under Section 2.b. automatically shall terminate and the Company shall have no further obligation to pay (and Executive shall have no right to receive) any further consulting fee payment, without impacting any other provision of this Agreement, each of which shall remain in full force and effect. In the event the Company terminates the consultancy without Cause, the consulting fee payments under Section 2.b. shall continue until the Separation Date in accordance with Section 2.b.
a. **Services.** During the period beginning as of the Transition Date and until the Separation Date (the “Consulting Period”), Executive will (1) assist the Company in effecting an orderly transition of her duties and transfer of relevant institutional know-how to her replacement and (2) perform such other duties as are reasonably requested by the Company, including the services described below (the “Services”). The Services may specifically include providing strategic advice and consultation to the Company concerning the management of its business, participation in executive meetings, advising the Company concerning the oversight of its operations, and assisting with budgeting and financial planning associated with the various profit and loss centers over which Executive was previously responsible. Executive shall exercise the highest degree of professionalism and utilize her expertise and creative talents in performing the Services. During the Consulting Period, Executive shall be free to pursue other employment, consulting engagements, or directorships with third parties, provided such engagements do not violate the terms of this Agreement and do not unreasonably interfere with her performance of the Services to the Company. Executive shall be available for up to twenty (20) hours per week to provide the Services. Except as reasonably required for in-person meetings, Executive shall not be expected to report to work at the Company’s offices during the Consulting Period, and will provide her own workspace during the Consulting Period and be reasonably available by means of electronic communication. Executive agrees not to use the Company’s name, confidential material, trade secrets, know-how, or privileged information to solicit from any agency, company, business, or organization, work that would result in income or compensation to Executive or another company or business organization.

b. **Consulting Fee.** During the Consulting Period, Executive shall receive a weekly consulting fee of $4,951.92 paid on an interval consistent with Company’s standard payment practices for third party vendors. If the Consulting Agreement is terminated before the Separation Date, such consulting fee will end at the time of such termination, and no further fee shall be required to be paid to Executive hereunder.

c. **Expense Reimbursement.** During the Consulting Period, Executive shall be reimbursed for business expenses in accordance with the Company’s standard procedures, provided that Executive shall have sixty (60) days from the conclusion of the Consulting Period to submit all outstanding business expenses, if any, with appropriate documentation for reimbursement by the Company. Failure to submit documented business expenses for reimbursement within this time period shall be considered a representation by Executive that she has been reimbursed for all such business expenses.

d. **Independent Contractor Status.** During the Consulting Period, the parties agree that Executive shall be an independent contractor and not an employee. Executive shall not qualify for any Company employee benefit program, unemployment benefits, or otherwise. No amount will be withheld from the consulting fee paid to Executive pursuant to Section 2(b) for payment of any federal, state, or local taxes and Executive has sole responsibility to pay such taxes, if any, and file such returns as shall be required by applicable laws and regulations. Except as expressly authorized the President and Chief Executive Officer of the Company, Executive shall not act, or hold herself out, as an agent of the Company and shall not purport to represent the Company in an unauthorized capacity, or act on Company’s behalf except as expressly required under this Agreement.
e. Benefits. Executive understands and acknowledges that, following the Transition Date, she will be entitled to no benefits from the Company other than those expressly set forth in this Agreement.

3. Additional Consideration. Provided that (A) this Agreement becomes effective pursuant to its terms, (B) Executive has performed all of her obligations under this Agreement through both the Transition Date and the Separation Date (other than due to a termination without Cause under this Agreement), (C) Executive has not been terminated for Cause under this Agreement, and (D) Executive remains in compliance with this Agreement thereafter, the Company agrees to provide the following additional consideration to Executive:

   a. If and to the extent bonus-eligible employees of the Company generally receive bonus compensation for the fiscal year ending December 31, 2023, Executive shall be eligible to receive an annual bonus for fiscal year 2023, which will not be prorated. Such bonus will be based on Executive’s performance in relation to her 2023 management business objectives as determined by the Compensation and Human Capital Committee of the Board of Directors of the Company in its sole discretion, with any such bonus amount to be paid contemporaneously with payment of 2023 bonuses to other bonus-eligible executive officers and no later than March 15, 2024.

