UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **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: 001-39659

BIODESIX, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**20-3986492**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2970 Wilderness Place, Suite 100 Boulder, Colorado 80301	**80301**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (303) 417-0500

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	BDSX	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of May 5, 2022, the registrant had 39,790,784 shares of common stock, $0.001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties, including but not limited to those set forth under the caption "Special Note Regarding Forward-Looking Statements" and Item 1A "Risk Factors" of Part II in this Quarterly Report on Form 10-Q and those discussed in our other filings with the Securities and Exchange Commission (SEC), including the risks described in Item 1A "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed on March 14, 2022. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future financial condition, results of operations, business strategy and plans, and objectives of management for future operations, as well as statements regarding industry trends, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "should," "will" or the negative of these terms or other similar expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, factors, and assumptions described under the section titled "Risk Factors" in this Report and in the section entitled "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021, regarding, among other things:

- the impact of a pandemic, epidemic, or outbreak of an infectious disease in the United States or worldwide, including the continuing spread of COVID-19 (including notable and severe mutations of the virus) may have a material adverse effect on our operations, our ability to generate revenues and income, and our ability to maintain compliance with our debt covenants and, under certain circumstances, remain a going concern;
- our inability to achieve or sustain profitability;
- our unaudited financial statements include a statement that there is a substantial doubt about our ability to continue as a going concern and a continuation of negative financial trends could result in our inability to continue as a going concern;
- our ability to attain significant market acceptance among payers, providers, clinics, patients, and biopharmaceutical companies for our diagnostic tests;
- difficulties managing our growth, which could disrupt our operations;
- failure to retain sales and marketing personnel, and failure to increase our sales and marketing capabilities or develop broad awareness of our diagnostic tests to generate revenue growth;
- failure to maintain our current relationships, or enter into new relationships, with biopharmaceutical companies;
- significant fluctuation in our operating results, causing our operating results to fall below expectations or any guidance we provide;
- the demand for our Biodesix WorkSafe™ testing program and our ability to meet such demand;
- product performance and reliability to maintain and grow our business;
- third-party suppliers, including courier services, contract manufacturers and single source suppliers, making us vulnerable to supply problems and price fluctuations;
- natural or man-made disasters and other similar events, including the COVID-19 pandemic, negatively impacting our business, financial condition, and results of operations;
- failure to offer high-quality support for our diagnostic tests, which may adversely affect our relationships with providers and negatively impact our reputation among patients and providers;
- our inability to continue to innovate and improve our diagnostic tests and services we offer;
- security or data privacy breaches or other unauthorized or improper access;
- significant disruptions in our information technology systems;
- the incurrence of substantial liabilities and limiting or halting the marketing and sale of our diagnostic tests due to product liability lawsuits;
- our inability to compete successfully with competition from many sources, including larger companies;
- performance issues, service interruptions or price increases by our shipping carriers and warehousing providers;

- cost-containment efforts of our customers, purchasing groups and integrated delivery networks having a material adverse effect on our sales and profitability;
- potential effects of litigation and other proceedings;
- general economic and financial market conditions;
- our ability to attract and retain key personnel;
- current and future debt financing placing restrictions on our operating and financial flexibility;
- our need to raise additional capital to fund our existing operations, develop our platform, commercialize new diagnostic tests, or expand our operations;
- the acquisition of other businesses, which could require significant management attention;
- the uncertainty of the insurance coverage and reimbursement status of newly approved diagnostic tests;
- future healthcare reform measures that could hinder or prevent the commercial success of our diagnostic tests;
- compliance with anti-corruption, anti-bribery, anti-money laundering and similar laws;
- compliance with healthcare fraud and abuse laws;
- our ability to develop, receive regulatory clearance or approval or certification for, and introduce new diagnostic tests or enhancements to existing diagnostic tests that will be accepted by the market in a timely manner;
- failure to comply with ongoing FDA or other domestic and foreign regulatory authority requirements, or unanticipated problems with our diagnostic tests, causing them to be subject to restrictions or withdrawal from the market;
- future product recalls;
- legal proceedings initiated by third parties alleging that we are infringing, misappropriating, or otherwise violating their intellectual property rights, the outcome of which would be uncertain;
- the volatility of the trading price of our common stock;
- inaccurate estimates or judgments relating to our critical accounting policies, which could cause our operating results to fall below the expectations of securities analysts and investors; and
- other risks, uncertainties and factors, including those set forth under “Risk Factors”.

These risks are not exhaustive. Other sections of this Quarterly Report on Form 10-Q may include additional factors that could harm our business and financial performance. New risk factors may emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q or to conform these statements to actual results or to changes in our expectations.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference and have filed as exhibits with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

BIODESIX, INC.

Condensed Balance Sheets
(in thousands, except share data)

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 16,427	$ 32,712
Accounts receivable, net of allowance for doubtful accounts of $100 and $158	3,774	3,656
Other current assets	7,032	7,245
Total current assets	27,233	43,613
Non-current assets		
Property and equipment, net	4,028	4,179
Intangible assets, net	11,131	11,617
Operating lease right-of-use assets	2,219	—
Goodwill	15,031	15,031
Other long-term assets	2,009	1,657
Total non-current assets	34,418	32,484
Total assets	$ 61,651	$ 76,097
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 2,120	$ 1,662
Accrued liabilities	6,173	7,665
Deferred revenue	2,499	1,850
Current portion of operating lease liabilities	1,110	—
Current portion of contingent consideration	17,821	17,764
Current portion of notes payable	51	19
Other current liabilities	37	—
Total current liabilities	29,811	28,960
Non-current liabilities		
Long-term notes payable, net of current portion	10,055	9,993
Long-term operating lease liabilities	1,177	—
Contingent consideration	12,212	16,028
Other long-term liabilities	615	1,389
Total non-current liabilities	24,059	27,410
Total liabilities	53,870	56,370
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; 0 (2022 and 2021) shares issued and outstanding	—	—
Common stock, $0.001 par value, 200,000,000 shares authorized; 31,889,317 (2022) and 30,789,649 (2021) shares issued and outstanding	32	31
Additional paid-in capital	325,308	321,669
Accumulated deficit	(317,559)	(301,973)
Total stockholders' equity	7,781	19,727
Total liabilities and stockholders' equity	$ 61,651	$ 76,097

The accompanying Notes are an integral part of these unaudited condensed financial statements.

BIODESIX, INC.

Condensed Statements of Operations
(in thousands, except per share data)

	Three Months Ended March 31,	
	2022	**2021**
Revenues	$ 6,548	$ 28,866
Operating expenses:		
Direct costs and expenses	3,235	18,218
Research and development	3,206	3,321
Sales, marketing, general and administrative	14,487	11,927
Change in fair value of contingent consideration	—	983
Impairment loss on intangible assets	81	—
Total operating expenses	21,009	34,449
Loss from operations	(14,461)	(5,583)
Other (expense) income:		
Interest expense	(1,137)	(651)
Loss on debt extinguishment	—	(728)
Other income, net	12	1
Total other expense	(1,125)	(1,378)
Net loss	$ (15,586)	$ (6,961)
Net loss per share, basic and diluted	(0.50)	(0.26)
Weighted-average shares outstanding, basic and diluted	31,070	26,604

The accompanying Notes are an integral part of these unaudited condensed financial statements.

BIODESIX, INC.

Condensed Statements of Stockholders' Equity
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - December 31, 2021	30,790	$ 31	$ 321,669	$ (301,973)	$ 19,727
Issuance of common stock under employee stock purchase plan	99	—	202	—	202
Issuance of common stock for deferred offering costs	184	—	600	—	600
Issuance of common stock, net of discounts and commissions	709	1	1,416	—	1,417
Exercise of stock options	107	—	75		75
Stock-based compensation	—	—	1,346	—	1,346
Net loss	—	—	—	(15,586)	(15,586)
Balance - March 31, 2022	31,889	$ 32	$ 325,308	$ (317,559)	$ 7,781

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance - December 31, 2020	26,562	$ 27	$ 299,953	$ (258,814)	$ 41,166
Exercise of stock options	223	—	475	—	475
Stock-based compensation	—	—	1,752	—	1,752
Net loss	—	—	—	(6,961)	(6,961)
Balance - March 31, 2021	26,785	$ 27	$ 302,180	$ (265,775)	$ 36,432

The accompanying Notes are an integral part of these unaudited condensed financial statements.

BIODESIX, INC.

Condensed Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities		
Net loss	$ (15,586)	$ (6,961)
Adjustments to reconcile net loss to net cash, cash equivalents, and restricted cash used in operating activities		
Depreciation and amortization	908	746
Amortization of lease right-of-use assets	280	—
Loss on debt extinguishment	—	728
Stock-based compensation expense	1,346	1,752
Change in contingent consideration	—	983
Provision for doubtful accounts	(39)	193
Accrued interest, amortization of debt issuance costs and other	1,006	65
Inventory excess and obsolescence	379	—
Impairment loss on intangible assets	81	—
Changes in operating assets and liabilities:		
Accounts receivable	(78)	(3,256)
Other current assets	(166)	1,068
Other long-term assets	466	224
Accounts payable and other accrued liabilities	(1,304)	(5,744)
Deferred revenue	(124)	(1,124)
Current and long-term operating lease liabilities	(268)	—
Net cash and cash equivalents and restricted cash used in operating activities	(13,099)	(11,326)
Cash flows from investing activities		
Purchases of property and equipment	(262)	(466)
Patent costs and intangible asset acquisition, net	(90)	(50)
Net cash and cash equivalents and restricted cash used in investing activities	(352)	(516)
Cash flows from financing activities		
Proceeds from the issuance of common stock	1,599	—
Proceeds from issuance of common stock under employee stock purchase plan	202	—
Proceeds from exercise of stock options	75	475
Payment of contingent consideration	(4,625)	—
Proceeds from term loan and notes payable	103	30,000
Repayment of term loan and notes payable	(11)	(25,416)
Equity financing costs	(141)	—
Deferred offering costs	(30)	—
Payment of debt issuance costs	—	(108)
Other	(6)	—
Net cash and cash equivalents and restricted cash (used in) provided by financing activities	(2,834)	4,951
Net decrease in cash and cash equivalents and restricted cash	(16,285)	(6,891)
Cash, cash equivalents, and restricted cash - beginning of period	32,798	62,306
Cash, cash equivalents, and restricted cash - end of period	$ 16,513	$ 55,415

The accompanying Notes are an integral part of these unaudited condensed financial statements.

BIODESIX, INC.

Statements of Cash Flows
(in thousands)

(Continued from the previous page)

Supplemental cash flow information:

	Three Months Ended March 31,	
	2022	**2021**
Common stock issued for deferred offering costs	$ 600	$ —
Deferred offering costs amortized against Additional paid-in capital	18	—
Deferred offering costs included in Accrued liabilities	85	—
Equity financing costs included in Accrued liabilities	24	—
Operating lease right-of-use assets obtained in exchange for lease liabilities	2,497	—
Finance lease right-of-use assets obtained in exchange for lease liabilities	123	—
Cash paid for interest	223	577
Cash paid for income taxes	—	—

The accompanying Notes are an integral part of these unaudited condensed financial statements.

Note 1 – Organization and Description of Business

Biodesix, Inc. (the "Company", "Biodesix", "we" "us" and "our"), formerly Elston Technologies, Inc., was incorporated in Delaware in 2005. The Company's headquarters are in Colorado, with laboratories in Colorado and Kansas. The Company conducts all of its operations within a single legal entity. Biodesix is a data-driven diagnostic solutions company leveraging state of the art technologies with its proprietary artificial intelligence platform to discover, develop, and commercialize solutions for clinical unmet needs, with a primary focus in lung disease. In addition to diagnostic tests, the Company provides biopharmaceutical companies with services that include diagnostic research, clinical trial testing, and the discovery, development, and commercialization of companion diagnostics.

The Company performs its blood-based diagnostic tests in its laboratory facilities, which are located in Boulder, Colorado and De Soto, Kansas. In May 2020, the Federal Drug Administration (FDA) granted Emergency Use Authorization (EUA) of the Bio-Rad SARS-CoV-2 Droplet Digital™ polymerase chain reaction (ddPCR) test to detect Coronavirus Disease 2019 (COVID-19) infection. In April 2020, the FDA authorized the Platelia SARS-CoV-2 Total Ab test to detect COVID-19 antibodies. Medical products that are granted an EUA are only permitted to commercialize their products under the terms and conditions provided in the authorization. The FDA may revoke an EUA where it is determined that the underlying health emergency no longer exists or warrants such authorization, if the conditions for the issuance of the EUA are no longer met, or if other circumstances make revocation appropriate to protect the public health or safety.

Blood-Based Lung Tests

The Company offers five blood-based lung cancer tests across the lung cancer continuum of care:

Diagnosis

- *Nodify XL2*® and *Nodify CDT*® tests, marketed as our Nodify Lung® Nodule Risk Assessment testing strategy, assess the risk of lung cancer to help identify the most appropriate treatment pathway. We believe we are the only company to offer two commercial blood-based tests to help physicians reclassify risk of malignancy in patients with suspicious lung nodules.

Treatment & Monitoring

- *GeneStrat ddPCR*® and *VeriStrat*® tests, marketed as part of our new IQLung™ testing strategy, are used following diagnosis of lung cancer to measure the presence of mutations in the tumor and the state of the patient's immune system to establish the patient's prognosis and help guide treatment decisions. The GeneStrat ddPCR tumor profiling test and the VeriStrat immune profiling test have a 36-hour average turnaround time, providing physicians with timely results to facilitate treatment decisions.
- *GeneStrat NGS™ (NGS)* test, also marketed as part of our new IQLung testing strategy, our 72-hour blood-based NGS test, was launched in November 2021 to a select group of physicians, with national launch in January 2022. The 52-gene panel includes guideline recommended mutations to help physicians treating advanced-stage lung cancer patients identify targeted therapy mutations, such as EGFR, ALK, KRAS, MET, NTRK, ERBB2, and others, and delivers them in an expedited timeframe so patient treatment can begin sooner.

COVID-19 Tests

We operate and have commercialized the Biodesix WorkSafe testing program, under which the Company offers three SARS-CoV-2 tests:

- *Bio-Rad SARS-CoV-2 ddPCR* test, which is FDA EUA authorized to be performed by Clinical Laboratory Institute Amendments (CLIA) authorized laboratories that perform high complexity tests. The ddPCR test is designed to detect the presence of infection by the SARS-CoV-2 virus.
- *Platelia SARS-CoV-2 Total Ab* test, which is an antibody test, FDA EUA authorized, intended for detecting a B-cell immune response to SARS-CoV-2, indicating recent or prior infection.
- *cPass™ SARS-CoV-2 Neutralization Antibody* test, which is the first blood-based surrogate neutralizing antibody test with FDA EUA and uses ELISA technology to qualitatively detect circulating neutralizing antibodies to the receptor binding domain (RBD) in the spike protein of SARS-CoV-2 that are produced in response to a previous SARS-CoV-2 infection. This test was commercially introduced in partnership with GenScript Biotech Corporation.

These tests under the Biodesix WorkSafe testing program are utilized by healthcare providers, including hospitals and nursing homes, and are also offered to businesses and educational systems to assist in their back-to-work or back-to-school strategies, a crucial element of restarting economic activity.

In developing the Company's products, the Company has built or gained access to unique biorepositories, proprietary technology, and bioinformatics methods that it believes are important to the development of new targeted therapies, determining clinical trial eligibility and guiding treatment selection. The Company's testing services are made available through its clinical laboratories.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information and reflect all adjustments necessary to state fairly the Company's financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. Results for interim periods are not indicative of the results for the entire fiscal year. The accompanying Condensed Financial Statements should be read in conjunction with the audited Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Certain information and footnote disclosures, including significant accounting policies, normally included in fiscal year financial statements prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) have been condensed or omitted. The Condensed Balance Sheet as of December 31, 2021 was derived from the audited financial statements.

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The COVID-19 pandemic negatively affected, and we expect will continue to negatively affect, our lung diagnostic testing-related revenue and our clinical studies.

As of March 31, 2022, we maintained cash and cash equivalents of $16.4 million and we have $10 million in principal balance outstanding on our 2021 Term Loan. We have incurred significant losses since inception and, as a result, we have funded our operations to date primarily through the sale of common stock, the sale of convertible preferred stock, the issuance of notes payable, and from our two primary revenue sources: (i) diagnostic testing, which include lung diagnostic testing and COVID-19 testing, and (ii) providing biopharmaceutical companies with development and testing services. In accordance with Accounting Standards Update 2014-15 (ASC Topic 205-40), *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern each reporting period, including interim periods. In evaluating the Company's ability to continue as a going concern, management projected its cash flow sources, including the debt and equity funding and amendments to the 2021 Term Loan and Integrated Diagnostics, Inc. (Indi) Agreement subsequent to March 31, 2022, and needs and evaluated the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements were issued. Management considered the Company's current projections of future cash flows, current financial condition, sources of liquidity and debt obligations for at least one year from the date of issuance of this Form 10-Q in considering whether it has the ability to meet its obligations.

Our ability to meet our obligations as they come due may be impacted by our ability to remain compliant with financial covenants in our 2021 Term Loan (see *Note 6 – Debt*) or to obtain waivers or amendments that impact the related covenants. Due to the continued uncertainty caused by the COVID-19 pandemic, significant risks remain with respect to our ability to meet these thresholds and any material adverse effect on our revenues, income and expenses could impact our ability to maintain compliance with these covenants.

Based on our current operating plan, unless we raise additional capital (debt or equity) or obtain a waiver from complying with such financial covenants, we expect that we will be unable to maintain our financial covenants under our 2021 Term Loan during the next twelve months, which could result in an Event of Default, as defined, causing an acceleration and repayment of the outstanding balance. We have taken steps to improve our liquidity through raising equity capital during 2022, amendments to our 2021 Term Loan and have also undertaken several proactive measures to mitigate the financial and operational impacts of the COVID-19 pandemic through the reduction of planned capital expenditures and certain operating expenses but we do not expect that these actions alone will be sufficient to maintain our financial covenants. Subsequent to March 31, 2022, we entered into a $25.0 million debt facility with funding for up to $25.0 million in two tranches. On May 9, 2022, we closed on the first tranche for gross proceeds of $15.0 million (approximately $13.0 million, net, after deducting estimated debt issuance costs and original issue discounts (OID)). We also amended the Indi Agreement to delay near term cash requirements and extend the period of milestone payments. To maintain an adequate amount of available liquidity and execute our current operating plan, we will need to continue to raise additional funds from external sources, such as through the issuance of equity or debt securities; however, we have not secured such funding at the time of this filing and any such financing activities are subject to market conditions. If we do raise additional capital through public or private equity offerings, the ownership

interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our existing stockholders' rights. There can be no assurance that additional capital will be available to us or, if available, will be available in sufficient amounts or on terms acceptable to us or on a timely basis. If adequate capital resources are not available on a timely basis, we intend to consider limiting our operations substantially. This limitation of operations could include a hiring freeze, reductions in our workforce, reduction in cash compensation, deferring capital expenditures, and reducing other operating costs.

The Company's revenues, results of operations and cash flows have been materially adversely impacted by the items noted above. Our current operating plan, which is in part determined based on our most recent historical actual results and trends, along with the items noted above, raises substantial doubt about the Company's ability to continue as a going concern. Our unaudited financial statements have been prepared assuming we will continue as a going concern and do not include any adjustments that might be necessary should we be unable to continue as a going concern.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Restricted Cash

Restricted cash consists of deposits related to the Company's corporate credit cards. The Company had $0.1 million as of March 31, 2022 and December 31, 2021, respectively reported within 'Other current assets' in the balance sheets.

Concentration of Credit Risk and Other Uncertainties

Substantially all of the Company's cash and cash equivalents are deposited with two major financial institutions in the United States. The Company continually monitors its positions with, and the credit quality of, the financial institution with which it holds cash. Periodically throughout the year, the Company has maintained balances in various operating accounts in excess of federally insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

Several of the components for certain of the Company's sample collection kits, test reagents, and test systems are obtained from single-source suppliers. If these single-source suppliers fail to satisfy the Company's requirements on a timely basis, it could suffer delays in being able to deliver its diagnostic solutions, a possible loss of revenue, or incur higher costs, any of which could adversely affect its operating results.

For a discussion of credit risk concentration of accounts receivable as of March 31, 2022 and December 31, 2021, see *Note 9 – Revenue and Accounts Receivable Credit Concentration*.

Inventory

Inventory consists primarily of material supplies, which are consumed in the performance of testing services and charged to 'Direct costs and expenses'. Inventory is stated at cost and reported within 'Other current assets' in the balance sheet and was $2.6 million and $2.9 million as of March 31, 2022 and December 31, 2021, respectively.

Fair Value of Financial Instruments

U.S. GAAP for fair value establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). We utilize a combination of market and income approaches to value our financial instruments. Our financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. Fair value measurements are categorized within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine fair value.

The three levels of the hierarchy and the related inputs are as follows:

Level	Inputs
1	Unadjusted quoted prices in active markets for identical assets and liabilities.
2	Unadjusted quoted prices in active markets for similar assets and liabilities;
	Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active; or
	Inputs other than quoted prices that are observable for the asset or liability.
3	Unobservable inputs for the asset or liability.

The carrying amounts of certain financial instruments including cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities.

See *Note 4 — Fair Value* for further discussion related to estimated fair value measurements.

Note 3 - Recently Issued Accounting Standards

Recently adopted accounting standards

In February 2016, the FASB issued Account Standard Update (ASU) No. 2016-2, Leases (ASC 842). This ASU intends to make accounting for leasing activities more transparent and comparable, and requires substantially all leases be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases accounted for as operating leases. In addition to other related amendments, the FASB issued ASU No. 2018-11, Leases (Topic 842): Targeted Improvements, which offers an additional transition method whereby entities may apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings rather than application of the new leases standard at the beginning of the earliest period presented in the financial statements. The Company elected this transition method and adopted ASC 842 on January 1, 2022 and as a result, recorded operating lease right-of-use (ROU) assets of $1.3 million, including offsetting deferred rent of $0.1 million, along with the associated operating lease liabilities of $1.3 million. On January 1, 2022, the Company did not have any finance leases. The adoption of ASC 842 did not result in a cumulative effect adjustment to beginning retained earnings, and did not materially affect the Company's statement of operations, statement of stockholders' equity or statement of cash flows for the three month period ended March 31, 2022.

In addition, the Company elected the following practical expedients permitted under the transition guidance within the new standard:

- Package of practical expedients which allows the Company to carry forward the historical lease classification;
- Hindsight practical expedient which allows the Company to use hindsight in determining the lease term, in assessing purchase options, and in assessing impairment of ROU assets;
- Short-term lease practical expedient which allows the Company to capitalize only those leases with an initial term of twelve months or more, and;
- The practical expedient to account for lease and non-lease components (such as common area maintenance, utilities, insurance and taxes) as a single lease component for all classes of underlying assets.

Management determines if an arrangement is a lease at inception or upon modification of a contract. Leases are classified as either financing or operating, with classification affecting the pattern of expense recognition in the statements of operations. When determining whether a lease is a finance lease or an operating lease, ASC 842 does not specifically define criteria to determine the “major part of remaining economic life of the underlying asset” and “substantially all of the fair value of the underlying asset.” For lease classification determination, Management continues to use (i) 75% or greater to determine whether the lease term is a major part of the remaining economic life of the underlying asset and (ii) 90% or greater to determine whether the present value of the sum of lease payments is substantially all of the fair value of the underlying asset.

ROU assets represent the Company's right to use an underlying asset for the lease term. Lease liabilities represent the Company's obligation to make lease payments under the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses either the rate implicit in the lease or its incremental borrowing rate, as applicable, based on the information available at lease commencement date. The Company applies the estimated incremental borrowing rates on a lease-by-lease level based on the economic environment associated with the lease. The operating lease ROU asset also includes any lease prepayments, net of lease incentives. Certain of the Company's leases include options to extend or terminate the lease. As leases approach maturity, the Company considers various factors such as market conditions and the terms of any renewal and termination options that may exist to determine whether we will renew or terminate the lease, as such, we generally do not include renewal or termination options in our lease terms for calculating our lease liability, as the options allow us to maintain operational flexibility and we are not reasonably certain we will exercise these options at the time of the lease commencement. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants. Lease expense for lease payments of operating leases is recognized on a straight-line basis over the term of the lease. The Company uses the long-lived assets impairment guidance to determine recognition and measurement of an ROU asset impairment, if any. The Company monitors for events or changes in circumstances that require a reassessment.

Additional information and disclosures required by this new standard are contained in *Note 7 — Leases*.

Standards Being Evaluated

In June 2016, the FASB issued ASU No. 2016-13*, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASC Topic 326). This ASU requires measurement and recognition of expected credit losses for financial assets. This guidance will become effective for the Company beginning January 1, 2023 with early adoption permitted. The Company is currently evaluating this guidance and assessing the overall impact on its financial statements.

Note 4 - Fair Value

Recurring Fair Value Measurements

Our borrowing instruments are recorded at their carrying values in the balance sheets, which may differ from their respective fair values. The fair values of outstanding borrowings, which are classified as Level 2, approximate their carrying values as of March 31, 2022 and December 31, 2021, based on interest rates currently available for similar borrowings and were (in thousands):

	As of			
	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings	$ 10,106	$ 10,106	$ 10,012	$ 10,012

The financial liabilities that are measured and recorded at estimated fair value on a recurring basis consist of our contingent consideration associated with our acquisition of Indi which is accounted for as a liability and remeasured through our statements of operations.

The table below presents the reported fair values of contingent consideration, which is classified as Level 3 in the fair value hierarchy, as of the dates indicated (in thousands):

Description	March 31, 2022	December 31, 2021
Current portion of contingent consideration	$ 17,821	$ 17,764
Contingent consideration	12,212	16,028
Total contingent consideration	$ 30,033	$ 33,792

The following table presents the changes in contingent consideration for the three months ended March 31, 2022 and 2021 (in thousands):

	For the three months ended March 31,	
Level 3 Rollforward	2022	2021
Beginning balances - January 1	$ 33,792	$ 29,932
Changes in fair value	—	983
Interest expense	866	—
Payments of contingent consideration	(4,625)	—
Ending balances - March 31	$ 30,033	$ 30,915

Contingent Consideration

In connection with the acquisition of Indi in 2018, the Company recorded contingent consideration for amounts contingently payable to Indi's selling shareholders pursuant to the terms of the asset purchase agreement (the Indi APA). The contingent consideration arrangement requires additional consideration to be paid by the Company to such shareholders upon attainment of a three-consecutive month gross margin target of $2.0 million within the seven-year period after the acquisition date. Under the terms of the original agreement, when the gross margin target was met the Company was required to issue 2,520,108 shares of common stock. For the six months following the achievement of the gross margin target, Indi had the option to require the Company to redeem these common shares for $37.0 million in cash over eight equal quarterly installments. If Indi elected to not exercise its option, the Company had 12 months to repurchase the common stock in two equal and consecutive quarterly cash installments totaling $37.0 million.

The Company met the gross margin target of $2.0 million for three consecutive months during the three months ended June 30, 2021. The Company entered into an amendment to the original agreement in August 2021 in which all parties agreed to forgo the issuance of common stock and agreed that the Company will in lieu thereof make six quarterly installments of approximately $4.6 million each beginning in January 2022 and a final payment of approximately $9.3 million in July 2023 for a total of $37.0 million. The aggregate amount of payments owed by the Company under this amendment is the same as if Indi had exercised the put right or the Company had exercised the call right provided for in the original agreement. Our ability to make these payments are subject to consent from our lender under the 2021 Term Loan and related amendments (see *Note 6 - Debt*). We obtained consent from our lender and subsequently made the first and second milestone payments of $4.6 and $2.0 million in January 2022 and April 2022, respectively. See *Note 14 – Subsequent Events* for further amendments to the milestone payments subsequent to March 31, 2022.

The significant unobservable inputs used in the measurement of fair value include the probability of successful achievement of the specified product gross margin targets, the period in which the targets were expected to be achieved, and discount rates which ranged

from 11% to 13.5%. As a result of the achievement of the gross margin target, the only significant unobservable input used in the measurement of fair value includes the discount rate since all other inputs became fixed and determinable. Significant increases or decreases in the discount rate would result in a significantly higher or lower fair value measurement.

Contingent consideration expected to be paid in the next twelve months is recorded in the balance sheets as 'Current portion of contingent consideration' while the remaining amount to be paid is recorded as 'Contingent consideration' within non-current liabilities. The net change to contingent consideration through the date the gross margin target was met is recorded as operating expenses in the statements of operations. Subsequent changes to the contingent consideration following the achievement of the gross margin target are recorded as 'Interest expense' in the statements of operations resulting from the passage of time and fixed payment schedule.

Non-Financial Assets and Liabilities

Our non-financial assets, which primarily consist of property and equipment, goodwill, and other intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value. There were no changes to the valuation methods during the periods presented.

Note 5 – Supplementary Balance Sheet Information

Property and equipment consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Lab equipment	$ 6,802	$ 6,784
Leasehold improvements	2,355	2,339
Computer equipment	803	700
Furniture and fixtures	391	391
Software	600	600
Vehicles	97	97
Construction in process	142	17
	11,190	10,928
Less: accumulated depreciation	(7,162)	(6,749)
Total property and equipment, net	$ 4,028	$ 4,179

Depreciation expense for the three months ended March 31, 2022 and 2021 was $0.4 million and $0.3 million, respectively.

Intangible assets, excluding goodwill, consist of the following (in thousands):

	March 31, 2022			December 31, 2021		
	Cost	Accumulated Amortization	Net Carrying Value	Cost	Accumulated Amortization	Net Carrying Value
Intangible assets subject to amortization						
Patents	$ 1,747	$ (588)	$ 1,159	$ 1,755	$ (566)	$ 1,189
Purchased technology	16,900	(7,042)	9,858	16,900	(6,572)	10,328
Intangible assets not subject to amortization						
Trademarks	114	—	114	100	—	100
Total	$ 18,761	$ (7,630)	$ 11,131	$ 18,755	$ (7,138)	$ 11,617

Amortization expense related to definite-lived intangible assets was $0.5 million for both the three months ended March 31, 2022 and 2021.

Future estimated amortization expense of intangible assets is (in thousands):

	As of March 31, 2022
Remainder of 2022	$ 1,491
2023	1,977
2024	1,967
2025	1,962
2026	1,948
2027 and thereafter	1,672
Total	$ 11,017

Accrued liabilities consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Compensation related accruals	$ 2,594	$ 4,029
Accrued clinical trial expense	893	870
Other expenses	2,686	2,766
Total accrued liabilities	$ 6,173	$ 7,665

Note 6 – Debt

Our long-term debt primarily consists of notes payable associated with our 2021 Term Loan which is described in further detail below. Long-term notes payable were as follows (in thousands):

	March 31, 2022	December 31, 2021
2021 Term Loan	$ 10,000	$ 10,000
Other	165	75
Unamortized debt discount and issuance costs	(59)	(63)
	10,106	10,012
Less: current maturities	51	19
Long-term notes payable	$ 10,055	$ 9,993

2021 Term Loan

On March 19, 2021 (Effective Date), the Company entered into a Loan and Security Agreement (the 2021 Term Loan) by and between Silicon Valley Bank, a California corporation (SVB or Lender) and the Company, as borrower, whereby subject to the terms and conditions of the 2021 Term Loan, SVB advanced to the Company an original principal amount of $30 million.

The 2021 Term Loan provides for an "interest-only" period from the Effective Date through February 28, 2023, with interest due and payable monthly on the first calendar day of each month. However, the Company achieved a revenue milestone of at least $65 million on a trailing twelve-month basis during the three months ended March 31, 2021 which automatically extended the interest-only period through February 28, 2024. Beginning on the first calendar day of the month following the end of the interest-only period, the 2021 Term Loan shall be payable in (i) consecutive equal installments of principal through March 1, 2026, plus (ii) monthly payments of accrued interest. The principal amount outstanding under the 2021 Term Loan shall accrue interest at a floating per annum rate equal to the greater of (i) 2.00% above the prime rate, or (ii) 5.25%, which interest, in each case, shall be payable monthly. Changes to the interest rate applicable to the 2021 Term Loan based on changes to the prime rate shall be effective on the effective date of any change to the prime rate.

The Company's final payment, due at maturity on March 1, 2026, shall include all outstanding principal and accrued and unpaid interest, lender fees and expenses, of which the majority will include a final payment of $2.7 million, and all other sums, if any, that shall have become due and payable hereunder with respect to the 2021 Term Loan. The $2.7 million final payment is being amortized as interest expense over the term of the loan. The Company has the option to prepay, prior to maturity, the total outstanding principal amount plus accrued and unpaid interest, subject to a prepayment penalty of 3% of the principal amount if paid prior to the first anniversary of the Effective Date, 2% of the principal amount if paid on or after the first anniversary but prior to the second anniversary of the Effective Date, 1% of the principal amount if paid on or after the second anniversary but prior to October 19, 2025, and 0% thereafter.

The Company granted the Lender a security interest in substantially all of the Company's assets. The 2021 Term Loan requires the Company to comply with a minimum liquidity ratio covenant (as defined) by the 2021 Term Loan of not less than 0.95 to 1.00, and had

a trailing six month rolling minimum revenue requirement of not less than 70% of the Company's projected revenue performed at the end of each reporting period. On September 30, 2021, we entered into the Consent and First Amendment to Loan and Security Agreement (the 2021 Term Loan Amendment) to, among other things, amend our 2021 Term Loan to eliminate the revenue covenant for the period ended September 30, 2021 and modify the revenue covenant threshold for the three month period ended December 31, 2021. In addition, we agreed to establish a restricted cash collateral account for $15 million for the benefit of our lender if the balance of our cash and cash equivalents declined below $40 million. On December 31, 2021, we entered into the Consent and Second Amendment to Loan and Security Agreement (the 2021 Term Loan Second Amendment) to, among other things, amend our 2021 Term Loan and First Amendment to: (i) obtain consent for the $4.6 million January 2022 milestone payment under the Indi APA, (ii) repay $20 million in outstanding principal on December 31, 2021, (iii) waive the $600,000 prepayment fee on the $20 million Term Loan repayment, (iv) waive the minimum revenue covenant as of December 31, 2021, and (v) modify the minimum revenue requirement to not less than 75% for the three months ended March 31, 2022 and not less than 75% on a trailing six month rolling basis for each quarter thereafter of the Company's projected revenue performed at the end of each reporting period. The Lender agreed to apply the full amount of funds previously established within the restricted cash collateral account to partially repay the $20 million in outstanding principal, thereby eliminating the restricted cash collateral account. See *Note 14 – Subsequent Events* for further amendments to the 2021 Term Loan subsequent to March 31, 2022.

The 2021 Term Loan contains certain covenants limiting the ability of the Company to, among other things, incur future debt, transfer assets except for the ordinary course of business, make acquisitions, pay dividends or make other certain restricted payments, or sell assets, subject to certain exceptions, without the prior written consent of the Lender. Failure to comply with the covenants and loan requirements may result in an event of default. As of March 31, 2022, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. In the event of a default, including, among other things, our failure to make any payment when due or our failure to comply with any covenant under the 2021 Term Loan, the Lender may elect to declare all amounts outstanding to be immediately due and payable, and may proceed against the collateral granted to them to secure such indebtedness, including a royalty-free license or other right to use all of our intellectual property without charge.

Scheduled principal repayments (maturities) of long-term obligations were as follows (in thousands):

	As of March 31, 2022
Remainder of 2022	$ 36
2023	49
2024	4,050
2025	4,824
2026	1,206
2027 and thereafter	—
Total	$ 10,165

Note 7 - Leases

Operating Leases

The Company acts as a lessee under all its lease agreements. The Company leases its headquarters and laboratory facilities in Boulder, Colorado, under a non-cancelable lease agreement for approximately 29,722 square feet that was set to expire in January 2023. In January 2022, the Company amended the agreement to extend the lease agreement through January 2024, resulting in an additional $1.2 million in ROU assets and lease liabilities recorded during the three months ended March 31, 2022. The Company also leases laboratory and office space in De Soto, Kansas, under a non-cancelable lease agreement for approximately 9,066 square feet that expires in October 2023. The Company also holds various copier and storage facility leases under non-cancelable lease agreements that expire in the next one to four years. Operating lease expense was $0.3 million for both the three months ended March 31, 2022 and 2021. As of March 31, 2022, the weighted-average remaining lease term and discount rate associated with our operating leases were 1.8 years and 11%, respectively.

Centennial Valley Properties I, LLC Lease Agreement

On March 11, 2022, the Company entered into a Lease Agreement (the Lease) with Centennial Valley Properties I, LLC, a Colorado limited liability company (the Landlord) for office and laboratory space located at 919 West Dillion Road; Louisville, Colorado (the Leased Premises). The purpose of the Lease is to replace the Company's current leased premises at 2970 Wilderness Place, Suite 100 in Boulder, Colorado and the Company intends to move its corporate headquarters to the Leased Premises by mid-2023.

The initial term of the Lease is twelve years (the Initial Term) from the commencement date, which is the earlier of: (i) the Company conducting revenue generating business (as defined in the Lease), or (ii) April 1, 2023 (the Commencement Date), unless earlier terminated in accordance with the Lease. The Company has two renewal options to extend the term of the Lease for an additional seven or ten year terms for each renewal. As of March 31, 2022, the Lease has not yet commenced under the terms of the agreement nor has the Company begun to account for the Lease Agreement until such time as it is determined that we have met the lease inception date under applicable accounting standards. We expect to recognize the commencement of the Lease for accounting purposes beginning in the second quarter 2022.

Under the Lease, the Company will lease approximately 79,980 square feet at the Leased Premises. The Company will pay base rent over the life of the Lease beginning at approximately $227,000 per month and escalating, based on fixed escalation provisions, to approximately $326,000 per month, plus certain operating expenses and taxes. The Company's obligation to pay base rent shall be abated, commencing as of the Commencement Date and ending on and including the date that is 12 months after the Commencement Date (the Abated Rent Period). Further, the Company's obligation to pay base rent with respect to a portion of the area of the Lease Premises equal to 19,980 square feet shall be abated (the Partial Abated Rent), commencing as of the day after the end of the Abated Rent Period and ending on and including the date that is 24 months after the Commencement Date (the Partial Abated Rent Period). Pursuant to a work letter entered by the parties in connection with the Lease, the Landlord will contribute an aggregate of $18.8 million toward the cost of construction and improvements for the Leased Premises and the Company exercised its option for an additional tenant improvement allowance of up to $25.00 per rentable square foot (the Extra Allowance Amount). The Company will repay the Extra Allowance Amount actually funded by the Landlord in equal monthly payments with an interest rate of 6% per year over the Initial Term excluding any part of the Abated Rent Period or Partial Abated Rent Period, which shall start to accrue on the date that the Landlord first disburses the Extra Allowance Amount.

The Lease includes various covenants, indemnities, defaults, termination rights, and other provisions customary for lease transactions of this nature, including maintaining a $5.0 million letter of credit (subject to contingent reduction over the term of the lease) to secure the performance of the Company’s obligations under the Lease. The $5.0 million letter of credit has to be cash collateralized by the Company through a restricted cash account for the benefit of the Landlord, which we expect to recognize contemporaneously with the commencement of the Lease for accounting purposes beginning in the second quarter 2022.

Future minimum lease payments associated with our operating leases were as follows (in thousands):

	As of March 31, 2022
Remainder of 2022	$ 926
2023	1,534
2024	81
2025	3
2026	2
2027 and thereafter	—
Total future minimum lease payments	2,546
Less amount representing interest	(259)
Total lease liabilities	$ 2,287

Future minimum lease payments, which do not include amounts for common area maintenance, insurance, or taxes, for operating lease obligations in accordance with ASC 840 were as follows (in thousands):

	As of December 31, 2021
2022	$ 775
2023	149
2024	9
2025	3
2026	1
2027 and thereafter	—
Total	$ 937

Note 8 – Equity

Equity Financing Programs

The Company maintains two facilities that enable equity financing on an ongoing basis at the Company's sole discretion, our at-the-market offering and our common stock purchase agreement with Lincoln Park Capital Fund, LLC (the LPC facility). During the three months ended March 31, 2022, the Company raised approximately $1.6 million ($1.5 million, after deducting underwriting discounts and commissions and offering expenses payable) in gross proceeds from the sale of 708,752 common shares at a weighted average price per share of $2.26 under these programs. As of March 31, 2022, the Company had remaining available capacity for share issuances of approximately $32.8 million under the at-the-market facility and up to $49.2 million under the LPC facility, each subject to the restrictions and limitations of the underlying facilities, as applicable. See *Note 14 – Subsequent Events* for information regarding further equity financing subsequent to March 31, 2022.