   b. Subject to Executive timely and validly electing continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”), the Company shall directly pay for the full monthly COBRA premiums charged to continue Executive’s medical coverage pursuant to COBRA, at the same or reasonably equivalent medical coverage for Executive and any covered dependents as in effect immediately prior to the Transition Date, from the time Executive becomes ineligible for coverage owing to her transition to consultant status on the Transition Date until the earlier to occur of (1) the one-year anniversary of the Transition Date or (2) the date Executive begins employment with another employer and becomes eligible for medical coverage through such employment. The Company or its agent will provide Executive with the COBRA election form(s) and document(s) and pay the premiums directly to its COBRA administrator after Executive elects COBRA coverage.

   c. Executive’s change of status from an employee to a consultant under this Agreement shall not constitute a termination of services under Section 11 and 12 of the 2017 Employer, Director and Consultant Equity Incentive Plan, as amended (the “2017 Plan”) or any other applicable section of the 2017 Plan and Executive shall be treated as a “Consultant” under the Plan during the Consulting Period. Accordingly, any and all restricted stock units previously granted to Executive pursuant to the 2017 Plan while an employee of the Company and outstanding immediately prior to the Transition Date will continue to vest in accordance with the terms and conditions of the applicable equity award (“Equity Awards Vesting During the Consulting Period”) until the Separation Date, provided that Executive authorizes the sale or withholding a number of the underlying shares of Company common stock which are issued to Executive, as necessary, to satisfy applicable withholding taxes for income tax purposes.
d. Any restricted stock units previously granted to Executive and outstanding pursuant to the 2017 Plan immediately prior to the Transition Date, other than Equity Awards Vesting During the Consulting Period, shall vest on the Separation Date to the extent scheduled to vest on or before the date one (1) year following the Separation Date; provided, however, with respect to any outstanding restricted stock units with an unsatisfied performance-based condition, such restricted stock units shall remain outstanding and, if the applicable performance condition is satisfied during such one (1) year period following the Separation Date, such restricted stock units shall, to the extent so earned, vest to the extent scheduled to vest within such one-year period upon satisfaction of such performance-based condition; provided, that Executive authorizes the sale or withholding of a number of the underlying shares of Company common stock which are issued to Executive, as necessary, to satisfy applicable withholding taxes for income tax purposes.

e. Executive acknowledges this consideration, payments, and promises as good, sufficient and valuable consideration for the promises, releases, and waivers contained in this Agreement. Executive agrees that she is not otherwise entitled to the consideration set forth herein and that this consideration is accepted as the full and final resolution of all matters related to Executive’s employment, or termination of such employment, with the Company.

4. Communication and Return of Company Property. Nothing in this Agreement, including, without limitation, the provisions in Sections 4.a, 8, 9, 10 or 11, is intended to or will be used in any way to limit Executive’s communications with any government agency, as provided for, protected under, or warranted by applicable law, including, but not limited to, filing a charge or participating in an investigation before any government agency, the Equal Employment Opportunity Commission, any state or local agency, or the National Labor Relations Board.

a. Executive agrees to abide by the terms of the Employment Agreement and the Restricted Covenant Agreements, dated March 20, 2023 and May 2, 2023, by and between the Company and Executive, each of which survive the termination of her employment with the Company.

b. Executive agrees that on or promptly following the earlier of the Separation Date or the date directed in writing by the Company, Executive shall return to the Company all Company property, including Company equipment, and confidential and proprietary information in Executive’s possession, in any medium or format.

c. Executive also hereby acknowledges that Company, at least by virtue of this Agreement, has informed Executive, in accordance with 18 U.S.C. § 1833(b), that Executive may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret where the disclosure is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
5. **Payment of Unpaid Wages and Other Amounts.** Whether or not this Agreement becomes effective pursuant to its terms, the Company, through and including the Transition Date, will provide Executive with (i) all accrued and unpaid wages and any paid time off that has been accrued but unused in accordance with the Company’s policies; (ii) the amount of expenses properly incurred by Executive on behalf of the Company and not yet reimbursed; and (iii) the amounts accrued and credited to Executive’s account under the Company’s 401(k) savings plan in accordance with the terms and conditions of such plan. Except as set forth herein, including the amounts to be paid pursuant to the preceding sentence, Executive acknowledges and agrees that the Company owes no other wages, commissions, bonuses, vacation pay, sick pay or benefits to Executive as of the Transition Date.