Common Stock Purchase Agreement

On March 7, 2022 (the Effective Date), the Company entered into a purchase agreement with Lincoln Park Capital Fund, LLC (Lincoln Park), pursuant to which Lincoln Park has committed to purchase up to $50.0 million of the Company's common stock (the Purchase Agreement). Under the terms and subject to the conditions of the Purchase Agreement, the Company has the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase up to $50.0 million of the Company's common stock. Such sales of common stock by the Company, if any, will be subject to certain limitations, and may occur from time to time, at the Company's sole discretion, over the 36-month period commencing on the Effective Date. The number of shares the Company may sell to Lincoln Park on any single business day in a regular purchase is 50,000 shares, but that amount may be increased up to 100,000 shares, depending upon the market price of the Company's common stock at the time of sale and subject to a maximum limit of $1.5 million per regular purchase. The purchase price per share for each such regular purchase will be based on prevailing market prices of the Company's common stock immediately preceding the time of sale as computed under the Purchase Agreement. In addition to regular purchases, the Company may also direct Lincoln Park to purchase other amounts as accelerated purchases or as additional accelerated purchases.

Under applicable rules of the Nasdaq Capital Market, in no event may the Company issue or sell to Lincoln Park under the Purchase Agreement more than 19.99% of the shares of the Company's common stock outstanding immediately prior to the execution of the Purchase Agreement (the Exchange Cap), unless (i) the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap or (ii) the average price of all applicable sales of common stock to Lincoln Park under the Purchase Agreement equals or exceeds $2.20 per share, such that issuances and sales of the common stock to Lincoln Park under the Purchase Agreement would be exempt from the Exchange Cap limitation under applicable Nasdaq rules.

Lincoln Park has no right to require the Company to sell any shares of common stock to Lincoln Park, but Lincoln Park is obligated to make purchases as the Company directs, subject to certain conditions. In all instances, the Company may not sell shares of its common stock to Lincoln Park under the Purchase Agreement if doing so would result in Lincoln Park beneficially owning more than 9.99% of its common stock.

Actual sales of shares of common stock to Lincoln Park under the Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the common stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations. The net proceeds, if any, under the Purchase Agreement will depend on the frequency and prices at which the Company sells shares of its common stock to Lincoln Park. The Company intends to use any net proceeds from the sale of its common stock to Lincoln Park to advance its growth strategy and for general corporate purposes. On the Effective Date, the Company issued 184,275 shares of common stock to Lincoln Park as a commitment fee (the Initial Commitment Shares) for which the Company did not receive consideration and, upon the available amount being reduced to an amount equal to or less than $20.0 million, the Company will be required to issue 61,425 shares (the Additional Commitment Shares and together with the Initial Commitment Shares, collectively, the Commitment Shares). The Initial Commitment Shares issued were valued at $600,000 and are included on the balance sheet in 'Other long-term assets'. In addition to the Initial Commitment Shares, the Company recorded $115,000 of due diligence expenses and legal fees as deferred offering costs. The deferred offering costs will be charged against 'Additional paid-in capital' upon future proceeds from the sale of common stock under the Purchase Agreement. During the three months ended March 31, 2022, $18,000 of deferred offering costs were charged against 'Additional paid-in capital' with $697,000 remaining as of March 31, 2022.

The Purchase Agreement may be terminated by the Company at any time, at its sole discretion, without any cost or penalty, by giving one business day notice to Lincoln Park to terminate the Purchase Agreement. Lincoln Park has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the common stock. Although the Company has agreed to reimburse Lincoln Park for a limited portion of the fees it incurred in connection with the Purchase Agreement, the Company did not pay any additional amounts to reimburse or otherwise compensate Lincoln Park in connection with the transaction, other than the issuance of the Commitment Shares.

Warrants

During 2018, the Company issued warrants to purchase shares of convertible preferred stock in conjunction with the sale of certain convertible preferred shares and issuance of debt. The Company issued to the lender a warrant to purchase 613,333 shares of Series G convertible preferred stock, at an exercise price of $0.75 per share, subject to adjustment upon specified dilutive issuances. The warrant was immediately exercisable upon issuance and expires on February 23, 2028. Through the effective date of the Company's IPO in October 2020, the Series G warrants were remeasured to an estimate of fair value using a Black-Scholes pricing model. As a result of the Company's IPO, the preferred stock warrants were automatically converted to warrants to purchase 103,326 shares of common stock with a weighted average exercise price of $4.46 and were also transferred to additional paid-in capital. All common stock warrants remain outstanding as of March 31, 2022.

Note 9 – Revenue and Accounts Receivable Credit Concentration

We derive our revenue from two primary sources: (i) providing diagnostic testing in the clinical setting (Diagnostic tests); and (ii) providing biopharmaceutical companies with services that include diagnostic research, clinical research, clinical trial testing, development and testing services generally provided outside the clinical setting and governed by individual contracts with third parties as well as development and commercialization of companion diagnostics (Services).

Diagnostic test revenues consist of blood-based lung tests and COVID-19 tests, which are recognized in the amount expected to be received in exchange for diagnostic tests when the diagnostic tests are delivered. The Company conducts diagnostic tests and delivers the completed test results to the prescribing physician or patient, as applicable. The fees for diagnostic tests are billed either to a third party such as Medicare, medical facilities, commercial insurance payers, or to the patient. The Company determines the transaction price related to its diagnostic test contracts by considering the nature of the payer and historical price concessions granted to groups of customers. For diagnostic test revenue, the Company estimates the transaction price, which is the amount of consideration it expects to be entitled to receive in exchange for providing services based on its historical collection experience, using a portfolio approach. The Company recognizes revenues for diagnostic tests upon delivery of the tests to the physicians requesting the tests or patient, as applicable.

Services revenue consists of on-market tests, pipeline tests, custom diagnostic testing, and other scientific services for a purpose as defined by any individual customer, which is often with biopharmaceutical companies. The performance obligations and related revenue for these sales is defined by a written agreement between the Company and the customer. These services are generally completed upon the delivery of testing results, or other contractually defined milestone(s), to the customer. Revenue for these services is recognized upon delivery of the completed test results, or upon completion of the contractual milestone(s).

Revenues consisted of the following (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Diagnostic tests	$ 5,633	$ 27,195
Services	915	1,671
Total revenue	$ 6,548	$ 28,866

Deferred Revenue

Deferred revenue consists of cash payments from customers received in advance of delivery. As test results are delivered, the Company recognizes the deferred revenue in 'Revenues' in the statements of operations. Of the $1.9 million in 'Deferred revenue' recorded in the balance sheet as of December 31, 2021, $0.3 million was recognized in revenues during the three months ended March 31, 2022, $0.1 million was added to 'Deferred revenue' for up-front cash payments received for which the revenue recognition criteria have not been met and $0.8 million was reclassified from non-current deferred revenue. The 'Deferred revenue' of $2.5 million recorded in the balance sheet as of March 31, 2022 is expected to be recognized in revenues over the next twelve months as test results are delivered and services are performed. As of March 31, 2022 and December 31, 2021, the Company had zero and $0.8 million in non-current deferred revenue, respectively, recorded within 'Other long-term liabilities' in the balance sheets which represent amounts to be recognized in excess of twelve months from the respective balance sheet date.

The Company's customers in excess of 10% of total revenue, and their related revenue as a percentage of total revenue were as follows:

	Three Months Ended March 31,	
	2022	**2021**
The Big Ten Conference	—	58%

In addition to the above table, we collect reimbursement on behalf of customers covered by Medicare, which accounted for 41% and 7% of the Company's total revenue for the three months ended March 31, 2022 and 2021, respectively. The Company is subject to credit risk from its accounts receivable related to services provided to its customers. The Company does not perform evaluations of customers' financial condition and does not require collateral.

The Company's third-party payors and other customers in excess of 10% of accounts receivable, and their related accounts receivable as a percentage of total accounts receivable were as follows:

	As of	
	March 31, 2022	December 31, 2021
Medicare	40%	30%
Janssen Research and Development, LLC	16%	14%
LabCorp DD (formerly Covance)	6%	11%

Note 10 – Share-Based Compensation

The Company's share-based compensation awards are issued under the 2020 Equity Incentive Plan (2020 Plan), the predecessor 2016 Equity Incentive Plan (2016 Plan) and 2006 Equity Incentive Plan (2006 Plan). Any awards that expire or are forfeited under the 2016 Plan or 2006 Plan become available for issuance under the 2020 Plan. As of March 31, 2022, 599,585 shares of common stock remained available for future issuance under the 2020 Plan.

Share-Based Compensation Expense

Pre-tax share-based compensation expense reported in the Company's statements of operations was (in thousands):

	Three Months Ended March 31,	
	2022	2021
Direct costs and expenses	$ 15	$ —
Research and development	88	268
Sales, marketing, general and administrative	1,243	1,484
Total	$ 1,346	$ 1,752

The remaining unrecognized stock-based compensation expense for options and restricted stock units was approximately $9.7 million as of March 31, 2022, and is expected to be amortized to expense over the next 3.5 years.

Stock Option Activity

Stock option activity during the three months ended March 31, 2022, excluding the Bonus Option Program described below, was (in thousands, except weighted average exercise price and weighted average contractual life):

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding - January 1, 2022	2,878	$ 8.08	7.7	$ 6,288
Granted	235	3.69	—	—
Forfeited/canceled	(70)	9.25	—	—
Exercised	(107)	0.70	—	—
Outstanding - March 31, 2022	2,936	$ 7.97	7.7	$ 1,197
Exercisable - March 31, 2022	1,610	$ 5.97	7.0	$ 799

Restricted Stock Unit Activity

Restricted stock unit activity during the three months ended March 31, 2022 was (in thousands, except weighted average grant date fair value per share):

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Outstanding - January 1, 2022	151	$ 5.30
Granted	890	3.69
Forfeited/canceled	—	—
Vested	—	—
Outstanding - March 31, 2022	1,041	$ 3.92

Bonus-to-Options Program

As part of the Bonus-to-Options Program (Bonus Option Program), the Company recorded the following activity during the three months ended March 31, 2022 (in thousands, excepted weighted average exercise price and weighted average contractual life):

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding - January 1, 2022	373	$ 17.00	7.5	$ 76
Granted	244	2.29	—	—
Forfeited/canceled	(14)	20.89	—	—
Exercised	—	—	—	—
Outstanding - March 31, 2022	603	$ 10.96	8.5	$ —
Exercisable - March 31, 2022	603	$ 10.96	8.5	—

During the three months ended March 31, 2022 and 2021, the Company accrued $0.3 million and $0.5 million related to the estimate of the Bonus Option Program, respectively. Options granted, if any, pertaining to the performance of the Bonus Option Program are typically approved and granted in first quarter of the year following completion of the fiscal year.

Employee Stock Purchase Plan

A total of 338,106 shares of our common stock have been reserved for issuance under the Employee Stock Purchase Plan (ESPP). The ESPP provides for successive six-month offering periods beginning on September 1st and March 1st of each year. As of March 31, 2022, 142,680 shares have been issued under the ESPP leaving 195,426 shares remaining for future issuance.

Note 11 – Net Loss per Common Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net loss attributable to the common stockholders by the weighted-average shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, resulting in the issuance of shares of common stock that would then share in the earnings or losses of the Company.

Basic and diluted loss per share for the three months ended March 31, 2022 and 2021 were (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2022	2021
Numerator		
Net loss attributable to common stockholders	$ (15,586)	$ (6,961)
Denominator		
Weighted-average shares outstanding used in computing net loss per share, basic and diluted	31,070	26,604
Net loss per share, basic and diluted	$ (0.50)	$ (0.26)

The following outstanding common stock equivalents were excluded from diluted net loss attributable to common stockholders for the periods presented because inclusion would be anti-dilutive (in thousands):

	Three Months Ended March 31,	
	2022	2021
Options to purchase common stock	3,539	2,908
Shares committed under ESPP	12	—
Warrants	103	103
Restricted stock units	1,041	79
Total	4,695	3,090

Note 12 - Income Taxes

Since inception, the Company has incurred net taxable losses, and accordingly, no provision for income taxes has been recorded. There was no cash paid for income taxes during the three months ended March 31, 2022 and 2021.

Note 13 – Commitments and Contingencies

Co-Development Agreement

In April 2014 and amended in October 2016, the Company entered into a worldwide agreement with AVEO to develop and commercialize AVEO's hepatocyte growth factor inhibitory antibody ficlatuzumab with the Company's proprietary companion diagnostic test, BDX004, a version of the Company's serum protein test that is commercially available to help physicians guide treatment decisions for patients with advanced non-small cell lung cancer (NSCLC). Under the terms of the agreement, AVEO will conduct a proof of concept (POC) clinical study of ficlatuzumab for NSCLC in which BDX004 will be used to select clinical trial subjects (the NSCLC POC Trial). Under the agreement, the Company and AVEO would share equally in the costs of the NSCLC POC Trial, and each would be responsible for 50% of development and regulatory costs associated with all future clinical trials agreed upon by the Company and AVEO. The Company and AVEO continue to conduct POC clinical trials of ficlatuzumab in combination with BDX004.

In September 2020, the Company exercised its opt-out right with AVEO for the payment of 50% of development and regulatory costs for ficlatuzumab effective December 2, 2020 (the Effective Date). In September 2021, AVEO announced that the FDA has granted Fast Track Designation (FTD) to ficlatuzumab for the treatment of patients with relapsed or recurrent head and neck squamous cell carcinoma. In November 2021 AVEO also announced plans to initiate a potential registrational Phase 3 clinical trial for ficlatuzumab in the first half of 2023. The Company had $0.1 million in remaining obligations related to the AVEO agreement as of March 31, 2022. Following the Effective Date, the Company is entitled to a 10% royalty of net sales of ficlatuzumab and 25% of license income generated from the licensing of ficlatuzumab from AVEO. There were no expenses related to this agreement for the three months ended March 31, 2022 and 2021.

License Agreements

In August 2019, we entered into a non-exclusive license agreement with Bio-Rad Laboratories, Inc. (Bio-Rad) (the Bio-Rad License). Under the terms of the Bio-Rad License, the Company received a non-exclusive license, without the right to grant sublicenses, to utilize certain of Bio-Rad's intellectual property, machinery, materials, reagents, supplies and know-how necessary for the performance of Droplet Digital PCR™ (ddPCR) in cancer detection testing for third parties in the United States. The Company also agreed to purchase all of the necessary supplies and reagents for such testing exclusively from Bio-Rad, pursuant to a separately executed supply agreement (the Supply Agreement) with Bio-Rad. As further consideration for the non-exclusive license, the Company agreed to pay a royalty of 2.5% on the net revenue received for the performance of such ddPCR testing collected from third parties. On May 24, 2021, the Company entered into the First Amendment to the Non-Exclusive License Agreement with Bio-Rad which amended the Bio-Rad License such that, effective May 1, 2021, the Company will no longer pay a royalty of 2.5% on the net revenue received for the performance of such ddPCR testing collected from third parties. The Bio-Rad License expires in August 2024. Either party may terminate for the other's uncured material breach or bankruptcy events. Bio-Rad may terminate the Bio-Rad License if the Company does not purchase licensed products under the Supply Agreement for a consecutive twelve-month period or for any material breach by us of the Supply Agreement. There were no expenses related to this agreement for the three months ended March 31, 2022 and 2021 were not significant.

On May 13, 2021 (Effective Date), we reached agreement with CellCarta Biosciences Inc. (formerly "Caprion Biosciences, Inc.") (the CellCarta License) on a new royalty bearing license agreement for the Nodify XL2 test. The parties agreed to terminate all prior agreements and replace with this new arrangement, which has a 1% fee on net sales made from the first commercial sale of the Nodify XL2 test to the Effective Date as an upfront make-good payment covering past royalties due and a royalty rate of 0.675% on future Nodify XL2 test net sales worldwide for 15 years from the first commercial sale, ending in 2034. Royalty expense under the CellCarta License for the three months ended March 31, 2022 was insignificant.

As part of the acquisition of the assets of Oncimmune USA, the Company entered into several agreements to govern the relationship between the parties. The Company agreed to a license agreement and royalty payment related to an acquired diagnostic test of 8% of recognized revenue for non-screening tests up to an annual minimum volume and 5% thereafter, with an escalating minimum through the first four years of sales. Royalty expenses were $0.2 million for both the three months ended March 31, 2022 and 2021.

Litigation, Claims and Assessments

From time to time, we may become involved in legal proceedings or investigations which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. In September 2021, we reached a settlement agreement with the plaintiffs, which received preliminary approval from the Circuit Court of the City of St. Louis, State of Missouri (the Court) on November 10, 2021 regarding a dispute involving the Telephone Consumer Protection Act (TCPA). On January 31, 2022, the Court approved the final settlement payment to third parties of approximately $210,000 which was accrued as a legal contingency during the year ended December 31, 2021 and subsequently paid in February 2022. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows.

Note 14 – Subsequent Events

The Company continues to address our liquidity needs through improvements to our capital structure. Subsequent to March 31, 2022, the Company entered into: (i) a private placement that raised approximately $11.7 million in net equity proceeds, (ii) an amendment and partial repayment of our 2021 Term Loan, (iii) modifications to extend payment terms under the Indi APA, (iv) common stock sales raising additional funds through our at-the-market facility, and (v) the closing of a $25.0 million debt facility with funding for up to $25.0 million occurring in two tranches. On May 9, 2022, we closed on the first tranche for gross proceeds of $15.0 million (approximately $13.0 million, net, after deducting estimated debt issuance costs and OID). Each of the strategic initiatives described above is detailed further below.

Subscription Agreements

On April 7, 2022, the Company entered into subscription agreements (the Subscription Agreements) with a consortium of investors (the Investors), including three members of our Board of Directors and other existing shareholders of the Company, for the issuance and sale by the Company of an aggregate of 6,508,376 shares of the Company’s common stock (the Shares) in an offering (the Private Placement). The three members of our Board of Directors acquired an aggregate of 3,631,284 shares pursuant to the form of a Subscription Agreement that did not include any registration rights. The remaining 2,877,092 shares were acquired by others pursuant to the form of a Subscription Agreement whereby we agreed to file, subject to certain exceptions, a shelf registration statement with respect to resales of such shares with the Securities and Exchange Commission no later than 60 days from April 7, 2022.

Pursuant to the Subscription Agreements, the Investors purchased shares at a purchase price (determined in accordance with Nasdaq rules relating to the “Minimum Value” of the Company’s common stock) of $1.79 per share, which is equal to the closing price of the Company's common stock on April 7, 2022, for an aggregate purchase price of approximately $11.7 million. The Subscription Agreements include customary representations, warranties and covenants by the parties to the agreement.

2021 Term Loan Amendment and Partial Repayment

On April 7, 2022, the Company entered into the Consent and Third Amendment to Loan and Security Agreement (the 2021 Term Loan Third Amendment) by and between SVB and the Company, as borrower, whereby subject to the terms and conditions of the 2021 Term Loan Third Amendment, certain waivers and consents were provided.

Under the terms of the 2021 Term Loan Third Amendment, the Company agreed to the repayment of $3.0 million in outstanding principal in April 2022 with an additional $2.0 million to be paid no earlier than May 15, 2022, which could be extended to September 30, 2022, subject to debt or equity fund raising of at least $15 million, inclusive of the $11.7 million in funding through the Subscription Agreements noted above, in exchange for the following:

- Consent for a $2.0 million April 2022 mutually agreed upon milestone payment under the Indi APA, as amended;
- Waiver of minimum revenue requirement for the three months ended March 31, 2022 and adjustment of remaining revenue milestones for 2022; and
- Waiver and elimination of the prepayment fee on the $3.0 million 2021 Term Loan partial repayment in April 2022 and subsequent $2.0 million principal repayment.

As of the date of this filing, the Company raised sufficient debt and equity funding to extend the remaining $2.0 million principal repayment from the 2021 Term Loan Third Amendment to September 30, 2022.

Integrated Diagnostics, Inc. Asset Purchase Agreement Amendment

On April 7, 2022, the Company entered into Amendment No. 3 to Asset Purchase Agreement and Plan of Reorganization (the Third Amendment), dated June 30, 2018 by and among Integrated Diagnostics, Inc. and IND Funding LLC (collectively, Indi) as amended by Amendment No. 1 to Asset Purchase Agreement and Plan of Reorganization dated as of July 29, 2021 (the First Amendment) and Amendment No. 2 to Asset Purchase Agreement and Plan of Reorganization dated as of August 9, 2021 (the Second Amendment, as amended collectively, the APA Agreement) in order to reduce and extend the payment terms associated with the Company's contingent consideration balance payable to Indi.

The modification of key terms under the Third Amendment to the APA Agreement include, among other things, the following:

- Make five quarterly installment payments of $2.0 million beginning in April 2022, three quarterly installment payments of $3.0 million beginning in July 2023, followed by a payment of $5.0 million and $8.375 million in April 2024 and July 2024, respectively (each an Installment Payment);
- Exit fee payment of $6.075 million in October 2024;
- Interest shall accrue on the excess of the original payment schedule and the aggregate amount of the Installment Payments paid as of any date, at an aggregate per annum rate equal to 10%, with such interest to be payable quarterly on the following Installment Payment date;
- We may choose to pre-pay milestone payments at any time with no pre-payment penalty.

At-the-Market Offering

In April 2022, the Company raised approximately $2.7 million in gross proceeds from the sale of 1,349,139 common shares at a weighted average price per share of $2.04 in an at-the-market offering. The Company received net proceeds of $2.7 million, after deducting underwriting discounts and commissions and offering expenses payable of approximately $80,000.

Securities Purchase Agreement

On May 9, 2022 (the First Closing Date), the Company entered into a securities purchase agreement (the SPA) with Streeterville Capital, LLC (the Lender), pursuant to which, among other things, the Lender: (i) purchased a secured convertible promissory note (Promissory Note One) in the aggregate principal amount totaling $16,025,000 in exchange for $15,000,000 less certain expenses and (ii) agreed to purchase another secured promissory note at the Company’s election (Promissory Note Two and, together with Promissory Note One, the Promissory Notes), subject to certain conditions precedent in aggregate principal amount totaling $10,250,000 in exchange for $10,000,000. Each of the Promissory Notes shall, at the Company's option, be convertible into shares of common stock, $0.001 par value per share, of the Company (the Common Stock), upon the terms and subject to the limitations and conditions set forth in the Promissory Notes. The Company's net proceeds from the issuance of Promissory Note One were approximately $13.0 million, after deducting estimated debt issuance costs and OID, and intends to use the proceeds from such issuance for general corporate purposes.

The Company’s election associated with Promissory Note Two is subject to the Company satisfying, among other things, the following conditions: (i) within 9 months following the First Closing Date, the Company will repay in full all outstanding obligations under the SVB 2021 Term Loan, (ii) Company shall have received no less than $5.6 million in proceeds from the sale (not attributable to Lender or its affiliates) of new equity securities during the period beginning on the First Closing Date and ending on January 31, 2023 (the Second Closing Date), (iii) on or before the Second Closing Date, Company shall have met or exceeded Revenue Milestone 1 (as defined in the Promissory Notes), (iv) the aggregate market value of the Company’s common stock and any other equity securities held by persons that are not affiliates of the Company on the Second Closing Date shall be greater than or equal to $75.0 million or (b) received no less than $20.0 million in additional proceeds from the sale (not attributable to Lender or its affiliates) of new equity securities in the Company not counting those proceeds set forth in item (ii) above (for total proceeds of no less than $25.6 million during the period beginning on the First Closing Date and ending on the Second Closing Date; (v) as of the Second Closing Date, Company is in good standing with Nasdaq Stock Market (the NASDAQ) and has not received any notice of non-compliance; (vi) Company shall be current in its payments to Indi, and (vii) there being no Trigger Event (as defined in the Promissory Notes) under Promissory Note One. If Promissory Note Two is issued, the terms of Promissory Note One and Note Two will be substantively identical.

Under the SPA, the parties provided customary representations and warranties to each other. Also, until amounts due under the Promissory Notes are paid in full, the Company agreed, among other things, to: (i) timely make all filings under the Securities Exchange Act of 1934, (ii) ensure the Common Stock continues to be listed on the NASDAQ or New York Stock Exchange, (iii) not enter into any agreement or otherwise agree to any covenant, condition, or obligation that locks up, restricts in any way or otherwise prohibits Company: (a) from entering into a variable rate transaction with Lender or any affiliate of Lender, or (b) from issuing Common Stock, preferred stock, warrants, convertible notes, other debt securities, or any other Company securities to Lender or any affiliate of Lender, (iv) will not make any Restricted Issuances (as defined in the Promissory Notes) without Lender’s prior written consent, which consent

may be granted or withheld in Lender's sole and absolute discretion (v) within 9 months following the First Closing Date, the Company will repay in full all outstanding obligations under the SVB 2021 Term Loan, (vi) beginning on April 1, 2023, Company shall maintain a minimum liquidity balance of at least $3.0 million (which liquidity balance shall only include cash, cash equivalents and accounts receivable), and (vii) offer the Lender the right to purchase up to 30% of future equity and debt securities offerings, subject to certain exceptions and limitations. The Company also agreed under the SPA to reserve with the Company's transfer agent 37.0 million shares of Common Stock for potential issuance under the Promissory Notes for shares that may be delivered in connection with the redemption right, which reservation may be increased and decreased in certain circumstances.

The Promissory Notes have an interest rate of 6% per annum. The maturity date of each Promissory Note is 24 months from the issuance date of such Note (the Maturity Date). Promissory Note One was issued with an OID of $1,025,000 while Promissory Note Two, if issued, will be subject to an OID of $250,000 subject to certain contingencies which could increase the OID by an additional $512,500. The Promissory Notes are eligible for early prepayment, at the Company's election, subject to a premium of 10% of the outstanding balance.

Beginning on the date that is nine months after the issuance date of the applicable Promissory Note, the Lender has the right to redeem up to $1,425,000 and $950,000 of the outstanding balance of Promissory Note One and Promissory Note Two per month, respectively. Payments may be made by the Company, at the Company's option, either in (a) in cash, or (b) in the form of shares of Common Stock with the number of redemption shares being equal to the portion of the applicable redemption amount divided by the Redemption Conversion Price or (c) a combination of cash and shares of Common Stock. The Redemption Conversion Price shall equal 85% multiplied by the lowest daily VWAP during the ten trading days immediately preceding the date the Lender delivers notice electing to redeem a portion of the Promissory Note. The Company's right to satisfy the redemption amount in shares of Common Stock is subject to certain limitations, including (i) there not being any Equity Conditions Failure (as defined in the Note), (ii) the Lender and its affiliates together not owning more than 9.99% of the outstanding shares of Common Stock, and (iii) the aggregate shares of Common Stock issued upon redemption of the Promissory Notes not exceeding 19.99% of the outstanding Common Stock unless the Company has obtained stockholder approval under NASDAQ rules for such issuance.

The Promissory Notes contain certain Trigger Events that generally, if uncured within five trading days, may result in an event of default in accordance with the terms of the Promissory Notes (such event, an Event of Default). Upon an Event of Default, the interest rate may also be increased to the lesser of 15% per annum or the maximum rate permitted under applicable law.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Biodesix, Inc. is referred to throughout this Quarterly Report on Form 10-Q for the period ended March 31, 2022 (Form 10-Q) as "we", "us", "our" or the "Company".

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2021 (Form 10-K) and the Condensed Financial Statements as of March 31, 2022 and for the three months ended March 31, 2022 and 2021, included in Part I, Item 1 of this Form 10-Q, which provide additional information regarding our financial position, results of operations and cash flows. To the extent that the following MD&A contains statements which are not of a historical nature, such statements are forward-looking statements, which involve risks and uncertainties, including but not limited to those set forth under the caption "Special Note Regarding Forward-Looking Statements" and Item 1A "Risk Factors" of Part II in this Quarterly Report on Form 10-Q and those discussed in our other filings with the Securities and Exchange Commission (SEC), including the risks described in Item 1A "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed on March 14, 2022.

The following MD&A discussion is provided to supplement the Condensed Financial Statements as of March 31, 2022 and 2021 and for the three months then ended included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We intend for this discussion to provide you with information that will assist you in understanding our financial statements, the changes in key items in those financial statements from period to period, and the primary factors that accounted for those changes.

Data for the three months ended March 31, 2022 and 2021 has been derived from our unaudited condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Overview

We are a leading data-driven diagnostic solutions company leveraging state of the art technologies with our proprietary AI platform to discover, develop, and commercialize solutions for clinical unmet needs, with a primary focus in lung disease. By combining a technology multi-omic approach with a holistic view of the patient's disease state, we believe our solutions provide physicians with greater insights to help personalize their patient's care and meaningfully improve disease detection, evaluation, and treatment. Our unique approach to precision medicine provides timely and actionable clinical information, which we believe helps improve overall patient outcomes and lowers the overall healthcare cost by reducing the use of ineffective and unnecessary treatments and procedures. In addition to our diagnostic tests, we provide biopharmaceutical companies with services that include diagnostic research, clinical trial testing, and the discovery, development, and commercialization of companion diagnostics.

Our core belief is that no single technology will answer all clinical questions that we encounter. Therefore, we employ multiple technologies, including genomics, transcriptomics, proteomics, and radiomics, and leverage our proprietary AI-based Diagnostic Cortex® platform to discover innovative diagnostic tests for clinical use. The Diagnostic Cortex is an extensively validated deep learning platform optimized for the discovery of diagnostic tests, which we believe overcomes standard machine learning challenges faced in life sciences research. Our data-driven and multi-omic approach is designed to enable us to discover diagnostic tests that answer critical clinical questions faced by physicians, researchers, and biopharmaceutical companies.

We continuously incorporate new market insights and patient data to enhance our platform through a data-driven learning loop. We regularly engage with our customers, key opinion leaders, and scientific experts to stay ahead of the rapidly evolving diagnostic treatment landscape to identify additional clinical unmet needs where a diagnostic test could help improve patient care. Additionally, we incorporate clinical and molecular profiling data from our commercial clinical testing, research studies, clinical trials, and biopharmaceutical customers or academic partnerships, to continue to advance our platform. We have over 150,000 samples and data in our biobank, including tumor profiles and immune profiles, which are used for both internal and external research and development initiatives.

We have commercialized eight diagnostic tests which are currently available for use by physicians. Our Nodify XL2 and Nodify CDT tests, marketed as part of the Nodify Lung Nodule Risk Assessment testing strategy, assess the risk of lung cancer to help identify the most appropriate treatment pathway. We believe we are the only company to offer two commercial blood-based tests to help physicians reclassify risk of malignancy in patients with suspicious lung nodules. Our GeneStrat ddPCR, GeneStrat NGS, and VeriStrat tests, marketed as the IQLung testing strategy, are used following diagnosis of lung cancer to measure the presence of mutations in the tumor and the state of the patient's immune system to establish the patient's prognosis and help guide treatment decisions. The GeneStrat targeted tumor profiling test and the VeriStrat immune profiling test now have a less than 36-hour average turnaround time, down from the previous 72-hour average turnaround time, providing physicians with timely results to facilitate treatment decisions. The GeneStrat NGS test is our 72-hour blood-based NGS test, which was launched in November 2021 to a select group of physicians, with national launch in January 2022. The 52-gene panel includes guideline recommended mutations to help physicians treating advanced-stage lung cancer patients identify targeted therapy mutations, such as EGFR, ALK, KRAS, MET, NTRK, ERBB2, and others, and delivers them in an expedited timeframe so patient treatment can begin sooner.

In response to the COVID-19 pandemic, through our partnership with Bio-Rad, we commercialized the Biodesix WorkSafe™ testing program. Our scientific diagnostic expertise, technologies, and existing commercial infrastructure enabled us to rapidly commercialize two FDA EUA authorized tests, a part of our customizable program. Both diagnostic tests are owned and were developed by Bio-Rad and Bio-Rad has granted us permission to utilize both tests for commercial diagnostic services. Then U.S. Health and Human Services Secretary Azar declared a public health emergency for COVID-19 in February 2020 which justified the authorization of emergency use of diagnostic tests for the detection and/or diagnosis of COVID-19. The Bio-Rad SARS-CoV-2 ddPCR test and the Platelia SARS-CoV-2 Total Ab test have been granted FDA EUA pursuant to the current emergency declaration. The Bio-Rad SARS-CoV-2 ddPCR test was FDA EUA authorized on May 1, 2020, authorizing performance of the test in laboratories certified under CLIA to perform high complexity tests. The second test is the Platelia SARS-CoV-2 Total Ab test, which is an antibody test intended for detecting a B-cell immune response to SARS-CoV-2, indicating recent or prior infection. The Platelia SARS-CoV-2 Total Ab test was FDA EUA authorized on April 29, 2020. Prior to using the Bio-Rad SARS-CoV-2 tests as part of our testing program, we performed feasibility, verification, and validation studies, including developing software for process automation, sample accessioning, data management and reporting, all required to demonstrate the test operated as claimed by the manufacturer and as required by our certifying regulatory agencies for high complexity laboratory testing. We secured independent reference specimens run with EUA tests to validate these tests as fit for diagnostic use in our laboratories. Post-launch development support for these tests have included improvements in on-boarding new personnel, logistics of sample collection, sample receipt and data reporting, all required to support our testing program. Additional releases of the laboratory data management software are ongoing and planned for the foreseeable future. Beginning in the quarter ended June 30, 2021, we began partnering with GenScript Biotech Corporation to commercialize the blood-based cPass SARS-CoV-2 Neutralizing Antibody testing as a service. The test is the first surrogate neutralizing antibody test with FDA EUA and uses ELISA technology to qualitatively detect circulating neutralizing antibodies to the RBD in the spike protein of SARS-CoV-2 that are produced in response to a previous SARS-CoV-2 infection.

Medical products that are granted an EUA are only permitted to commercialize their products under the terms and conditions provided in the authorization. The FDA may revoke an EUA where it is determined that the underlying health emergency no longer exists or warrants such authorization, if the conditions for the issuance of the EUA are no longer met, or if other circumstances make revocation appropriate to protect the public health or safety, and we cannot predict how long the EUAs for the SARS-CoV-2 tests will remain in place.

These tests under the Biodesix WorkSafe testing program are utilized by healthcare providers, including hospitals and nursing homes, and are also offered to businesses and educational systems. We have announced multiple partnerships for COVID-19 testing, and maintain an agreement with the State of Colorado to be one of the diagnostic companies to support widespread COVID-19 testing for the State. Additionally, we have overseen and managed onsite testing and validating testing for the Big Ten Conference athletic competitions through the term of our contract which expired on June 30, 2021.

In addition to the eight diagnostic tests currently on the market, we perform over 30 assays for research use as part of our laboratory services that have been used by over 50 biopharmaceutical companies and academic partners. All of our diagnostic testing is performed at one of our two accredited, high-complexity clinical laboratories in Boulder, Colorado and De Soto, Kansas.

Since our inception, we have performed over 500,000 tests and continue to generate a large and growing body of clinical evidence consisting of over 300 clinical and scientific peer-reviewed publications, presentations, and abstracts. Through ongoing study of each of our tests, we continue to grow our depth of understanding of disease biology and the broad utility of each of our tests. We believe we are poised for rapid growth by leveraging our scientific development and laboratory operations expertise along with our commercial infrastructure which includes sales, marketing, reimbursement, and regulatory affairs.

In the United States, we market our tests to clinical customers through our targeted sales organization, which includes sales representatives that are engaged in sales efforts and promotional activities primarily to pulmonologists, oncologists, cancer centers and nodule clinics. We market our tests and services to biopharmaceutical companies globally through our targeted business development team, which promotes the broad utility of our tests and testing capabilities throughout drug development and commercialization which is of value to pharmaceutical companies and their drug-development process.

The Company continues to address our liquidity needs through improvements to our capital structure. Subsequent to March 31, 2022, the Company entered into: (i) a private placement that raised approximately $11.7 million in net equity proceeds, (ii) an amendment and partial repayment of our 2021 Term Loan, (iii) modifications to extend payment terms under the Integrated Diagnostics asset purchase agreement (the Indi APA), (iv) common stock sales raising additional funds through our at-the-market facility, and (v) the closing of a $25.0 million debt facility with funding for up to $25.0 million occurring in two tranches. On May 9, 2022, we closed on the first tranche for gross proceeds of $15.0 million (approximately $13.0 million, net, after deducting estimated debt issuance costs and OID). Each of these strategic initiatives is described in further detail within Note 14 to our condensed financial statements in Part 1 of this Quarterly Report on Form 10-Q as well as our Liquidity and Capital Resources section below.

We have funded our operations to date principally from net proceeds from the issuances of our common stock, the sale of convertible preferred stock, revenue from diagnostic testing and services, and the incurrence of indebtedness. We had cash and cash equivalents of $16.4 million and $32.7 million as of March 31, 2022 and December 31, 2021, respectively.

Factors Affecting Our Performance

We believe there are several important factors that have impacted our operating performance and results of operations, including:

- **Testing volume and customer mix.** Our revenues and costs are affected by the volume of testing and mix of customers from period to period. We evaluate both the volume of our commercial tests, or the number of tests that we perform for patients on behalf of clinicians, as well as tests for biopharmaceutical companies. Our performance depends on our ability to retain and broaden adoption with existing customers, as well as attract new customers. We believe that the test volume we receive from clinicians and biopharmaceutical companies are indicators of growth in each of these customer verticals. Customer mix for our tests has the potential to significantly impact our results of operations, as the average selling price for biopharmaceutical sample testing is currently significantly greater than our average selling price for clinical tests since we are not a contracted provider for, or our tests are not covered by all clinical patients' insurance. We evaluate our average selling price for tests that are covered by Medicare, Medicare Advantage and commercial payers to understand the trends in reimbursement and apply those trends to our revenue recognition policies.

- **Reimbursement for clinical diagnostic testing.** Our revenue depends on achieving broad coverage and reimbursement for our tests from third-party payers, including both commercial and government payers. Payment from third-party payers differs depending on whether we have entered into a contract with the payers as a "participating provider" or do not have a contract and are considered a "non-participating provider." Payers will often reimburse non-participating providers, if at all, at a lower rate than participating providers.

  Historically, we have experienced situations where commercial payers proactively reduced the amounts they were willing to reimburse for our tests, and in other situations, commercial payers have determined that the amounts they previously paid were too high and have sought to recover those perceived excess payments by deducting such amounts from payments otherwise being made. When we contract to serve as a participating provider, reimbursements are made pursuant to a negotiated fee schedule and are limited to only covered indications. Becoming a participating provider generally results in higher reimbursement for covered indications and lack of reimbursement for non-covered indications. As a result, the impact of becoming a participating provider with a specific payer will vary. If we are not able to obtain or maintain coverage and adequate reimbursement from third-party payers, we may not be able to effectively increase our testing volume and revenue as expected. Additionally, retrospective reimbursement adjustments can negatively impact our revenue and cause our financial results to fluctuate.

- **Investment in clinical studies and product innovation to support growth.** A significant aspect of our business is our investment in research and development, including the development of new products and our investments in clinical utility studies. We have invested heavily in clinical studies for our on market and pipeline products. Our studies focus primarily on the clinical utility of our tests including the ongoing INSIGHT study which seeks to enroll up to 5,000 patients to continue our clinical understanding of the predictive and prognostic value of the VeriStrat test. The ALTITUDE study, launched during the fourth quarter 2020, seeks to further demonstrate the efficacy of the Nodify XL2 and Nodify CDT tests. A secondary focus of our studies is understanding the economic impact of our tests in assisting with decisions related to patient management and the potential impact of our tests in reducing overall healthcare costs.

  Our clinical research has resulted in approximately 90 peer-reviewed publications for our tests. In addition to clinical studies, we are collaborating with investigators from multiple academic cancer centers. We believe these studies are critical to gaining physician adoption and driving favorable coverage decisions by payers and expect our investments in research and development to increase. Further we also expect to increase our research and development expenses to fund further innovation and develop new clinically relevant tests.

- **Ability to attract new biopharmaceutical customers and maintain and expand relationships with existing customers**. Our business development team promotes the broad utility of our products for biopharmaceutical companies in the United States and internationally. Our revenue, business opportunities and growth depend in part on our ability to attract new biopharmaceutical customers and to maintain and expand relationships with existing biopharmaceutical customers. We expect to increase our sales and marketing expenses in furtherance of this as we continue to develop these relationships and expect to support a growing number of investigations and clinical trials. If our relationships expand, we believe we may have opportunities to offer our platform for companion diagnostic development, novel target discovery and validation efforts, and to grow into other commercial opportunities. For example, we believe our multi-omic data including genomic and proteomic data, in combination with clinical outcomes or claims data, has revenue-generating potential, including for novel target identification and companion diagnostic discovery and development.

- **Motivating and expanding our field sales force and customer support team**. Our field sales force is the primary point of contact in the clinical setting. These representatives of the company must cover expansive geographic regions which limits their time for interaction and education of our products in the clinical setting. We plan to invest heavily in the field sales force to increase the total number of sales representatives and thereby reduce the geographic footprint each representative must cover. This investment will allow the larger sales force to maximize their education and selling efforts and achieve greater

returns. Additionally, we plan to invest in the Boulder-based marketing and customer support teams to continue to provide the field team with the resources to be successful in the field.

While each of these areas present significant opportunities for us, they also pose significant risks and challenges that we must address. See Part II, Item 1A "Risk Factors" within this Form 10-Q and Item 1A "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021 for more information.

COVID-19 Pandemic

The COVID-19 pandemic has disrupted, and may continue to disrupt, our lung diagnostic testing operations. To protect the health and well-being of our workforce, partners, vendors and customers, we provide voluntary COVID-19 testing for employees working on-site, implemented social distance and building entry policies at work, restricted travel and facility visits, and followed the States of Colorado and Kansas' public health orders and the guidance from the Centers for Disease Control and Prevention (CDC). Employees who can perform their duties remotely are asked to work from home and those on site are asked to follow our social distance guidelines. Our sales, marketing and business development efforts have also been constrained by our operational response to the COVID-19 pandemic. We will continue to adjust our operational norms, as needed, to help slow the spread of COVID-19, including complying with government directives and guidelines as they are modified and supplemented.

The COVID-19 pandemic and the surge associated with the Delta and Omicron variants have negatively affected our lung diagnostic testing-related revenue and our clinical studies. For example, cancer patients had more limited access to hospitals, healthcare providers and medical resources as steps were taken to control the spread of COVID-19. Beginning in the third quarter 2020, the Company's COVID-19 testing services began to experience rapid growth with a peak in the first quarter 2021; however, subsequent to this peak, we experienced a rapid decline in COVID-19 testing revenue primarily as a result of a few significant contracts that expired as well as the ongoing increase in COVID-19 vaccination rates across the U.S. and the adoption and availability of at-home testing. We do not anticipate the need for COVID testing to be commensurate with the peak demand experienced during the first quarter 2021 and instead expect the demand to moderate as new variants and infections occur. The reduction in demand for COVID-19 diagnostic testing will be a key indicator of continued recovery and is taken as a positive sign for both our Lung Diagnostic and Biopharmaceutical Services during 2022. There is no assurance that our COVID-19 testing program will continue to be accepted by the market or that other diagnostic tests will become more accepted, produce quicker results or are more accurate. Further, the longevity and extent of the COVID-19 pandemic is uncertain and the need for COVID-19 testing could vary which could have a significant effect on our results of operations and profitability. As a result, increases in revenue due to any increase in demand for these diagnostic tests may not be indicative of our future revenue. For example, we began to see recovery during the fourth quarter 2020 in our core lung diagnostic testing as our delivered tests exceeded first quarter 2020 delivered tests. The Company's sales efforts continued to be impacted by the COVID-19 pandemic during the first half of the first quarter 2022 due to surges associated with variants, which negatively affected the growth rate of our core lung diagnostic testing-related revenue and our clinical studies. However, we began to see further recovery during the latter half of the first quarter 2022 in lung diagnostic testing with tests delivered in March reaching an all-time high as health care practitioners, including pulmonologists, increasingly returned to pre-pandemic related care. While the full outcome of the COVID-19 pandemic is unknown, it continues to negatively impact our ability to grow and scale our business in line with our expectations and disclosures at the time of our IPO.

See Item 1A "Risk Factors" of Part II in this Quarterly Report on Form 10-Q and those discussed in our other filings with the SEC, including the risks described in Item 1A "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed on March 14, 2022, for a description of how the COVID-19 pandemic may adversely affect our business, financial condition and results of operations.

First Quarter 2022 Financial and Operational Highlights

Net revenues for the quarter declined as compared to the comparable quarter in 2021 primarily as a result of the expected continued decline in our COVID-19 testing revenue. The following were significant developments affecting our business, capital structure and liquidity during the three months ended March 31, 2022 as compared to the same period in 2021 unless otherwise noted:

- Total revenue of $6.5 million, an expected decrease of 77%, driven primarily by an expected year-over-year decline in COVID-19 diagnostic testing due to lower rate of testing compared to the first quarter of 2021;
    - *Core lung diagnostic revenue of $4.6 million, an increase of 17% driven primarily by growth in the Nodify lung nodule management tests;*
    - *COVID-19 testing revenue of $1.0 million, a decrease of 96% in line with expectations as the pandemic recedes and COVID testing trends continue to move to at-home testing;*
    - *Services revenue of $0.9 million, a decrease of 45% due to lower testing volumes driven by disruptions in clinical trials world-wide by the spike in the Omicron COVID-19 variant;*

- First quarter 2022 gross margin of $3.3 million or 51% as a percentage of revenue as compared to 37% in the comparable prior year period primarily driven by the mix shift of sales to higher-margin core lung diagnostics and away from lower-margin COVID-19 testing partially offset by costs related to the commercial launch of our GeneStrat NGS test in January;
- Operating expenses (excluding direct costs and expenses) of $17.8 million, an increase of 10% driven primarily by growth in sales and marketing to fund our growth in sales and recent GeneStrat NGS commercial launch;
    - *Includes non-cash stock compensation expense of $1.3 million as compared to $1.8 million in the prior year quarter;*
- Net loss of $15.6 million, an increase of 124%;
- Cash and cash equivalents of $16.4 million as of March 31;
    - *Reduced by $4.625 million for scheduled milestone payment to Indi;*
- Liquidity and capital improvements subsequent to March 31, 2022;
    - *Successful private placement through subscription agreements raising $11.7 million;*
    - *Equity proceeds of approximately $2.7 million through the at-the-market facility;*
    - *Completion of $25.0 million debt facility of which $15.0 million funded (estimated $13.0 million, net, after deducting estimated debt issuance costs and OID) in May 2022 and remaining amount contingently available based on contract terms;*
    - *Repayment of $3.0 million in outstanding principal balance on the 2021 Term Loan*
    - *Restructuring of Indi milestone payments reducing required payments by approximately $7.5 million and $7.2 million in 2022 and 2023, respectively.*

Components of Operating Results

Revenues

We derive our revenue from two primary sources: (i) providing diagnostic testing in the clinical setting (Diagnostic Tests); and (ii) providing biopharmaceutical companies with services that include diagnostic research, clinical research, clinical trial testing, development and testing services generally provided outside the clinical setting and governed by individual contracts with third parties as well as development and commercialization of companion diagnostics (Services).

Diagnostic Tests

Diagnostic test revenue is generated from delivery of results from our diagnostic tests. In the United States, we performed tests as both an in-network and out-of-network service provider depending on the test performed and the contracted status of the insurer. We provide diagnostic tests in two primary categories: (i) core lung diagnostics testing and (ii) COVID-19 testing.

We consider diagnostic testing to be completed upon the delivery of test results to our customer, either the prescribing physician or third-party to which we contracted for services to be performed, which is considered the performance obligation. The fees for such services are billed either to a third party such as Medicare, medical facilities, commercial insurance payers, or to the patient. We determine the transaction price related to our contracts by considering the nature of the payer, the historical amount of time until payment by a payer and historical price concessions granted to groups of customers.

Services

Services revenue is generated from the delivery of our on-market tests, pipeline tests, custom diagnostic testing, and other scientific services for a purpose as defined by any individual customer. At times we collaborate with large biopharmaceutical companies in an attempt to discover biomarkers that would be helpful in their drug development or marketing. The performance obligations and related revenue for these sales is defined by a written agreement between us and our customer. These services are generally completed upon the delivery of testing results, or other contractually defined milestone(s), to the customer, which is considered the performance obligation. Customers for these services are typically large pharmaceutical companies where collectability is reasonably assured and therefore revenue is accrued upon completion of the performance obligations. Revenue derived from services is often unpredictable and can cause dramatic swings in our overall net revenue line from quarter to quarter.

Operating Expenses

Direct costs and expenses

Cost of diagnostic testing generally consists of cost of materials, direct labor, including bonus, employee benefits, equipment and infrastructure expenses associated with acquiring and processing test samples, including sample accessioning, test performance, quality

control analyses, charges to collect and transport samples; curation of test results for physicians; and in some cases, license or royalty fees due to third parties. Costs associated with performing our tests are recorded as the tests are processed regardless of whether revenue was recognized with respect to the tests. Infrastructure expenses include depreciation of laboratory equipment, rent costs, amortization of leasehold improvements and information technology costs. Royalties for licensed technology are calculated as a percentage of revenues generated using the associated technology and recorded as expense at the time the related revenue is recognized. One-time royalty payments related to signing of license agreements or other milestones, such as issuance of new patents, are amortized to expense over the expected useful life of the patents. While we do not believe the technologies underlying these licenses are necessary to permit us to provide our tests, we do believe these technologies are potentially valuable and of possible strategic importance to us or our competitors. Under these license agreements, we are obligated to pay aggregate royalties ranging from 1% to 8% of sales in which the patents or know-how are used in the product or service sold, sometimes subject to minimum annual royalties or fees in certain agreements.

We expect the aggregate cost of diagnostic testing to increase in line with the increase in the number of tests we perform, but the cost per test to decrease modestly over time due to the efficiencies we may gain as test volume increases, and from automation and other cost reductions. Cost of services includes costs incurred for the performance of development services requested by our customers. Costs of development services will vary depending on the nature, timing and scope of customer projects.

Research and development

Research and development expenses consist of costs incurred to develop technology and include salaries and benefits, reagents and supplies used in research and development laboratory work, infrastructure expenses, including allocated facility occupancy and information technology costs, contract services, clinical studies, other outside costs and costs to develop our technology capabilities. Research and development expenses account for a significant portion of our operating expenses and consist primarily of external and internal costs incurred in connection with the discovery and development of our product candidates.

External expenses include: (i) payments to third parties in connection with the clinical development of our product candidates, including contract research organizations and consultants; (ii) the cost of manufacturing products for use in our preclinical studies and clinical trials, including payments to contract manufacturing organizations (CMOs) and consultants; (iii) scientific development services, consulting research fees and for sponsored research arrangements with third parties; (iv) laboratory supplies; and (v) allocated facilities, depreciation and other expenses, which include direct or allocated expenses for IT, rent and maintenance of facilities. External expenses are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers or our estimate of the level of service that has been performed at each reporting date. We track external costs by the stage of program, clinical or preclinical.

Internal expenses include employee-related costs, including salaries and related benefits for employees engaged in research and development functions. We do not track internal costs by product candidate because these costs are deployed across multiple programs and, as such, are not separately classified.

Research and development costs are expensed as incurred. Payments made prior to the receipt of goods or services to be used in research and development are deferred and recognized as expense in the period in which the related goods are received or services are rendered. Costs to develop our technology capabilities are recorded as research and development.

We expect our research and development expenses to increase as we continue to innovate and develop additional products and expand our data management resources. As our services revenue grows, an increasing portion of research and development dollars are expected to be allocated to cost of services for biopharmaceutical service contracts. This expense, though expected to increase in dollars, is expected to decrease as a percentage of revenue in the long term, though it may fluctuate as a percentage of our revenues from period to period due to the timing and extent of these expenses.

Sales, marketing, general and administrative

Our sales and marketing expenses are expensed as incurred and include costs associated with our sales organization, including our direct sales force and sales management, client services, marketing and reimbursement, as well as business development personnel who are focused on our biopharmaceutical customers. These expenses consist primarily of salaries, commissions, bonuses, employee benefits, and travel, as well as marketing and educational activities and allocated overhead expenses. We expect our sales and marketing expenses to increase in dollars as we expand our sales force, increase our presence within the United States, and increase our marketing activities to drive further awareness and adoption of our tests and our future products. These expenses, though expected to increase in dollars, are expected to decrease as a percentage of revenue in the long term, though they may fluctuate as a percentage of our revenues from period to period due to the timing and extent of these expenses.

Our general and administrative expenses include costs for our executive, accounting, finance, legal and human resources functions. These expenses consist principally of salaries, bonuses, employee benefits, and travel, as well as professional services fees such as consulting, audit, tax and legal fees, and general corporate costs and allocated overhead expenses. We expect that our general and administrative expenses will continue to increase in dollars, primarily due to increased headcount and costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, maintaining compliance with exchange listing and

requirements of the SEC, director and officer insurance premiums and investor relations. These expenses, though expected to increase in dollars, are expected to decrease as a percentage of revenue in the long term, though they may fluctuate as a percentage from period to period due to the timing and extent of these expenses.

Change in Fair Value of Contingent Consideration

In connection with the purchase transaction of Indi, we recorded contingent consideration pertaining to the amounts potentially payable to Indi shareholder pursuant to the terms of the asset purchase agreement. The fair value of contingent consideration was assessed at each balance sheet date and changes, if any, to the fair value were recognized as operating expenses within the statement of operations. The Company met the gross margin target of $2.0 million for three consecutive months during the three months ended June 30, 2021. Subsequent changes to the contingent consideration following the achievement of the gross margin target are recorded as 'Interest expense' in the statements of operations resulting from the passage of time and fixed payment schedule. The significant unobservable inputs used in the measurement of fair value included the probability of successful achievement of the specified product gross margin targets, the period in which the targets were expected to be achieved, and discount rates which ranged from 11% to 13.5%. As a result of the achievement of the gross margin target, the only significant unobservable input used in the measurement of fair value includes the discount rate since all other inputs became fixed and determinable.

Non-Operating Expenses

Interest Expense and Interest Income

For the three months ended March 31, 2022, interest expense consists of cash and non-cash interest from our 2021 Term Loan and changes in the value of our contingent consideration associated with the passage of time subsequent to the achievement of the contingency in the second quarter 2021. For the three months ended March 31, 2021, interest expense consists of cash and non-cash interest from our 2021 Term Loan, the 2018 Notes, and the Paycheck Protection Program loan. Interest income, which is included in 'Other income, net' in the statements of operations consists of income earned on our cash and cash equivalents.

Results of Operations

The following table sets forth the significant components of our results of operations for the periods presented (in thousands, except percentages).

	Three Months Ended March 31,		Change	
	2022	2021	$	%
Revenues	$ 6,548	$ 28,866	$ (22,318)	(77)%
Operating expenses:				
Direct costs and expenses	3,235	18,218	(14,983)	(82)%
Research and development	3,206	3,321	(115)	(3)%
Sales, marketing, general and administrative	14,487	11,927	2,560	21%
Change in fair value of contingent consideration	—	983	(983)	(100)%
Impairment loss on intangible assets	81	—	81	100%
Total operating expenses	21,009	34,449	(13,440)	(39)%
Loss from operations	(14,461)	(5,583)	(8,878)	(159)%
Other (expense) income:				
Interest expense	(1,137)	(651)	(486)	(75)%
Loss on debt extinguishment	—	(728)	728	100%
Other income, net	12	1	11	1,100%
Total other expense	(1,125)	(1,378)	253	18%
Net loss	$ (15,586)	$ (6,961)	$ (8,625)	(124)%

Revenues

We generate revenue from our diagnostic tests and services that we provide. Our revenues for the periods indicated were as follows (in thousands, except percentages):

	Three Months Ended March 31,		Change	
	2022	2021	$	%
Diagnostic revenue	$ 5,633	$ 27,195	$ (21,562)	(79)%
Services revenue	915	1,671	(756)	(45)%
Total revenue	$ 6,548	$ 28,866	$ (22,318)	(77)%

Total revenue decreased $22.3 million or 77% for the three months ended March 31, 2022 compared to the same period in 2021 as diagnostic test revenue decreased $21.6 million or 79% for the three months ended March 31, 2022 compared to the same period in 2021. The $21.6 million decrease for the three months ended March 31, 2022 compared to the same period in 2021 is due to a $22.3 million reduction in COVID-19 revenue resulting from a decrease in delivered COVID-19 diagnostic tests, which was partially offset by an increase in our lung diagnostic revenue of $0.7 million driven primarily from an increase in Nodify XL2, GeneStrat NGS, and Nodify CDT tests delivered. The Company's sales efforts continued to be impacted by the COVID-19 pandemic during the first half of the first quarter 2022 due to surges associated with variants, which negatively affected the growth rate of our core lung diagnostic testing-related revenue and our clinical studies. However, we began to see further recovery during the latter half of the first quarter 2022 in lung diagnostic testing with tests delivered in March reaching an all-time high as health care practitioners, including pulmonologists, increasingly returned to pre-pandemic related care.

Services revenue decreased $0.8 million or 45% for the three months ended March 31, 2022 compared to the same period in 2021 due to lower testing volumes driven by delayed receipt of samples from partner organizations, with an expected increase in volume in the coming months as those samples are delivered. In addition to delayed receipts in samples, service revenue can fluctuate due to several factors including contract timing, which can be long under normal circumstances, and currently reflects the continued impact the pandemic has had on overall prospective clinical trial enrollment.

Operating expenses

Direct costs and expenses

Direct costs and expenses related to revenue decreased $15.0 million or 82% for the three months ended March 31, 2022 compared to the same period in 2021 driven primarily by the overall decline in COVID-19 testing as vaccinations increase as well as broader adoption and availability of at-home testing.

Research and development

Research and development expenses decreased $0.1 million or 3% for the three months ended March 31, 2022 compared to the same period in 2021. The decrease in cost was due primarily to decreased spending on clinical trials, partially offset by increased employee compensation and benefits costs associated with our research and development personnel.

The following table summarizes our external and internal costs for the three months ended March 31, 2022 and 2021 (in thousands, except percentages).

	Three Months Ended March 31,		Change	
	2022	2021	$	%
External expenses:				
Clinical trials and associated costs	$ 458	$ 710	$ (252)	(35)%
Other external costs	1,036	983	53	5%
Total external costs	1,494	1,693	(199)	(12)%
Internal expenses	1,712	1,628	84	5%
Total research and development expenses	$ 3,206	$ 3,321	$ (115)	(3)%

Sales, marketing, general and administrative

Sales, marketing, general and administrative expenses increased $2.6 million or 21% for the three months ended March 31, 2022 compared to the same period in 2021. This increase was driven primarily by increases in employee compensation and benefits for the three months ended March 31, 2022 associated with expansion of the Company's workforce. This is also the result of increases in non-employee costs for the three months ended March 31, 2022 associated with increased spending on various sales meetings, training, and campaigns.

Change in fair value of contingent consideration

Change in fair value of contingent consideration decreased $1.0 million or 100% for the three months ended March 31, 2022 compared to the same period in 2021. The decrease of $1.0 million is a result of the gross margin target being met during the three months ended June 30, 2021. The net change to contingent consideration through the date the gross margin target was met is recorded as operating expenses in the statements of operations. Subsequent changes to the contingent consideration following the achievement of the gross margin target are recorded as 'Interest expense' in the statements of operations resulting from the passage of time and fixed payment schedule.

Non-operating expenses

Interest expense

Interest expense increased $0.5 million or 75% for the three months ended March 31, 2022 compared to the same period in 2021. This increase is primarily related to contingent consideration recorded as 'Interest expense' resulting from the passage of time and fixed payment schedule during the three months ended March 31, 2022.

Loss on debt extinguishment

On March 19, 2021, the Company entered into a new Loan and Security Agreement (2021 Term Loan) for an original principal amount of $30 million with a maturity date of March 1, 2026. In connection with entering into the 2021 Term Loan, the Company repaid all outstanding principal and unpaid interest in the amount of $25.9 million due under the secured promissory note (2018 Notes) and contemporaneously terminated the Loan and Security Agreement, dated as of February 23, 2018, as amended. As a result of the extinguishment of the 2018 Notes, the Company recorded a loss on debt extinguishment of $0.7 million during the three months ended March 31, 2021.

Liquidity and Capital Resources

We are an emerging growth company and, as such, have yet to generate positive cash flows from operations. We have funded our operations to date principally from net proceeds from the sale of our common stock, the sale of convertible preferred stock, revenue from diagnostic testing and services, and the incurrence of indebtedness.

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). As a result of the pandemic, the Company diversified its diagnostic testing beyond lung diagnostic testing to include the critical service of COVID-19 diagnostic testing. Beginning in the third quarter 2020, the Company's COVID-19 testing services began to experience rapid growth with a peak in the first quarter 2021; however, subsequent to this peak, we experienced a rapid decline in COVID-19 testing revenue primarily as a result of a few significant contracts that expired as well as the ongoing increase in COVID-19 vaccination rates across the U.S. and the adoption and availability of at-home testing. In addition, the COVID-19 pandemic negatively affected our lung diagnostic testing-related revenue and our clinical studies. We began to see recovery during the fourth quarter 2020 in our core lung diagnostic testing as our delivered tests exceeded first quarter 2020 delivered tests. The Company's sales efforts continued to be impacted by the COVID-19 pandemic during the first half of the first quarter 2022 due to surges associated with variants, which negatively affected the growth rate of our core lung diagnostic testing-related revenue and our clinical studies. However, we began to see further recovery during the latter half of the first quarter 2022 in lung diagnostic testing with tests delivered in March reaching an all-time high as health care practitioners, including pulmonologists, increasingly returned to pre-pandemic related care. While the full outcome of the COVID-19 pandemic is unknown, it continues to negatively impact our ability to grow and scale our business in line with our expectations and disclosures at the time of our IPO. As a result, the items identified above have had an adverse effect on our revenue, results of operations and cash flows.

In March 2021, we completed the closing of our 2021 Term Loan for a principal amount of $30 million and extinguished our prior 2018 term loan for $25.9 million. The 2021 Term Loan contains customary affirmative covenants, including covenants regarding compliance with applicable laws and regulation, payment of taxes, insurance coverage, notice of certain events, and reporting requirements. Further, the 2021 Term Loan contains customary negative covenants limiting the ability to, among other things, incur future debt, transfer assets except for the ordinary course of business, make acquisitions, make certain restricted payments, and sell assets, subject to certain exceptions. The 2021 Term Loan required the Company to comply with a minimum liquidity ratio covenant (as defined in the 2021 Term Loan) of not less than 0.95 to 1.00, and had a trailing six-month rolling revenue requirement of not less than 70% of the Company's projected revenue performed at the end each reporting period.

On September 30, 2021, we entered into the Consent and First Amendment to Loan and Security Agreement (the 2021 Term Loan Amendment) to, among other things, amend our 2021 Term Loan to eliminate the revenue covenant for the period ended September 30, 2021 and modify the revenue covenant threshold for the three month period ended December 31, 2021. In addition, we agreed to establish a restricted cash collateral account for $15 million for the benefit of our lender if the balance of our cash and cash equivalents declined below $40 million.

On December 30, 2021, the Company raised approximately $16.3 million in gross proceeds from the sale of 3,756,994 common shares at a public offering price of $4.35 per share in an at-the-market offering. The Company received net proceeds of $15.7 million after deducting underwriting discounts and commissions and offering expenses payable by the Company.

On December 31, 2021, we entered into the Consent and Second Amendment to Loan and Security Agreement (Second Amendment) to, among other things, amend our 2021 Term Loan and First Amendment to: (i) obtain consent for the $4.6 million January 2022 milestone payment due under the Indi APA, (ii) repay $20 million in outstanding principal on December 31, 2021, (iii) waive the $600,000 prepayment fee on the $20 million Term Loan repayment, (iv) waive the minimum revenue covenant as of December 31, 2021, and (v) modify the minimum revenue requirement to not less than 75% for the three months ended March 31, 2022 and not less than 75% on a trailing six month rolling basis for each quarter thereafter of the Company's projected revenue performed at the end of each reporting period. The Lender agreed to apply the full amount of funds previously established within the restricted cash collateral account to partially repay the $20 million in outstanding principal, thereby eliminating the restricted cash collateral account.

On March 7, 2022 (the Effective Date), the Company entered into a purchase agreement with Lincoln Park, pursuant to which Lincoln Park has committed to purchase up to $50.0 million of the Company's common stock (the Purchase Agreement). Under the terms and subject to the conditions of the Purchase Agreement, the Company has the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase up to $50.0 million of the Company's common stock. Such sales of common stock by the Company, if any, will be subject to certain limitations, and may occur from time to time, at the Company's sole discretion, over the 36-month period commencing on the Effective Date. As consideration for Lincoln Park's irrevocable commitment to purchase our common stock upon the terms of and subject to satisfaction of the conditions set forth in the purchase agreement, on the Effective Date, the Company issued 184,275 shares of common stock to Lincoln Park as a commitment fee valued at $600,000 for which no consideration was received.

The Company maintains two facilities that enable equity financing on an ongoing basis at the Company's sole discretion, our at-the-market offering and our common stock purchase agreement with Lincoln Park (the LPC facility). During the three months ended March 31, 2022, the Company raised approximately $1.6 million ($1.5 million after deducting underwriting costs and commissions and offering expenses payable) in gross proceeds from the sale of 708,752 common shares at a weighted average price per share of $2.26 under these programs. As of March 31, 2022, the Company had remaining available capacity for share issuances of approximately $32.8 million under the at-the-money facility and up to $49.2 million under the LPC facility, each subject to the restrictions and limitations of the underlying facilities, as applicable.

As of March 31, 2022, we maintained cash and cash equivalents of $16.4 million and we have $10 million in principal balance remaining on our 2021 Term Loan. We have incurred significant losses since inception and, as a result, we have funded our operations to date primarily through the sale of common stock, the sale of convertible preferred stock, the issuance of notes payable, and from our two primary revenue sources: (i) diagnostic testing, which include lung diagnostic testing and COVID-19 testing, and (ii) providing biopharmaceutical companies with development and testing services. In accordance with Accounting Standards Update 2014-15 (ASC Topic 205-40), *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern each reporting period, including interim periods. In evaluating the Company's ability to continue as a going concern, management projected its cash flow sources, including the debt and equity funding and amendments to the 2021 Term Loan and Indi APA subsequent to March 31, 2022 (each described below), and needs and evaluated the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements were issued. Management considered the Company's current projections of future cash flows, current financial condition, sources of liquidity and debt obligations for at least one year from the date of issuance of this Form 10-Q in considering whether it has the ability to meet its obligations.

Our ability to meet our obligations as they come due may be impacted by our ability to remain compliant with financial covenants in our 2021 Term Loan or to obtain waivers or amendments that impact the related covenants. As of March 31, 2022, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. However, due to the continued uncertainty caused by the COVID-19 pandemic, significant risks remain with respect to our ability to meet these thresholds and any material adverse effect on our revenues, income and expenses could impact our ability to maintain compliance with these covenants.

In April 2022, the Company raised approximately $2.7 million in gross proceeds from the sale of 1,349,139 common shares at a weighted average price per share of $2.04 in an at-the-market offering. The Company received net proceeds of $2.7 million, after deducting underwriting discounts and commissions and offering expenses payable of approximately $80,000.

On April 7, 2022, the Company entered into subscription agreements (the Subscription Agreements) with a consortium of investors (the Investors), including three members of our Board of Directors and other existing shareholders of the Company, for the issuance and sale by the Company of an aggregate of 6,508,376 shares of the Company's common stock in an offering for an aggregate purchase price of approximately $11.7 million.

On April 7, 2022, the Company entered into the Consent and Third Amendment to Loan and Security Agreement (Third Amendment) whereby subject to the terms and conditions of the Third Amendment, certain waivers and consents were provided. Under the terms of

the Third Amendment to our 2021 Term Loan, the Company agreed to the repayment of $3.0 million in outstanding principal in April 2022 with an additional $2.0 million to be paid no earlier than May 15, 2022, which could be extended to September 30, 2022, subject to debt or equity fund raising of at least $15 million, inclusive of the $11.7 million in funding through the Subscription Agreements noted above, in exchange for the following:

- Consent for a $2.0 million April 2022 mutually agreed upon milestone payment under the Indi APA, as amended;
- Waiver of minimum revenue requirement for the three months ended March 31, 2022 and adjustment of remaining revenue milestones for 2022; and
- Waiver and elimination of the prepayment fee on the $3.0 million 2021 Term Loan partial repayment in April 2022 and subsequent $2.0 million principal repayment.

The Company further amended the Indi APA agreement in April 2022 in which all parties agreed to restructure the milestone payments whereby the Company will make five quarterly installments of $2.0 million each beginning in April 2022, three quarterly installments of $3.0 million beginning in July 2023, one quarterly installments of $5.0 million in April 2024, and one quarterly installment of approximately $8.4 million in July 2024. In addition the Company agreed to an exit fee of approximately $6.1 million in October 2024. Interest shall accrue on the excess of the original payment schedule and the aggregate amount of the installment payments paid as of any date, at an aggregate per annum rate equal to 10%, with such interest to be payable quarterly on the following installment payment date. Our ability to make these payments are subject to consent from our lender under the 2021 Term Loan and related amendments. We obtained consent and subsequently made the second milestone payment of $2.0 million in April 2022 and we are in discussions with our lender to obtain consents for future payments.

On May 9, 2022, the Company entered into a securities purchase agreement with Streeterville Capital, LLC (the Lender), pursuant to which, among other things, the Lender: (i) purchased a secured convertible promissory note (Promissory Note One) in the aggregate principal amount totaling $16,025,000 in exchange for $15,000,000 less certain expenses and (ii) agreed to purchase another secured promissory note at the Company's election (Promissory Note Two and, together with Promissory Note One, the Promissory Notes), subject to certain conditions precedent in aggregate principal amount totaling $10,250,000 in exchange for $10,000,000. Each of the Promissory Notes shall, at the Company's option, be convertible into shares of common stock, $0.001 par value per share, of the Company, upon the terms and subject to the limitations and conditions set forth in the Promissory Notes. On May 9, 2022, the Company closed on the first tranche for gross proceeds of $15.0 million (approximately $13.0 million, net, after deducting estimated debt issuance costs and OID), and intends to use the proceeds from such issuance for general corporate purposes.

Based on our current operating plan, unless we raise additional capital (debt or equity) or obtain waiver from complying with such financial covenants, we expect that we will be unable to maintain our financial covenants under our 2021 Term Loan during the next twelve months, which could result in an Event of Default, as defined, causing an acceleration of the outstanding balance. We have taken steps to improve our liquidity through and the actions noted above and have also undertaken several proactive measures to mitigate the financial and operational impacts of COVID-19 through the reduction of planned capital expenditures and certain operating expenses but we do not expect that these actions alone will be sufficient to maintain our financial covenants. We plan to raise additional funding through the issuance of equity or debt securities and any such financing activities are subject to market conditions. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our existing stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. There can be no assurance that additional capital will be available to us or, if available, will be available in sufficient amounts or on terms acceptable to us or on a timely basis nor can there be any assurance that the Company will be a beneficiary of the COVID-19 Action Plan. If adequate capital resources are not available on a timely basis, we intend to consider limiting our operations substantially. This limitation of operations could include a hiring freeze, reductions in our workforce, reduction in cash compensation, deferring capital expenditures, and reducing other operating costs.

The Company's revenues, results of operations and cash flows have been materially adversely impacted by the items noted above. We expect to continue to incur significant expenses for the foreseeable future and to incur operating losses in the near term while we make investments to support our anticipated growth. Our current operating plan, which is in part determined based on our most recent historical actual results and trends, along with the items noted above, raises substantial doubt about the Company's ability to continue as a going concern. Our unaudited financial statements have been prepared assuming we will continue as a going concern and do not include any adjustments that might be necessary should we be unable to continue as a going concern.

Cash Flows

The following summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net cash flows (used in) provided by:		
Operating activities	$ (13,099)	$ (11,326)
Investing activities	(352)	(516)
Financing activities	(2,834)	4,951
Net (decrease) increase in cash and cash equivalents and restricted cash	$ (16,285)	$ (6,891)

Our cash flows resulted in a net decrease in cash and cash equivalents of $16.3 million during the three months ended March 31, 2022 as compared to the net decrease in cash of $6.9 million for the three months ended March 31, 2021. For the three months ended March 31, 2022, net cash used in operating activities increased by approximately $1.8 million, primarily due to a year-over-year increase in net loss of $8.6 million and decrease in non-cash adjustments to net loss of $0.5 million driven primarily by a decrease in loss on debt extinguishment of $0.7 million, stock based compensation expense of $0.4 million, partially offset by the write-off of excess and obsolete inventory of $0.4 million. In addition, during the three months ended March 31, 2022, the Company experienced favorable changes in net working capital of $7.4 million primarily as a result of cash collections from customers, partially offset by payments to vendors.

Net cash used in investing activities during the three months ended March 31, 2022 totaled $0.4 million, a decrease of $0.1 million compared to the same period in 2021. The decrease in net cash used in investing activities was primarily due decreases in purchases of property and equipment, partially offset by an increase in payments for patents and trademarks.

Net cash used by financing activities during the three months ended March 31, 2022 totaled $2.8 million, a decrease of $7.8 million compared to the same period in 2021. The net cash provided by financing activities for the three months ended March 31, 2022 primarily resulted from $1.7 million net proceeds from the issuance of common stock, primarily offset by the first milestone payment to Indi of $4.6 million. The net cash provided by financing activities for the three months ended March 31, 2021 primarily resulted from the net proceeds from our 2021 Term Loan of $29.9 million, and proceeds from the exercise of stock options of approximately $0.5 million, primarily offset by the repayment of $25.4 million from our 2018 Term Loan.

Contractual Obligations and Commitments

As a result of the entering into additional operating lease agreements, our non-cancelable contractual obligations and commitments for lease obligations as presented in our Form 10-K have been modified. The following table provides an update as follows as of March 31, 2022 (in thousands):

	Payments due by period				
	Total	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Borrowings and interest [1]	$ 14,494	$ 594	$ 6,240	$ 7,660	$ —
Fair value of contingent consideration [2]	32,506	18,631	13,875	—	—
Operating lease obligations	2,546	1,310	1,232	4	—
Total	$ 49,546	$ 20,535	$ 21,347	$ 7,664	$ —

(1) Includes the 2021 Term Loan payments of principal, interest and final payment fee of $2.7 million payment due upon loan maturity.

(2) The gross margin target associated with the purchase transaction of Indi was achieved in the quarter ending June 30, 2021, giving rise to the previously disclosed contingent obligations of $37.0 million in the aggregate payable through the issuance of Company's shares of common stock subject to a fixed price put option. The Company entered into an amendment in August 2021 to the original agreement in which all parties agreed to forgo the issuance of shares of common stock of the Company that would otherwise be issued to it, and the Company will instead make six quarterly installment payments of $4.6 million beginning in January 2022 and a final payment of approximately $9.3 million in July 2023 for a total of $37.0 million. The aggregate amount of payments owed by the Company under this amendment is the same as if Indi had exercised the put right or the Company had exercised the call right provided for in the original agreement. On April 7, 2022, the Company entered into Amendment No. 3 to Asset Purchase Agreement and Plan of Reorganization in which all parties agreed to restructure the milestone payments, which is not reflected as of March 31, 2022 in the table above, and is described in greater detail in Note 4 and 14 to our condensed financial statements in Part 1 of this Quarterly Report on Form 10-Q.

There have been no other significant changes to our future contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

Off-Balance Sheet Arrangements

As of March 31, 2022, we have not entered into any off-balance sheet arrangements.

Critical Accounting Policies and Significant Judgments and Estimates

In accordance with accounting principles generally accepted in the United States, we are required to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes. Certain of these estimates significantly influence the portrayal of our financial condition and results of operations and require us to make difficult, subjective or complex judgments. Our critical accounting policies are described in greater detail below and in Note 2 to our condensed financial statements in Part 1 of this Quarterly Report on Form 10-Q.

Revenue Recognition

We recognize revenue when our customers obtain control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for our goods or services. To determine revenue recognition for our arrangements with our customers, we perform a five-step process, which includes: (i) identifying the contract(s) with a customer; (ii) identifying the performance obligations in the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations in the contract; and (v) recognizing revenue when (or as) we satisfy our performance obligations.

Diagnostic test revenues

Diagnostic test revenues are recognized upon completion of our performance obligation to the deliver test results to our customer, either the prescribing physician or third-party to which we contracted for services to be performed. We consider diagnostic testing to be completed upon the delivery of test results to our customer which is considered the performance obligation. The fees for such services are billed either to a third party such as Medicare, medical facilities, commercial insurance payers, or to the patient. We determine the transaction price related to our contracts by considering the nature of the payer, the historical amount of time until payment by a payer and historical price concessions granted to groups of customers. These estimates require significant judgment by management.

Service revenues

Service revenues are recognized upon completion of our performance obligation to deliver testing results for assay development and testing services. The performance obligations and related revenue for these sales is defined by a written agreement between us and our customer. These services are generally completed upon the delivery of testing results, or other contractually defined milestone(s), to the customer, which is considered the performance obligation. Customers for these services are typically large pharmaceutical companies where collectability is reasonably assured and therefore revenue is accrued upon completion of the performance obligations. Revenue derived from services is often unpredictable and can cause dramatic swings in our overall net revenue line from quarter to quarter.

Share-based Compensation and Grant Date Fair Value

Share-based compensation related to stock options granted to our employees, directors and non-employees is measured at the grant date based on the fair value of the award. For our service-based awards, the fair value of each award is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards. Compensation expense for share-based awards with performance conditions is recognized based upon the probability the performance conditions will be met as defined in the grant. Restricted stock units are measured at their grant date fair value using the closing price of our common stock on the date of grant and recognized to expense on a straight-line basis over the vesting period of each award. We estimate forfeitures and adjust these estimates to actual forfeitures as they occur.

We use the Black-Scholes option-pricing model to estimate the fair value of our share-based option awards, which requires assumptions to be made related to expected term of an award, expected volatility, the risk-free rate and expected dividend yield. The fair value of our common stock is based on our closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded. Changes in these subjective assumptions can materially affect the estimated value of equity grants and the share-based compensation that we record in our financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-2, Leases (Topic 842). This ASU intends to make accounting for leasing activities more transparent and comparable, and requires substantially all leases be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases currently accounted for as operating leases. In addition to other related amendments, the FASB issued ASU No. 2018-11, Leases (Topic 842): Targeted Improvements, which offers an additional transition method whereby entities may apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings rather than application of the new leases standard at the beginning of the earliest period presented in the financial statements. The Company elected this transition method and adopted ASC 842 on January 1, 2022 and as a result, recorded operating lease right-of-use (ROU) assets of $1.3 million, including offsetting deferred rent of $0.1 million, along with the associated operating lease liabilities of $1.3 million. On January 1, 2022, the Company did not have any finance leases. Additional

information and disclosures required by this new standard are contained in Note 3 and Note 7 to our condensed financial statements in Part 1 of this Quarterly Report on Form 10-Q.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments* (ASC Topic 326). This ASU requires measurement and recognition of expected credit losses for financial assets. This guidance will become effective for the Company beginning January 1, 2023 with early adoption permitted. The Company is currently evaluating this guidance and assessing the overall impact on its financial statements.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an "emerging growth company" within the meaning of the Jumpstart Our Business Startups Act (JOBS Act). As an emerging growth company, we may take advantage of certain exemptions from various public company reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), certain requirements related to the disclosure of executive compensation in our periodic reports and proxy statements, the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions until we are no longer an emerging growth company. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies, which may make comparison of our financials to those of other public companies more difficult.

We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) until December 31, 2025 (the year ended December 31st following the fifth anniversary of our initial public offering).

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which: (i) the market value of our common shares held by non-affiliates exceeds $250 million as of the end of that year's second fiscal quarter, or (ii) our annual revenues exceeded $100 million during such completed fiscal year and the market value of our common shares held by non-affiliates exceeds $700 million as of the end of that year's second fiscal quarter.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates.

Interest rate risk

We are exposed to market risk for changes in interest rates related primarily to our cash and cash equivalents, marketable securities and our indebtedness, including our outstanding 2021 Term Loan. As of March 31, 2022, we had $10 million outstanding on the 2021 Term Loan subject to a floating per annum rate equal to the greater of (i) 2.00% above the prime rate, or (ii) 5.25%. Historically, we have not entered into derivative agreements such as interest rate caps and swaps to manage our floating interest rate exposure.

Periodically throughout the year, we have maintained balances in various operating accounts in excess of federally insured limits. Our cash and cash equivalents are funds held in checking and bank savings accounts, primarily at two U.S. financial institutions. We consider all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. We continually monitor our positions with, and the credit quality of, the financial institutions with which we invest.

As of March 31, 2022, a hypothetical 100 basis point increase in interest rates would not have a material impact on our investment portfolio, financial position or results of operations.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, or Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and 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 and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

There were no changes to our internal control over financial reporting during the three months ended March 31, 2022, that have materially affected, or are reasonable likely to materially effect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings or investigations which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows.

Item 1A. Risk Factors.

"Item 1A. Risk Factors" of our Annual Report on Form 10-K as of and for the year ended December 31, 2021, filed March 14, 2022, and subsequent quarterly reports on Form 10-Q, if applicable, include a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information we previously disclosed and, except as presented below, there have been no material changes from the risk factors described in our Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q. These risks could materially and adversely affect our business, financial condition and results of operations.

The sale or issuance of our common stock to Lincoln Park may cause dilution and the sale of the shares of common stock acquired by Lincoln Park, or the perception that such sales may occur, could cause the price of our common stock to fall.

On March 7, 2022 (the Effective Date), the Company entered into a purchase agreement, dated as of March 7, 2022 with Lincoln Park Capital Fund, LLC, an Illinois limited liability company (Lincoln Park), pursuant to which Lincoln Park has committed to purchase up to $50.0 million of the Company's common stock (the Purchase Agreement). Upon the execution of the Purchase Agreement, we issued 184,275 shares of common stock to Lincoln Park as a fee for its commitment to purchase shares of our common stock under the Purchase Agreement. The remaining shares of our common stock that may be issued under the purchase agreement may be sold by us to Lincoln Park at our discretion from time to time over a 36-month period commencing on the Effective Date of the Purchase Agreement. The purchase price for the shares that we may sell to Lincoln Park under the Purchase Agreement will fluctuate based on the price of our common stock. Depending on market liquidity at the time, sales of such shares may cause the trading price of our common stock to fall.