6. **Release of Claims.**

   a. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company. Executive, on behalf of themselves and their respective heirs, executors and assigns, hereby fully and forever releases the Company and its parent corporations, sister corporations and subsidiaries, as well as those entities’ affiliates, operating units, officers, directors, Executives and former Executives, investors, shareholders, administrators, partners, divisions, predecessor and successor corporations, and assigns, from, and agrees not to sue concerning, any and all claims, charges, demands, actions, judgments, orders, duties, obligations, causes of action, damages, liabilities, costs expenses of any kind, and liability of any kind or nature, whether in law or equity, relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess arising from any omissions, acts or facts (i) that are related in any way to Executive's employment or separation of employment, or (ii) that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

   (i) any and all claims relating to or arising from Executive’s employment relationship with the Company and the termination of that relationship as well as from any agreements Executive may have with the Company including employment agreements, change in control agreements, etc.;

   (ii) any and all claims for wrongful discharge of employment (including constructive discharge); termination in violation of public policy; discrimination; retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

   (iii) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Executive Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Older Workers Benefit Protection Act, the Occupation Safety and Health Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief and Economic Security Act, the Utah Antidiscrimination Act, the Utah Payment of Wages Act, 42 U.S.C. § 1981, Louisiana state employment laws, and any other state or federal statutory acts;

   (iv) any and all claims for violation of the federal, or any state, constitution;

   (v) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and
any and all claims for attorneys’ fees and costs.

b. Executive agrees that the release set forth in this Paragraph 6 shall be and remain in effect in all respects as a complete general release as to the matters released.

c. Notwithstanding the foregoing, nothing in this Section 6 shall release or discharge: (A) Executive’s rights, if any, to unemployment insurance benefits, workers’ compensation benefits, or any rights and interests Executive has in the Company’s 401(k) retirement plan, including any individual account balance as vested per the terms of that plan; (B) Executive’s right to enforce, or bring any claim for breach of, this Agreement; (C) Executive’s rights or obligations under the Company’s bylaws, charter, or other organizational documents, or that certain Indemnification Agreement between Myriad Genetics, Inc. and Executive, dated July 22, 2019. Executive will be sent the necessary paperwork to allow Executive to withdraw Executive’s money from those retirement accounts, if any.

7. **Acknowledgment of Waiver of Claims under ADEA.** Executive acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 (“ADEA”) and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing that (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has at least twenty-one (21) days within which to consider this Agreement; (c) Executive has seven (7) days following the execution of this Agreement to revoke the Agreement; and (d) this Agreement shall not be effective until the seven-day revocation period has expired. Notice of revocation should be sent via email to the Company’s legal counsel Jesse Oakeson (jesse.oakeson@myriad.com).