We generally have the right to control the timing and amount of any future sales of our shares to Lincoln Park. Additional sales of our common stock, if any, to Lincoln Park will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Lincoln Park all, some or none of the additional shares of our common stock that may be available for us to sell pursuant to the Purchase Agreement. If and when we do sell shares to Lincoln Park, after Lincoln Park has acquired the shares, Lincoln Park may resell all, some or none of those shares at any time or from time to time in its discretion. Therefore, sales to Lincoln Park by us could result in substantial dilution to the interests of other holders of our common stock. Additionally, the sale of a substantial number of shares of our common stock to Lincoln Park, or the anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On April 7, 2022, the Company entered into subscription agreements (the Subscription Agreements) with a consortium of investors (the Investors), including three members of our Board of Directors and other existing shareholders of the Company, for the issuance and sale by the Company of an aggregate of 6,508,376 shares of the Company's common stock (the Shares) in an offering (the Private Placement). The three members of our Board of Directors acquired an aggregate of 3,631,284 shares pursuant to the form of a Subscription Agreement that did not include any registration rights as they are exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the Securities Act), and Rule 506 promulgated thereunder. The remaining 2,877,092 shares were acquired by others pursuant to the form of a Subscription Agreement whereby we agreed to file, subject to certain exceptions, a shelf registration statement with respect to resales of such shares with the Securities and Exchange Commission no later than 60 days from April 7, 2022.

Pursuant to the Subscription Agreements, the Investors purchased shares at a purchase price (determined in accordance with Nasdaq rules relating to the "Minimum Value" of the Company's common stock) of $1.79 per share, which is equal to the closing price of the Company's common stock on April 7, 2022, for an aggregate purchase price of approximately $11.7 million, in order to, among other things, fund the partial repayment of the 2021 Term Loan and for general corporate purposes.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
10.1*	Lease agreement by and between Centennial Valley Properties I, LLC and Biodesix, Inc. dated March 11, 2022.
10.2*	First Amendment to Lease Agreement by and between Centennial Valley Properties I, LLC and Biodesix, Inc. dated March 11, 2022.
10.3†	Subscription Agreement with resale registration rights provision, dated April 7, 2022 (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the SEC on April 11, 2022).
10.4†	Subscription Agreement without registration rights, entered by the three members of our Board of Directors, dated April 7, 2022 (incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K filed with the SEC on April 11, 2022).
10.5†	Consent and Third Amendment to Loan and Security Agreement (incorporated by reference to Exhibit 10.3 to the Company's current report on Form 8-K filed with the SEC on April 11, 2022).
10.6*	Amendment No. 3 to Asset Purchase Agreement and Plan of Reorganization.
10.7*	Securities Purchase Agreement by and between Streeterville Capital LLC and Biodesix, Inc. dated May 9, 2022.
10.8*	Secured Convertible Promissory Note #1 by and between Streeterville Capital LLC and Biodesix, Inc. dated May 9, 2022.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

† Previously filed.

\+ Management contract or compensatory plan.

SIGNATURE

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

Biodesix, Inc.

Date: May 11, 2022

By: /s/ RYAN H. SIUREK
Ryan H. Siurek
Chief Accounting Officer

LEASE AGREEMENT (SINGLE TENANT – NNN)

by and between

Centennial Valley Properties I, LLC “Landlord”

and

Biodesix, Inc.

“Tenant”

TABLE OF CONTENTS

List of Exhibits

LEASE AGREEMENT (SINGLE TENANT – NNN)

This Lease Agreement (Single Tenant – NNN) ("Lease") is entered into as of 3/11/2022, (the "Effective Date"), by and between Landlord and Tenant as defined in Article I below

ARTICLE I

BASIC PROVISIONS AND CERTAIN DEFINITIONS

1.1 **Definitions**. The following list sets out certain defined terms and certain financial and other information pertaining to this Lease:

(a) "Landlord": Centennial Valley Properties I, LLC, a Colorado limited liability company

(b) Landlord's notice address:

c/o Koelbel and Company 5291 E. Yale Avenue
Denver CO 80222
Attn:

and

c/o Koelbel and Company 5291 E. Yale Avenue
Denver CO 80222
Attn:

With a copy to:

Brownstein Hyatt Farber Schreck, LLP 410 Seventeenth Street,
Suite 2200
Denver, CO 80202 Attn:

(c) "Tenant": Biodesix, Inc., a Delaware corporation

(d) Tenant's notice address:

2970 Wilderness Place, Suite 100
Boulder, CO 80301
Attn: Legal Affairs

(e) "Center" as defined in Section 3.4 of this Lease

(f) "Land": that certain real property located in Boulder County, Colorado and described on Exhibit B.

(g) "Premises": the Building, together with the Land as depicted on Exhibit A attached to this Lease, and all parking, landscaping, and other improvements situated thereon.

(h) "Building": that certain Building containing approximately 79,980 leasable square feet in area (the "Rentable Area"), as depicted on Exhibit A attached to this Lease with an address of 919 West Dillion Rd. Louisville, CO 80027. Landlord and Tenant agree the Rentable Area is deemed to be the area of the Building for all purposes and not subject to revision whether or not the actual square footage is more or less except as specifically provided for in Section 3.3 below.

(i) "Permitted Use": as defined in Section 4.1 of this Lease.

(j) "Lease Term": commencing on the Commencement Date (as defined below) and for 144 months after the Commencement Date, with the last day of the last such month being the "Expiration Date". At the request of Landlord, Tenant shall execute and deliver to Landlord on or after the Commencement Date a completed certificate in substantially the form attached hereto as Exhibit F (the "Commencement Date Certificate"). If the Commencement Date is a date other than the first day of a calendar month, for purposes of calculating the Expiration Date and the timing of all scheduled increases in Base Rent during the Term only, the Commencement Date shall be deemed to be the first day of the calendar month following the Commencement Date. If the Commencement Date does not occur on the first day of a calendar month, then for purposes of Rent payments, "month 1" shall commence on the Commencement Date and shall end at the conclusion of the last calendar day of the following calendar month (for example, if the Commencement Date is February 10th, then "month 1" in the Rent chart would begin on February 10th and would end upon the conclusion of business on March 31st). And in such event the Rent for "month 1" shall be pro-rated based on the actual number of days in such "month 1"

(k) "Commencement Date" shall be the earlier of:

(i) the date upon which the Tenant first commences to conduct business (as defined below) in the Premises; or

(ii) April 1, 2023.

For purposes of determining the Commencement Date, to "conduct business" means to conduct revenue generating business, rather than activities in preparation for revenue generating business, such as verification and validation of equipment.

(l) "Renewal Option": Landlord hereby grants to Tenant two (2) options to extend the term of this Lease for either seven (7) or ten (10) years each, each commencing when the prior term expires, as more particularly set forth in Exhibit H attached hereto.

(m) "Base Rent": Base Rent shall be the sum of the amounts set forth below and shall be paid as follows during the respective months of the Lease Term:

Period	**Annualized Base Rent Rate per square foot of Building**	**Base Rent/Year**	**Base Rent/Month**
1-12	*$34.00	$2,719,320.00	$226,610.00
13-24	$34.00	$2,719,320.00	$226,610.00
25-36	$35.02	$2,800,899.60	$233,408.30
37-48	$36.07	$2,884,878.60	$240,406.55
49-60	$37.15	$2,971,257.00	$247,604.75
61-72	$38.27	$3,060,834.60	$255,069.55
73-84	$39.42	$3,152,811.60	$262,734.30
85-96	$40.60	$3,247,188.00	$270,599.00
97-108	$41.82	$3,344,763.60	$278,730.30
109-120	$43.07	$3,444,738.60	$287,061.55
121-132	$44.36	$3,547,912.80	$295,659.40
133-144	$45.69	$3,654,286.20	$304,523.85

* Subject to Abated Rent pursuant to Section 8.7(a).

Subject to Partial Abated Rent pursuant to Section 8.7(b).

(n) "Security Deposit": Five Million Dollars ($5,000,000.00), such Security Deposit being due and payable upon execution of this Lease and being subject to contingent reduction and the other applicable provisions of Section 21.7 and Article XXIV of this Lease.

(o) "Rent": as defined in Section 8.1 of this Lease.

(p) "REA": that certain Declaration of Covenants, Conditions and Restrictions and Grant of Easements dated December 16, 1993, executed by HD Delaware Properties, Inc. and recorded December 23, 1993

in the real property records of Boulder County, Colorado under Reception Number 1376228, as amended by the following documents and as may be subsequently amended from time to time:

(i) that certain Amended and Restated First Amendment to Declaration of Covenants, Conditions and Restrictions and Grant of Easements dated February 9, 1994 and recorded April 5, 1994 in the real property records of Boulder County, Colorado under Reception Number 1412746;

(ii) that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions and Grant of Easements dated August 25, 1995 and recorded December 6, 1996 in the real property records of Boulder County, Colorado under Reception Number 1662559;

(iii) that certain Albertson's Consent to Second Amendment under Declaration of Covenants dated April 5, 1995 and recorded December 6, 1996 in the real property records of Boulder County, Colorado under Reception Number 1662560; and

(iv) that certain Third Amendment to Declaration of Covenants, Conditions and Restrictions and Grant of Easements recorded December 31, 1998 in the real property records of Boulder County, Colorado under Reception Number 1888374.

(q) "Permitted Encumbrances": Collectively, (i) any Superior Holder instrument, (ii) the REA, (iii) any utility easements and temporary construction easements granted by Landlord in the ordinary course of business that will not materially and adversely affect all or any portion of the Premises or Tenant's access or use thereof pursuant to the terms of this Lease or otherwise increase the Rent due hereunder from Tenant, and (iv) all matters of record with respect to the Premises as of the Effective Date.

1.2 Address for Rent Payments: All amounts payable by Tenant to Landlord shall, until further notice from Landlord, be paid to Landlord by ACH or Wire Transfer pursuant to the following instructions:

[*information has been omitted*]

1.3 Net Lease. Except as otherwise provided herein, all Rent shall be absolutely net to Landlord so that this Lease shall yield net to Landlord the Rent to be paid each month during the Term of this Lease and Tenant shall pay either directly or as reimbursement to Landlord for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the Term of this Lease including, without limitation, all costs and expenses of operation, maintenance and repairs, utilities, insurance and taxes relating to the Premises.

ARTICLE II

GRANTING CLAUSE

2.1 **Grant and Acceptance**. Landlord leases the Premises to Tenant and Tenant accepts the Premises from Landlord for the Lease Term, upon and subject to the terms and conditions set forth in this Lease.

2.2 **Title Matters; REA**. Landlord and Tenant acknowledge and agree the Premises and this Lease are subject to the Permitted Encumbrances, and Tenant (for itself, and any permitted assignee or subtenant) hereby covenants and agrees not to violate any provision of the Permitted Encumbrances including the REA.

2.3 **Quiet Enjoyment**. Upon payment by Tenant of the Rents herein provided, and upon the observance and performance of all terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant shall, subject to all of the terms, provisions, covenants and conditions of this Lease and the Permitted Exceptions, peaceably and quietly hold and enjoy the Premises for the entire Lease Term without hindrance or molestation from all persons claiming by, through or under Landlord.

2.4 **Financing Contingency**. Landlord's obligations under this Lease are expressly contingent upon Landlord obtaining financing for the Premises, Landlord's obligations for the Landlord Work and the Allowance on such terms as Landlord deems acceptable in its sole discretion ("Landlord's Financing Contingency"). If, for any reason, Landlord's Financing Contingency is not satisfied or waived on or before the April 1, 2022 (the "Landlord Financing Deadline"), Landlord may elect to terminate this Lease upon written notice to Tenant delivered on or before the date that is five (5) business days after the Landlord Financing Deadline in which event the Security Deposit or the Letter of Credit, as applicable, shall be returned to Tenant and each party shall be relieved of all further obligations and liabilities under this Lease other than any indemnification obligations and Tenant's obligation to surrender the Premises as provided for under this Lease. Landlord may waive the Landlord's Financing Continency prior to the Landlord Financing Deadline only upon written notice to Tenant.

ARTICLE III

ACCEPTANCE AND DELIVERY OF PREMISES; SUBDIVISION OF PREMISES

3.1 **Acceptance of Premises**. Except for Landlord's express assumption of construction obligations for the Landlord Work under the Work Letter attached as Exhibit I to this Lease, or as otherwise provided for under this Lease, the Premises are leased "AS IS," with Tenant accepting all defects, if any; and Landlord makes no warranty of any kind, express or implied, with respect to the Premises (without limitation, Landlord makes no warranty as to the habitability, fitness or suitability of the Premises for a particular purpose, nor as to compliance with any laws, rules or regulations). Notwithstanding the foregoing, Landlord represents and warrants that, to Landlord's actual knowledge, as of the Effective Date, the Premises does not contain any asbestos containing materials or Hazardous Materials in excess of amounts permitted under Environmental Laws. This Section 3.1 is subject to any contrary requirements under Applicable Laws; however, in this regard, Tenant acknowledges that it has been given the opportunity to inspect the Premises and to have qualified experts inspect the Premises prior to the execution of this Lease.

3.2 **Delivery; Construction Period**. Landlord shall deliver the Premises to Tenant on or before the date that is three (3) business days after the Effective Date and the date of Landlord's delivery shall be the "Delivery Date." Tenant may enter and occupy the Premises from and after the Delivery Date even though the Delivery Date is prior to the Commencement Date ("Construction Period") solely for the purpose of performing Tenant Work (as defined in the Work Letter) and any tests, inspections, and investigations in connection therewith, and to commence preparing the Premises for its operations. Tenant agrees (a) any such early entry into the Premises by Tenant shall be at Tenant's sole risk, (b) Tenant shall not unreasonably interfere with Landlord or Landlord's agents in the performance and completion of the Landlord Work (as defined in the Work Letter), (c) Tenant shall comply with and be bound by all provisions of this Lease during the period of any such early entry except (i) for the payment of Base Rent and Pass-Through Costs and the costs for electricity and water to the Premises, (ii) for carrying property insurance as set forth in Section 14.214.2(b), provided that Tenant's property insurance requirements otherwise being satisfied by its Contractor in accordance with insurance standards required under the Work Letter and (iii) for carrying business interruption service as set forth in Section 11.2(b), (d) prior to entry upon the Premises by Tenant, Tenant shall pay for and provide to Landlord certificates evidencing the existence and amounts of liability insurance carried by Tenant, which coverage must comply with the provisions of this Lease relating to insurance, and (e) Tenant shall, and shall require Tenant's Construction Agents (as defined in the Work Letter) to, comply with the Work Letter and all Laws required to perform its work during the early entry on the Premises.

3.3 **Remeasurement of Premises**. Notwithstanding the Rentable Area set forth in Section 1.1(h) above, Tenant is entitled to verify the area of the Building and establish a modified Rentable Area pursuant to the terms of this Section 3.3. Tenant's option to remeasure the Building is subject to (a) such remeasurement being performed and certified by a licensed architect using the BOMA 2017 (ANSI Z65.1-2017) standard; and (b) delivery of a copy of the certified measurement to Landlord on or before the date that is sixty (60) days following the Effective Date. If the certified remeasurement is different from the Rentable Area set forth above, the parties shall enter into an amendment modifying the Lease to reflect the new Rentable Area and adjusting the Base Rent and the Allowance. Landlord agrees that notwithstanding the methodology of measurement cited above, the mezzanine space existing as of the Effective Date shall not be included in Tenant's remeasurement.

3.4 **Subdivision of Premises**. As of the Effective Date, the Land is a single subdivided parcel and tax

parcel. Landlord reserves the right, from time to time, to subdivide the Land and create one or more separate legal and tax parcels generally in the area depicted on Exhibit D attached hereto (each, a "Subdivision") without Tenant's consent; provided, however, that such Subdivision (a) shall not materially and adversely impact Tenant's Permitted Use; (b) shall not adversely impact access to Tenant's loading docks by delivery trucks, (c) shall not result in a parking ratio of less than 2.5 spaces per 1,000 square feet of Rentable Area; and (d) shall otherwise be in compliance with the terms and conditions of this Section 3.4 Upon Landlord's election to affect a Subdivision the area of the Land comprising the Premises shall be deemed reduced to exclude the area or areas so subdivided. For each Subdivision, if any, Tenant agrees to execute an amendment to this Lease so reducing the area of the Land. In the event of a Subdivision, from and after the date of such Subdivision: (i) any Pass-Through Costs attributable to the subdivided area or areas shall be excluded from Tenant's Pass-Through Costs; (ii) any Pass-Through Costs attributable to the Premises and one or more subdivided areas shall be allocated between the Premises and such other areas in proportion to the relative area of the Premises and such subdivided areas as relates to the area of the Land; (iii) the Premises and any such subdivided parcels shall be considered part of the "Center" in which case, the term Center as used in this Lease shall apply and (iv) Landlord shall be entitled to designate portions of the Center, from time to time, for use in common by, *inter alia*, Landlord, Tenant and any other occupants of the Center and such other parties as provided for under the REA.

ARTICLE IV

PERMITTED USE

4.1 **Permitted Use of Premises**. The Premises shall be used only for contemporary office, light assembly, distribution, laboratory research and laboratory testing lab use including, but not limited to:, laboratory machines, fume hoods, associated laboratory support, light assembly and distribution equipment, offices, open furniture systems, meeting space, computer and communications network room, collaborative open environments, food and beverage areas with minimal food preparation, catering preparation and layout consistent with the Environmental Questionnaire (as defined in Section 5.1(a) below) and for such other lawful purposes as are incidental thereto and subject to all other provisions hereof. Tenant covenants and warrants that Tenant will not operate a Vivarium at the Premises. Tenant acknowledges that the specification of a "permitted use" means only that Landlord has no objection to the specified use and does not include any representation or warranty by Landlord as to whether or not such specified use complies with Applicable Laws and/or requires special governmental permits. Use of the Premises shall be subject to such rules, regulations and restrictions which Landlord may make from time to time; provided such rules and regulations do not materially increase Tenant's obligations or materially decrease Tenant's rights under the Lease is and provided further that Tenant has received a written copy of all such rules and regulations and no less than sixty (60) days to comply with such new or modified Rules and Regulations (collectively, "Rules and Regulations").

4.2 **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 Applicable Laws. Tenant shall not do or permit anything to be done in or about the Premises from and after the Delivery Date which will in any way (a) damage the reputation of the Premises or, if applicable, the Center (provided, however, the use of the Premises for the Permitted Use shall not be deemed in and of itself to damage such reputation), (b) impair, interfere with or otherwise diminish the use of any of the Premises or, if applicable, the Center, (c) obstruct or interfere with the rights of other tenants or occupants of the Center, if applicable, (d) use or allow the Premises to be used for any improper, unlawful or objectionable purpose, (e) void Tenant's or Landlord's insurance, increase the cost of insurance or cause the disallowance of sprinkler credits, provided that if Tenant causes any increase in the cost of Landlord's insurance, then Tenant shall pay to Landlord the amount of such increase as Additional Rent, or (f) cause or permit the storage of trucks, trailers boats, recreational vehicles or storage containers in the parking area of the Premises other than those owned or used by Tenant for standard business operations which may include up to five (5) vans owned and operated by Tenant and trailer trucks located in or adjacent to the Building's loading docks.

4.3 **Care of Premises by Tenant**. Tenant shall take good care of the Premises and shall operate in the Premises in a safe, careful and proper manner; shall not commit or suffer waste in or about the Premises, nor to any facility or equipment for which Tenant is responsible pursuant to Section 9.2 of this Lease; shall not cause damage or permit any trucks or vehicles visiting the Premises to cause any damage to the Premises or the Building

(and, if any such damage should occur, which shall not include normal wear and tear to the roads or parking lots, shall immediately repair same or, if Landlord so elects, reimburse Landlord for Landlord's reasonable cost in repairing same); and shall keep the Premises free of insects, rodents, vermin and other pests. Tenant shall keep the Premises secure, Tenant hereby acknowledging that security is Tenant's responsibility, and that Tenant is not relying on any representation or warranty by Landlord in this regard. Tenant shall not overload the floors in the Premises, nor deface or injure the Premises. Tenant shall store all trash and garbage within the Premises, or in a trash dumpster or similar container approved by Landlord in Landlord's reasonable discretion; and Tenant shall arrange for the regular pick-up of such trash and garbage at Tenant's expense. Receiving and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas prescribed by Landlord. Outside storage, including, without limitation, storage of containers, trailers, trucks and other vehicles (except as permitted in Section 4.2 above), is prohibited without Landlord's prior written consent which may be withheld in Landlord's sole and absolute discretion. Tenant shall be responsible for janitorial services within the Building.

ARTICLE V

HAZARDOUS MATERIALS

5.1 **Tenant's Obligations**.

(a) Prohibitions. As a material inducement to Landlord to enter into this Lease with Tenant, Tenant has fully and accurately completed and delivered to Landlord 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, which are used by Tenant, or any contractor used by Tenant, in the ordinary course of Tenant's business and are specifically listed on the Environmental Questionnaire (as updated in accordance herewith from time to time) ("Tenant's Hazardous Materials"), and except for de minimis quantities of standard office and cleaning supplies stored in compliance with Environmental Laws (hereinafter defined) and in proper containers, neither Tenant nor Tenant's employees, contractors and subcontractors 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, bring upon, use, store, treat or generate any "Hazardous Materials," as that term is defined below, on, in, under, at or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, stored, manufactured, generated, blended, handled, recycled, used or "Released," as that term is defined below, on, in, under, at or about the Premises. Tenant's Hazardous Materials shall be brought to, kept at or used in so-called 'control areas' (the number and size of which shall be reasonably approved by Landlord) and in accordance with all applicable Environmental Laws and prudent environmental practice (including best practices to minimize quantities of stored Hazardous Materials using a "just in time" method of purchasing the same) and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practice. Notwithstanding anything to the contrary, in no event shall Tenant generate, produce, bring upon, use, store, generate or treat any infectious biological micro-organisms or any other Hazardous Materials in the Premises with a risk category above the level of Biosafety Level 3 as established and described by the Department of Health and Human Services Publication Biosafety in Microbiological and Biomedical Laboratories (Sixth Edition) (as it may be further revised, the "BMBL") or such nationally recognized new or replacement standards as may be reasonably selected by Landlord; and provided further that to the extent any Applicable Law sets a maximum quantity of any Hazardous Materials which may be stored, used or brought into the Building without additional licensing, permitting or authorizations therefor, Tenant shall not be permitted to use, store or bring into the Building more than such maximum quantity of such Hazardous Materials. Tenant shall deliver to Landlord an updated Environmental Questionnaire prior to the date on which Tenant desires to modify the applicable Tenant's Hazardous Materials. Landlord's prior written consent shall be required with respect to any Hazardous Material to be added to Tenant's Hazardous Materials and/or material increases in the quantity of any Tenant's Hazardous Materials, such consent not to be unreasonably withheld. Tenant shall not install or permit any underground storage tank on the Premises. In all events, Tenant shall comply with all applicable provisions of the BMBL. Tenant shall be responsible for assuring that all laboratory uses are adequately and properly vented. Tenant shall provide such further information concerning any Tenant's Hazardous Materials and/or their use, storage and/or disposal within thirty (30) days of Landlord's reasonable request concerning the same. Landlord shall have the right, from time to time, to inspect the Premises for compliance with the terms of this Article V, and if such inspection discloses a violation of this Article V Tenant shall reimburse Landlord for the reasonable costs of such inspection on demand. With respect to any Hazardous Material brought or permitted to be brought or kept in or on the Premises or elsewhere in the Building in accordance with the foregoing, Tenant

shall (i) not permit any such Hazardous Material to escape, be released or be disposed in or about the Premises or the Building and (ii) within five (5) business days of Landlord's reasonable request, which request shall not be made more frequently than one time per calendar year unless otherwise required by a governmental authority or Landlord reasonably suspects that a release of a Hazardous Material has occurred upon the Premises, provide evidence reasonably satisfactory to Landlord of Tenant's compliance with all applicable Environmental Laws including copies of all licenses, permits and registrations that Tenant has been required to obtain prior to handling any Hazardous Material at the Premises and that have not been previously provided to Landlord. Notwithstanding the foregoing, with respect to any of Tenant's Hazardous Materials which Tenant does not properly handle, store or dispose of in compliance with all applicable Environmental Laws, prudent environmental practice and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practice, if Tenant does not correct such handling, storage or disposal within thirty (30) days after notice from Landlord to Tenant, then Tenant shall, upon written notice from Landlord, no longer have the right to bring such material into the Building or the Premises until Tenant has demonstrated, to Landlord's reasonable satisfaction, that Tenant has implemented programs to thereafter properly handle, store or dispose of such material. In order to induce Landlord to waive its otherwise applicable requirement that Tenant maintain insurance in favor of Landlord against liability arising from the presence of radioactive materials in the Premises, and without limiting the foregoing, Tenant hereby represents and warrants to Landlord that at no time during the Lease Term will Tenant bring upon, or permit to be brought upon, the Premises any radioactive materials whatsoever.

(b) Hazardous Materials. 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 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 (a) live organisms, non-inactivated viruses and any so-called "biohazard" materials, and any materials on the right to know list of the Occupational Safety and Health Administration, and (b) 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.

(c) Notices to Landlord. Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after (i) the occurrence of any Release of any Hazardous Material in, on, under, from, at, about or in the vicinity of the Premises (whether past or present), regardless of the source or quantity of any such Release, or (ii) Tenant 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 (iii) Tenant 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, 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.

(d) Environmental Laws. For purposes of this Lease, "Environmental Laws" means all applicable present and future laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction relating to the protection of human health, safety, wildlife or the environment, including (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 (including outdoor air and indoor 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, including but not limited to those relating to lead paint, radon gas, asbestos, and the storage and disposal of oil and biological, chemical, laboratory, medical, radioactive and hazardous wastes, substances and materials. 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., and any other state or local law counterparts, as amended, as such Applicable Laws, are in effect as of the Lease Commencement Date, or thereafter adopted, published, or promulgated.

(e) 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 and/or if any Hazardous Material is in, on, under, at or about the Building, the Premises as a result of the acts or omissions of Tenant and/or Tenant's agents, servants, employees, consultants, contractors, subcontractors, licensees and/or subtenants (collectively with Tenant, the "Tenant Parties") and results in any contamination of any part of the Premises or any adjacent property that is in violation of any applicable Environmental Law or that requires the performance of any Clean-up pursuant to any Environmental Law, Tenant shall, in addition to notifying Landlord as specified above, and at its own sole cost and expense, (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) take any and all necessary investigation, corrective and remedial action in accordance with any and all applicable Environmental Laws, utilizing an environmental consultant approved by Landlord, all in accordance with the provisions and requirements of this Article V, including Section 5.1(i), and (iv) take any such additional investigative, remedial and corrective actions as Landlord shall in its reasonable discretion deem necessary such that the Premises is remediated to the condition existing prior to such Release.

(f) Indemnification.

(i) 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 (hereinafter defined) harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including 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, foreseeable or unforeseeable, directly or indirectly arising out of or attributable to (a) the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, exacerbation or Release of Hazardous Materials in, on, under, at or about the Premises by Tenant or Tenant's Agents, and/or (b) a breach by Tenant of its obligations under this Article V. This indemnification of the Landlord Parties includes reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work or any other response action required by any federal, state or local governmental agency or

political subdivision because of Hazardous Material present in the soil, soil vapor, or ground water at, on or under, or any indoor air in, the Building based upon the circumstances identified in the first sentence of this Section 5.1(f)(i).

(ii) Limitations. Notwithstanding anything to the contrary, Tenant's indemnity of Landlord as set forth in Section 5.1(f)(i), above, shall not be applicable to (i) claims based upon Hazardous Materials introduced due to Landlord's negligence or willful misconduct, or (ii) claims based upon Hazardous Materials which Tenant reasonably demonstrates were in existence in, on or about the Premises as of the Effective Date ("Existing Hazardous Materials"), except to the extent that the acts or omissions of Tenant or Tenant's Agents (including Tenant's failure to remove, remediate or otherwise treat or Clean-up (as that term is defined in Section 5.1(i), below) the subject Existing Hazardous Materials) caused, contributed to or exacerbated the subject claim.

(g) Assurance of Performance.

(i) 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.

(ii) Costs of Environmental Assessments. All costs and expenses incurred by Landlord in connection with any Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Article V, or if any Superior Rights Holder or governmental authority requires any Environmental Assessment as a result of the acts or omissions of Tenant or any of Tenant's Agents, then all of the costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within thirty (30) business days after receipt of written demand therefor. If any such Environmental Assessment shows that Tenant has failed to comply with the provisions of this Article V, all costs incurred by Landlord in connection with Landlord's monitoring of Tenant's compliance with Article V, including Landlord's reasonable attorneys' fees and costs, shall be Additional Rent and shall be due and payable to Landlord within thirty (30) days after demand therefor.

(iii) Information. Tenant shall execute affidavits, certifications and the like, as may be reasonably requested by Landlord from time-to-time, no more than once in any 12-month period (provided that Landlord may make a second request if related to a financing or sale of the Building and/or Land), concerning Tenant's best knowledge and belief concerning the presence of Hazardous Materials at, in or, on or under the Premises. From time to time during the Lease Term, Tenant shall provide Landlord with such evidence of Tenant's compliance with the terms of this Article V as Landlord may reasonably request, which request shall not be made more frequently than one time per calendar year unless otherwise required by a Superior Rights Holder or a governmental authority or Landlord reasonably suspects that a Release of a Hazardous Material has occurred at or upon the Premises.

(iv) Disclosures. Prior to bringing any Hazardous Material into any part of the Premises other than standard office, cleaning and maintenance supplies used in ordinary amounts and stored in proper containers in compliance with all Environmental Laws, Tenant shall deliver to Landlord the following information with respect thereto: (a) a description of handling, storage, use and disposal procedures; (b) all plans or disclosures and/or emergency response plans which Tenant has prepared, including Tenant's Spill Response Plan, and all plans which Tenant is required to supply to any governmental agency or authority pursuant to any Environmental Laws; and (c) other information reasonably requested by Landlord.

(h) 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) cause an Environmental Assessment of the Premises to be conducted in accordance with Section 20.3; (ii) cause all Hazardous Materials 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; 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.

(i) Clean Up.

(i) Environmental Reports; Clean-Up. If any written report, including any report containing results of any Environmental Assessment (an "Environmental Report") shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this Article VI, 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 (which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions, in Landlord's reasonable discretion, would not potentially have any adverse effect on the Premises or the market value or utility thereof for the Permitted Uses, and, in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws), specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises is restored to its condition as of the Effective Date. 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 ("Tenant's Consultant") and proceed to Clean-Up Hazardous Materials in accordance with all Applicable Laws and as required by such plan and this Lease. If, within sixty (60) days after receiving a copy of such Environmental Report, 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 prepare the Clean-up plan and 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 ten (10) days after receipt of written demand therefor. Upon completion of such Clean-up, 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 unrestricted use of the Premises ("Closure Letter").

(ii) No Rent Abatement. Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up, 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.

(iii) Permit Close Out. Upon the expiration or earlier termination of this Lease, Tenant shall be obligated to close all permits relating to the Premises obtained in connection with Hazardous Materials in accordance with Applicable Laws.

(iv) Failure to Timely Clean-Up. Should any Clean-up for which Tenant is responsible not be completed, or should Tenant not deliver to Landlord 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 XXII) until Tenant has fully complied with its obligations under this Article VI and Section 20.3 below.

(v) 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/or reports regarding the environmental condition of the Premises to any party except Landlord (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. Landlord may release such information disclosed to Landlord by Tenant to bona fide prospective purchasers or lenders.

(vi) 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 Premises, 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.

(vii) 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.

(viii) Survival. Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Article VI shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant's obligations under this Article VI have been completely performed and satisfied.

5.2 **Chemical Safety Program**.

(a) Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with the requirements of Environmental Laws and any applicable governmental authority (the "Authority"). Tenant shall be solely responsible for all costs incurred in connection with such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably require evidencing Tenant's compliance with the requirements of (i) the Authority and any other applicable governmental authority with respect to such chemical safety program, and (ii) this Section 5.2.

(b) Tenant shall obtain and maintain any permit required by Applicable Laws (including any permit required by the Authority) with respect to the operation of acid neutralization system and tank serving the Premises, if any (the "Acid Neutralization System"). Tenant shall operate and maintain any Acid Neutralization System in good order, condition and repair and in compliance with Applicable Laws. Tenant shall not introduce anything into the Acid Neutralization System, if any, (i) in violation of the terms of the permit issued by the Authority concerning the Acid Neutralization System, (ii) in violation of Applicable Laws, or (iii) that would interfere with the proper functioning of the Acid Neutralization System.

5.3 **Biohazard and Hazardous Waste Removal**. Tenant shall be responsible, at its sole cost and expense, for Hazardous Material and other biohazard disposal services for the Premises. Such services shall be performed on a sufficient basis to ensure that the Premises are at all times kept neat, clean and free of Hazardous Materials and biohazards except in appropriate, specially marked containers. In addition, if any Applicable Laws or the trash removal company requires that any substances be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site.

5.4 **Landlord's Obligations**. Within sixty (60) days after the Effective Date, Landlord will deliver to Tenant a Phase I Environmental Site Assessment ("Phase I") with respect to the Land. Such Phase one shall have been completed no earlier than six (6) months prior to the Effective Date. Tenant shall have no responsibility for the remediation of (i) any Hazardous Materials existing on the Land prior to the Delivery Date, or (ii) any Hazardous Materials brought onto the Land during the Lease Term by Landlord or any third party, the remediation of which shall be the responsibility of Landlord.

ARTICLE VI

TENANT'S RESPONSIBILITY FOR TAXES,

OTHER REAL ESTATE CHARGES, INSURANCE EXPENSES AND OPERATING EXPENSES

6.1 **Personal Property**. Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is liable under this Section 6.1.

6.2 **Real Estate Charges; Insurance Expenses and Operating Expenses**. Tenant shall also be liable for all Real Estate Charges (as defined below) and Insurance Expenses (as defined below) and Operating Expenses (as defined below) related to the Premises or Landlord's ownership of the Premises. All payments for which Tenant is liable pursuant to this Section 6.2 shall be considered for all purposes to be Additional Rent (as defined in Section 8.1 below) under this Lease and shall be payable as provided for under Article VIII.

(a) "Real Estate Charges" shall include ad valorem taxes, general and special assessments, improvement bond or bonds, levy or tax, any tax or excise on rents, any franchise or gross margins or receipt tax, any tax or charge for governmental services, any tax, exaction or other charge imposed in connection with the ownership, operation, leasing or use of the Premises, any reasonably similar tax or charge which replaces any of such above- described Real Estate Charges, any tax or charge which is implemented after the Effective Date and is assessed in lieu of the whole or part of any of such above-described Real Estate Charges, and any reasonable fees paid by Landlord to consultants, attorneys and other professionals who monitor, negotiate and/or contest any or all above-described Real Estate Charges; provided, however, that Real Estate Charges shall not be deemed to include any capital stock, estate, inheritance or general income tax.

(b) "Insurance Expenses" shall include all premiums and other expenses incurred by Landlord (including any deductibles) for liability (including umbrella) insurance, property insurance and business interruption insurance (including, without limitation and to the extent deemed appropriate by Landlord, environmental coverage, pollution coverage, mold coverage, terrorism coverage and whatever other special coverages and/or endorsements that Landlord, in Landlord's reasonable discretion, may from time to time consider appropriate in connection with Landlord's ownership, management or operation of the Premises).

(c) Operating Expenses

(i) "Operating Expenses" shall include the following: (1) costs with respect to the Premises incurred under the REA or any other easement, license, operating agreement, declaration, restrictive covenant, or other instrument pertaining to the sharing of costs by the Premises; (2) the cost of supplying all utilities to those portions of the Premises other than the Building, the cost of operating, repairing, maintaining, and renovating the utility, sanitary, storm drainage and other systems serving the Premises, and the cost of maintenance and service contracts in connection therewith; (3) 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; (4) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Land, or any portion thereof; (5) the cost of parking area operation, repair, restoration, and maintenance; (6) subject to Section 6.2(c)(ii)(4) below, fees and other costs, including property management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Premises; (7) the cost of snow and ice removal (8) payments under any equipment rental agreements; (9) subject to subject to Section 6.2(c)(ii)(3) below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Premises; (10) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Premises; (11) amortization (including interest on the unamortized cost) over such period of time as Landlord

shall reasonably determine, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Premises, or any portion thereof; (12) capital expenses incurred by Landlord after the Commencement Date and during the Lease Term, as such Lease Term may be extended, provided such capital expenses (i) were specifically required by a change in law taking place after the Commencement Date or (ii) are reasonably anticipated to effect economies in the operation or maintenance of the Premises or to reduce current or future Operating Expenses (each, an "Eligible Recovery Event"). In the event of an Eligible Recovery Event, the capital expenses must be amortized (including interest at the rate of the WSJ Prime Rate as published in the Wall Street Journal plus 2% per annum on the amortized cost on a cumulative and compounding basis) over the longer of (a) the useful life of the equipment or improvement, as established by ASHRAE or GAAP standards, or (b) the amortization standards of the IRS; (13) 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 "Real Estate Charges" as that term is defined in Section 6.2(a) above; and (14) such expenses, costs and amounts which Landlord pays or accrues in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Premises that are consistent with Landlord's obligations under this Lease and the practices of other landlords under similarly situated triple net lease agreements.

(ii) Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not include the following: (1) depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest; (2) any bad debt loss, rent loss, or reserves for bad debts or rent loss; (3) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Premises unless such wages and benefits are prorated to reflect time spent on operating and managing the Premises vis-a-vis time spent on matters unrelated to operating and managing the Premises; or (4) any property management fee in excess of three percent (3%) of gross revenues for the Premises.

(iii) Notwithstanding anything to the contrary, after end of the first calendar year following the Commencement Date, Controllable Operating Expenses (hereinafter defined) shall be deemed not to exceed the Operating Expense Cap (hereinafter defined) for any calendar year during the Lease Term. "Controllable Operating Expenses" shall mean all Operating Expenses other than Uncontrollable Expenses. "Uncontrollable Expenses" shall mean Operating Expenses related to (1) costs incurred under the REA, (2) utilities, (3) collectively bargained union wages, (4) trash removal, and (5) snow and ice removal. The "Operating Expense Cap" for the second calendar year shall equal one hundred four percent (104%) of Operating Expenses for the first calendar. Thereafter, the Operating Expense Cap shall be increased on January 1st of each calendar year to an amount equal to one hundred four percent (104%) of the prior calendar year's Operating Expense Cap regardless of the actual amount of Controllable Operating Expenses.

(d) Notwithstanding anything to the contrary set forth herein, if at any time during the Lease Term Landlord elects to affect a Subdivision of the Land, Tenant's obligations to pay Real Estate Charges, Insurance Expenses and Operating Expenses shall be adjusted as provided for under Section 3.4 above.

6.3 **Separate Tax Assessments**. To the extent the Premises constitute a separate tax parcel, Landlord may require Tenant to pay Real Estate Charges directly to the tax assessor, and if Landlord imposes such requirement, Tenant agrees to pay such assessment before it becomes delinquent and to keep the Premises free from any lien or attachment; moreover, as to all periods of time during the Lease Term, this covenant of Tenant shall survive the termination of this Lease.

6.4 **Right to Contest**. Tenant shall have the right to contest or review by legal proceedings, as permitted under Applicable Laws, taxes levied against the Premises (other than taxes levied directly against Tenant's personal property within the Premises); provided that, unless Tenant has paid such tax or assessment under protest, Tenant shall furnish to Landlord (i) proof reasonably satisfactory to Landlord that such protest or contest may be maintained without payment under protest, and (ii) a surety bond or other security reasonably satisfactory to Landlord securing the payment of such contested item or items and all interest, penalty, and cost in connection therewith upon the final determination of such contest or review. Landlord shall, if it determines it is reasonable to

do so, and if so requested by Tenant, join in any proceeding for contest or review of such taxes or assessments, but the entire cost of such joinder in the proceedings (including all costs, expenses, and attorneys' fees reasonably sustained by Landlord in connection therewith) shall be borne by Tenant. Any amount already paid by Tenant and subsequently recovered as the result of such contest or review shall be for the account of Tenant.

ARTICLE VII

PARKING; GENERATOR; OTHER AREAS

7.1 **Parking**. During the Lease Term, Tenant shall be entitled to use all parking spaces on the Premises. Tenant's parking rights are the personal rights of Tenant and its employees and visitors, and Tenant shall not transfer, assign or otherwise convey its parking rights separate and apart from this Lease. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties.

7.2 **Back-Up Generator**.

(a) Generators. Subject to the terms and conditions of this Section 7.2 and the REA, Landlord grants to Tenant the exclusive right (the "Generator Right"), for the Lease Term, to install, operate, maintain and repair up to two (2) emergency backup generators, including wiring, tanks and other related equipment (collectively, the "Generator") on the Land located outside of the Building. Each Generator shall be powered by natural gas unless otherwise approved by Landlord in writing.

(b) Generator Area. The actual location, size and design of the Generator shall be subject to Landlord's prior written approval, which approval shall not be unreasonably conditioned, delayed or withheld; provided that the location(s) are as close as possible to the Building as permitted by Applicable Laws. The portions of the Premises upon which the Generators will be located are referred to herein collectively as the "Generator Area."

(c) Removal. Upon the expiration or earlier termination of the Lease Term, Tenant's Generator shall be removed by Tenant at its expense, using a contractor reasonably approved by Landlord, and Tenant shall restore that portion of the Premises used by Tenant to its prior condition, reasonable wear and tear excepted. If Tenant fails to timely restore such portion of the Premises, then Tenant shall reimburse Landlord for the reasonable costs of repair of any damage to the Premises caused by the removal of Tenant's Generator. Notwithstanding the foregoing, at Landlord's request, Tenant shall not remove any one or more of any of the Generators, the pad, screening, cables and conduits as identified by Landlord.