8. **Future Lawsuits.** Executive agrees that during the Consulting Period and thereafter, Executive will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company or any Company Party unless required to do so under a court order or subpoena.
9. **Confidentiality.** Executive agrees not to publicize the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement except to the extent required by applicable law. The parties acknowledge that the Company is required to publicly disclose this Agreement pursuant to the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. In addition, given the sensitive nature of her position, Executive agrees that she will not disclose any non-public information about the Company to others, including to the media, current or former Executives of the Company, and other members of the public (including, but not limited to, print journalists, newspapers, radio, television, cable, satellite programs, Internet media, web pages, social media, e-mail texts, blogs, and/or “chat rooms”). Executive also agrees that during the Consulting Period and thereafter, Executive shall continue to maintain the confidentiality of all confidential or proprietary information of the Company, including any confidential information that may be provided to the Company by other persons or businesses. Under no circumstances is Executive allowed to take any confidential, proprietary, or trade secret information from the Company or use or disclose such information except for purposes that benefit the Company and with Company permission. The restrictions on disclosure in this paragraph do not apply to: (a) disclosures the Parties make as may be necessary to enforce the Agreement’s terms; (b) disclosures compelled by law, the courts, or governmental authorities (including disclosures explicitly permitted by this Agreement); and (c) disclosures the Parties make to their respective attorneys, accountants, tax preparers, federal, state and local tax authorities, board of directors, financial advisors, spouse, and any other individual(s) with whom they share a legally privileged and confidential relationship as recognized under law, provided that the party first informs such persons of the provisions of this confidentiality provision and they agree to be bound thereby. Executive’s duty of confidentiality shall continue into the future to the time, if any, when such information shall become public knowledge, through no action of Executive.

10. **Assistance to the Company.** Executive agrees Executive will not act in any manner intended to damage the business of the Company. Executive agrees that she will reasonably cooperate with the Company with respect to potential, threatened or actual litigation or similar proceeding involving the Company, including but not limited to cooperation relating to any such litigation or similar proceeding or other legal matter in which Executive has knowledge by virtue of her employment with, or services to, the Company, and further including but not limited to any existing or future litigation or similar proceeding involving the Company, whether administrative, civil or criminal in nature in which and to the extent the Company deems Executive’s cooperation necessary or advisable. Executive shall be eligible for reimbursement by the Company of reasonable out-of-pocket costs and expenses incurred by Executive in connection with complying with Executive’s obligations to the Company under this Section 10. Except in the case of an urgent business need that reasonably requires Executive to be in-person at a Myriad facility or elsewhere, the Company agrees to provide Executive with at least seven days’ prior written notice if her assistance requires travel from her residence.

11. **Non-Disparagement.** Executive agrees to refrain from any defamation, disparagement, negative comments, libel or slander of the Company and its respective officers, directors, executives, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns or tortious interference with the contracts and relationships of the Company and its respective officers, directors, executives, investors, customers, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns. Executive shall refrain from the aforementioned actions contained in this paragraph verbally and in any written form, including, but not limited to, any posts, actions, or complaints on social media or the internet. Nothing in this Section shall prohibit any person from making truthful statements when required by order of a court or other regulatory body having jurisdiction.
12. **Non-Competition.**

   a. Solely for purposes of this Section 12, the following terms shall have the meanings set forth below:

      (i) “**Competitive Products**” means any product or service available from third parties that are the same or substantially similar to the products or services offered or under development by the Company at any time during the twenty-four (24) months prior to the Transition Date or during the Consulting Period in the Territory.

      (ii) “Competitor” means any person or entity (including Executive or an entity that Executive becomes affiliated with or renders services to) that offers Competitive Products within the Territory.

      (iii) “Territory” means the United States of America, or anywhere in the world where the Company does business.

      (iv) “Directly or indirectly” means conduct taken individually, through other individuals, or as a partner, shareholder, member, officer, director, manager, Executive, salesperson, independent contractor, agent, or consultant for any other individual or entity.

   b. During the Consulting Period and for twelve (12) months thereafter, Executive shall not, either for Executive’s own account or for or on behalf of any Competitor, directly or indirectly, take any of the following actions:

      (i) have an ownership or financial interest in a Competitor;

      (ii) advise or consult with a Competitor concerning any Competitive Product in the Territory;

      (iii) be employed by, or provide services to, a Competitor in the Territory;

      (iv) engage in the development, production, sale or distribution of Competitive Products in the Territory; or

      (v) market, sell, or otherwise offer or provide Competitive Products in the Territory.