(d) Permits; Compliance with Laws. Prior to commencing the installation of Tenant's Generator, Tenant shall, at Tenant's sole cost and expense, obtain each and every permit and approval required in connection with Tenant's Generator, including approvals of any applicable governmental authority, and deliver said permits and approvals to Landlord. Landlord shall, at no cost to Landlord, use reasonable efforts to assist Tenant in obtaining the necessary permits and approvals for Tenant's Generator. Landlord makes no representations or warranties with respect to zoning or any other approvals. Tenant, at Tenant's sole cost and expense, agrees to keep, maintain and operate Tenant's Generator in accordance with all Applicable Laws or other requirements of any kind or nature of any governmental or quasi-governmental authority or the requirements of Landlord's insurance underwriters. Tenant acknowledges that Applicable Laws may require that the Generator is screened.

(e) Repair and Maintenance of Tenant's Generator. Tenant agrees that it shall keep and maintain Tenant's Generator in good condition and repair, at Tenant's sole cost and expense.

(f) Alterations. Except for Tenant's maintenance and repair obligations provided above, Tenant shall not make any alterations, improvements or additions to Tenant's Generator without the prior written consent of Landlord, which such consent shall not be unreasonably withheld.

7.3 **Solar Panels**. Subject to the terms and conditions of this Section 7.2 and the REA, Landlord grants to Tenant the exclusive right, for the Lease Term, to install, operate, maintain and repair solar electrical panels on the roof of the Building. If Tenant elects to install Solar Panels, the panels and related infrastructure shall be subject

to all terms and conditions applicable to Tenant's Generator under this Lease. Notwithstanding the foregoing, Landlord shall not be entitled to require Tenant to remove such solar panels at the end of the Lease Term or earlier termination unless such solar panels are owned by a third party and Landlord has not agreed, in its sole discretion, to assume the lease or other use agreement with such third-party with respect to the solar panels.

7.4 **Other Areas**. Landlord shall have the exclusive rights to use, possess, lease, convey interests in, alter, transfer, construct on, or otherwise manage the portions of the Premises other than the Building and the parking areas provided the same does not materially and unreasonably interfere with Tenant's use of the Premises for the Permitted Use.

ARTICLE VIII

RENT

8.1 **Rent**. For purposes of this Lease, the terms "Rent," "Rents," "Rental" or "Rentals" shall be deemed to include Base Rent, Tenant's required payments for Real Estate Charges and Insurance Expenses, Operating Expenses and any other Additional Rent. Landlord and Tenant agree that each provision of this Lease for determining Rent adequately and sufficiently describes to Tenant the method by which such Rent is to be computed. Any and all other sums of money or charges to be paid by Tenant pursuant to the provisions of this Lease other than Base Rent are hereby designated as and included in the term "Additional Rent." A failure to pay Additional Rent shall be treated in all events as a failure to pay Rent.

8.2 **Payment of Rent**. Rent shall accrue from the Commencement Date and shall be payable to Landlord at Landlord's address specified in Section 1.2 of this Lease, or at any other address which Landlord may subsequently designate in a written notice to Tenant.

8.3 **Base Rent**. Subject to Abated Rent and Partial Abated Rent, Tenant shall pay to Landlord Base Rent in monthly installments in the amount(s) specified in Section 1.1(m) of this Lease. Installments shall be due and payable on or before the first day of each calendar month during the Lease Term.

8.4 **Pass-Through Costs**.

(a) General. Tenant shall pay to Landlord the Real Estate Charges, Insurance Expenses and Operating Expenses (collectively, "Pass-Through Costs") as set forth above. Further, Tenant shall during each calendar year pay to Landlord an estimate of the Pass-Through Costs as hereinafter set forth. Beginning on the Commencement Date, Tenant shall pay to Landlord each month on the first day of the month an amount equal to one- twelfth (1/12) of the Pass-Through Costs for the calendar year in question as reasonably estimated by Landlord, with an adjustment to be made between the parties at a later date as hereinafter provided. If the Commencement Date is not the first day of a calendar month, Tenant shall pay a prorated portion of the Pass-Through Costs for such partial month as provided for under Section 1.1(j) above. Furthermore, Landlord may from time to time furnish Tenant with notice of a re-estimation of the amount of the Pass-Through Costs and Tenant shall commence paying its re-estimated Pass-Through Costs on the first day of the month following receipt of said notice. No later than April 1st of each calendar year after the first calendar year following the Commencement Date, Landlord shall submit to Tenant a statement setting forth the exact amount of the Pass-Through Costs for the calendar year just completed and the difference, if any, between the actual Pass-Through Costs for the calendar year just completed and the estimated amount of Pass-Through Costs which were paid for such year. Such statement shall also set forth the amount of the estimated Pass-Through Costs reimbursement for the new calendar year computed in accordance with the foregoing provisions. To the extent that the actual Pass-Through Costs for the period covered by such statement is higher than the estimated payments which Tenant previously paid during the calendar year just completed, Tenant shall pay to Landlord the difference within thirty (30) days following receipt of said statement from Landlord. To the extent that the actual Pass-Through Costs for the period covered by the applicable statement is less than the estimated payments which Tenant previously paid during the calendar year just completed, Landlord shall at its option either refund said amount to Tenant within thirty (30) days or credit the difference against Tenant's estimated reimbursement for such Pass-Through Costs for the current year. In addition, with respect to the monthly reimbursement, until Tenant receives such statement, Tenant's monthly reimbursement for the new calendar year shall continue to be paid at the then current rate, but Tenant shall commence payment to Landlord of the monthly installments of reimbursement on the basis of the statement

beginning on the first day of the month following the month in which Tenant receives such statement. Pass-Through Costs for calendar years commencing prior to or extending beyond the Lease Term shall be prorated to coincide with the corresponding Commencement Date or Expiration Date.

(b) Subdivision. If Landlord elects to affect a Subdivision pursuant to Section 3.4 above, Pass- Through Costs shall be allocated as provided for under Section 3.43.3(i) and (ii) above.

8.5 **Survival of Pass-Through Costs**. Tenant's obligation with respect to the Pass-Through Costs shall survive the expiration or early termination of this Lease and Landlord shall have the right to retain the Security Deposit (if any), or so much thereof as is necessary, to secure payment of the actual Pass-Through Costs for the portion of the final calendar year of the Lease Term during which Tenant was obligated to pay such expenses, with any portion of the Security Deposit due back to Tenant to be paid to Tenant within one hundred eighty (180) days after the final assessment of the Pass-Through Costs. If Tenant occupies the Premises for less than a full calendar year during the first or last calendar years of the Lease Term, the Pass-Through Costs for such partial year shall be calculated by proportionately reducing the Pass-Through Costs to reflect the number of months in such year during which Tenant occupied the Premises. Tenant shall pay the Pass-Through Costs within thirty (30) days following receipt of notice thereof.

8.6 **Due Dates for Rent; Late Charge**. The parties agree that each monthly installment of Base Rent and, unless otherwise elected by Landlord, Tenant's monthly payments for the Pass-Through Costs are payable on or before the first day of each calendar month. Any such payment of Rent which is not received on or before the first day of a particular calendar month shall be deemed past-due. The parties further agree that each annual adjustment payment from Tenant (such as the payments prescribed in Article VI and Section 8.3) is payable within thirty (30) days after receipt of Landlord's written statement requesting such payment from Tenant; and any such prescribed payment which is not so received shall be deemed past-due. All Rent shall be due and payable in advance, without demand, offset or deduction of any nature. In the event any Rent which is payable pursuant to this Lease is not actually received by Landlord within five (5) business days after notice from Landlord to Tenant that such payment is delinquent Tenant shall pay to Landlord a late charge in an amount equal to five percent (5%) of the past due Rent. Any such late charge shall be payable as Additional Rent under this Lease and shall be payable immediately upon written demand. .

8.7 **Rent Abatement**.

(a) Abated Rent Period. Tenant’s obligation to pay Base Rent shall be abated (the “Abated Rent”), commencing as of the Commencement Date and ending on and including the date that is twelve (12) months after the Commencement Date (the “Abated Rent Period”). Such abatement shall apply only to Base Rent payable under the Lease during the Abated Rent Period and shall not apply to Pass-Through Costs or any other Additional Rent. If the Commencement Date occurs on a date other than the first day of a calendar month, then the Abated Rent Period shall commence on the actual Commencement Date and continue through the date which is twelve (12) months thereafter in which case Tenant's obligation to pay Base Rent (subject to the Partial Abated Rent provisions of Section 8.7(b) below) shall commence as of such date and shall be prorated for the remainder of such partial month.

(b) Partial Abated Rent Period. Tenant’s obligation to pay Base Rent with respect to a portion of the area of the Premises equal to 19,980 square feet of the Rentable Area (the “Partial Abatement Area”) shall be abated (the “Partial Abated Rent”), commencing as of the day after the end of the Abated Rent Period and ending on and including the date that is twenty four (24) months after the Commencement Date (the “Partial Abated Rent Period”). Such abatement shall apply to only to Base Rent payable under the Lease during the Partial Abated Rent Period and shall not apply to Pass-Through Costs or any other Additional Rent. If the Commencement Date occurs on a date other than the first day of a calendar month Tenant's obligation to pay the portion of Base Rent abated during the Partial Abatement Period shall commence as of such date and shall be prorated for the remainder of such partial month.

(c) Default. If there is an Event of Default by Tenant and such Event of Default is not cured within the applicable notice and cure period, and Landlord exercises its right to terminate the Lease (or re-take possession of the Premises in lieu thereof), then the unamortized amount of Rent which would otherwise have been due and payable during the Abated Rent Period and the Partial Abated Rent Period shall immediately become due

and payable by Tenant as Additional Rent. In such case, the unamortized portion of the Abated Rent and Partial Abated Rent shall be calculated based on the full Rent payable during the Abated Rent Period and Partial Abated Rent Period amortized over the initial Lease Term. In such case, the payment by Tenant of all Abated Rent and Partial Abated Rent shall not limit or affect any of Landlord's other rights and remedies under this Lease, or at law or in equity.

(d) Payment in Lieu of Abatement Obligation. Landlord may, subject to and upon mutual agreement with Tenant in Tenant's discretion, satisfy all or a portion of its obligations for Abated Rent or Partial Abated Rent under this Section 8.7 (the "**Abatement Obligation**") by a lump sum payment to Tenant in lieu of the then-remaining Abatement Obligation in which case the Abatement Obligation will terminate, and Tenant will acknowledge in writing receipt of such payment and the termination of the Abatement Obligation.

ARTICLE IX

MAINTENANCE AND REPAIR OF PREMISES

9.1 **Maintenance by Landlord**. Except to the extent that (i) latent defects in the Premises (excluding defects related to the Tenant Work and excluding wear and tear) are discovered by Tenant and reported in writing to Landlord within the first thirty-six (36) months following the Commencement Date that were not capable of being identified prior to the Commencement Date, (ii) latent defects in the Premises (excluding defects related to the Tenant Work and excluding wear and tear) are discovered at any time during the Lease Term which materially and adversely impact Tenant's business operations or materially and adversely impact safety at the Premises, Landlord shall have no obligation whatsoever to maintain or repair the Building or any portion thereof throughout the Term of this Lease. Tenant waives the right to make repairs at Landlord's expense under any Applicable Laws except as specifically provided for under Section 21.9 below. Landlord shall keep all portions of the Premises excluding the Building in good, clean and habitable condition and in accordance with the requirements set forth in this Lease and shall make all needed repairs and replacements, to the portions of the Premises excluding the Building, including all parking areas, landscaping and landscaping equipment and exterior lighting and irrigation, subject to reimbursement through Operating Expenses.

9.2 **Maintenance by Tenant**. Tenant shall keep all portions of the Building in good, clean and habitable condition and in accordance with the requirements set forth in this Lease and shall at its sole cost and expense make all needed repairs and replacements to the Premises but specifically excluding those items Landlord has agreed to maintain under this Lease. Without limiting the coverage of the previous sentence, it is understood that Tenant's responsibilities therein include maintenance, repair and replacement of all of the following facilities and equipment, to the extent located within or upon the Premises: the non-structural elements of the Building including the roof membrane and all exterior walls and plate glass; all windows, doors and other exterior openings; dock bumpers, dock plates or levelers; office entries or store fronts; window and door frames, closure devices, locks and hardware; lighting, heating, air-conditioning, plumbing and other electrical, mechanical and electromotive equipment and fixtures; signs, placards and other advertising media of any type; and exterior and interior painting and other treatment of interior walls, all exterior areas of the Premises including, but not limited to, roof leaks resulting from any cause including, without limitation, from Tenant's installation, replacement or maintenance of air-conditioning equipment or any other roof penetration or placement); all lighting, heat air-conditioning and ventilation equipment, fire-protection and sprinkler systems, plumbing, exhaust systems, and other electrical, mechanical and electromotive installations, equipment and fixtures. In addition, Tenant's responsibilities shall also include all repairs of all ducts, conduits, pipes and wiring, and any sewer stoppage located in, under and above the Premises, regardless of when or how the defect or other cause for repair or replacement occurred or became apparent. If any repairs required to be made by Tenant hereunder are not made within thirty (30) days after written notice delivered to Tenant by Landlord (or less time, in the case of a situation which by its nature requires an immediate response or a response within less time), Landlord may at its option make such repairs without liability to Tenant for any loss or damage which may result to its stock or business by reason of such repairs. Promptly following completion of any work undertaken by Landlord pursuant to the terms of this Section 9.2, Landlord shall deliver a detailed invoice of the work completed, the materials used, and the costs relating thereto. Tenant shall reimburse Tenant for the reasonable out-of-pocket costs of such cure within thirty (30) days after receipt of such invoice and other supporting documentation as Additional Rent hereunder.

9.3 **HVAC Maintenance; Roof Maintenance**. Without limiting Tenant's obligations under this Article IX, Tenant shall be responsible for the cost of performing adequate monthly preventive maintenance on the hot water, heating, ventilation and air-conditioning equipment ("HVAC") for the Premises pursuant to maintenance

service contracts entered into by Tenant with a licensed or qualified HVAC contractor reasonably approved by Landlord in advance (the "HVAC Contractor") and a scope of services reasonably approved by Landlord. Executed copies of such service contracts must be delivered to Landlord within thirty (30) days after the Delivery Date. Without limiting the generality of the immediately preceding sentence, the following maintenance shall be performed at Tenant's expense: (a) the replacement of all filters in the HVAC system at least quarterly; (b) inspection of the entire heating, ventilation and air-conditioning equipment by the HVAC Contractor at least quarterly; and (c) cleaning and inspection of valves, belts, and safety controls by the HVAC Contractor at least quarterly.

ARTICLE X

ALTERATIONS

10.1 **Tenant's Alterations**. Tenant shall not make any alterations, additions or improvements to the Premises other than the Tenant Work ("Alterations") in excess of $50,000.00 at any one time or of a structural nature without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Whenever Tenant proposes to make any Alterations within the Premises, Tenant shall first furnish to Landlord plans and specifications in such detail as Landlord may request covering all such work, together with an identification of the contractor(s) whom Tenant plans to employ for the work. All such work shall be completed promptly, in a good and workmanlike manner and using only good grades of materials. Landlord may, at its election, monitor or engage a third party to monitor such work. Tenant shall reimburse Landlord for all reasonable documented out-of-pocket expenses incurred by Landlord (including, without limitation, any construction management or similar fees and related costs payable by Landlord to a third party engaged by Landlord to monitor such work) in connection with Landlord's review of Tenant's plans and other submissions as requested by Landlord and for monitoring such construction in connection with Alterations, provided that such costs shall not exceed $2,500.00 for each Alteration. Notwithstanding the rights accorded to Landlord pursuant to the immediately preceding sentences, Tenant acknowledges and agrees that Landlord's permission for Tenant to commence construction or monitoring of such work shall in no way constitute any representation or warranty by Landlord as to the adequacy or sufficiency of such plans and specifications, the improvements to which they relate, the capabilities of such contractors or the compliance of any such work with any Applicable Laws, codes or other requirements; instead, any such permission or monitoring shall merely be the consent of Landlord as required hereunder. Without limiting the generality of the preceding sentences in this Section 10.1, Tenant acknowledges and agrees that any installation or replacement of Tenant's HVAC equipment must be subject to such preceding sentences and must be effected in accordance with Landlord's reasonable instructions regarding same.

10.2 **Quality of Work by Tenant**. All Alterations made by Tenant within the Premises shall be performed in a good and workmanlike manner, lien-free and in compliance with all governmental, legal, and insurance requirements. Without limiting the generality of the foregoing, Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such Alterations, and Tenant shall, if requested by Landlord, furnish a bond or other security reasonably satisfactory to Landlord against any such loss, liability or damage.

10.3 **Lien Waivers; Insurance; Plans**. In the event Tenant uses a general contractor or other third party to perform Alterations within the Premises, Tenant shall, prior to the commencement of such work, require said general contractor or other third party to execute and deliver to Landlord a waiver and release of any and all claims against Landlord and liens against the Building and the Premises to which such contractor or other third party might at any time be entitled to assert a mechanic's lien claim in accordance with applicable law. The delivery of the applicable waiver and release of lien shall be a condition precedent to Tenant's ability to enter on and begin its Alterations at the Premises and if applicable, to any reimbursement from Landlord for such Alterations. Upon completion of the Alterations, Tenant shall deliver to Landlord final lien waivers from all contractors and suppliers. Landlord may post at the Premises such notices of non-responsibility as may be provided for under applicable law. With respect to the Tenant Work, Tenant shall provide to Landlord certificates of insurance for workers' compensation and other coverage as required under the Work Letter or in such amounts as Landlord may reasonably require to protect Landlord from liability for personal injury and property damage in connection with the Tenant Work. Tenant shall provide Landlord with as-built plans and specifications for all Alterations performed by Tenant.

10.4 **Removal of Alterations**. Landlord may impose, as a condition of its consent to any and all Alterations to 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, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term. If Tenant does not agree with Landlord's requirements, including any requirement to remove the Alterations, then Tenant shall have the right to modify or withdraw its request to make such Alterations.

10.5 **Trade Fixtures**. Tenant may, without Landlord's consent, at Tenant's sole cost, and in compliance with all Applicable Laws and codes, install equipment, racking and other trade fixtures in the ordinary course of its business, so long as such trade fixtures do not alter, overload or damage the Building and may be removed without causing any material damage to the Building. At the end of the Lease Term all such trade fixtures shall be removed at Tenant's cost and the Premises restored to its original condition at Tenant's expense, ordinary wear and tear excepted.

ARTICLE XI

LANDLORD'S RIGHT OF ACCESS

11.1 **Right of Entry**. Landlord shall have the right to enter upon the Premises upon at least twenty-four (24) hours' notice (unless in the event of an emergency, in which case prior notice is not required) for the purpose of inspecting the same, or of making repairs to the Premises, or of showing the Premises to prospective purchasers, lenders, (or tenants, within the last twelve (12) months of the Lease Term only) all without being deemed guilty of or liable for any breach of any covenant of quiet enjoyment or eviction of Tenant and without abatement of Rent. This Section 11.1, however, shall not be deemed to impose any obligation upon Landlord to enter the Premises, except if and to the extent that any such obligation may be specifically required pursuant to another express provision of this Lease. Tenant shall reasonably cooperate with Landlord in connection with any and all showings of the Premises to prospective tenants during the last twelve (12) months of the Lease Term. Provided such actions are consistent with applicable law, any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof, or grounds for any abatement or reduction of Rent. Notwithstanding anything to the contrary, Landlord acknowledges that all individuals accessing the Premises must comply with Tenant's security policies for visitors, including but not limited to Tenant's COVID protocols.

ARTICLE XII

SIGNS; EXTERIOR OF PREMISES

12.1 **Signs**.

(a) Monument Sign. Subject to the terms and conditions of this Section 12.1 and the REA, Landlord grants to Tenant Landlord's rights as a Major Lot Owner (as defined in the REA)to install signage panels on any of the "Shopping Center Signs" (as defined in the REA) (the "Monument Sign Right"), for the Lease Term bearing only Tenant's company name and/or logo (the "Monument Signage"). Tenant acknowledges and agrees (i) Landlord cannot guaranty that the owners of other lots in the property encumbered by the REA will construct or maintain a monument sign structure; and (ii) any monument sign structure located on the Premises shall be subject to terms in the REA related to the inclusion of other sign panels by other Major Lot Owners under the REA. Tenant shall be responsible for the costs associated with fabricating and installing Tenant's Monument Sign panels.

(b) Exterior Building Signs. Subject to the terms and conditions of this Section 12.1, the REA and Applicable Laws, Landlord grants to Tenant an exclusive right (the "Exterior Signs Right"), for the Lease Term, for the purpose of installing, operating, maintaining and repairing signs bearing only Tenant's company name and/or logo (collectively, the "Exterior Signage") on the Building's exterior but specifically excluding the roof of the Building in such size and type as allowable by Applicable Laws and authorities having jurisdiction.

(c) The Signage Rights; The Signage. The Monument Sign Right and the Exterior Sign Right are referred to herein, collectively, as the "Signage Rights". The Monument Signage and the Exterior Signage, together with the Monument Signage panel(s) and any equipment, conduits, cables and materials for the Exterior Signage to be located on any portion of the Exterior Signage Area (as defined below), are sometimes referred to herein, collectively, as the "Signage".

(d) The Signage Area. The actual location, size and design of the Exterior Signage shall be subject to Landlord's prior written approval, which approval shall not be unreasonably conditioned, delayed or

withheld. The portions of the Building upon which the Exterior Signage is or will be located are referred to herein collectively as the "Signage Area."

(e) Removal. Upon the expiration or earlier termination of the Lease Term, Tenant's Signage shall be removed by Tenant at its expense, using a contractor reasonably approved by Landlord, and Tenant shall restore the Signage Area to its prior condition, reasonable wear and tear excepted. If Tenant fails to timely restore the Signage Area, Tenant shall reimburse Landlord for the reasonable costs of repair of any damage to the Building caused by the removal of Tenant's Signage.

(f) Permits; Compliance with Laws. Prior to commencing the installation of Tenant's Signage, Tenant shall, at Tenant's sole cost and expense, obtain each and every permit and approval required in connection with Tenant's Signage, including approvals of any applicable governmental authority, and deliver said permits and approvals to Landlord. Landlord shall, at no cost to Landlord, use reasonable efforts to assist Tenant in obtaining the necessary permits and approvals for Tenant's Signage. Landlord makes no representations or warranties with respect to zoning or any other approvals. Tenant, at Tenant's sole cost and expense, agrees to keep, maintain and operate Tenant's Signage in accordance with all Applicable Laws or other requirements of any kind or nature of any governmental or quasi-governmental authority or the requirements of Landlord's insurance underwriters.

(g) Repair and Maintenance of Tenant's Signage. Tenant agrees that it shall keep and maintain Tenant's Signage in good condition and repair, at Tenant's sole cost and expense.

(h) Alterations. Except for Tenant's maintenance and repair obligations provided above, Tenant shall not make any alterations, improvements or additions to Tenant's Signage without the prior written consent of Landlord, which such consent shall not be unreasonably withheld.

(i) Electrical Costs. Tenant shall be solely responsible for and promptly pay all charges for the electricity consumed (if any) by the Exterior Signage.

(j) Restrictions on Penetrations. Notwithstanding anything in this Section 12.1 to the contrary, in no event may the Signage or the installation thereof penetrate the Building's roof or roof membrane.

12.2 **Exterior**. Tenant shall not, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion, (a) make any changes to the exterior of the Building or (b) except for the Exterior Signage, (i) install any exterior lighting, decorations, banners, placards, balloons, flags, awnings, canopies or the like or (ii) erect or install any signs, lettering, decorations or advertising media of any type which can be viewed from the exterior of the Building. All signs, lettering, placards, decorations and advertising media shall conform in all respects to any rules and regulations established under the Permitted Exceptions as well as all Applicable Laws, codes and regulations and any covenants affecting the Premises or the Building and shall be subject to Landlord's reasonable requirements as to construction, method of attachment, size, shape, height, lighting, color and general appearance. Any signs, window treatment, bars or other installations visible from outside the Building shall be removed by Tenant at the end of the Lease Term, at Tenant's sole cost, and Tenant shall restore the Premises to its original condition, ordinary wear and tear excepted.

ARTICLE XIII

UTILITIES

13.1 **Service to Premises**. From and after the Delivery Date, Tenant shall contract with all utility providers to arrange service to the Premises and shall provide to such utility providers access to the electric lines, feeders, risers, wiring and any other facilities within or servicing the Premises. Tenant shall promptly pay all charges and maintenance costs for electricity, water, gas (but only if provided by Landlord), telephone service, sewerage service, sprinkler service and other utilities or services furnished to the Premises plus all applicable deposits, surcharges, taxes, penalties or other costs related to such services. Tenant acknowledges and agrees that (a) the electrical power for lighting the parking areas within the Premises and illuminated signage within the Premises (but excluding such lighting and signage attached to the Building) will be powered by electricity from the Building's electrical service and paid for by Tenant; and (b) water for irrigation landscaping within the Premises will be provided through the water service to the Premises paid for by Tenant.

13.2 **Interruption of Service**. Landlord shall not be liable for any interruption whatsoever in utility services, whether or not furnished by Landlord, for any reason, including, without limitation, due to fire, accident,

strike, acts of God or other causes beyond the control of Landlord or which are necessary or useful in connection with making any alterations, repairs or improvements. None of such interruptions shall constitute an actual or constructive eviction, in whole or in part, nor shall any such interruption entitle Tenant to any abatement or diminution of Rent. Without limiting the generality of the foregoing, Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any failure, interference, disruption, or defect in the supply or character of the electric energy furnished to the Premises, or if the quantity or character of the electric energy supplied by any utility or service provider is no longer available or suitable for Tenant's requirement, and no such failure, defect, unavailability or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rent. Notwithstanding the foregoing, if such service interruption is the result of alterations made to the Land by Landlord or otherwise caused by the gross negligence or willful misconduct of Landlord and if such interruption renders the Premises unusable for Tenant's operations and if Landlord fails to cure such interruption within three (3) business days after notice from Tenant, then Tenant may abate Base Rent payable under this Lease on a per diem basis until the date Landlord cures such interruption of services.

ARTICLE XIV

INSURANCE COVERAGES

14.1 **Insurance by Landlord**. Landlord shall procure and maintain throughout the Lease Term, at a minimum, a policy or policies of insurance, at its sole cost and expense (but subject to Article VI above) (a) property insurance on the Premises (exclusive of foundations) including the Tenant Work but excluding Tenant's Property and any Alterations in an amount equal to the full replacement value of such property covering fire, vandalism, malicious mischief, extended coverage and so-called "special form" or special cause of loss property insurance; and (b) commercial general liability insurance against claims of bodily injury, personal injury and property damage arising out of Landlord's operation of the Premises in such amount as a prudent owner of similar property would carry or as otherwise required by any Superior Rights Holder. The foregoing insurance may be maintained in the form of a blanket policy covering the Building as well as other properties owned by Landlord and Landlord's affiliates.

14.2 **Insurance by Tenant**. Tenant shall maintain the following coverages in the following amounts. Landlord makes no representation or warranty to Tenant that the amount of insurance required to be carried by Tenant under the terms of this Lease is adequate to fully protect Tenant's interests. Tenant is encouraged to evaluate its insurance needs and obtain whatever additional types or amounts of insurance that it may deem desirable or appropriate.

(a) 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 (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements under this Lease, and including products and completed operations coverage, for limits of liability on a per location basis of not less than:

Bodily Injury and Property Damage Liability	$5,000,000 each occurrence $5,000,000 annual aggregate
Personal Injury Liability	$5,000,000 each occurrence $5,000,000 annual aggregate 0% Insured's participation

(b) Property Insurance covering (i) all office furniture, business and trade fixtures, equipment, free-standing cabinet work, movable partitions, merchandise and all other items of personal property related or arising out of Tenant's leasehold estate hereunder, which may be in or upon the Premises or the Building (collectively, "Tenant's Property"), and (ii) all Alterations to the Premises. Such insurance shall be written on a special cause of loss property insurance form, for the full replacement cost value new without deduction for

depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, fire, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion.

(c) business interruption insurance in such amount as will reimburse Tenant for actual direct or indirect sustained loss of earnings attributable to all perils insured against in Section 14.2(b) above for a period of not less than twelve (12) months.

(d) worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the state where the Premises is located, together with employer's liability insurance in an amount not less than $1,000,000.00 each accident, $1,000,000.00 disease policy limit, and $1,000,000.00 disease each employee; the full limits of insurance are to apply per location; and

(e) pollution legal liability insurance applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims; all in connection with any loss arising from the insured premises in an amount not less than $5,000,000 each occurrence and aggregate, and if coverage is written on a claims-made basis, Tenant warrants that any retroactive date applicable to coverage under the policy precedes the Effective Date; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of five (5) years after the expiration of the Lease Term; and

(f) automobile liability insurance covering all owned, nonowned, and hired vehicles with a $1,000,000 per accident limit for bodily injury and property damage;

(g) during any period when construction work is being done in or on the Premises, such additional insurance as Landlord may reasonably require pursuant to Article X of this Lease; and

(h) 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 or a Superior Rights Holder, 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 Building.

If the operations of Tenant should change in a material manner from those conducted on the Commencement Date and in the opinion of Landlord or Landlord's insurance advisor, the amount or scope of such coverage is reasonably deemed inadequate at any time during the Lease Term, Tenant shall increase such coverage to such reasonable amounts or scope as Landlord or Landlord's advisor deems adequate. All insurance procured and maintained by Tenant shall be written by insurance companies satisfactory to Landlord which are licensed to do business in the state in which the Premises is located with a general policyholder's rating of not less than A and a financial rating of not less than Class VIII, as rated in the most current edition of Best's Key Rating Guide. With respect to the insurance prescribed in subsections (a), (e) and (f) above, Landlord, any Superior Rights Holders and property manager and any other parties identified by Landlord in writing together with their respective agents, members, partners, employees, offices, directors, and shareholders shall be named as additional insureds under all insurance maintained by Tenant, and Tenant shall obtain waivers of subrogation in favor of Landlord as its interests may appear, as specified in Section 15.3 below; moreover, Tenant shall notify Landlord at least thirty (30) days prior to cancellation of such insurance. Tenant shall provide Landlord with an original Certificate of Insurance demonstrating that the insurance required by this Lease was purchased and is in effect. Tenant shall also provide Landlord with a copy of the Additional Insured, Waiver of Subrogation and Primary and Noncontributory endorsements or such other policy language demonstrating that the insurance policies comply with this Lease. If Tenant should fail to comply with the foregoing requirements relating to insurance, Landlord may obtain such insurance and Tenant shall pay to Landlord on demand as Additional Rent hereunder the premium cost thereof plus interest as provided in Section 21.2(a). Tenant hereby acknowledges and agrees that any such payment and interest shall be payable immediately on demand as Additional Rent and that the same are cumulative with, and do not supersede or reduce in any way, Landlord's rights as specified in Article XXI of this Lease. Landlord makes no representation or warranty to Tenant that the amount of insurance required to be carried by Tenant under this Lease is adequate to fully protect Tenant’s interests or cover Tenant’s obligations.

ARTICLE XV

WAIVER OF LIABILITY; MUTUAL WAIVER OF SUBROGATION

15.1 **Non-Liability of Landlord**. Landlord and Landlord's agents and employees shall not be liable to Tenant or to Tenant's employees, subtenants, concessionaires, agents, invitees, or visitors, or to any other person whomsoever, for any injury to person or damage to property caused by the Premises becoming out of repair, or by defect or failure of any structural element of the Premises or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, nor shall Landlord be liable to Tenant, or to Tenant's employees, subtenants, concessionaires, agents, invitees, or visitors, or to any other person whomsoever, for any loss or damage that may be occasioned by or through the acts or omissions of any other persons whomsoever unless same were (i) a result of the Landlord Work, or (ii) caused by Landlord's gross negligence or intentional misconduct. Landlord shall not be held responsible in any way on account of any construction, repair or reconstruction (including widening) of any private or public roadways, walkways or utility lines. This Section 15.1 shall survive the expiration or earlier termination of this Lease.

15.2 **Indemnity by Tenant**. Landlord shall not be liable to Tenant or to Tenant's employees, agents, or visitors, or to any other person whomsoever, for any injury to person or damage to property on or about the Premises caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees or concessionaires, or of any other person entering the Premises under express or implied invitation of Tenant, or arising out of the use of the Premises by Tenant and the conduct of its business therein, or arising out of any breach or default by Tenant in the performance of its obligations under this Lease; and Tenant hereby agrees to indemnify Landlord and its partners, members, affiliates and subsidiaries, and all of their respective officers, trustees, directors, employees, stockholders, partners, representatives, servants, insurers, and agents and Landlord's designated property management company (collectively, the "Landlord Indemnitees") and hold each of the Landlord Indemnitees harmless from any loss, expense, cost, damage, or claim arising out of such damage or injury. Except for the gross negligence or willful misconduct of Landlord, its agents, employees or contractors, and to the extent permitted by Applicable Laws, Tenant agrees to indemnify, defend and hold harmless the Landlord Indemnitees from and against any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and costs) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Premises and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors or agents. Landlord shall in no event be liable to Tenant or any other person for any consequential damages, special or punitive damages, or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Notwithstanding anything to the contrary contained in this Section 15.2, all property of Tenant and its contractors, employees, customers and invitees, kept or stored on the Premises, whether leased or owned by any such parties, shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers. Landlord or its agents shall not be liable for interference with light or other intangible rights. The furnishing by Tenant of the insurance required under this Lease shall not be deemed to limit Tenant's obligations under this Section 15.2. This Section 15.2 shall survive the expiration or earlier termination of this Lease.

15.3 **Waiver of Claims; Waiver of Subrogation**. Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property or business interruption 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 that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor. The release and waiver specified in this Section 15.3 is cumulative with any releases or exculpations which may be contained in other provisions of this Lease.

ARTICLE XVI

DAMAGES BY CASUALTY

16.1 **Repair of Damage to Premises by Landlord**.

(a) Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty ("Casualty"). If the Premises shall be damaged by Casualty, then unless this Lease is terminated in accordance with Section 16.2 below, Landlord shall promptly and diligently, subject to all other terms of this Article XVI, restore the Premises, excluding Tenant's Property and Alterations. Such restoration shall be to substantially the same condition prior to the Casualty, except for modifications required by zoning and building codes and other laws or by any Superior Rights Holder or any other modifications to the Premises outside of the Building deemed desirable by Landlord, which are consistent with the character of the Premises, provided that access to the Premises shall not be materially impaired by such modifications. Tenant shall cooperate with Landlord in such manner as Landlord may reasonably request, at no cost to Tenant, to assist Landlord in collecting insurance proceeds due in connection with any Casualty which affects the Premises, including providing requested information within ten (10) days after request. Landlord's obligations under this Section 16.1(a) are subject to delays caused by any Tenant Parties (as defined in Section 5.1(e) above), Force Majeure, rights of Superior Rights Holders, Applicable Laws then-in- existence, delays for adjustment of insurance proceeds, and delays arising from the time needed for Tenant to obtain any license, clearance or other authorization of any kind required for Landlord to enter into and restore the Premises issued by any governmental authority to the extent necessary as a result of the use of Hazardous Materials in, on or about the Premises (collectively referred to herein as "Hazardous Materials Clearances"). Tenant shall use diligent good faith efforts to obtain any and all Hazardous Materials Clearances as soon as reasonably possible.

(b) Upon completion of restoration bv Landlord as set forth in Section 16.1(a), Tenant shall, at its sole cost and expense, repair any injury or damage to Tenant's Property and any Alterations (the "Tenant's Scope") and shall return the same to their original condition. Prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto. Under no circumstances shall Landlord be required to repair any damage to any part of the Tenant's Scope, or make any repairs to or replacements of, the Tenant's Scope. 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.

16.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 16.1 above, Landlord may elect not to rebuild and/or restore the Premises and instead terminate this Lease, by notifying Tenant in writing of such termination 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 shall be damaged by Casualty and one or more of the following conditions is present: (a) in Landlord's reasonable judgment, repairs cannot reasonably be completed within twelve (12) months after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) a Superior Rights Holder shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage is not fully covered by the insurance policies required to be maintained by Landlord hereunder; or (iv) the damage occurs during the last twelve (12) months of the Lease Term (and Tenant does not, within thirty (30) days after such Casualty, elect to exercise its option to extend the Lease Term pursuant to its Renewal Option, if any such option then remains); 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 twelve (12) months after being commenced and as a result of the damage, Tenant cannot reasonably, and does not, conduct business from the Premises, 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.

16.3 **Abatement**. In the event of any Casualty affecting the Premises, Base Rent and Tenant's regular monthly payments of Additional Rent shall be equitably abated for the period from the date of such Casualty until the earlier of (a) the date Tenant reoccupies any portion of the Premises for the conduct of its business (in which case the Base Rent and Additional Rent allocable to such reoccupied portion shall be payable by Tenant from the date of such occupancy), and (b) the date that Landlord provides written notice to Tenant that Landlord has substantially completed Landlord's restoration of the Premises excluding Tenant's Scope.

ARTICLE XVII

EMINENT DOMAIN

17.1 **Termination for Taking of Premises**. In the event that the whole or any part of the Premises is taken or condemned by any competent authority for any public use or purpose (including a deed given in lieu of condemnation) ("Taken" and each occurrence, a "Taking") and the Building is thereby rendered untenantable, this Lease shall terminate as of the date title vests in such authority, and Base Rent and Additional Rent shall be apportioned as of such date. Notwithstanding anything to the contrary herein set forth, in the event the Taking is temporary (for less than the remaining Lease Term), Landlord may elect to either (a) terminate this Lease or (ii) permit Tenant to receive the entire award attributable to the Premises in which case Tenant shall continue to pay Rent and this Lease shall not terminate.

17.2 **Adjustment for Partial Taking of Premises** In the event a part of the Premises is Taken, and this Lease is not terminated, this Lease shall be amended to reduce the Base Rent to reflect any reduction in the Rentable Area of the Building as a result of such Taking. Landlord, upon receipt and to the extent of the award in condemnation (or proceeds of sale) shall make necessary repairs and restorations to the Building to the extent necessary to cause the remaining portions of the Building to be an architectural whole.

17.3 **Condemnation Awards**. All compensation awarded for any Taking (or the proceeds of sale) of the Premises shall be the sole property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for Tenant's moving and relocation expenses or for the loss of Tenant's fixtures and other tangible personal property if a separate award for such items is made to Tenant, as long as such separate award does not reduce the amount of the award that would otherwise be awarded to Landlord.

ARTICLE XVIII

ASSIGNMENT AND SUBLETTING

18.1 **Prohibition**.

(a) Without the prior written consent of Landlord, Tenant shall not, either involuntarily or voluntarily or by operation of law or otherwise, assign, mortgage, pledge, hypothecate, encumber or permit any lien to attach to, or transfer this Lease or any interest herein, or sublet the Premises or any part thereof, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees (each a "Transfer" and any person or entity to whom a Transfer is made or sought to be made is referred to herein as a "Transferee"). Notwithstanding anything to the contrary herein, Tenant shall not be entitled to transfer any part of the Premises other than the Building, provided, however that a Transfer may include the use of parking and access over portions of the Premises consistent with this Lease. Any Transfer in violation of the provisions of this Article XVIII shall be void and, at Landlord's option, shall constitute an Event of Default. For purposes of this Lease, the term "Transfer" shall also include (A) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, members or managers thereof, or transfer of twenty-five percent (25%) or more of partnership or membership interests therein within a twelve (12)month period, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (B) if Tenant is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, (1) the dissolution, merger, consolidation or other reorganization of Tenant, the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares or other interests of or in Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)month period, or (2) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12)month period.

(b) If Tenant desires to transfer this Lease or any interest herein, then prior to the effective date of the proposed Transfer, Tenant shall submit to Landlord a written request (a "Transfer Notice") for Landlord's consent, which notice shall include: (i) the name and address of the proposed Transferee; (ii) current financial statements of the proposed Transferee, partner or owner thereof, and any other information and materials (including, without limitation, credit reports, business plans, operating history, bank and character references) required by Landlord to assist Landlord in reviewing the financial responsibility, character, and reputation of the proposed Transferee unless such entity or entities are publicly traded; (iii) the nature of such Transferee's business

and proposed use of the Premises; (iv) the proposed effective date of the Transfer; (v) a description of the portion of the Premises subject to the proposed Transfer; and (vi) all of the principal terms of the proposed Transfer. Landlord shall approve or reject any proposed Transfer within ten (10) business days after Landlord's receipt of the Transfer Notice and failure to approve or reject within such time period shall be deemed approval. Any rejection by Landlord of a proposed Transfer shall specify in writing the reasons for the rejection.

(c) Landlord's consent to any proposed Transfer shall not be unreasonably withheld; provided, however, that in addition to any other grounds available hereunder or under Applicable Laws for properly withholding consent to such proposed Transfer, and without limiting Landlord's reasonable discretion, Landlord's consent with respect thereto shall be deemed reasonably withheld if in Landlord's good faith judgment: (i) in the case of an assignment, but not a sublease, the proposed Transferee does not have the financial strength (taking into account all of the Transferee's other actual or potential obligations and liabilities) to perform its obligations with respect to the proposed Transfer; (ii) the business and operations of the proposed Transferee are not consistent with the Permitted Use; (iii) the proposed Transferee intends to use any part of the Premises for a purpose not permitted under this Lease; (iv) the proposed Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building as evidenced by the parameters consistently applied in Landlord's direct leasing activities; (v) the use of the Premises or the Building by the proposed Transferee would, in Landlord's judgment, increase security risk, or would require any alterations to the Building to comply with Applicable Laws; (vi) any Superior Rights Holder whose consent to such Transfer is required fails to consent thereto; (vii) at the time Tenant delivers the Transfer Notice, there is then in effect an Event of Default; (viii) the terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar rights held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right); (ix) the proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party; (x) the proposed Transferee has the power of eminent domain, is a governmental agency or an agency or subdivision of a foreign government; or (xi) the proposed Transferee is or has been involved in litigation with Landlord or any of its affiliates. With respect to each Transfer proposed to be consummated by Tenant, whether or not Landlord shall grant consent, Tenant shall pay all of Landlord's review and processing fees, and costs, as well as any actual out-of-pocket professional, attorneys', accountants', engineers' or other consultants' fees incurred by Landlord relating to such proposed Transfer in an amount not to exceed $3,000 in each instance.

18.2 **Recapture Right**. Notwithstanding anything to the contrary contained in this Article XVIII, in the event Tenant contemplates a Transfer of the entire Building for substantially the remainder of the Lease Term (excluding an assignment pursuant to a Permitted Transfer as defined in Section 18.3 below), Landlord shall have the option, by giving written notice to Tenant within ten (10) days after receipt of any Transfer Notice, to recapture the entirety of the Premises; provided, however, if Landlord elects to recapture the Premises, Tenant may elect to withdraw its Transfer Notice by written notice to Landlord within ten (10) days of Landlord's election. Such recapture, if not withdrawn by Tenant pursuant to the immediately preceding sentence, shall cancel and terminate this Lease with respect to such space as of the proposed effective date of the Transfer.

18.3 **Permitted Transfer**. Notwithstanding anything to the contrary contained in this Article XVIII, Tenant shall have the right, without the prior written consent of Landlord, to (a) assign this Lease to an Affiliate (as defined below), to an entity created by merger, reorganization or recapitalization of or with Tenant, or to a purchaser of all or substantially all of Tenant's assets or (b) to sublease the Premises or any part thereof to an Affiliate (each, a "Permitted Transfer"); provided, however, that (i) such Permitted Transfer is for a valid business purpose and not to avoid any obligations under this Lease, (ii) the Transferee is publicly traded and shall have, immediately after giving effect to such assignment, a Comparable Financial Status (as defined below), (iii) no later than twenty (20) days prior to the effective date of the Permitted Transfer, Tenant shall give notice to Landlord, which notice shall include the full name and address of the Transferee, and a copy of all agreements executed between Tenant and the Transferee with respect to the Premises or part thereof, as may be the case, (iv) no later than fifteen (15) days after the effective date of the Permitted Transfer, the assignee or sublessee shall provide the documentation required pursuant to Section 18.1(b) above, and (v) within ten (10) days after Landlord's written request, provide such reasonable documents or information which Landlord reasonably requests for the purpose of substantiating whether or not the Permitted Transfer is to an Affiliate or is otherwise in accordance with the terms and conditions of this Section. As used herein, "Affiliate" shall mean any Person (as defined below) which is currently owned or Controlled by, owns or Controls, or is under common ownership or Control with Tenant. For purposes of this definition, the word "Control," as used above means, with respect to a Person that is a corporation, the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the

shares of the Controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power at all times to direct or cause the direction of the management and policies of the Controlled Person. The term "Comparable Financial Status" shall mean a market capitalization equal to 90% of the initial Tenant's market capitalization as of the Effective Date. The word "Person" means an individual, partnership, trust, corporation, firm or other entity. Tenant shall not have the right to perform a Permitted Transfer, if, as of the date of the effective date of the Permitted Transfer, an Event of Default is then continuing.

18.4 **Assumption by Assignee**. Any assignee or sublessee of an interest in and to this Lease shall be deemed, by acceptance of such assignment or sublease or by taking actual or constructive possession of all or any portion of the Premises, to have assumed all of the obligations set forth in or arising under this Lease. Such assumption shall be effective as of the earlier of the date of such assignment or sublease or the date on which the assignee or sublessee obtains possession of all or any portion of the Premises; however, with specific regard to any assignment, the assignee shall be responsible for all unsatisfied obligations of Tenant under this Lease, regardless of when such obligations arose and when such assumption became effective.

18.5 **Tenant Remains Liable; Excess Rent**. Notwithstanding any assignment or subletting, Tenant shall at all times remain fully responsible and liable for the payment of the Rent herein specified and for compliance with all of Tenant's other obligations under this Lease (even if future assignments and sublettings occur subsequent to the assignment or subletting by Tenant, and regardless of whether or not Landlord's approval has been obtained for such future assignments and sublettings). Moreover, in the event that the Rental due and payable by a sublessee (or a combination of the rental payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the Rent payable under this Lease, or if with respect to a permitted assignment or sublease, permitted license or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, sublessee, licensee or other transferee exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord fifty percent (50%) of such excess rental and other excess consideration (after deduction of all customary transaction costs, including but not limited to, brokerage fees, legal fees, free rent and any subtenant improvement expenses) within ten (10) days following receipt thereof by Tenant from such sublessee, assignee, licensee or other transferee, as the case may be.

18.6 **No Encumbrances**. Tenant shall not mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise encumber its interest in this Lease or in the Premises.

18.7 **Transfer by Landlord**. In the event of the transfer and assignment by Landlord of its interest in this Lease and in the Building to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor-in- interest of the Landlord for performance of such obligations. In addition, as described more fully in Section 24.3 of this Lease, any Security Deposit given by Tenant to secure performance of Tenant's obligations hereunder shall be assigned and transferred by Landlord to such successor-in-interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

ARTICLE XIX

SUBORDINATION; ATTORNMENT; ESTOPPELS

19.1 **Subordination**. Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust, ground lease or other lien presently existing or hereafter placed upon the Building or any portion of the Premises, and to any renewals and extensions thereof (collectively, "Superior Rights" and the holder of any such rights a "Superior Rights Holder"). Tenant agrees that any Superior Rights Holder shall have no duty, liability or obligation to perform any of the obligations of Landlord under this Lease and shall have the right at any time to subordinate its mortgage, deed of trust, ground lease or other lien to this Lease; provided, however, notwithstanding that this Lease may be (or may become) superior to a Superior Rights Holder, the Superior Rights Holder shall not be liable for prepaid rentals, security deposits and claims accruing during Landlord's ownership; and further provided that the provisions of a mortgage, deed of trust, ground lease or other lien relative to the rights of the mortgagee with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by Landlord) and provisions relative to proceeds arising from insurance payable by reason of damage to or destruction of the Premises shall be prior and superior to any contrary provisions contained in this Lease with respect to the payment or usage thereof. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any Superior Rights hereafter placed upon the Premises. The foregoing agreements shall be effective without the execution of any further documents, provided, however, that Tenant hereby agrees upon demand to execute such

further instruments subordinating this Lease as Landlord or a Superior Rights Holder may request, including, without limitation, such Superior Rights Holder's standard form of subordination, non-disturbance and attornment agreement. Landlord shall use commercially reasonable efforts to obtain from any such Superior Rights Holder a written agreement that after a foreclosure (or a deed in lieu of foreclosure) the rights of Tenant shall remain in full force and effect during the term of this Lease so long as Tenant shall continue to recognize and timely perform all of the covenants and conditions of this Lease. Tenant shall recognize as its landlord and attorn to any person succeeding to Landlord under this Lease upon any foreclosure or deed in lieu of foreclosure by Landlord's mortgagee at the election of such mortgagee or successor-in-interest. Upon request of such mortgagee or successor-in-interest, Tenant shall execute and deliver an instrument or instruments confirming its attornment; provided, however, that any successor-in-interest will not be (i) bound by payment of rent for more than one month in advance (except as otherwise required under this Lease), (ii) bound by any amendment or modification to this Lease which was subject to approval by such mortgagee or successor- in-interest pursuant to such mortgagee's agreements with Landlord, if such amendment or modification to this Lease was in fact made without the consent of the mortgagee, (iii) liable for any security deposit not actually received by such mortgagee or successor-in-interest (provided, that if Landlord has not transferred the Security Deposit to such successor-in-interest, then Tenant may look to Landlord for return of the Security Deposit even if Landlord is no longer the landlord under this Lease), or (iv) liable for or subject to claims or offsets accruing during Landlord's ownership or previous acts or omissions of Landlord.

19.2 **Notice to Holder**. At any time when the holder of an outstanding Superior Right (or Landlord) has given Tenant written notice of such Superior Rights Holder's interest in this Lease and the contact information for such Superior Rights Holder, Tenant may not exercise any remedies for default by Landlord hereunder unless and until such Superior Rights Holder shall have received written notice of such default and a reasonable time (not less than thirty (30) days) shall thereafter have elapsed without the default having been cured.

19.3 **Estoppel Certificate**. Landlord and Tenant agree that they will, within ten (10) business days following request by the other party, execute and deliver to the other party a written statement (an "Estoppel Certificate") addressed to the other party, (and/or parties designated by the other party), which statement shall identify Landlord, Tenant and this Lease, shall certify that this 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 so modified), shall confirm that Landlord or Tenant, as applicable, is not in default as to any obligations under this Lease (or if there is a default, specifying any default), shall state the dates to which the rent and other changes have been paid in advance, if any, and shall contain such other information or confirmations as Landlord or Tenant, as applicable, may reasonably require. If a party fails to do so within thirty (30) business days after the delivery of a written request from the other party, then such failure shall be a default under the Lease and the non-defaulting party will have all rights and remedies accorded to it pursuant to Article XIXI of this Lease.

19.4 **Financial Information**. If Landlord desires to finance, refinance, or sell the Building, the Premises, or any part thereof, Tenant shall deliver to any potential lender or purchaser designated by Landlord such financial statements as may be reasonably required by such lender or purchaser. The forgoing shall not apply to Tenant if Tenant is a publicly held entity.

ARTICLE XX

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

20.1 **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.

20.2 **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 XX, peaceably quit and surrender possession of the Premises to Landlord broom clean and otherwise in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear, repairs which are specifically made the responsibility of Landlord hereunder, and damage due to a Casualty

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 all items of furniture, equipment, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, and all Alterations designated by Landlord for removal in accordance with Section 10.4 above, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from the installation thereof and/or from such removal. Notwithstanding anything to the contrary contained herein, Tenant shall, at its sole cost and expense, remove from the Premises, prior to the end of the Term, any item installed by or for Tenant and which, pursuant to Applicable Laws, must be removed therefrom before the Premises may be used by a subsequent tenant. If Tenant fails to remove any property from the Building or the Premises which Tenant is obligated by the terms of this Lease to remove within ten (10) days after written notice from Landlord, all or any of such property (the "Abandoned Property") shall, at Landlord's option be conclusively deemed to have been abandoned and may either be retained by Landlord as its property or sold or otherwise disposed of in such manner as Landlord may see fit. If any item of Abandoned Property shall be sold, Tenant hereby agrees that Landlord may receive and retain the proceeds of such sale and apply the same, at its option, to the expenses of the sale, the cost of moving and storage, any damages to which Landlord may be entitled hereunder or pursuant to law, and to any arrears of Rent.

20.3 **Decommissioning; Surrender Plan**.

(a) Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, acid neutralization systems and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or released or been contacted by any Hazardous Materials or other chemical or biological materials used in the operation of the Premises, and shall otherwise clean the Premises so as to permit the Surrender Plan (defined below) to be issued.

(b) At least sixty (60) days prior to the expiration of the Lease Term (or, if applicable, within ten (10) business days after any earlier termination of this Lease), Tenant shall deliver to Landlord a narrative description prepared by a competent and experienced third-party environmental engineer or engineering firm reasonably satisfactory to Landlord of the actions proposed (or required by any Applicable Laws) to be taken by Tenant in order to render the Premises (including floors, walls, ceilings, counters, equipment, piping, supply lines, waste lines and plumbing in or serving the Premises and all exhaust or other ductwork in or serving the Premises) free of Hazardous Materials and otherwise released for unrestricted use and occupancy (the "Surrender Plan"). The Surrender Plan shall be prepared so that, following its implementation, all exhaust and other duct work in the Premises may be reused by a subsequent tenant or disposed of in conformance with all applicable Environmental Laws without incurring special costs on account of any Hazardous Materials or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of such Hazardous Materials or needing to give notice in connection with such Hazardous Materials. The Surrender Plan (i) shall be accompanied by a current list of (A) all local, state and federal licenses, registrations, permits and approvals held by or on behalf of any Tenant Party with respect to Hazardous Materials in, on, under, at or about the Premises, and (B) Tenant's Hazardous Materials, and (ii) shall be subject to the reasonable approval of Landlord's environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall reasonably request.

(c) On or before the expiration of the Lease Term (or within thirty (30) days after any earlier termination of this Lease, during which period Tenant's use and occupancy of the Premises shall be governed by Article XXII below), Tenant shall (i) perform or cause to be performed all actions described in the approved Surrender Plan, and (ii) deliver to Landlord a certification from a third party certified industrial hygienist reasonably acceptable to Landlord certifying that the Premises do not contain any Hazardous Materials and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor reasonably acceptable to Landlord (the "Decommissioning Closure Report"), and the Decommissioning Closure Report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run, and the analytic results. Landlord shall have the right to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the expiration of the Lease Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Materials and otherwise available for unrestricted use and

occupancy as aforesaid. Landlord shall have the right to deliver the Surrender Plan, the Decommissioning Closure Report and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties with a need to know the contents thereof. Such third parties and the Landlord Parties shall be entitled to rely on the Decommissioning Closure Report.

(d) If Tenant shall fail to prepare a Surrender Plan or submit a Decommissioning Closure Report based on the Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address the use of Hazardous Materials by any of the Tenant Parties in, on, at, under or about the Premises, (i) Landlord shall have the right to take any such actions as Landlord may deem reasonable or appropriate to ensure that the Premises are surrendered in the condition required hereunder ("Landlord's Actions"); and (ii) if the Lease Term shall have ended, or the Lease shall have been terminated, and Tenant remains in possession of the Premises, nothing herein shall limit Landlord from utilizing all legal remedies to regain possession of the Premises. If Tenant has vacated the Premises before delivering the Decommissioning Closure Report, then unless and until Landlord elects to take Landlord's Actions, Landlord will work with Tenant to provide Tenant with reasonable access to the Premises to effectuate the Surrender Plan and Tenant shall be deemed to be a holdover tenant subject to the provisions of Section 16 below until the date on which Tenant delivers the Decommissioning Closure Report (in the form required hereunder) to Landlord. Tenant's obligations under this Section 20.3 shall survive the expiration or earlier termination of this Lease.

20.4 **Condition of the Building and Premises Upon Surrender**. In addition to the above requirements of this Article XX, upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall surrender the Premises and Building such that the same are in compliance with all Applicable Laws and 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 hereunder. In the event that the Building and Premises shall be surrendered in a condition which does not comply with the terms of this Article XX because Tenant failed to comply with its obligations set forth in Lease, then 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 immediately reimburse Landlord for all such costs upon notice.

ARTICLE XXI

DEFAULT BY TENANT AND REMEDIES

21.1 **Events of Default**. The following events shall be deemed to be events of default (each, a "default" or "Event of Default") by Tenant under this Lease:

(a) Tenant shall fail to pay any installment of Rent or any other obligation under this Lease involving the payment of money and such failure shall continue for a period of five (5) business days after written notice thereof to Tenant (each a "Monetary Default"); provided, however, that if during the immediately preceding twelve (12) month period Landlord has already given Tenant two (2) written notices of Tenant's failure to pay an installment of Rent, no notice shall be required for a Rent delinquency to become an Event of Default (i.e., the Event of Default will automatically occur on the sixth (6th) business day after the date upon which the Rent becomes due). In addition, if Tenant fails to pay any Rent when due more than three (3) times during any twelve- (12)month period, Landlord may, in its sole and absolute discretion, demand in writing that Tenant pay, and Tenant shall thereafter pay, all future Rent by cashier's check or certified funds.

(b) Tenant shall fail to comply with any material provision, term, condition or covenant of this Lease, other than as described in subsection (a) above and shall not cure such failure within thirty (30) days after written notice thereof to Tenant, or if such default cannot reasonably be cured within thirty (30) days then Tenant shall not be in default so long as it has commenced to cure within thirty (30) days and diligently prosecutes same to completion.

(c) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(d) Tenant shall file a petition under any section or chapter of the federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant.

(e) A receiver or trustee shall be appointed for the Premises or for all or substantially all of the

assets of Tenant on the Premises or an attachment or other judicial seizure shall have occurred for the Premises or all or substantially all of Tenant's assets on the Premises.

(f) Tenant shall desert or abandon the Premises at any time prior to the last month of the Lease Term.

(g) Tenant shall do or permit to be done anything which creates a lien upon the Premises, which lien is not released within fifteen (15) days of the filing thereof.

(h) Tenant shall fail to maintain insurance as required under this Lease.

21.2 **Landlord's Remedies**. Upon the occurrence of any such Events of Default, then in addition to the remedies available to Landlord under the other provisions of this Lease and all Applicable Laws, Landlord shall also have the option to pursue any one or more of the following remedies. Landlord's election of any one remedy under this Section 21.2 shall in no way prejudice Landlord's right at any time thereafter to exercise any other remedy.

(a) Rent and Penalties. Tenant shall be obligated pay to Landlord all unpaid Rent that has accrued as of the date the Event of Default occurs and to reimburse Landlord for the damages proved by Landlord to have been suffered as a result of the Event of Default.

(b) Tenant Liens. Landlord may take any one or more of the actions permissible at law to ensure performance by Tenant of Tenant's covenants and obligations under this Lease. It is agreed that in the event of any default described in subsection (g) of Section 21.1 of this Lease, Landlord may pay or bond around such lien, whether or not contested by Tenant; and in such event Tenant agrees to reimburse Landlord on demand for all reasonable costs and expenses incurred in connection with any such action, with Tenant further agreeing that Landlord shall in no event be liable for any damages or claims resulting from such action.

(c) Landlord's Re-Entry Without Termination. Landlord may 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 of the Premises by due process of law. Such expulsion and removal by Landlord cannot be deemed a termination or forfeiture of this Lease or acceptance of Tenant's surrender of the Premises unless Landlord expressly notifies Tenant in writing that Landlord is terminating or forfeiting this Lease or accepting Tenant's surrender of the Premises. Until Landlord is able, through commercially reasonable efforts, to relet the Premises, Tenant must pay to Landlord, on or before the first day of each calendar month, in advance, the monthly Rent and other charges provided in this Lease. At such time, if any, as Landlord relets the Premises, Tenant must pay to Landlord on the twentieth (20th) day of each calendar month the difference between the monthly Rent and other charges provided in this Lease for such calendar month and the amount actually collected by Landlord for such month from the occupant to whom Landlord has relet the Premises. If it is necessary for Landlord to bring suit in order to collect any deficiency, Landlord has the right to allow such deficiencies to accumulate for a period of no more than one (1) year and to bring an action on several or all of the accrued deficiencies at one time. Any such suit cannot prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies.

(d) Landlord's Right to Terminate. Landlord may 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 the detriment caused by Tenant’s failure to perform its obligations under this Lease, specifically including but

not limited to, brokerage commissions and advertising expenses incurred and expenses of repairing the Premises or any portion thereof for 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 21.2 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, and shall be calculated on the assumption that all Additional Rent would have increased at the rate of three percent (3%) per annum. As used in Sections 21.2(d)(i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Section 8.6 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 21.2(d)(iii) 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%).

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Lease Term would have expired if it had not been terminated hereunder.

(e) Landlord's Right to Perform. Except as specifically provided otherwise in this Lease, all covenants and agreements by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement or offset of Rent. In the event of any default by Tenant, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such other act as required to cure such default on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs incurred by Landlord in performing such other acts shall be payable by Tenant to Landlord within five (5) days after demand therefor as Additional Rent.

(f) Rights and Remedies Cumulative. All rights, options and remedies of Landlord contained in this Section 21.2 and elsewhere in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Section 21.2 shall be deemed to limit or otherwise affect Tenant's indemnification of Landlord pursuant to any provision of this Lease.

21.3 **Monthly Rent**. It is expressly agreed that in determining "the monthly Rent and other charges provided in this Lease," as that term is used throughout Section 21.2 above, the term "Rent" includes, without limitation, all payments prescribed in Section 8.1 of this Lease.

21.4 **Landlord Expenses**. It is further agreed that, in addition to all payments required pursuant to Section 21.2 above, and solely for expenses relating to actions taken under 21.2 above, Tenant shall compensate Landlord for expenses incurred by Landlord in repossession (including, among other expenses, any increase in insurance premiums caused by the vacancy of the Premises), expenses incurred by Landlord in reletting (including repairs, replacements, advertisements and brokerage fees), and all actual losses incurred by Landlord as a direct result of Tenant's default (including, among other losses, any claims asserted by Landlord's mortgagee which result in any loss, cost or expense to Landlord).

21.5 **Injunctive Remedies**. Landlord may restrain or enjoin any breach or threatened breach of any covenant, duty or obligation of Tenant herein contained without the necessity of proving the inadequacy of any legal remedy or irreparable harm. The remedies of Landlord hereunder shall be deemed cumulative and not exclusive of each other.

21.6 **Attorneys' Fees and Costs**. If either Landlord or Tenant shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, its actual attorneys' fees. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent or otherwise seeking enforcement against Tenant, its sublessees and assigns, of Tenant's obligations under this Lease.

21.7 **Use of Security Deposit**. Tenant acknowledges its obligation to deposit with Landlord the sum stated in Section 1.1(n) above, to be held by Landlord for the performance by Tenant of Tenant's covenants and obligations under this Lease. Upon the occurrence of any Event of Default by Tenant, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use such funds to the extent necessary to make

good any arrears of Rent and any other documentable damage, injury, expense or liability caused to Landlord by such event of default; and in such event, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount.

21.8 **Remedies Not Exclusive**. No agreement to accept a surrender of the Premises and no act or omission by Landlord or Landlord's agent during the Lease Term shall constitute an acceptance or surrender of the Premises unless made in writing and signed by Landlord. No reentry or taking possession of the Premises by Landlord permitted hereunder or under Applicable Law shall constitute an election by Landlord to terminate this Lease unless a written notice of such intention is given to Tenant. Pursuit of any of the above remedies shall not preclude pursuit of any other remedies prescribed in other sections of this Lease and any other remedies provided by law. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or any remedy therefor.

21.9 **Landlord Default; Tenant Self-Help**.

(a) Landlord Default. Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of thirty (30) days (or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure) ("Landlord Cure Period") after Landlord receives written notice from Tenant specifying the default, which notice shall describe in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s) in question. Subject to the remaining provisions of this Lease, following the occurrence of any such default, Tenant shall have the right to pursue any remedy available under Applicable Laws for such default by Landlord; provided, however, that in no case shall Tenant have any right to terminate this Lease on account of any such default, or to setoff, abate or reduce Rent before entry of a non-appealable final judgment in Tenant's favor against Landlord. Tenant will have no claim against Landlord or defense to a claim by Landlord unless Tenant gives Landlord written notice of the circumstances giving rise to the claim or defense within one hundred eighty (180) days after the circumstances arise.

(b) Tenant Self-Help. In the event that Tenant is not able to use any portion of the Premises for its intended use as a result of a default by Landlord in the performance of (i) Landlord's maintenance obligations expressly provided in this Lease, or (ii) any other obligations of Landlord expressly provided in this Lease that causes an emergency or material disruption to the normal conduct of Tenant's business in the Premises, in either case during the first twenty (20) days of the Landlord Cure Period, then Tenant may, at its option, upon delivery of an additional written notice to Landlord take reasonable actions to cure such default if Landlord has not cured such default within ten (10) days after delivery of the additional written notice to Landlord; *provided, however*, with respect to maintenance obligations within or impacting the Premises in the event of an Emergency, Tenant may proceed with curing such default without sending such additional notice and within such shorter time as reasonably determined by Tenant under the circumstances. With respect to the additional written notice referenced above, Tenant must expressly state that it is exercising its remedies pursuant to this Section. In the event Tenant takes any action to cure a default, Tenant shall only utilize the services of a qualified contractor which normally and regularly performs similar work at comparable buildings. Promptly following completion of any work performed by Tenant pursuant to the terms of this Section 21.9(b), Tenant shall deliver a detailed invoice of the work completed, the materials used, and the costs relating thereto. Landlord shall reimburse Tenant for the reasonable out-of-pocket costs of such cure within thirty (30) days after receipt of such invoice and other supporting documentation.

ARTICLE XXII

HOLDING OVER

22.1 **Holdover**. Tenant is not permitted to hold over possession of the Premises after the expiration or earlier termination of the Lease Term without the express prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. If Tenant holds over after the expiration or earlier termination of the Lease Term without the express written consent of Landlord, then, in addition to all other remedies available to Landlord at law or at equity or under this Lease, Tenant shall become a tenant at sufferance only, upon the terms and conditions set forth in this Lease so far as applicable. During such holdover period, Tenant shall pay to Landlord a monthly Base Rent equivalent to (i) one hundred ten percent (110%) of Base Rent payable by Tenant to Landlord during the last month of the Lease Term for the first two (2) months of such holdover, and (ii) thereafter, one hundred fifty percent (150%) of Base Rent payable by Tenant to Landlord during the last month

of the Lease Term. Acceptance by Landlord of Rent after such expiration or earlier termination shall not constitute consent to a holdover hereunder or result in an extension of this Lease. This Section 22.1 shall not be construed to create any express or implied right to hold over beyond the expiration of the Lease Term or any extension thereof. Tenant shall be liable, and shall pay to Landlord for all actual losses incurred by Landlord as a result of such holdover, and shall, subject to at least thirty (30) days' prior notice that Landlord requires the Premises for a third party, indemnify, defend and hold Landlord and the Landlord Indemnitees harmless from and against all liabilities, damages, losses, claims, suits, costs and expenses (including reasonable attorneys' fees and costs) arising from or relating to any such holdover tenancy, including without limitation, any claim for damages made by a proposed succeeding tenant. Tenant's indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease.

ARTICLE XXIII

NOTICES

23.1 **Method and Addresses**. Wherever any notice is required or permitted under this Lease, such notice shall be in writing. Any notice or document required or permitted to be delivered under this Lease shall be deemed to be delivered when it is actually received by the designated addressee or, if earlier and regardless of whether actually received or not, when it is either (i) deposited in the United States mail, postage prepaid, certified mail, return receipt requested, or (ii) delivered to the custody of a reputable messenger service or overnight courier service, addressed to the applicable party to whom it is being delivered at the respective address for such party as is set out in Section 1.1 above, or at such other address as such applicable party may have theretofore specified to the delivering party by written notice.

23.2 **Multiple Parties**. If and when included within the term "Landlord" as used in this Lease there be more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to the Landlord; if and when included within the term "Tenant" as used in this Lease there be more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included within the terms "Landlord" and "Tenant," respectively, shall be bound by notices and payments given in accordance with the provisions of this Article to the same effect as if each had received such notice or payment. In addition, Tenant agrees that notices to Tenant may be given by Landlord's attorney, property manager or other agent.

ARTICLE XXIV

SECURITY DEPOSIT

24.1 **Comingling; Restoration**. The Security Deposit prescribed in Section 1.1(n) of this Lease shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of Rent or a measure of Landlord's damages in case of default by Tenant. Landlord may commingle the Security Deposit with Landlord's other business funds. As prescribed in Section 21.7 of this Lease, Landlord may, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any Rent delinquencies or to satisfy any other covenant or obligation of Tenant hereunder; and following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. No part of the Security Deposit shall be considered to be held in trust, to bear interest, or to be prepayment for any monies to be paid by Tenant under this Lease.

24.2 **Return of Deposit**. Subject to Section 8.5 above, within sixty (60) days after Tenant (i) has surrendered the Premises to Landlord as required under Article XX, and (ii) has provided Landlord with a forwarding address, Landlord shall return to Tenant the portion of the Security Deposit remaining after deducting all documented damages (which have been itemized and delivered to Tenant no later than thirty (30) days from Landlord's accepting surrender of the Premises or termination of this Lease), charges and other amounts permitted by the terms of this Lease and applicable law. Tenant acknowledges and agrees that if Tenant has breached this Lease before or during Tenant's surrendering the Premises to Landlord, then Landlord shall be entitled to deduct from the Security Deposit being returned to Tenant (if any) all documentable damages and losses that Landlord has suffered as a result of such breach of this Lease by Tenant.

24.3 **Assignment of Deposit**. If Landlord transfers its interest in the Premises during the term of this Lease, Landlord shall assign the Security Deposit to the transferee; and upon such transfer and the transferee's acknowledgement of responsibility to Tenant for the Security Deposit, Landlord shall thereafter have no further liability for the return of the Security Deposit.

24.4 **Letter of Credit as Security Deposit**.

(a) Tenant's Option. Tenant may elect, in lieu of a cash Security Deposit, to deliver to Landlord (as "Beneficiary") within ten (10) business days following the Effective Date, a standby letter of credit ("Letter of Credit") in an amount equal to the required Security Deposit (as the same is subject to reduction pursuant to Section 24.5 below, such amount, hereinafter the "Letter of Credit Amount"), in such form and content and from an issuing bank reasonably satisfactory to Landlord. Tenant shall cause the Letter of Credit to be continuously maintained in effect (whether through replacement, renewal or extension) in the Letter of Credit Amount through the Lease Term, as may be extended.

(b) General requirements of the Letter of Credit. In addition to the other conditions set forth herein, the Letter of Credit shall have the following terms and conditions. All other terms of the Letter of Credit are subject to Landlord's reasonable approval.

(i) The Letter of Credit shall be unconditional, clean and irrevocable.

(ii) The Letter of Credit shall be conditioned for payment solely upon presentation of the Letter of Credit and a sight draft.

(iii) The Letter of Credit shall have a stated expiration date of no earlier than sixty (60) days after the scheduled expiration date of the Lease Term or any Renewal Term and shall state on its face that, notwithstanding the stated expiration date, the term of the Letter of Credit shall be automatically renewed for successive, additional one-year periods up to the Expiration Date (or any extension thereof) unless, at least forty-five (45) days prior to any such date of expiration, the issuing bank shall have given written notice to Landlord at Landlord's notice address as provided for under the Lease or such other address as Landlord shall have given to the issuing bank, that the Letter of Credit will not be renewed.

(iv) The Letter of Credit shall be transferable one or more times by Landlord upon notice to, but without the consent of Tenant.

(v) The Letter of Credit shall be subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

(c) Transfer and Change of Beneficiary Fees. Tenant acknowledges and agrees that it shall pay upon Landlord's demand, as Additional Rent, any and all costs or fees charged in connection with the Letter of Credit that arise due to (i) Landlord's (or any subsequent Beneficiaries') transfer of the Letter of Credit or (ii) the addition, deletion or modification of any beneficiaries under the Letter of Credit.

(d) Issuing Bank. The Letter of Credit shall be issued by a commercial bank or trust company reasonably satisfactory to Landlord (i) having a net worth of not less than US $1 billion dollars, (ii) whose long-term unsecured debt obligations are rated in the highest category by Fitch Ratings Ltd, Moody's Investors Services, Inc or Standard & Poor's Rating Services, or their respective successors, (iii) whose deposits are insured by the FDIC and (iv) with banking offices at which the Letter of Credit may be drawn upon in Denver Colorado (alternatively, if such issuing bank does not have banking offices for draw purposes in Denver, such issuing bank must accept draw via facsimile or overnight courier).

(e) Draws. Landlord may present the Letter of Credit for payment (i) to satisfy past due Rent or to cure any Event of Default by Tenant, or to satisfy any other loss or damage resulting from Tenant's Event of Default or (ii) if Landlord receives notice of non-renewal prior to the expiration of the Letter of Credit then held by Landlord, and Landlord may use, apply, or retain the proceeds of the Letter of Credit to secure the performance of Tenant's Lease obligations or (iii) Tenant shall file a petition under any section or chapter of the federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant. Landlord may draw on the Letter of Credit, in whole or in part, at Landlord's election; and, if Landlord partially draws down the Letter of

Credit, Tenant shall, within ten (10) business days after demand, restore all amounts drawn by Landlord.

(f) Landlord's Rights. The use of the Letter of Credit or any part of it by Landlord will not prevent Landlord from exercising any other right or remedy provided by the Lease, or by law. Landlord will not be required to proceed against the Letter of Credit. The Letter of Credit will not operate as a limitation on any recovery to which Landlord may be entitled. Any amount of the Letter of Credit that is drawn by Landlord, but is not used or applied by Landlord, will be held by Landlord for use consistent with this Article XXIV.

(g) Cooperation by Tenant. Tenant hereby agrees to cooperate, at its expense, with Landlord to promptly execute and deliver to Landlord any and all modifications, amendments, and replacements of the Letter of Credit, as Landlord may reasonably request to carry out the terms and conditions of this Section including, at Landlord's request, a modification providing that the Letter of Credit shall be expressly transferable without the consent of Tenant or Beneficiary to Landlord's Superior Rights Holder if such Superior Rights Holder provides the issuer with a notarized statement evidencing that it is lawfully entitled to such transfer without the consent of Beneficiary.

24.5 Reduction of Security Deposit / Letter of Credit Amount. Provided (i) as of Reduction Effective Date (as defined below) no Event of Default is continuing and (ii) no Monetary Default has occurred within the twelve (12)-month period prior to any Reduction Effective Date, Tenant shall be entitled to reduce the amount of the Security Deposit as follows (each, an "Incremental Reduction"): (i) to an amount equal to $4,000,000.00 effective as of the last day of the thirty-sixth (36th) calendar month following the Commencement Date; (ii) to an amount equal to $3,000,000.00 effective as of the last day of the sixtieth (60th) full calendar month following the Commencement Date; (ii) to an amount equal to $2,000,000.00 effective as of the last day of the eighty-fourth (84th) full calendar month following the Commencement Date; and (iv) to an amount equal to the sum of the monthly Base Rent applicable to the last month of the Lease Term and the Pass-Through Costs applicable to the one hundred seventh (107th) month, effective as of the last day of the one hundred eighth (108th) full calendar month following the Commencement Date. If Tenant is not entitled to reduce the Letter of Credit Amount as of any of the reduction effective dates set forth above (each a "Reduction Effective Date") due to the occurrence of an Event of Default or a Monetary Default during the twelve (12) months prior to such Reduction Effective Date, then such Reduction Effective Date and, if applicable, the subsequent Reduction Effective Dates shall be postponed for a period equal to twelve (12) months from the date that Tenant cures such Event of Default or Monetary Default. Any reduction in the Letter of Credit Amount shall be accomplished by Tenant providing Landlord with a substitute letter of credit in the applicable reduced Letter of Credit Amount or an amendment so reducing the Letter of Credit Amount.

ARTICLE XXV

COMMISSIONS

25.1 **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 (a) Erik Abrahamson of CBRE (for Landlord) and (b) Steven Billigmeier of Cushman & Wakefield (for Tenant) (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. Landlord shall pay a commission to the Brokers pursuant to a separate agreement. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims 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 25.1 shall survive the expiration or earlier termination of the Lease Term.

ARTICLE XXVI

LAWS AND REGULATIONS

26.1 **Applicable Laws**. Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other rule, directive, order, regulation, guideline or requirement of any local, state or federal governmental entity or governmental agency (the "Applicable Laws") now in force or which may hereafter be enacted or promulgated relating to or affecting the Premises and Tenant's Permitted Use. Applicable laws shall include all Environmental Laws. At its sole cost and expense, Tenant shall promptly comply with all Applicable Laws. Should any standard or regulation now or hereafter be imposed on

Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Building as are required by Tenant to comply with the governmental rules, regulations, requirements or standards described in this Article XXVI.

26.2 **Permits**. Tenant shall, at Tenant's sole cost and expense, apply for, seek and obtain prior to the date on which Tenant commences occupancy of all or any portion of the Premises all necessary federal, state, county and municipal licenses, permits and approvals needed for the operation of Tenant's business in the Premises, including any and all necessary permits and approvals directly or indirectly relating or incident to the conduct of its activities on the Premises, its scientific experimentation, transportation, storage, handling, use and disposal of any Hazardous Materials or animals or laboratory specimens (collectively, the "Required Permits"). Tenant shall thereafter maintain all Required Permits. Tenant, at Tenant's expense, shall at all times comply with the terms and conditions of each Required Permit. Within ten (10) days of request by Landlord, Tenant shall furnish Landlord with copies of all Required Permits that Tenant has obtained together with a certificate certifying that such permits are all of the permits that Tenant has obtained with respect to the Premises. At Landlord's request, Tenant shall deliver to Landlord copies of all Required Permits to Landlord.

26.3 **OFAC Compliance**. Each of Landlord and Tenant certifies, represents, warrants and covenants that: (a) it is not acting and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person", or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

ARTICLE XXVII

MISCELLANEOUS

27.1 **Relationship of Parties**. Nothing in this Lease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

27.2 **No Offset; Independent Covenants**. Tenant shall not for any reason withhold or reduce Tenant's required payments of Rent and other charges provided in this Lease, it being agreed (i) that the obligations of Landlord under this Lease are independent of Tenant's obligations except as may be otherwise expressly provided in this Lease and (ii) that to the maximum extent permitted under Applicable Laws, Tenant hereby waives all rights which it might otherwise have to withhold Rent. The immediately preceding sentence shall not be deemed to deny Tenant the ability of pursuing all rights granted it under this Lease or at law (with the exception of any right of Tenant to offset or withhold the payment of Rent, which right is hereby waived to the maximum extent permitted by applicable law); however, at the direction of Landlord, Tenant's claims in this regard shall be litigated in proceedings different from any litigation involving Rent claims or other claims by Landlord against Tenant (i.e., each party may proceed to a separate judgment without consolidation, counterclaim or offset as to the claims asserted by the other party).

27.3 **Limitation on Liability**. The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited solely to Landlord's proceeds in the Premises and the rents derived therefrom, and Landlord shall not be personally liable for any deficiency, except that Landlord shall, subject to the provisions of Sections 18.7 and 24.3 of this Lease, remain liable to account to Tenant for any security deposit under this Lease. This Section 27.3 shall not be deemed to limit or deny any remedies which Tenant may have in the event of default by Landlord hereunder which do not involve the personal liability of Landlord. Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including as to any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members, affiliates, or partners, and Tenant shall not seek recourse against the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members, affiliates or partners or any other persons or entities

having any interest in Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for any default by Landlord under the terms of this Lease shall be limited solely to the Landlord's interest in the Building and no other assets of Landlord, and Landlord shall not be personally liable for any deficiency. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground lease of, the Premises. In the event of any transfer or conveyance of any such title or interest (other than a transfer for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Landlord contained in this Lease. Landlord and Landlord's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises, the Building, and/or this Lease without the consent of Tenant, and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

27.4 **No Continuing Waiver**. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

27.5 **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 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 any shelter-in-place orders, stay at home orders or any restrictions on travel related thereto that preclude either party, 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 non-monetary 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 a non-monetary 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, in no event shall financial inability be deemed to be, or be a cause of, an event of Force Majeure, and 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 Article XVI or Article XVII of this Lease, or (iii) excuse Tenant's obligations under Article IV and Section 14.2 and Article XXVI of this Lease.

27.6 **Tenant Financial Statements**. Landlord acknowledges that Tenant is a publicly traded company and Tenant's financial information is publicly available. If Tenant should cease to be a publicly traded company, then Tenant agrees, within ten (10) days after a request from Landlord, to deliver to Landlord such financial statements as are reasonably required by Landlord to verify the net worth of Tenant, or an affiliate or parent company of Tenant as Landlord may request. Tenant represents and warrants to Landlord that all such financial statements provided in connection with this Lease including, without limitation, any that have been provided prior to the Effective Date, are true, complete and correct as of the date thereof.

27.7 **Landlord's Manager**. Tenant is hereby notified that Landlord may, from time to time, appoint a manager for the Premises (each a "Landlord's Manager") to whom Landlord may delegate some or all of Landlord's obligations under this Lease. Upon appointment of a Landlord's Manager and notice to Tenant of the same; (a) Tenant shall be required and authorized to take direction from Landlord's Manager with respect to Tenant's obligations under this Lease and (b) any release or indemnification of Landlord under this Lease shall also apply to Landlord's Manager.

27.8 **Severability**. In the event that any provision or part of this Lease should be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed and enforced to the maximum extent permitted by law. If such provision cannot be reformed, then it shall be severed from this Lease and the validity

and enforceability of the remaining provisions of this Lease shall not be affected thereby.

27.9 **Intentionally Omitted**.