13. **Non-Solicitation.**

   a. Solely for purposes of this Section 13, the following terms shall have the meanings set forth below:

      (i) “**Customer**” means those entities or individuals (a) who were customers or prospective customers whom the Company was actively seeking to cultivate and (b) with whom Executive had personal contact during the final twenty-four (24) months of her employment with the Company.
(ii) “Recruit and solicit” shall include, but “recruit and solicit” are not limited to, providing names of employees of the Company, information about employees of the Company, providing the Company’s proprietary information to another individual, or entity, and allowing the use of Executive’s name by any company (or any employees of any other company) other than the Company, in the solicitation of the business of Company’s Customers.

b. During the Consulting Period and for twelve (12) months thereafter, Executive shall not:

(i) on Executive’s own behalf or on behalf of any other entity, directly or indirectly solicit any Customer in relation to business currently being provided by the Company or directly or indirectly solicit any business of any Customer in regard to any activities in competition with activities of the Company of which Executive acquired knowledge during her employment with the Company; and

(ii) directly or indirectly recruit or solicit any Executives (including consultants and independent contractors) of the Company to work for Executive or any other person or company.

14. Acknowledgements; Enforcement.

a. Executive acknowledges that the restrictions contained in Sections 12 and 13, in view of the nature of the business in which the Company is engaged, are reasonable and necessary in order to protect the legitimate interests of the Company, and that any violation thereof would result in irreparable injuries to the Company, and Executive therefore acknowledges that, in the event of Executive’s violation of any of these restrictions, the Company shall be entitled to obtain from any court of competent jurisdiction preliminary and permanent injunctive relief (without the posting of any bond) as well as damages and an equitable accounting of all earnings, profits and other benefits arising from such a violation, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

b. The invalidity or unenforceability of any provision or provisions of Sections 12 and 13 shall not affect the validity or enforceability of any other provision or provisions of Sections 12 and 13 or of this Agreement, which shall remain in full force and effect. If any provision of Sections 12 and 13 is held to be invalid, void or unenforceable in any jurisdiction, any court or arbitrator so holding shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of Sections 12 and 13 and shall correspondingly modify the Company’s obligations under Section 2 and Section 3.

c. Executive may, but shall not be required to, disclose potential business activities or opportunities to the Company for the purpose of seeking assurance that the Company would not consider the pursuit of such activities or opportunities to be in violation of this Agreement. Disclosures under this subpart should be made in writing to the Company’s legal counsel (jesse.oakeson@myriad.com). The Company shall use reasonable efforts to respond to such disclosure within 15 business days.
15. **No Admission of Liability.** The Parties understand and acknowledge that this Agreement constitutes a mutually acceptable vehicle for effecting Executive’s departure from the Company. No action taken by the Parties hereto, or either of them, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by either party of any fault or liability whatsoever to the other party or to any third party.

16. **Certain Tax Considerations.** All amounts referenced herein shall be subject to applicable tax withholding. The Company shall make all determinations as to whether it is obligated to withhold any taxes hereunder the amount thereof. The intent of the Parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement which are subject to Section 409A until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation under Section 409A, and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between Executive and the Company during the six-month period immediately following Executive’s separation from service shall instead be paid on the first business day after the date that is six months following Executive’s separation from service (or, if earlier, Executive’s date of death). Notwithstanding anything to the contrary in this Agreement, all (A) reimbursements and (B) in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits provided, in any other calendar year; (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. The Company makes no representation that any or all of the payments described in this Agreement shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Executive shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

17. **Costs.** The Parties shall each bear their own costs, expert fees, attorneys’ fees and other fees incurred in connection with this Agreement.

18. **Authority.** The Company represents and warrants that the undersigned officer of the Company has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that Executive has the capacity to act on Executive’s own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Agreement. Executive warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.
19. **No Representations.** Executive represents that Executive has had the opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this Agreement.

20. **Severability.** In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

21. **Entire Agreement.** This Agreement, and any agreements referenced herein, represent the entire agreement and understanding between the Company and Executive concerning Executive’s separation from the Company, and supersedes and replaces any and all prior agreements and understandings concerning Executive’s relationship with the Company and Executive’s compensation by the Company. This Agreement does not supersede or replace, but is to be read in concert with, any prior agreement Executive has signed with Company, including the Executive’s Employment Agreement, Offer Letter and/or any other agreements related to confidentiality, non-disclosure, restrictive covenants, employee inventions, or similar obligations that survive the separation of employment.

22. **No Oral Modification.** This Agreement may only be amended in writing signed by Executive and the President/CEO of the Company or the Company’s Chief People Officer.

23. **Governing Law and Jurisdiction.** This Agreement shall be governed by the laws of the State of Utah. Executive and the Company each submits to the exclusive jurisdiction of any state or federal court sitting in the State of Utah in any action or proceeding arising out of or relating to this Agreement, and each party agrees that all claims of whatever type relating to or arising out of this Agreement may be heard and determined only in a state or federal court sitting in the State of Utah. Executive and the Company each waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought, and waives any bond, surety, or other security that might be required of any other party with respect thereto. Executive and the Company each agrees, unless prohibited by law, that if any action or proceeding relating to or arising out of this Agreement is brought in any other court or forum other than a state or federal court sitting in the State of Utah, the action or proceeding shall be dismissed with prejudice and the party bringing the action or proceeding shall pay the other party’s legal fees and costs.

24. **Attorneys’ Fees.** Should an action be brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs incurred in prosecuting the action. For purposes of the foregoing, (a) “prevailing party” means (i) in the case of the party initiating the enforcement of rights or remedies, that it recovered substantially all of its claims, and (ii) in the case of the party defending against such enforcement, that it successfully defended substantially all of the claims made against it, and (b) if no party is a “prevailing party” within the meaning of the foregoing, then no party will be entitled to recover its attorney’s fees and costs from any other party.
25. **Effective Date.** The Effective Date, as used in this Agreement, is defined as the eighth day after Executive signs this Agreement, and the Agreement is signed by the Company. So long as the Company signs the Agreement within the seven-day revocation period between the signature of Executive and the Effective Date, the Effective Date will be on the eighth day.

26. **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

27. **Voluntary Execution of Agreement.** This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that they have read this Agreement, have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel, understand the terms and consequences of this Agreement and of the releases it contains, and are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: October 4, 2023

By: /s/ Shereen Solaiman  
Name: Shereen Solaiman  
Title: Chief People Officer

Dated: October 4, 2023

By: /s/ Nicole Lambert  
Name: Nicole Lambert
### LIST OF SUBSIDIARIES OF MYRIAD GENETICS, INC.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Jurisdiction of Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myriad Genetic Laboratories, Inc.</td>
<td>Delaware</td>
</tr>
<tr>
<td>Assurex Health, Inc.</td>
<td>Delaware</td>
</tr>
<tr>
<td>Crescendo Bioscience, LLC</td>
<td>Delaware</td>
</tr>
<tr>
<td>Gateway Genomics, LLC</td>
<td>Delaware</td>
</tr>
<tr>
<td>Myriad Women’s Health, Inc</td>
<td>Delaware</td>
</tr>
<tr>
<td>Myriad GmbH</td>
<td>Germany</td>
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<tr>
<td>Myriad Services GmbH</td>
<td>Germany</td>
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<tr>
<td>Myriad Genetics Espana SL</td>
<td>Spain</td>
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<tr>
<td>Myriad Genetics SAS</td>
<td>France</td>
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<tr>
<td>Myriad Genetics S.r.l.</td>
<td>Italy</td>
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<tr>
<td>Myriad Genetics GmbH</td>
<td>Switzerland</td>
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<tr>
<td>Myriad Genetics B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Myriad Genetics Australia PTY LTD</td>
<td>Australia</td>
</tr>
<tr>
<td>Myriad International GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>Assurex Health, Ltd</td>
<td>Canada</td>
</tr>
<tr>
<td>Myriad Genetics GK</td>
<td>Japan</td>
</tr>
</tbody>
</table>