27.10 **Governing Law; Venue**. The laws of the state of Colorado shall govern the interpretation, validity, performance and enforcement of this Lease. Except to the extent required otherwise by applicable law, the venue for any action relating to this Lease shall be brought solely and exclusively in the state and the county in which the Premises are located.

27.11 **Headings**. The captions and headings used herein are for convenience only and do not limit or amplify the provisions hereof.

27.12 **Number; Gender**. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

27.13 **Inurement**. The terms, provisions and covenants contained in this Lease shall apply to, inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors-in-interest and legal representatives except as otherwise herein expressly provided.

27.14 **Entire Agreement; Amendments**. This Lease contains the entire agreement between the parties, and no rights are created in favor of either party on account of any condition or event other than as specified or expressly contemplated in this Lease. No brochure, rendering, information or correspondence shall be deemed to be a part of this agreement unless specifically incorporated herein by reference. In addition, no agreement shall be effective to change, modify or terminate this Lease in whole or in part unless such is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

27.15 **Intentionally Omitted**.

27.16 **No Offer**. The submission by Landlord of this instrument to Tenant for examination, negotiation or signature does not constitute an offer of, an option for, or a representation by Landlord regarding, a prospective lease. This Lease shall be effective if and when (and only if and when) it has been executed and delivered by both Landlord and Tenant.

27.17 **Waiver of Trial by Jury**. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and each hereby does, waive trial by jury (unless such waiver would preclude a right to counterclaim) in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or other statutory remedy. It is further mutually agreed that in the event Landlord commences any summary proceedings for non-payment of Rent or other sums due hereunder, Tenant will not interpose any non-mandatory counterclaim of whatever nature or description in any such proceedings.

27.18 **Memorandum of Lease**. Landlord and Tenant will, at the request of the other, promptly execute a Memorandum of Lease substantially in the form of Exhibit G attached hereto, which shall be filed for record in the real property records of the county in which the Premises is located but in no event earlier than the date that is two (2) business days after the Landlord Financing Deadline or Landlord's earlier waiver of the Landlord's Financing Contingency.

27.19 **Counterparts; Signatures**. This Lease may be executed in two (2)or more duplicate originals. Each duplicate original shall be deemed to be an original hereof. Landlord and Tenant consent and agree that this Lease may be signed and/or transmitted by e-mail of a .pdf document 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.

[Landlord and Tenant signatures, next page.]

EXECUTED to be effective as of the later of the dates accompanying a signature by Landlord or Tenant below; provided, however, that if the later of the dates accompanying a signature by Landlord or Tenant below is different from the date specified as the "Effective Date" on the first page of this Lease, then the date so specified on the first page of this Lease shall be deemed to be the "Effective Date " for all purposes.

LANDLORD:

Centennial Valley Properties I, LLC, a Colorado limited liability company

By: Koelbel and Company,
a Colorado corporation, its manager

By:	/s/ WALTER A. KOELBEL, JR.
Name printed:	Walter A. Koelbel, Jr.
Title:	Koelbel and Company
Date of Signature:	3/11/2022

TENANT:

Biodesix, Inc., a Delaware corporation

By:	/s/ ROBIN HARPER COWIE
Name printed:	Robin Harper Cowie
Title:	CFO
Date of Signature:	3/11/2022

EXHIBIT A

Site Plan of the Premises and Building

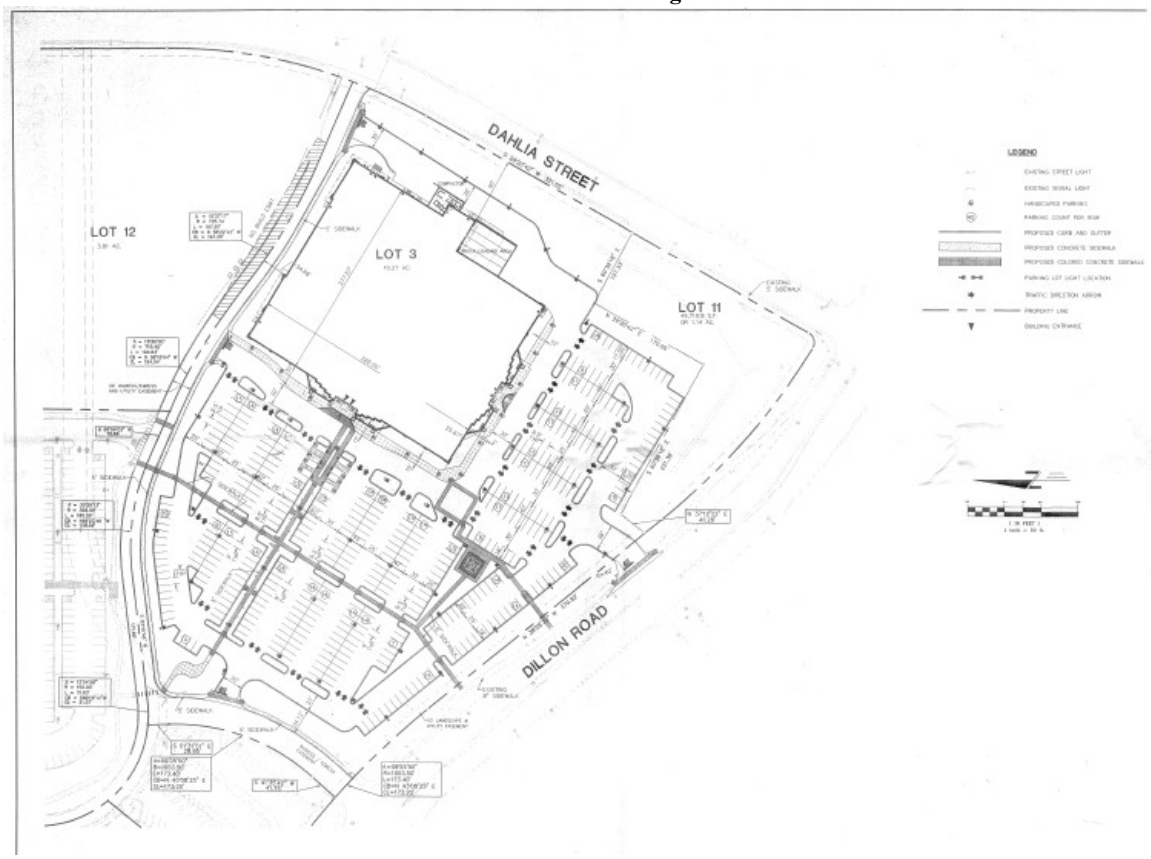

EXHIBIT B

Legal Description of the Premises

LOT 3 IN CENTENNIAL VALLEY PARCEL O, FILING NO. 7, A RESUBDIVISION OF LOTS 2 AND 3, CENTENNIAL VALLEY PARCEL O, FILING NO. 3, A PART OF THE SOUTH ONE-HALF OF SECTION 18, TOWNSHIP 1 SOUTH, RANGE 69 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LOUISVILLE, COUNTY OF BOULDER, STATE OF COLORADO

EXHIBIT C
[intentionally omitted]

EXHIBIT D

Approximate Depiction of Subdivision Boundaries

EXHIBIT E

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 Project? ☐ 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.

☐	Combustible dusts/fibers	☐	Explosives	☐	Flammable liquids
☐	Combustible liquids (e.g., oils)	☐	Compressed gas - inert	☐	Flammable solids/pyrophorics
☐	Cryogenic liquids - inert	☐	Compressed gas - flammable/pyrophoric	☐	Organic peroxides
☐	Cryogenic liquids - flammable	☐	Compressed gas - oxidizing	☐	Oxidizers - solid or liquid
☐	Cryogenic liquids - oxidizing	☐	Compressed gas - toxic	☐	Reactives - unstable or water reactive
☐	Corrosives - solid or liquid	☐	Compressed gas - corrosive	☐	Toxics - solid or liquid

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*.

Material/ Chemical	Physical State (Solid, Liquid, or Gas)	Container Size	Number of Containers Used & Stored	Total Quantity	Units (pounds for solids, gallons or liters for liquids, & cubic feet for gases)

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*.

☐	Risk Group 2/Biosafety Level- 2 Biohazards	☐	Risk Group 3/Biosafety Level-3 Biohazards	☐	Radioisotopes/Radiation

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 Project?

☐	Liquids	☐	Process sludges	☐	PCBs
☐	Solids	☐	Metals	☐	wastewater

3-2. List and estimate the quantities of hazardous waste identified in Question 3-1 above.

HAZRDOUS (CHEMICAL) WASTE GENERATED	SOURCE	WASTE TYPE		APPROX. MONTHLY QUANTITY with units	DISPOSITION [e.g., off-site landfill, incineration, fuel blending scrap metal; wastewater neutralization (onsite or off-site)]
		RCRA listed (federal)	Non-RCRA (California ONLY or recycle)		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		

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."*

Hazardous Waste Transporter/Disposal Facility Name	Facility Location	Transporter (T) or Disposal (D) Facility	Permit Number

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.*

- Yes ☐ No

If YES, please list/describe: _

4.0 OTHER REGULATED WASTE (i.e., REGULATED BIOLOGICAL OR MEDICAL 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.

UST or AST	Capacity (gallons)	Contents	Year Installed	Type (Steel, Fiberglass, etc.)	Associated Leak Detection / Spill Prevention Measures*

*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 Project?

☐ 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 Project. 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. [intentionally omitted]

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 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 Project.

Signature:

Name:

Title:

Date:

Telephone:

EXHIBIT F

Commencement Date Certificate

[SAMPLE ONLY – FORM TO BE COMPLETED BY LANDLORD AND EXECUTED BY TENANT ON OR AFTER COMMENCEMENT DATE]

LANDLORD:

TENANT:

LEASE DATE: _,

PREMISES:

1. The Delivery Date Occurred on ___, 202_.

2. The Commencement Date Occurred on ____, 202_.

Tenant hereby accepts the Premises as being in the condition required under the Lease.

Landlord:

[DO NOT SIGN]

By: ,
a

By:
Its:
Telephone: (__)
Facsimile: (___)
Executed at:
on:

Tenant:

[DO NOT SIGN]

By:
Its:
Telephone: (__)
Facsimile: (___)
Executed at:
on:

EXHIBIT G

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is made as of the _day of ___ (the "Effective Date"), by and between Centennial Valley Properties I, LLC, a Colorado limited liability company ("Landlord") and Biodesix, Inc., a Delaware corporation ("Tenant").

1. **Purpose of Memorandum**. Landlord and Tenant have executed a certain Lease agreement (Single Tenant – NNN) dated ___, 202_ (the "Lease") creating certain rights and obligations of the parties regarding certain premises (the "Premises") located the City of Louisville, County of Boulder, State of Colorado on [a portion of] the real property more particularly described in Exhibit A attached hereto. In lieu of recording the entire Lease, Landlord and Tenant have executed this Memorandum to give notice to all third parties of the existence of the Lease and to restate certain of its primary terms.

2. **Lease**. Landlord has leased the Premises to Tenant, and Tenant has leased the Premises from Landlord, subject to the terms of the Lease.

3. **Term**. The initial term of the Ground Lease is 144 months commencing on ____. 202_, subject to and in accordance with the terms of the Lease. In addition, Tenant has the right to extend the term of the Lease for two (2) additional terms of either seven (7) or ten (10) years each (the "Renewal Terms").

4. **Effect of Memorandum**. This Memorandum contains only a summary of some primary terms of the Lease, which is incorporated herein by this reference. Whether or not restated herein, the terms and conditions of the Lease remain in full force and effect. In the event of any conflict between the provisions of the Lease and this Memorandum, the provisions of the Lease shall control.

[*Remainder of Page Left Intentionally Blank*]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date set forth above.

LANDLORD:

Dated:_____

Centennial Valley Properties I, LLC,
a Colorado limited liability company.

By: Koelbel and Company,
a Colorado corporation, its manager

By:_____
Name printed:_____
Title:_____

STATE OF COLORADO)
)
COUNTY OF ____)

The foregoing instrument was acknowledged before me the day of _____, 20__ by _____ as _____ for Centennial Valley Properties I, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: _____
[S E A L]

_____
Notary Public

TENANT:

Dated:_____

Biodesix, Inc.,
a Delaware corporation

By:_____
Name printed:_____
Title:_____

STATE OF COLORADO)
)
COUNTY OF ____)

The foregoing instrument was acknowledged before me the day of _____, 20__ by _____ as _____ for Centennial Valley Properties I, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: _____
[S E A L]

_____
Notary Public

EXHIBIT H

Option to Extend Addendum

1. **Grant of Option**. Subject to the terms and conditions of this Addendum, Tenant shall have the option to extend the Lease Term for two (2) successive periods of either seven (7) or ten (10) years each (each a "Renewal Term"). There shall be no additional renewal terms beyond the Renewal Terms set forth herein. Tenant must exercise its option to extend the Lease by giving Landlord written notice (the "Renewal Notice") of its election to do so no later than twelve (12) months, and no earlier than twenty-four (24) months, prior to the expiration of the then-current Lease Term. If Tenant fails to timely deliver the Renewal Notice in strict accordance with this Addendum and the notice provisions of the Lease, then Tenant shall be deemed to have waived its extension rights, as aforesaid, and Tenant shall have no further right to renew this Lease.

2. **Terms and Conditions of Option**. All terms and conditions of this Lease, including, without limitation, all provisions governing the payment of Additional Rent, shall remain in full force and effect during any Renewal Term, except that the Base Rent payable during the Renewal Term shall equal the Prevailing Market Rate (as defined below) at the time of the commencement of the applicable Renewal Term. As used in this Addendum, the term "Prevailing Market Rate" shall mean the fair market rental rate that would be agreed upon between a landlord and a tenant entering into a lease for comparable space as to build-out, location, configuration, and size, in a building comparable to the Building located in the greater Louisville, Lafayette, Superior and surrounding Boulder County Colorado areas (excluding the City of Boulder) for a comparable term and taking into account all relevant factors.

3. **Determination of Prevailing Market Rate**. Within thirty (30) days after receipt of Tenant's Renewal Notice, Landlord shall advise Tenant of Landlord's determination of the applicable Base Rent rate for the Premises for the applicable Renewal Term ("Landlord's Renewal Base Rent Notice"), which shall be the Prevailing Market Rate per rentable square foot for the Premises. Tenant, within fifteen (15) days after Tenant's receipt of Landlord's Renewal Base Rent Notice, shall either (i) give Landlord written notice ("Binding Notice") that Tenant accepts the Base Rent rate for the Premises for the Renewal Term described in Landlord's Renewal Base Rent Notice, in which event the parties shall enter into the Renewal Amendment (as defined below), or (ii) if Tenant disagrees with Landlord's determination of the applicable Base Rent rate for the Premises during the Renewal Term, provide Landlord with written notice of rejection (the "Rejection Notice"). If Tenant fails to provide Landlord with either a Binding Notice or Rejection Notice within such fifteen (15) day period, Tenant shall be deemed to have provided Landlord a Binding Notice. If Tenant provides Landlord with a Binding Notice or is deemed to have provided Landlord with a Binding Notice, Landlord and Tenant shall enter into the Renewal Amendment upon the terms and conditions set forth herein. If Tenant provides Landlord with a Rejection Notice, Landlord and Tenant shall work together in good faith to agree upon the Prevailing Market Rate for the Premises during the Renewal Term. When Landlord and Tenant have agreed upon the Prevailing Market Rate for the Premises, such agreement shall be reflected in a written agreement between Landlord and Tenant, whether in a letter or otherwise (and such shall be deemed a "Binding Notice", for purposes herein), and Landlord and Tenant shall enter into the Renewal Amendment. Notwithstanding the foregoing, if Landlord and Tenant are unable to agree upon the Prevailing Market Rate for the Premises within thirty (30) days after the date Tenant provides Landlord with the Rejection Notice, then Tenant, by written notice to Landlord (the "Arbitration Notice") within five (5) days after the expiration of such thirty (30) day period, shall have the right to have the Prevailing Market Rate determined in accordance with the arbitration procedures described in Section 5 below. If Landlord and Tenant are unable to agree upon the Prevailing Market Rate for the Premises within the thirty (30) day period described and Tenant fails to timely exercise its right to arbitrate, then Tenant shall be deemed to have accepted Landlord's last best offer of the Prevailing Market Rate for the Premises.

4. **Limitations; Termination of Option to Renew**. Tenant shall not have the right to renew the Lease for any amount of space less than the entire Premises hereunder. The renewal option granted herein shall terminate as to the entire Premises upon the failure by Tenant to timely exercise its option to renew at the times and in the manner set forth in this Addendum. Tenant shall not have the option to renew, as provided in this Addendum, if, as of the date of the Renewal Notice, or as of the scheduled commencement date of the Renewal Term, an Event of Default is continuing beyond applicable notice and cure periods.

5.Arbitration Procedure.

a.If Tenant provides Landlord with an Arbitration Notice, Landlord and Tenant, within five (5) days after the date of the Arbitration Notice, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Prevailing Market Rate for the Premises during the Renewal Term (collectively referred to as the "Estimates"). If the higher of such Estimates is not more than 105% of the lower of such Estimates, then Prevailing Market Rate shall be the average of the two (2) Estimates. If the Prevailing Market Rate is not resolved by the exchange of Estimates, then, within seven (7) days after the exchange of Estimates, Landlord and Tenant shall each select an appraiser to determine which of the two (2) Estimates most closely reflects the Prevailing Market Rate for the Premises during the Renewal Term. Each appraiser so selected shall be a real estate broker licensed in Colorado specializing in the field of office or life science leasing in the greater Bounder/Denver, Colorado area, having no fewer than ten (10) years' experience in such field, and recognized as ethical and reputable within the field.

b.Upon selection, Landlord's and Tenant's appraisers shall work together in good faith to agree upon which of the two (2) Estimates most closely reflects the Prevailing Market Rate for the Premises. The Estimate chosen by such appraisers shall be binding on both Landlord and Tenant as the Base Rent rate for the Premises during the Renewal Term. If either Landlord or Tenant fails to appoint an appraiser within the seven (7) day period referred to above, the appraiser appointed by the other party shall be the sole appraiser for the purposes hereof. If the two (2) appraisers cannot agree upon which of the two (2) Estimates most closely reflects the Prevailing Market Rate within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the two (2) appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser (*i.e.* arbitrator) has been selected as provided for above, then, as soon thereafter as practicable but in any case, within fourteen (14) days, the arbitrator shall make his determination of which of the two (2) Estimates most closely reflects the Prevailing Market Rate and such Estimate shall be binding on both Landlord and Tenant as the Base Rent rate for the Premises, and the parties shall enter into the Renewal Amendment as described and defined above. If the arbitrator believes that expert advice would materially assist him, he may retain one or more qualified persons to provide such expert advice. The parties shall share equally in the costs of the arbitrator and of any experts retained by the arbitrator. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

c.If the Prevailing Market Rate has not been determined by the commencement date of the Renewal Term, Tenant shall pay Base Rent upon the terms and conditions in effect during the last month of the initial Lease Term or prior Renewal Term, as applicable, for the Premises until such time as the Prevailing Market Rate has been determined. Upon such determination, the Base Rent for the Premises shall be retroactively adjusted to the commencement of the Renewal Term for the Premises. If such adjustment results in an underpayment of Base Rent by Tenant, Tenant shall pay Landlord the amount of such underpayment within thirty (30) days after the determination thereof. If such adjustment results in an overpayment of Base Rent by Tenant, Landlord shall credit such overpayment against the next installment of Base Rent due under the Lease and, to the extent necessary, any subsequent installments, until the entire amount of such overpayment has been credited against Base Rent.

6.Self-Operative; Amendment to Lease. Notwithstanding the fact that, upon Tenant's delivery of a Renewal Notice, the renewal of the Lease Term shall be self-executing, Landlord and Tenant shall, promptly following the determination of the Base Rent for the applicable Renewal Term, execute one or more amendments to the Lease reflecting such additional term (each a "Renewal Amendment").

EXHIBIT I

WORK LETTER

This "Work Letter" is attached to and made a part of the Lease Agreement (Single Tenant – NNN) (the "Lease") by and between Centennial Valley Properties I, LLC, a Colorado limited liability company ("Landlord"), and Biodesix, Inc., a Delaware corporation ("Tenant") for the Premises as defined in the Lease. Capitalized terms not otherwise defined in this Work Letter shall have the meanings given to such terms in the Lease.

This Work Letter sets forth the rights and obligations of Landlord and Tenant with respect to the improvements to be performed in and at the Premises for Tenant's use. It is agreed that construction of the Tenant Work (as defined in Section 4.1) shall be completed in accordance with the Approved Construction Drawings (as defined in Section 3.3) at Tenant's sole cost and expense, subject to the Allowance as defined in Section 2.1) and disbursed by Landlord pursuant to the terms of this Work Letter.

SECTION 1

LANDLORD WORK; ALLOWANCE

1.1 Landlord's Delivery. Except as otherwise specified in Section 1.2 below, Landlord shall have no obligation for construction work or improvements in the Premises. Landlord's contribution to the construction and improvements consists only of (a) delivery of possession of the Premises to Tenant in the condition provided for under the Lease, and (b) disbursement to Tenant of the Allowance in accordance with the terms and conditions of this Work Letter.

1.2 Landlord Work. Simultaneously with the construction of the Tenant Work, Landlord shall, at Landlord's sole cost and expense, perform the work substantially in accordance with permittable construction drawings based on the pricing plans set described on Schedule 1 attached hereto (collectively, the "Landlord Work"). As provided for in the above-referenced pricing plan, the Landlord Work does not include exterior signage shown on the pricing plan. Landlord shall perform the construction of the Landlord Work in a good and workmanlike manner consistent with first class standards and in accordance with all Applicable Laws. Landlord shall use commercially reasonable efforts to achieve substantial completion of the Landlord Work on or before the Commencement Date. Landlord shall assign to Tenant any guarantees or warrantees procured by Landlord from contractors, subcontractors, or materialmen relating to any Landlord Work on items that Tenant is required to maintain under the Lease. **By execution of the Lease, Tenant acknowledges receipt of a copy of the pricing plans described in Schedule 1.**

1.3 Punchlist. Upon Substantial Completion of the Landlord Work, Landlord and Tenant shall jointly inspect the Landlord Work to develop a list of items under Section 1.2 that are not complete (the "Punchlist Items"). The existence of the punchlist (and completion of the Punchlist Items thereon) shall not delay the Commencement Date and shall not affect Tenant's obligation pay Rent in accordance with the provisions of the Lease. Landlord shall complete the Punchlist Items with reasonable diligence. Notwithstanding Landlord's obligation to complete the Punchlist Items, Tenant shall be responsible, at Tenant's sole cost and expense, for repairing or replacing any portion of the Landlord Work damaged by Tenant or Tenant's Construction Agents before or after Landlord has completed the Landlord Work, and such items may not be included as Punchlist Items.

1.4 Landlord's Rights. Landlord shall have the right to approve any contractors, subcontractors, and engineers used by Tenant in connection with the Tenant Work as provided for herein. Further, Landlord shall have the right to post and maintain any notices of non-responsibility in or about the Premises during the performance of the Tenant Work.

1.5 Coordination of Work. Landlord retains the right to access the Premises during the Construction Period in order to complete the Landlord Work. Landlord and Tenant hereby agree to fairly allocate the usage of the Premises during the concurrent performance of Landlord Work and Tenant Work and to cooperate with such overlapping work in the Premises and the Building. Furthermore, Landlord and Tenant shall, and shall cause all of their respective Construction Agents (as defined in Section 4.1(b)) to, coordinate their respective construction activities in connection with the Landlord Work and the Tenant Work, including the introduction and storage of their materials and equipment and the execution of their work and shall coordinate such work as the circumstances may require to effect timely completion of the Landlord Work and Tenant Work.

SECTION 2

ALLOWANCE ITEMS; DISBURSEMENT

2.1 Allowance.

(a) Landlord shall, subject to the terms and conditions of this Work Letter, provide an allowance (the "Allowance") in an amount of $235.00 per square foot of the Rentable Area of the Premises which is the sum of:

(a)$185.00 per square foot of the Rentable Area of the Premises (the "Tenant Improvements Allowance") to be applied only to Tenant Work Allowance Items; and (b) $50.00 per square foot of the Rentable Area of the Premises (the "Base Building Allowance") to be applied only to Base Building Allowance Items (as defined in Section 2.2 below). In no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in a total amount which exceeds the sum of the Allowance. Tenant shall have the right to use up to $7.50 per square foot of the Rentable Area of the Tenant Improvement Allowance for Non-Construction Allowance Items as provided for in Section 2.2(b) below.

(b) Tenant shall be entitled to increase the amount of the Tenant Improvement Allowance portion of the Allowance by up to $25.00 per square foot of the Rentable Area of the Premises upon written notice delivered to Landlord on or before the Landlord Financing Deadline. Tenant's right to so increase the Allowance is strictly subject to the following: (i) Tenant's timely delivery of a notice to Landlord stating the amount of Tenant's requested additional Tenant Improvements Allowance (the "Extra Allowance Amount"); (ii) no Event of Default exists as of the date of Tenant's request; (iii) the Extra Allowance Amount is amortized into the Base Rent payable over the initial Lease Term excluding any part of the Rent Abatement Period or Partial Rent Abatement Period, at a rate of six percent (6%); and (iv) Landlord and Tenant enter into an amendment to the Lease increasing the Base Rent to reflect the amortization of the Extra Allowance Amount.

2.2 Disbursement of the Allowance.

(b) Allowance Items. Landlord shall disburse the Allowance only for the following items and costs (collectively, the "Allowance Items")

(i) "Tenant Work Allowance Items" shall mean all costs described in the following items under this Section 2.2(a)(i) attributable to Tenant Work other than Base Building Items (as defined in Section 2.2(a)(ii) below):

(A) Payment of the fees of the Architect, the Engineer, and the Project Manager (as defined in Section 3.1) of this Work Letter as documented by invoices provided by Tenant, including the cost of preparing and revising Tenant's space plans, Construction Drawings, the Final Construction Drawings, and the Approved Construction Drawings;

(B) The actual cost of construction of the Tenant Work, including, without limitation, the cost of labor and materials, installation of cables and security equipment, testing and inspection costs, hoisting and trash removal costs, and contractors' fees and general conditions;

(C) The payment of consulting fees and plan check, permit, and license fees relating to construction of the Tenant Work;

(D) The cost of any changes to the Construction Drawings or the Tenant Work required by all Applicable Laws, including, without limitation, all applicable building codes; and

(ii) "Base Building Allowance Items" shall mean all costs described in items under Section 2.2(a)(i)(A) though (D) attributable to improvements to the following items: upgrades to the electrical service to the Building, electrical panel upgrades, HVAC upgrades for office and lab, water and sewer enhancements to the existing services, fire and life safety upgrades. No part of the Base Building Allowance may be applied to Tenant Work Allowance Items or Non-Construction Allowance Items (as defined below).

(c) Non-Construction Costs. A portion of the Tenant Improvement Allowance, not exceeding $7.50 per square foot of the Rentable Area (the "Non-Construction Funds") shall be available for or applicable toward Non- Construction Allowance Items (as defined below). Except as expressly set forth in this Section 2.2(b) (if at all), in no event shall any part of the Allowance in excess of the Non-Construction Funds amount be available for or applicable to any costs of procuring or installing any trade fixtures, equipment, furniture, furnishings, telephone equipment, cabling for any of the foregoing or any other personal property, and the cost of such personal property shall be paid by Tenant. Notwithstanding the foregoing, so long as no Default is continuing under the Lease beyond any applicable notice and cure period, Tenant shall be entitled to apply a portion of the Allowance not to exceed the amount of the Non-Construction Funds for Tenant's actual, documented costs of the following (collectively, "Non-Construction Allowance Items"): (A) purchasing and installing Tenant's trade fixtures, equipment, furniture, furnishings, telephone equipment, cabling and other personal property; and (B) purchasing and installing Tenant's furniture, fixtures, and other equipment to be used exclusively within the Premises

(d) Unused Funds. Any portion of the Allowance remaining for longer than six (6) months after the Commencement Date shall accrue to the sole benefit of Landlord, it being understood that Tenant shall not be entitled to any credit, abatement, or other concession in connection therewith.

(e) Monthly Disbursement of the Allowance. Provided that Tenant is not in Default, Landlord shall make periodic disbursements of the Allowance (less a five percent (5%) retainage, herein the "Retainage") for Allowance Items for the benefit of Tenant in accordance with the terms and conditions of this Section 2.2(d); provided, however, in no event shall Landlord make disbursements more than once monthly. From time to time as Tenant receives draw requests from the Contractor (as defined in Section 4.1(a) of this Work Letter) during the construction of the Tenant Work, Tenant shall deliver to Landlord, as a condition to the disbursement of all or any portion of the Allowance: (1) an executed request for payment of the Contractor, in a form reasonably acceptable to Landlord, detailing the portion of the work completed; (2) invoices from all of Tenant's Construction Agents (as defined in Section 4.1(b)) for labor rendered and materials delivered to the Premises; (3) executed unconditional partial mechanics' lien waivers and releases (conforming to the requirements of applicable Law) from all of Tenant's Construction Agents receiving funds from the disbursement; (4) copies of each invoice and reasonable documentation to evidence Tenant's payment of such invoice. Not more than thirty (30) days thereafter, Landlord shall deliver a check payable to the Contractor or such other of Tenant's Construction Agents or directly to Tenant (as directed by Tenant in Tenant's disbursement request) in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2(d), or (B) the balance of any remaining available portion of the Allowance (net of Retainage); provided, however, as a condition to the final disbursement of the remaining balance of the Allowance, including any Retainage (the "Final Disbursement"), Tenant shall deliver to Landlord, in addition to all other items set forth in this Section 2.2(d): (y) an executed unconditional final mechanics' lien waiver and release (conforming to the requirements of applicable Law) from all of Tenant's Construction Agents and (z) a certificate from the Architect, in form and substance satisfactory to Landlord's lender, certifying that, as of the date of the certificate, the Tenant Work has been completed in accordance with the Approved Construction Drawings (as defined in Section 3.3) and is Substantially Complete. 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.

(f) Should Landlord fail to pay the Allowance as required herein, Tenant shall have the right to offset the amount of any deficiency in the Allowance from Base Rent and Additional Rent due under the Lease until the full amount of the deficient Allowance has been recouped.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect, Contractor and Engineer/Construction Drawings. Tenant shall retain DLR Group (the "Architect") to prepare the Construction Drawings. Tenant shall retain Swinerton Construction (the "Contractor") as Tenant's general contractor. Tenant shall retain the engineering consultants designated by Landlord (the "Engineer") 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. Tenant may retain a project manager to oversee the Tenant Work (the "Project Manager"), the cost of which shall be included in the Allowance, subject to Section 2 above. Landlord may, at its sole cost and expense, retain a project manager to oversee

the Tenant Work to ensure that the Tenant Work is performed in compliance with Laws, and the terms and conditions of the Lease and this Work Letter (including, without limitation, compliance with the Approved Construction Drawings and all Schedules attached hereto). The plans and drawings to be prepared by Architect and the Engineers hereunder in connection with the Tenant Work (which plans and drawings may also include some portion of the Landlord Work) shall be known collectively as the "Construction Drawings". All Construction Drawings shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Landlord shall advise Tenant, in writing, within ten (10) business days after Landlord's receipt of the Construction Drawings if the same is unsatisfactory or incomplete in any respect (and specify in such written notice the unsatisfactory items). Landlord's failure to respond within ten (10) business days after its receipt of the Construction Drawings shall be deemed as Landlord's approval. 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 the Construction Drawings 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, compliance with Laws, or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers, and consultants and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in the Lease shall specifically apply to the Construction Drawings. Tenant shall be fully responsible and liable for the sufficiently of the design to conform to all Applicable Laws and as necessary to accommodate the use and storage of Tenant's Hazardous Materials.

3.2 Final Construction Drawings. Tenant shall supply the Architect and the Engineer with a complete listing of standard and non-standard equipment and specifications, including, without limitation, HVAC requirements, electrical requirements, and special electrical receptacle requirements for the Premises to enable the Architect and the Engineer to complete the Final Construction Drawings in the manner as set forth below. Tenant shall promptly cause the Architect and the Engineer to complete the architectural and engineering drawings for the Tenant Work, and Architect shall compile a fully-coordinated set of architectural, structural (if required), mechanical, electrical, and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Construction Drawings") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Construction Drawings. Landlord shall advise Tenant, in writing, within ten (10) business days after Landlord's receipt of the Final Construction Drawings for the Tenant Work if the same is unsatisfactory or incomplete in any respect (and specify in such written notice the unsatisfactory items). If Landlord so advises Tenant, Tenant shall promptly revise the Final Construction Drawings in accordance with such review and any disapproval of Landlord in connection therewith. Landlord's failure to respond within ten (10) business days after its receipt of the Final Construction Drawings shall be deemed as Landlord's approval.

3.3 Approved Construction Drawings. The Final Construction Drawings with the changes required by Landlord pursuant to Section 3.2 above, if any, (the "Approved Construction Drawings") shall be submitted by Tenant 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 sole responsibility; provided, however, that Landlord shall cooperate, at no cost to Landlord, with Tenant in executing permit applications and performing other ministerial acts necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications, or alterations in the Approved Construction Drawings may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

3.4 Plan Review Costs. Tenant shall reimburse Landlord for all actual third-party costs and expenses ("Plan Review Costs") incurred by Landlord for the review and approval of any structural work included in the Construction Drawings, Final Construction Drawings, and any other proposed plans and specifications relating to structural aspects of the Tenant Work. Tenant shall pay such Plan Review Costs to Landlord within ten (10) business days after receipt of Landlord's invoices therefor.

SECTION 4
CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

(a) The Contractor. Tenant shall retain a general contractor to construct the improvements in the Premises for Tenant's use in accordance with the Approved Construction Drawings (the "Tenant Work"). Such general contractor (the "Contractor") shall be (i) subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed, (ii) licensed in the State of Colorado, and (iii) insured in accordance with the provisions of this Work Letter. Tenant agrees to use commercially reasonable efforts to obtain or cause to be obtained a "no lien" contract from Tenant's Construction Agents.

(b) Tenant's Construction Agents. Upon Landlord's written request, Tenant will request the Contractor to give Landlord a list of all subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, together with the Contractor, the Architect, the Engineer, and the Project Manager, collectively, "Tenant's Construction Agents"). In addition to Landlord's approval of the Contractor, Landlord may elect to review and approve other of Tenant's Construction Agents, which approval shall not be unreasonably withheld, conditioned, or delayed.

4.2 Construction of the Tenant Work by Tenant's Construction Agents.

(a) Conditions for Tenant's Construction Agents and the Tenant Work. Tenant and Tenant's Construction Agents' construction of the Tenant Work shall comply with the following: (i) the Tenant Work shall be constructed in accordance with the Approved Construction Drawings and all Laws; and (ii) Tenant acknowledges receipt of the Contractor Rules and Regulations and agrees that Tenant and Tenant's Construction Agents shall abide by the Contractor Rules and Regulations, with respect to the use of the Premises, storage of materials, coordination of work with the contractors of other lessees, and any other matter in connection with this Work Letter, including, without limitation, the construction of the Tenant Work.

(b) Indemnity. Without limiting Tenant's general indemnity obligations contained in the Lease, Tenant agrees to indemnify, protect, defend, and hold the Landlord Indemnified Parties harmless from and against any and all Losses arising from or in any way related to (i) the Tenant Work; (ii) any negligence or willful misconduct of Tenant, Tenant's Construction Agents, Tenant Related Parties, or anyone directly or indirectly employed by any of them; (iii) Tenant's non-payment of any amount arising out of the Tenant Work; and/or (iv) Tenant's disapproval of all or any portion of any request for payment from Tenant's Construction Agents. Such indemnity by Tenant shall also apply with respect to any and all Losses related in any way to Landlord's performance of any ministerial acts reasonably necessary (A) to permit Tenant to complete the Tenant Work and (B) to enable Tenant to obtain any building permit or certificate of occupancy for all or any portion of the Premises.

(c) Requirements of Tenant's Construction Agents. Each of Tenant's Construction Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Work for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Construction Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the completion of the work performed by such contractor or subcontractors. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Work, and/or the Building and/or the Common Areas that may be damaged or disturbed thereby. All such warrantees or guarantees as to materials or workmanship of or with respect to the Tenant Work shall be contained in the contract or subcontract and shall be written such that such guarantees or warrantees shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

(d) Insurance Requirements; Governmental Compliance.

(i) *Insurance Requirements*. The Architect, Engineer, and Contractor and each subcontractor shall purchase and maintain such insurance as will protect them and the named insureds set forth on Schedule 2, attached

hereto and incorporated herein, from any and all Losses, whether by any of the foregoing or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Such insurance shall include the coverages and satisfy the requirements for insurance described on Schedule 2.

(ii) *Governmental Compliance*. The Tenant Work shall comply in all respects with the following: (A) the applicable building code and other 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; (B) the Permitted Exceptions; (C) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (D) building material manufacturers' specifications.

SECTION 5
CONSTRUCTION PERIOD

5.1 Construction Period. During the Construction Period, Landlord shall adopt a construction schedule consistent with Tenant's construction schedule, and Tenant and Landlord and their contractors shall work in harmony and not interfere with or delay the performance of Tenant Work or Landlord Work, or with the work of any other tenant or occupant of the Building. All work performed by Tenant or Tenant's contractors shall be performed in a good and workmanlike manner consistent with first class standards and in accordance with all Laws, and subject to such rules and regulations as Landlord shall reasonably prescribe.

5.2 Tenant Responsibility. Tenant assumes full responsibility for all acts of Tenant, the Tenant Related Parties, and Tenant's Construction Agents and for all property, equipment, materials, tools, or machinery placed or stored in the Premises by Tenant, Tenant Related Parties, or Tenant's Construction Agents, except as relates Losses arising from the negligence or willful misconduct of Landlord or Landlord's contractors, subcontractors, or materialmen. Tenant shall promptly repair or cause to be repaired, at its sole cost and expense, all damage caused to the Premises or the Property by Tenant or any of the Tenant Related Parties or Tenant's Construction Agents. Tenant shall indemnify and hold Landlord and Landlord Indemnified Parties harmless from and against any and all Losses of any nature occurring during the Construction Period, including damage or delays to completion of the Landlord Work as a result of the actions or omissions of Tenant, Tenant Related Parties, or Tenant's Construction Agents.

SECTION 6
GENERAL PROVISIONS

6.1 Tenant Representative. Tenant has designated Eric Stenner as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter, until further written notice to Landlord.

6.2 Landlord Representative. Landlord has designated Walter Koelbel and/or Jeff Sheets as its representatives with respect to the matters set forth in this 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 Work Letter.

6.3 "As-Built" Drawings and Specifications. Within thirty (30) days after the completion of the Tenant Work, Tenant shall deliver to Landlord, at Tenant's sole cost and expense, a CADD file in a format reasonably acceptable to Landlord and a set of mylar reproducibles of all "as-built" drawings and specifications of the Premises (reflecting all field changes and including, without limitation, architectural, structural, mechanical, and electrical drawings and specifications) prepared by all of Tenant's Construction Agents.

6.4 Force and Effect. The terms and conditions of this Work Letter supplement the Lease and shall be construed to be a part of the Lease and are incorporated in the Lease. Without limiting the generality of the foregoing, any default by any party hereunder shall have the same force and effect as a default under the Lease. Should any inconsistency arise between this Work Letter and the Lease as to the specific matters which are the subject of this Work Letter, the terms and conditions of this Work Letter shall control.

6.5 Applicability. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or

supplement to the Lease.

SCHEDULE 1 TO EXHIBIT C (WORK LETTER)
LANDLORD WORK

919 W Dillon Rd Renovation Pricing Set – 01/27/2022 prepared by DLR Group reference No. 37-22209-00 Pricing Set Sheet List

0.1	Cover Sheet
1.1	Demolition Plan
1.2	Demolition Roof Plan
1.3	Demolition Elevations
1.4	New Plan
1.6	New Elevations
1.7	New Elevations – Rendered
1.8	Perspective Views & Materials
S1.1	Structural Foundation Demo Plan
S1.2	Structural Framing Plan
SD 1.1	Structural Foundation Plan
SD 1.2	Structural Framing Plan

SCHEDULE 2 TO EXHIBIT C (WORK LETTER) INSURANCE REQUIREMENTS

SECTION 1. General. The Contractor shall procure and maintain in effect until final completion of the Tenant Work, or such longer periods as may be required as set forth in the Work Letter, the Lease or in any other agreements or contracts governing the construction of the Tenant Work (collectively, the "Contract Documents"), the insurance coverages described below.

(a) Workers' Compensation and Employers Liability Insurance.

(i) Workers' Compensation Insurance with statutory benefits and limits which shall fully comply with all State and Federal requirements applying to this insurance; which shall include Broad Form all states and voluntary compensation endorsements.

(ii) Employers Liability Insurance with limits of not less than One Million Dollars ($1,000,000) per accident, One Million Dollars ($1,000,000) per disease and One Million Dollars ($1,000,000) policy limit on disease.

(b) Business Automobile Liability Insurance. Automobile Liability Insurance in the Contractor's name including owned, non-owned, leased, and hired motor vehicle coverage. Limits of Liability shall not be less than One Million Dollars ($1,000,000) combined single limit per accident bodily injury and property damage (except in the case of contracts involving earthwork which limits shall not be less than Three Million Dollars ($3,000,000) combined single limit per accident bodily injury and property damage).