1 – A wholly-owned subsidiary of Myriad Genetics, Inc., a Delaware corporation.
2 – Crescendo Bioscience, LLC is owned by Myriad Genetics, Inc. and Myriad Genetics GK.
3 – A wholly-owned subsidiary of Myriad Genetics B.V.
4 – A wholly-owned subsidiary of Myriad Services GmbH
5 – A majority owned subsidiary of Assurex Health, Inc.
Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement on Form S-3 (File No. 333-275396) pertaining to the Myriad Genetics, Inc. shelf registration for the sale of common stock, preferred stock, depository shares, debt securities, and warrants,

2. Registration Statements on Form S-8 (File No.’s 333-185325 and 333-265441) pertaining to the Myriad Genetics, Inc. Amended and Restated 2012 Employee Stock Purchase Plan,

3. Registration Statement on Form S-8 (File No. 333-245718) pertaining to the Myriad Genetics, Inc. Non-Qualified Stock Option Agreement, Performance-Based Non-Qualified Stock Option Agreement, Restricted Stock Unit Agreement, and Performance-Based Restricted Stock Unit Agreement,

4. Registration Statement on Form S-8 (File No.’s 333-222913, 333-229574, 333-236324, 333-254337, and 333-272327) pertaining to the Myriad Genetics, Inc. 2017 Employee, Director and Consultant Equity Incentive Plan, as amended,

5. Registration Statements on Form S-8 (File No.’s 333-171994, 333-179281, 333-185325, 333-193767, 333-209354 and 333-215959) pertaining to the Myriad Genetics, Inc. 2010 Employee, Director and Consultant Equity Incentive Plan, as amended, and


of our reports dated February 28, 2024 with respect to the consolidated financial statements of Myriad Genetics, Inc. and the effectiveness of internal control over financial reporting of Myriad Genetics, Inc. included in this Annual Report (Form 10-K) of Myriad Genetics, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Salt Lake City, UT
February 28, 2024
I, Paul J. Diaz, certify that:

1. I have reviewed this annual report on Form 10-K of Myriad Genetics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 28, 2024

/s/ Paul J. Diaz

Paul J. Diaz
President and Chief Executive Officer
I, Scott J. Leffler, certify that:

1. I have reviewed this annual report on Form 10-K of Myriad Genetics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 28, 2024

/s/ Scott J. Leffler
Scott J. Leffler
Chief Financial Officer
Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Myriad Genetics, Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2023 (the “Form 10-K”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2024

/s/ Paul J. Diaz
Paul J. Diaz
President and Chief Executive Officer

/s/ Scott J. Leffler
Scott J. Leffler
Chief Financial Officer

Date: February 28, 2024
I. **Introduction**

The Board of Directors (the “Board”) of Myriad Genetics, Inc. (the “Company”) believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “Policy”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), final rules and amendments adopted by the Securities and Exchange Commission (the “SEC”) to implement the aforementioned legislation, and the listing standards of any national securities exchange on which the Company’s securities are listed.

II. **Administration**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation and Human Capital Committee of the Board, in which case references herein to the Board shall be deemed references to the Compensation and Human Capital Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

III. **Covered Executives**

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC and any national securities exchange on which the Company’s securities are listed, and such other employees who may from time to time be deemed subject to the Policy by the Board (“Covered Executives”).

IV. **Incentive-Based Compensation**

For purposes of this Policy, incentive-based compensation (“Incentive-Based Compensation”) includes any compensation that is granted, earned, or vested based wholly or in part upon the attainment of any financial reporting measures that are determined and presented in accordance with the accounting principles (“GAAP Measures”) used in preparing the Company’s financial statements and any measures derived wholly or in part from such measures, as well as non-GAAP Measures, stock price, and total stockholder return (collectively, “Financial Reporting Measures”); however, it does not include: (i) base salaries; (ii) discretionary cash bonuses; (iii) awards (either cash or equity) that are solely based upon subjective, strategic or operational standards or standards unrelated to Financial Reporting Measures, and (iv) equity awards that vest solely on completion of a specified employment period or without any performance condition. Incentive-Based Compensation is considered received in the fiscal period during which the applicable reporting measure is attained, even if the payment or grant of such award occurs after the end of that period. If an award is subject to both time-based and performance-based vesting conditions, the award is considered received upon satisfaction of the performance-based conditions, even if such an award continues to be subject to the time-based vesting conditions.
For the purposes of this Policy, Incentive-Based Compensation may include, among other things, any of the following:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock or restricted stock units.
- Performance shares or performance units.

For purposes of this Policy, Financial Reporting Measures may include, among other things, any of the following:

- Company stock price.
- Total stockholder return.
- Revenues.
- Net income.
- Operating income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

V. Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under U.S. securities laws, including any required accounting restatement to correct an error in previously issued financial statements that (i) is material to the previously issued financial statements or (ii) is not material to previously issued financial statements, but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Board will require reimbursement or forfeiture of any excess Incentive-Based Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the accounting restatement (the “Look-Back Period”). For the purposes of this Policy, the date on which the Company is required to prepare an accounting restatement is the earlier of (i) the date the Board concludes or reasonably should have concluded that the Company is required to prepare a restatement to correct a material error, and (ii) the date a court, regulator, or other legally authorized body directs the Company to restate its previously issued financial statements to correct a material error. The Company’s obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

Recovery of the Incentive-Based Compensation is only required when the excess award is received by a Covered Executive (i) after the beginning of their service as a Covered Executive, (ii) who served as an executive officer at any time during the performance period for that Incentive-Based Compensation, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the Look-Back Period immediately preceding the date on which the Company is required to prepare an accounting restatement.

VI. Excess Incentive Compensation: Amount Subject to Recovery

The amount of Incentive-Based Compensation subject to recovery is the amount the Covered Executive received in excess of the amount of Incentive-Based Compensation that would have been paid to the Covered Executive had it been based on the restated financial statements, as determined by the Board. The amount subject to recovery will be calculated on a pre-tax basis.
For Incentive-Based Compensation received as cash awards, the erroneously awarded compensation is the difference between the amount of the cash award that was received (whether payable in a lump sum or over time) and the amount that should have been received applying the restated Financial Reporting Measure.

For Incentive-Based Compensation received as equity awards that are still held at the time of recovery, the amount subject to recovery is the number of shares or other equity awards received or vested in excess of the number that should have been received or vested applying the restated Financial Reporting Measure. If the equity award has been exercised, but the underlying shares have not been sold, the erroneously awarded compensation is the number of shares underlying the award.

In instances where the Company is not able to determine the amount of erroneously awarded Incentive-Based Compensation directly from the information in the accounting restatement, the amount will be based on the Company’s reasonable estimate of the effect of the accounting restatement on the applicable measure. In such instances, the Company will maintain documentation of the determination of that reasonable estimate and, if required, provide such documentation to any national securities exchange on which the Company’s securities are listed.

VII. **Method of Recoupment**

The Board will determine, in its sole discretion, subject to applicable law, the method for recouping Incentive-Based Compensation hereunder, which may include, without limitation:

- requiring reimbursement of cash Incentive-Based Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and/or
- taking any other remedial and recovery action permitted by law, as determined by the Board.

VIII. **No Indemnification; Successors**

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive-Based Compensation. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

IX. **Exception to Enforcement**

The Board shall recover any excess Incentive-Based Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and any applicable rules or standards adopted by the SEC and the listing standards of any national securities exchange on which the Company’s securities are listed.

X. **Interpretation**

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC and any national securities exchange on which the Company’s securities are listed.
XI. **Effective Date**

This Policy shall be effective as of the date it is adopted by the Board (the “Effective Date”) and shall apply to Incentive-Based Compensation that is received by a Covered Executive on or after that date, as determined by the Board in accordance with applicable rules or standards adopted by the SEC and the listing standards of any national securities exchange on which the Company’s securities are listed.

XII. **Amendment; Termination**

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to comply with any rules or standards adopted by the SEC and the listing standards of any national securities exchange on which the Company’s securities are listed. The Board may terminate this Policy at any time.

XIII. **Other Recoupment Rights**

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.