(c) Commercial General Liability Insurance. Commercial General Liability Insurance in the Contractor's name which shall include: Bodily Injury, Property Damage, Products & Completed Operations, Personal Injury with employee and contractual exclusions deleted, Blanket (written or oral) Contractual Liability, Broad Form Property Damage coverage, with combined single limits of no less than Five Million Dollars ($5,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate on a per project basis, written on an occurrence basis. Limit requirements may be met by any combination of primary and/or excess/umbrella coverage, and shall include the following terms. Such insurance shall be maintained, including addition insured requirement in (i) below, for the statute of repose period allowed under Colorado law

(i) Name , Landlord, any Superior Rights Holders and property manager and any other parties identified by Landlord in writing together with their respective agents, members, partners, employees, offices, directors, and shareholders named as additional insureds;

(ii) Stipulate that such insurance is primary to any valid and collectible insurance carried by, or for the benefit of, any of the additional insureds and an insurance carried by Landlord or any other Landlord Indemnified Parties shall be deemed excess and non-contributing;

(iii) Contain a separation of insureds clause and shall not exclude or preclude coverage for claims brought by an additional insured against a named insured;

(iv) Delete any exclusions for explosion, collapse, or underground hazards;

(v) Provide blanket waiver of subrogation against Landlord and all other Landlord Indemnified Parties; and

(vi) Provide that any exclusion pertaining to professional design services shall apply only to such services provided by the Named Insured in its capacity as an architect, engineer or surveyor. Such exclusion, without limitation, shall not apply to any construction means, methods, techniques, sequences, and procedures employed by the Named Insured in connection with its business as a construction contractor.

(d) Builder's Risk: "All risk" builders risk property insurance for the full replacement cost of the Tenant Work on a completed value basis, naming Landlord as a loss payee, providing primary (and not contributing) coverage, and including a waiver of all rights of subrogation against Landlord.

SECTION 2. Subcontractors.

(a) All subcontractors shall maintain the same policies of insurance required of the Contractor under the Contract Documents, except by exception given by Landlord in writing. The Contractor agrees that it will promptly advise Landlord in the event that any subcontractor which it wishes to retain is unable to obtain such requisite insurance coverages and will obtain Landlord's prior written approval of any deviations in such insurance coverages prior to entering into an agreement with such subcontractor. The Contractor agrees that it will contractually obligate subcontractors to promptly advise the Contractor of any changes or lapses of the requisite insurance coverages and the Contractor agrees to promptly advise Landlord of same.

(b) The Contractor assumes all responsibility for monitoring subcontractor insurance certificates for compliance with the insurance provisions of this Schedule 2.

SECTION 3. Design. The Architect, Engineer, Contractor, or any subcontractor who performs professional design services shall procure and maintain Professional Liability Errors and Omissions Insurance which shall be provided in accordance with the following:

(a) Professional Liability Errors and Omissions Insurance including contractual liability coverage with limits of not less than Two Million Dollars ($2,000,000);

(b) Such coverage to be maintained in full force and effect during the term of the construction of the Tenant Work and for the applicable statute of repose period;

(c) Any retroactive date or operative date in a specified prior acts exclusion shall pre-date the date of the Work Letter and the date that any services were provided in connection with the Tenant Work; and

(d) The exclusion otherwise permitted in Section 1(d) above in this Schedule 2 shall not be applicable to such design services.

SECTION 4. Terms and Conditions.

(a) Before the Contractor commences the rendition of any services or Tenant Work pursuant to the Work Letter or any Contract Documents, the Contractor shall file with Landlord one (1) valid/original certificate of insurance and two (2) copies of the same, including the required amendatory riders and endorsements, evidencing that all required insurance is in force, executed by an authorized representative of the insurance company or insurance broker. Replacement of expiring certificates shall be filed with Landlord at least ten (10) days prior to the expiration date.

(b) The Contractor shall maintain current/valid certificates, in form and content satisfactory to Landlord, which shall be kept on file with Landlord at all times during the performance of the services rendered pursuant to the Work Letter. Such certificates shall identify the specific project and location.

(c) The Contractor shall not make changes in or allow the required insurance coverages to lapse without Landlord's prior written approval thereto.

(d) All policies for insurance must be endorsed to contain a provision giving Landlord a thirty (30) day prior written notice of any cancellation or non-renewal of that policy or material change in coverage.

(e) Receipt and review by Landlord of any copies of insurance policies or insurance certificates, or failure to request such evidence of insurance, shall not relieve Contractor of any obligation to comply with the insurance provisions of the Work Letter, the Lease or this Schedule 2.

(f) The insurance provisions in any Contract Documents, including as set forth in this Schedule 2, shall not be construed as a limitation on the Contractor's responsibilities and liabilities pursuant to the terms and conditions of the Contract Documents including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein or any deductible or self-insured retention amounts.

(g) All insurance required by the Contract Documents shall be provided under enforceable and valid policies issued by insurance companies (i) licensed to do business in the state where the Premises are located, and (ii) reasonably acceptable to Landlord.

(h) All insurances required by the Contract Documents shall be arranged with insurers having at least an A-VIII Best rating.

(i) If any of the insurances to be maintained by the Contractor or subcontractors pursuant to this Agreement contains aggregate limits, such aggregate limits shall be immediately restored to the limits shown in *Sections 1 and 3(a) of* Schedule 2 above in the event they are impaired due to any incidents, occurrences, claims, settlements, judgments, or expenses against such insurance.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (SINGLE TENANT – NNN) (this "**First Amendment**") is made and entered into this 11th day of March, 2022 (the "**First Amendment Date**"), by and between Centennial Valley Properties I, LLC, a Colorado limited liability company ("**Landlord**"), and Biodesix, Inc., a Delaware corporation ("**Tenant**").

RECITALS

A. Landlord and Tenant entered into that certain Lease Agreement (Single Tenant – NNN) dated March 11, 2022 (the "**Lease**"), relating to the leasing of certain land and improvements located in Boulder County, Colorado as more specifically described in the Lease.

B. The Lease established April 1, 2022 as the Landlord Financing Deadline.

C. The Work Letter provides Tenant the option to increase the Tenant Improvements Allowance by the Extra Allowance Amount.

D. Landlord and Tenant desire extend the Landlord Financing Deadline and Tenant desires to exercise its right to the Extra Allowance Amount subject and pursuant to the terms and conditions set forth below.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant agree as follows:

AGREEMENT

1. **Landlord Financing Deadline.** The Lease is hereby amended in all respects necessary to extend the Landlord Financing Deadline to May 10, 2022.

2. **Extra Allowance Amount.** Tenant has elected to exercise its right to the entire Extra Allowance Amount of $25.00 per square foot of the Rentable Area of the Premises pursuant to Section 2.1(b) of the Work Letter and the Lease is hereby amended in all respects necessary to effectuate Tenant's election. Without limiting the foregoing, the Lease is hereby amended as follows:

2.1 Tenant Improvement Allowance. The Tenant Improvement Allowance is hereby increased from $185.00 per square foot of the Rentable Area of the Premises to $210.00 per square foot of the Rentable Area of the Premises.

2.2 Base Rent. The Base Rent payable over the initial Lease Term is increased to include the Extra Allowance Amount reflected on the chart below and the Base Rent chart in clause (m) of Article I of the Lease is hereby deleted in its entirety and replaced with the following chart:

Period	Annualized Base Rent Rate per square foot of Building	Base Rent/Year	Base Rent/Month
1-12	*$34.00	$2,719,320.00	$226,610.00
13-24	$36.33	$2,905,926.62	$242,160.55
25-36	$38.19	$3,054,051.91	$254,504.33
37-48	$39.24	$3,138,030.91	$261,502.58
49-60	$40.32	$3,224,409.31	$268,700.78
61-72	$41.44	$3,313,986.91	$276,165.58
73-84	$42.59	$3,405,963.91	$283,830.33
25-96	$43.77	$3,500,340.31	$291,695.03
97-108	$44.99	$3,597,915.91	$299,826.33
109-120	$46.24	$3,697,890.91	$308,157.58
121-132	$47.53	$3,801,065.11	$316,755.43
133-144	$48.86	$3,907,438.51	$325,619.88

* Subject to Abated Rent pursuant to Section 8.7(a).
□ Subject to Partial Abated Rent pursuant to Section 8.7(b).

2.3 Partial Abated Rent. Notwithstanding the revised Base Rent set forth above the annualized per square foot Base Rent rate for the Partial Abated Rent Period shall be $34.00.

3. General Provisions.

3.1 Full force and effect. Except as amended by this First Amendment, the Lease as modified herein remains in full force and effect and is hereby ratified by Landlord and Tenant. In the event of any conflict between the Lease and this First Amendment, the terms and conditions of this First Amendment shall control.

3.2 Capitalized terms. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

3.3 Successors and assigns. This First Amendment shall be binding upon and inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns.

3.4 Entire agreement. The Lease, as amended by this First Amendment, contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof, and may not be amended or modified except by an instrument executed in writing by Landlord and Tenant.

3.5 Power and authority. Except as provided herein, Tenant has not assigned or transferred any interest in the Lease and has full power and authority to execute this First Amendment.

3.6 Counterpart; Signatures. This First Amendment may be executed in two (2) or more duplicate originals. Each duplicate original shall be deemed to be an original hereof. Landlord and Tenant consent and agree that this First Amendment may be signed and/or transmitted by e-mail of a .pdf document 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. may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.7 Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of Colorado.

[signature page follows]

IN WITNESS WHEREOF, Landlord and Tenant have caused this First Amendment to be executed as of the First Amendment Date.

LANDLORD:

Centennial Valley Properties I, LLC, a Colorado limited liability company

By: Koelbel and Company,
a Colorado corporation, its manager

By:	/s/ WALTER A. KOELBEL, JR.
Name printed:	Walter A. Koelbel, Jr.
Title:	Koelbel and Company
Date of Signature:	3/11/2022

TENANT:

Biodesix, Inc., a Delaware corporation

By:	/s/ ROBIN HARPER COWIE
Name printed:	Robin Harper Cowie
Title:	CFO
Date of Signature:	3/11/2022

AMENDMENT NO. 3 TO ASSET PURCHASE AGREEMENT AND PLAN OF REORGANIZATION

This Amendment No. 3 to Asset Purchase Agreement and Plan of Reorganization (this "**Amendment**"), is made and entered into as of April 7, 2022, and amends that certain Asset Purchase Agreement and Plan of Reorganization, dated June 30, 2018 (the "**Original Agreement**"), by and among Biodesix, Inc. (the "**Company**"); Integrated Diagnostics, Inc. ("**Seller**"); and IND Funding LLC ("**Stockholder**"), as amended by that certain Amendment No. 1 to Asset Purchase Agreement and Plan of Reorganization dated as of July 29, 2021 and that certain Amendment No. 2 to Asset Purchase Agreement and Plan of Reorganization dated as of August 9, 2021 (as amended, the "**Agreement**"). Capitalized terms used but not defined in this Amendment have the meanings specified for such capitalized terms in the Agreement.

WHEREAS, pursuant to Section 8.11 of the Agreement, the Agreement may be amended, modified, altered or supplemented by means of a written instrument duly executed and delivered on behalf of the Company, Seller and Stockholder; and

WHEREAS, the Company, Seller and Stockholder desire to amend the Amendment as set forth below pursuant to its terms.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment of Section 1.9. Subject to Section 7 of this Amendment, Section 1.9 of the Agreement is hereby amended and restated in its entirety as follows:

"**Milestone Payment**

(a) ***General***. Subject to the terms and conditions of this Section 1.9, Purchaser shall pay Seller an aggregate amount equal to $43,074,872.57 (the "**Milestone Payment**") in twelve total installments (each, an "**Installment Payment**") in the amounts and on the schedule set forth in the following sentence, plus any applicable interest as described below. The first Installment Payment, in the amount of $4,625,000, shall be payable on January 3, 2022, the next five Installment Payments, in the amounts of $2,000,000 each, shall be payable on the first business day of each of the next five calendar quarters, beginning on April 1, 2022, the next three Installment Payments, in the amounts of $3,000,000 each, shall be payable on the first day of each of the next three calendar quarters, beginning on July 1, 2023, the next Installment Payment, in the amount of $5,000,000, shall be payable on April 1, 2024, the next Installment Payment, in the amount of $8,374,872.57 shall be payable on July 1, 2024 and the last Installment Payment, in the amount of $6,075,000 shall be payable on October 1, 2024. The date of each such Installment Payment shall be referred to as a "**Redemption Date**." To the extent the first day of a calendar quarter is on a weekend, such Installment Payment will be payable in full on the next immediate business day. Notwithstanding the foregoing payment schedule, Purchaser may elect to pay the remainder of the Milestone Payment in

full at any time.

(c)*Interest*. From and after the date any Installment Payment is due and payable until the date the Applicable Amount with respect to such Installment Payment is paid in full, interest shall accrue on amount equal to (i) such Applicable Amount with respect to such Installment Payment minus (ii) the aggregate amount of such Installment Payment paid on such due date plus any additional amounts paid in respect of such Applicable Amount, which interest shall accrue at a per annum rate equal to 10%, with such interest to be payable quarterly on the following Redemption Date; provided, however, that in no event shall such interest exceed the maximum permitted rate of interest under applicable law (the "**Maximum Permitted Rate**"), provided, however, that Purchaser shall take all such actions as may be necessary, including without limitation, making any applicable governmental filings, to cause the Maximum Permitted Rate to be the highest possible rate. In the event any provision hereof would result in the rate of interest payable hereunder being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the Maximum Permitted Rate shall be retroactively effective to the applicable Redemption Date to the extent permitted by law. For the avoidance of doubt, there is no prepayment penalty (and no interest shall be due) if any Installment Payments are paid prior to a required Redemption Date. For purposes of this Agreement, "**Applicable Amount**" means (a) from January 1, 2022 through March 31, 2022, $4,625,000, (b) from April 1, 2022 through June 30, 2022, $9,250,000, (c) from July 1, 2022 through September 30, 2022, $13,875,000, (d) from October 1, 2022 through December 31, 2022, $18,500,000, (e) from January 1, 2023 through March 31, 2023, $23,125,000, (f) from April 1, 2023 through June 30, 2023, $27,750,000, and beginning on July 1, 2023 and at all times thereafter, $36,999,872.57; provided, however, that notwithstanding anything to the contrary in this Section 1.9, no interest shall apply to or be paid on the last Installment Payment.

(d)*Nature of Milestone Payment*. Subject to the terms of Amendment 3 to the Agreement, the Milestone Payment set forth in this Section 1.9 shall be a general, unsecured obligation of Purchaser and is intended to represent consideration payable by Purchaser to Seller for the sale by Seller to Purchaser of (i) Seller's right to receive Milestone Shares (as defined in the Original Agreement) under Section 1.3(b) of the Original Agreement and (ii) Seller's Put Option (as defined in the Original Agreement) under Section 1.9 of the Original Agreement.

2. Strategic Evaluation. If the Company determines there is substantial doubt of going concern in accordance with U.S. GAAP beginning with the Form 10-K filed with the SEC for the twelve month period ended December 31, 2022 and until such time as the Milestone Payment has been fully repaid, then the Company's board of directors, directly or through a delegated committee of the board, shall engage and confer with an investment banker with experience in the life sciences sector as determined by the board of directors or such committee of the board with respect to the Company's potential strategic options and alternatives.

3. Reference to and Effect on the Agreement. On or after the date hereof, each reference in the Agreement to "this Agreement," "hereunder," "herein" or words of like import in the Agreement

shall mean and be a reference to the Agreement as amended hereby. No reference to this Amendment need be made in any instrument or document at any time referring to the Agreement, a reference to the Agreement in any such instrument or document to be deemed a reference to the Agreement as amended hereby.

4. No Other Amendments. Except as set forth herein, the Agreement shall remain in full force and effect in accordance with their terms.

5. Counterparts; Electronic or Facsimile Signatures. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Amendment may be executed and delivered electronically or by facsimile and upon such delivery such electronic or facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the Legal Requirements of the State of Delaware applicable to Contracts executed in and to be performed entirely within such State.

7. Conditions to Effectiveness. The provisions of Section 1 above shall be effective solely upon (a) the effectiveness and funding by July 1, 2022 under the definitive documentation evidencing the financing facility from Streeterville Capital LLC ("**Streeterville**") to the Purchaser on substantially the terms set forth in that certain Term Sheet between the Company and Streeterville dated as of April 5, 2022, a copy of which has been provided to the Seller (such financing, the "**Streeterville Financing**" and such term sheet, the "**Streeterville Term Sheet**") with a principal amount of no less than $15,750,000, (b) the funding of at least $9 million in equity proceeds subject to no redemption, escrow, or similar feature on or prior to April 8, 2022, (c) the consent of Silicon Valley Bank or its affiliates, as applicable, to this Amendment, (d) entry into any documentation reasonably requested by Seller of Purchaser or Streeterville in connection with the transactions discussed under the Streeterville Term Sheet, and (e) the reimbursement by the Company of Seller's reasonable expenses (including fees of counsel) incurred in connection with this Amendment in an amount not to exceed $25,000. This Section 7 is a condition to effectiveness to Section 1 of this Amendment and, for the avoidance of doubt, failure of all such conditions under this Section 7 to occur by the date so indicated, shall mean that Section 1 of this Amendment is not in full force and effect; provided, however, that from the date of this Amendment until the earlier of (1) the effectiveness of this Amendment pursuant to this Section 7 or (2) the failure of any condition to effectiveness set forth in this Section 7 such that such condition could not be satisfied prior to July 1, 2022 (or, in the case of the condition set forth in clause (b), April 8, 2022), the Company shall not be required to make any Installment Payments under Section 1.9(a) of the Agreement and no interest shall accrue on any such unpaid Installment Payments.

[*signature pages follow*]

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

BIODESIX, INC.

By: /s/ RYAN SIUREK
Name: Ryan Siurek
Title: Chief Accounting Officer

IND Funding LLC

By: /s/ STEPHEN J. DENELSKY
Name: Stephen J. Denelsky
Title: Managing Partner

Integrated Diagnostics, Inc.

By: /s/ STEPHEN J. DENELSKY
Name: Stephen J. Denelsky
Title: Managing Partner

Exhibit 10.7

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "**Agreement**"), dated as of May 9, 2022, is entered into by and between BIODESIX, INC., a Delaware corporation ("**Company**"), and STREETERVILLE CAPITAL, LLC, a Utah limited liability company, its successors and/or assigns ("**Investor**").

A. Company and Investor are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the Securities Act of 1933, as amended (the "**1933 Act**"), and the rules and regulations promulgated thereunder by the United States Securities and Exchange Commission (the "**SEC**").

B. Investor desires to purchase and Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, (a) that certain Secured Convertible Promissory Note #1, in the form attached hereto as Exhibit A, in the original principal amount of $16,025,000.00 ("**Note #1**"), and (b) subject to the satisfaction of the Note #2 Purchase Conditions (as defined below), that certain Secured Convertible Promissory Note #2 in the form attached hereto as Exhibit B, in the original principal amount of $10,250,000.00 ("**Note #2**," and together with Note #1, the "**Notes**"). Each of the Notes shall be convertible into shares of common stock, $0.001 par value per share, of Company (the "**Common Stock**"), upon the terms and subject to the limitations and conditions set forth in such Note.

C. This Agreement, the Notes, the Security Agreement (as defined below) and all other certificates, documents, agreements, resolutions and instruments delivered to any party under or in connection with this Agreement, as the same may be amended from time to time, are collectively referred to herein as the "**Transaction Documents**".

D. For purposes of this Agreement: "**Conversion Shares**" means all shares of Common Stock issuable upon conversion of all or any portion of the Notes; and "**Securities**" means the Notes and the Conversion Shares.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Investor hereby agree as follows:

1. Purchase and Sale of Securities.

1.1. Purchase of Securities. Company shall issue and sell to Investor and Investor shall purchase from Company the Notes. In consideration thereof, Investor shall pay the Purchase Price (as defined below) to Company; *provided, however*, that Investor's obligation to deliver the Note #2 Purchase Price (as defined below) is subject to the satisfaction of the following conditions (the "**Note #2 Purchase Conditions**"): (i) Company shall have satisfied the covenant set forth in Section 4(vii) below; (ii) Company shall have received no less than $5,600,000 in proceeds from the sale (not attributable to Investor or its affiliates) of new equity securities during the period beginning on the First Closing Date and ending on the Second Closing Date (defined below); (iii) on or before the Second Closing Date, Company shall have met or exceeded Revenue Milestone 1 (as defined below); (iv) (a) the aggregate market value of Company's common stock and any other equity securities held by persons that are not Affiliates of Company on the Second Closing Date shall be greater than or equal to $75,000,000, or (b) received no less than $20,000,000.00 in additional proceeds from the sale (not attributable to Investor or its affiliates) of new equity securities in Company not counting those proceeds set forth in Section 1.1(ii) above (for total proceeds of no less than $25,600,000) during the period beginning on the First Closing Date and ending on

the Second Closing Date; (v) as of the Second Closing Date, Company is in good standing with NASDAQ and has not received any notice of non-compliance; (vi) Company shall be current in its payments to Integrated Diagnostics, Inc. ("**Indi**"), pursuant to that certain Asset Purchase Agreement and Plan of Reorganization, dated as of June 30, 2018 (as may be amended, restated, amended and restated, replace, refinanced, supplemented or otherwise modified from time to time, the "**Integrated Diagnostics APA**"), by and between the Borrower and Indi; and (vii) no Trigger Events (as defined in the Notes) under either of the Notes shall have occurred and is continuing. Upon satisfaction of the Note #2 Purchase Conditions, Investor shall have a period of three (3) Trading Days (as defined in the Notes) to deliver the Note #2 Purchase Price to Company. For purposes hereof, the term "**Revenue Milestone 1**" means lung diagnostic revenue, in a minimum amount as disclosed in writing by Company to Investor on May 5, 2022, on that certain spreadsheet titled "Revenue Milestones (Final)", prior to the First Closing Date for fiscal year 2022, and the term "**Revenue Milestone 2**" means lung diagnostic revenue, in a minimum amount as disclosed in writing by Company to Investor on May 5, 2022, on that certain spreadsheet titled "Revenue Milestones (Final)", prior to the First Closing Date for fiscal year 2022.

1.2. Form of Payment. On the First Closing Date, Investor shall pay the Note #1 Purchase Price to Company via wire transfer of immediately available funds against delivery of the Notes. Upon satisfaction of the Note #2 Purchase Conditions, Investor shall deliver the Note #2 Purchase Price to Company via wire transfer of immediately available funds and Note #2 shall immediately and automatically become a valid and binding obligation of Company upon Investor's delivery of the Note #2 Purchase Price.

1.3. Closing. Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 and Section 6 (as applicable) below, the date of the issuance and sale of Note #1 pursuant to this Agreement (the "**First Closing Date**") shall be May 9, 2022, or another mutually agreed upon date. The closing of the purchase and sale of Note #1 pursuant to this Agreement (the "**First Closing**") shall occur on the First Closing Date by means of the exchange by email of signed .pdf documents, but shall be deemed for all purposes to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah. Subject to the satisfaction of the conditions set forth in Section 5 and Section 6 (as applicable) below and the satisfaction of the Note #2 Purchase Conditions, the date of the issuance and sale of Note #2 pursuant to this Agreement shall be January 31, 2023 (the "**Second Closing Date**" and, together with the First Closing Date, the "**Closing Dates**", and individually, each a "**Closing Date**"). If applicable, the closing of the purchase and sale of Note #2 pursuant to this Agreement (the "**Second Closing**", together with the First Closing, the "**Closings**", and individually, each a "**Closing**") shall occur on the Second Closing Date by means of the exchange by email of signed .pdf documents, but shall be deemed for all purposes to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

1.4. Collateral for the Notes. The Notes shall be secured by the collateral to the extent set forth in that certain Security Agreement dated as of the date hereof, by and between Company and Investor in substantially the form as Exhibit C attached hereto (the "**Collateral**") listing certain of Company's assets as security for Company's obligations under the Transaction Documents (the "**Security Agreement**"). Investor's security interest in the Collateral shall be subordinated to that of Silicon Valley Bank, a California corporation ("**SVB**"), as evidenced by that certain Subordination Agreement by and between SVB and Investor, substantially in the form attached hereto as Exhibit D (the "**SVB Subordination Agreement**") until all obligations owing from Company to SVB are indefeasibly satisfied in full in cash. In addition, prior to Closing, Indi will agree to subordinate certain rights to Investor pursuant to a Subordination Agreement substantially in the form hereto as Exhibit E (the "**Indi Subordination Agreement**"), which Indi Subordination Agreement will be entered into no later than thirty (30) days following the date on which Company shall have satisfied the covenant set forth in Section 4(vii) below. For the avoidance of doubt, notwithstanding anything in the Transaction Documents to the contrary, Company is permitted to (i) make payments to Indi under the Integrated Diagnostics APA and (ii) grant security interests to Indi, subject to the Indi Subordination Agreement.

1.5. Original Issue Discount; Transaction Expense Amount. Note #1 carries an original issue discount ("**OID**") of $1,000,000 ("**Note #1 OID**"). In addition, Company agrees to pay $25,000.00 to Investor to cover Investor's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of the Securities (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of Note #1. The "**Note #1 Purchase Price**", therefore, shall be $15,000,000.00, computed as follows: $16,025,000.00 initial principal balance, less the Note #1 OID, less the Transaction Expense Amount. Note #2 carries an OID of $250,000.00 (the "**Note #2 OID**"). The "**Note 2 Purchase Price**" (and together with the Note #1 Purchase Price, the "**Purchase Price**"), therefore, shall be $10,000,000.00, computed as follows: $10,250,000.00 initial principal balance, less the Note #2 OID. For the avoidance of doubt, the Note #2 OID shall be subject to the Balance Adjustment, as described in Section 1.3 of Note #2.

2. Investor's Representations and Warranties. Investor represents and warrants to Company that as of each Closing Date: (i) Investor is a limited liability company duly established, validly existing and in good standing under the laws of the State of Utah and has the requisite power to carry on its business as now being conducted; (ii) has full power and authority to enter into this Agreement and to incur and perform all obligations and covenants contained herein, and this Agreement has been duly and validly authorized; (iii) this Agreement constitutes a valid and binding agreement of Investor enforceable in accordance with its terms; (iv) Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the 1933 Act; (v) Investor acknowledges that it is aware that there are substantial risks incident to the purchase and ownership of the Securities and that it is able to fend for itself in the transactions contemplated herein, has exercised its independent judgment in evaluating its investment in the Securities, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, and has sought such accounting, legal, economic and tax advice as Investor has considered necessary to make an informed investment decision; and (vi) Investor is not (A) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control (collectively "**OFAC Lists**"), (B) owned or controlled by, or acting on behalf of, a person, that is named on an OFAC List, (C) organized, incorporated, established, located, resident or born in, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of, Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, or any other country or territory embargoed or subject to substantial trade restrictions by the United States, (D) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515 or (E) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank.

3. Company's Representations and Warranties. Company represents and warrants to Investor that as of each Closing Date: (i) Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to do so could not reasonably be expected to have a material adverse effect on the business or operations of Company (a "**Material Adverse Effect**"); (iii) Company has registered its Common Stock under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; (iv) each of the Transaction Documents and the transactions contemplated hereby and thereby, have been duly and validly authorized by Company and all necessary actions have been taken; (v) this Agreement, the Notes, and the other Transaction Documents have been duly executed and delivered by Company and constitute the valid and binding obligations of Company enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and

equitable principles relating to or affecting creditors' rights; (vi) the execution and delivery of the Transaction Documents by Company, the issuance of the Securities in accordance with the terms hereof, and the consummation by Company of the other transactions contemplated by the Transaction Documents do not and will not conflict with or result in a breach by Company of any of the terms or provisions of, or constitute a default under (a) Company's formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Company is a party or by which it or any of its properties or assets are bound, including, without limitation, any listing agreement for the Common Stock, or (c) any existing material requirement under applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over Company or any of Company's properties or assets; (vii) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of Company is required to be obtained by Company for the issuance of the Securities to Investor or the entering into of the Transaction Documents (except (x) such governmental approvals which have already been obtained and are in full force and effect (or are being obtained substantially concurrently with the issuance of the Notes or as required by the terms of the Transaction Documents) and (y) filings and recordings in respect of the Liens (as defined in the Security Agreement) created pursuant to the applicable Transaction Documents); (viii) none of Company's filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, as of the each date made, in light of the circumstances under which they were made, not materially misleading; (ix) Company has filed all reports, schedules, forms, statements and other documents required to be filed by Company with the SEC under the 1934 Act on a timely basis or has received a valid extension of such time of filing and has filed any such report, schedule, form, statement or other document prior to the expiration of any such extension; (x) there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of Company, threatened against or affecting Company before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect; (xi) Company has not consummated any financing transaction that has not been disclosed in a periodic filing or current report with the SEC under the 1934 Act; (xii) Company is not, nor has it been at any time in the previous twelve (12) months, a "Shell Company," as such type of "issuer" is described in Rule 144(i)(1) under the 1933 Act; (xiii) with respect to any commissions, placement agent or finder's fees or similar payments that will or would become due and owing by Company to any person or entity as a result of this Agreement or the transactions contemplated hereby ("**Broker Fees**"), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person or entity that is a registered investment adviser or registered broker-dealer; (xiv) Investor shall have no obligation with respect to any Broker Fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this subsection that may be due in connection with the transactions contemplated hereby and Company shall indemnify and hold harmless each of Investor, Investor's employees, officers, directors, stockholders, members, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the reasonably and documented out-of-pocket costs of preparation and attorneys' fees) and expenses suffered in respect of any such claimed Broker Fees; (xv) neither Investor nor any of its officers, directors, stockholders, members, managers, employees, agents or representatives has made any representations or warranties to Company or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents; (xvi) Company acknowledges that the State of Utah has a reasonable relationship and sufficient contacts to the transactions contemplated by the Transaction Documents and any dispute that may arise related thereto such that the laws and venue of the State of Utah,

as set forth more specifically in Section 8.1 below, shall be applicable to the Transaction Documents and the transactions contemplated therein; (xvii) Company acknowledges that Investor is not registered as a 'dealer' under the 1934 Act; and (xviii) Company has performed due diligence and background research on Investor and its affiliates and has received and reviewed the due diligence packet provided by Investor. Company, being aware of the matters and legal issues described in subsections (xvii) and (xviii) above, acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by the Transaction Documents and covenants and agrees it will not use any such information or legal theory as a defense to performance of its obligations under the Transaction Documents or in any attempt to avoid, modify, reduce, rescind or void such obligations.

4. Company Covenants. Until all of Company's obligations under all of the Transaction Documents are paid and performed in full, or within the timeframes otherwise specifically set forth below, Company will at all times comply with the following covenants: so long as Investor beneficially owns any of the Securities and for at least twenty (20) Trading Days (as defined in the Notes) thereafter, Company will timely file on the applicable deadline all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and will take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and will not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; when issued, the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; the Common Stock will be listed or quoted for trading on NYSE or NASDAQ; trading in Company's Common Stock will not be suspended, halted, chilled, frozen, reach zero bid or otherwise cease trading on Company's principal trading market; Company will not enter into any agreement or otherwise agree to any covenant, condition, or obligation that locks up, restricts in any way or otherwise prohibits Company: (a) from entering into a variable rate transaction with Investor or any affiliate of Investor, or (b) from issuing Common Stock, preferred stock, warrants, convertible notes, other debt securities, or any other Company securities to Investor or any affiliate of Investor; Company will not make any Restricted Issuances (as defined below) without Investor's prior written consent, which consent may be granted or withheld in Investor's sole and absolute discretion; within 9 months following the First Closing Date, Company will repay in full all outstanding obligations under the SVB Loan Agreement (as defined in the Security Agreement) (the "**SVB Payoff**"), at which time Company shall take all steps necessary to grant Investor a first position security interest in the Collateral (subject to Permitted Liens (as defined in the Security Agreement)); beginning on April 1, 2023, Company shall maintain a minimum liquidity balance of at least $3,000,000.00 (which liquidity balance shall only include cash, cash equivalents and accounts receivable); Company will not accelerate its payment schedule with Indi or pay any portion of the amounts owed to Indi in Common Stock without Investor's prior written consent, which consent may be granted or withheld in Investor's sole discretion; Company will not create, own or operate any subsidiaries without Investor's prior written consent, which consent will not be unreasonably withheld; provided, however, Investor may reasonably refuse to provide its consent to any such action that Investor believes after consultation with Company would detrimentally affect the creditworthiness of Company which determination may be made in Investor's sole and absolute discretion; and Company hereby grants to Investor a participation right, whereby Investor shall have the right to participate in Investor's discretion in up to thirty percent (30%) of any equity or debt for borrowed money financing of Company only for so long as the Notes remain outstanding (except for trade payables, bank debt, ATMs, mortgages, leases, asset-backed loans and sales of common stock pursuant to Company's existing equity facility (the "**Equity Line**"). In furtherance thereof, should Company seek to raise capital via any equity or debt for borrowed money financing transaction (except for trade payables, bank debt, ATMs or the Equity Line, or pursuant to any public offering), it shall provide Investor not less than five (5) calendar days prior written notice ("**Company Notice**") of such proposed financing transaction ("**Covered Financing Transaction**"), along with material terms and copies of the proposed transaction documents to the extent known or otherwise available at the time of such notice. Investor shall then have up to two (2)

calendar days from Company Notice to elect to purchase up to thirty percent (30%) of the debt or equity securities proposed to be issued in such transaction on terms that are no less favorable to Investor than the terms and conditions offered to any other purchaser of the same securities and acquiring an equal or lesser amount than Investor's participation amount. Notwithstanding the foregoing, to the extent that is not reasonably practicable for Company to provide Company Notice in accordance with the previous sentence, Company shall promptly provide Investor notice of the Covered Financing Transaction and an opportunity for Investor to participate in a subsequent closing of the Covered Company Transaction, in accordance with the immediately previous sentence. The parties agree that in the event Company breaches the covenant set forth in Section 4(x) above, Investor's sole and exclusive remedy shall be to receive, as liquidated damages, an amount equal to twenty (20%) of the amount Investor would have been entitled to invest under the participation right. For purposes hereof, the term "**Restricted Issuance**" means any issuance or incurrence of any debt (except trade payables) or any Company securities that: (a) have or may have conversion rights of any kind, contingent, conditional or otherwise, in which the number of shares that may be issued pursuant to such conversion right varies with the market price of the Common Stock, (b) are or may become convertible into Common Stock (including without limitation convertible debt, warrants or convertible preferred stock), with a conversion price that varies with the market price of the Common Stock, even if such security only becomes convertible following an event of default, the passage of time, or another trigger event or condition, or (c) have a fixed conversion price, exercise price or exchange price that is subject to being reset at some future date at any time after the initial issuance of such debt or equity security (1) due to a change in the market price of Company's Common Stock since the date of the initial issuance or (2) upon the occurrence of specified or contingent events directly or indirectly related to the business of Company. For avoidance of doubt, the issuance of shares of Common Stock under, pursuant to, in exchange for or in connection with any contract or instrument, whether convertible or not, is deemed a Restricted Issuance for purposes hereof if the number of shares of Common Stock to be issued is based upon or related in any way to the market price of the Common Stock, including, but not limited to, Common Stock issued in connection with a Section 3(a)(9) exchange, a Section 3(a)(10) settlement, or any other similar settlement or exchange. For the further avoidance of doubt, trade payables, ATM facilities, shares issued pursuant to the Equity Line, and shares issued in a public offering, will not be considered Restricted Issuances. For the avoidance of doubt, Company shall be permitted to perform any other actions, not expressly prohibited pursuant to the terms of this Agreement or any other Transaction Document. To the extent Investor participates in any Covered Financing Transaction at a rate less than thirty percent (30%), Investor's participation rights in any subsequent Covered Financing Transaction shall be at a rate at least equal to ten percent (10%) but less than or equal to the lesser of (i) thirty percent (30%) and (ii) Investor's actual participation percentage for the most recently completed Covered Financing Transaction.

5. Conditions to Company's Obligation to Sell. The obligation of Company hereunder to issue and sell the applicable Securities to Investor at the applicable Closing is subject to the satisfaction, on or before each applicable Closing Date, of each of the following conditions:

5.1. Investor shall have executed this Agreement and delivered the same to Company.

5.2. Investor shall have delivered the applicable portion of the Purchase Price to Company in accordance with Section 1.2 above.

5.3. Investor and SVB shall have executed the SVB Subordination Agreement and, solely with respect to the Second Closing, the Indi Subordination Agreement and Investor shall have delivered the same to Company.

6. Conditions to Investor's Obligation to Purchase. The obligation of Investor hereunder to purchase the applicable Securities at the applicable Closing is subject to the satisfaction, on or before each applicable Closing Date, of each of the following conditions, provided that (other than with respect to

Section 6.3) these conditions are for Investor's sole benefit and may be waived by Investor at any time in its sole discretion:

6.1. Company shall have executed this Agreement delivered the same to Investor.

6.2. Solely with respect to the First Closing, Company shall have executed and delivered Note #1 to Investor.

6.3. Solely with respect to the Second Closing, Company shall have executed and delivered Note #2 to Investor.

6.4. Concurrently with the First Closing, Company shall have delivered to Investor a fully executed Irrevocable Letter of Instructions to Transfer Agent (the "**TA Letter**") substantially in the form attached hereto as Exhibit F acknowledged and agreed to in writing by Company's transfer agent (the "**Transfer Agent**").

6.5. Concurrently with the First Closing, Company shall have delivered to Investor a fully executed Officer's Certificate substantially in the form attached hereto as Exhibit G evidencing Company's approval of the Transaction Documents.

6.6. Concurrently with the First Closing, Company shall have delivered to Investor a fully executed Share Issuance Resolution substantially in the form attached hereto as Exhibit H to be delivered to the Transfer Agent.

6.7. With respect to the SVB Subordination Agreement, concurrently with the First Closing, Investor shall have delivered to Investor fully executed copies of the SVB Subordination Agreement, and solely with respect to the Second Closing, the Indi Subordination Agreement.

6.8. Solely with respect to the Second Closing, Company shall have satisfied the Note #2 Purchase Conditions.

7. Reservation of Shares. On the date hereof, Company will reserve 37,000,000 shares of Common Stock from its authorized and unissued Common Stock to provide for all issuances of Common Stock under the Note (the "**Share Reserve**"). Company shall further require the Transfer Agent to hold the shares of Common Stock reserved pursuant to the Share Reserve exclusively for the benefit of Investor and to issue such shares to Investor promptly upon Investor's delivery of a Redemption Notice under the Notes. Finally, Company shall require the Transfer Agent to issue shares of Common Stock pursuant to the Note to Investor out of its authorized and unissued shares, and not the Share Reserve, to the extent shares of Common Stock have been authorized, but not issued, and are not included in the Share Reserve. The Transfer Agent shall only issue shares out of the Share Reserve to the extent there are no other authorized shares available for issuance and then only with Investor's written consent.

8. Miscellaneous. The provisions set forth in this Section 8 shall apply to this Agreement, as well as all other Transaction Documents as if these terms were fully set forth therein; provided, however, that in the event there is a conflict between any provision set forth in this Section 8 and any provision in any other Transaction Document, the provision in such other Transaction Document shall govern.

8.1. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction)

that would cause the application of the laws of any jurisdiction other than the State of Utah. Each party consents to and expressly agrees that the exclusive venue of any dispute arising out of or relating to any Transaction Document or the relationship of the parties or their affiliates shall be in Salt Lake County, Utah. For any litigation arising in connection with any of the Transaction Documents (and notwithstanding the terms (specifically including any governing law and venue terms) of any transfer agent services agreement or other agreement between the Transfer Agent and Company, such litigation specifically includes, without limitation any action between or involving Company and the Transfer Agent under the TA Letter or otherwise related to Investor in any way (specifically including, without limitation, any action where Company seeks to obtain an injunction, temporary restraining order, or otherwise prohibit the Transfer Agent from issuing shares of Common Stock to Investor for any reason)), each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, (iii) agrees to not bring any such action (specifically including, without limitation, any action where Company seeks to obtain an injunction, temporary restraining order, or otherwise prohibit the Transfer Agent from issuing shares of Common Stock to Investor for any reason) outside of any state or federal court sitting in Salt Lake County, Utah, and (iv) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim, defense or objection to the bringing of any such proceeding in such jurisdiction or to any claim that such venue of the suit, action or proceeding is improper. Finally, Company covenants and agrees to name Investor as a party in interest in, and provide written notice to Investor in accordance with Section 8.9 below prior to bringing or filing, any action (including without limitation any filing or action against any person or entity that is not a party to this Agreement, including without limitation the Transfer Agent) that is related in any way to the Transaction Documents or any transaction contemplated herein or therein, including without limitation any action brought by Company to enjoin or prevent the issuance of any shares of Common Stock to Investor by the Transfer Agent, and further agrees to timely name Investor as a party to any such action. Company acknowledges that the governing law and venue provisions set forth in this Section 8.1 are material terms to induce Investor to enter into the Transaction Documents and that but for Company's agreements set forth in this Section 8.1 Investor would not have entered into the Transaction Documents.

8.2. Specific Performance. Company acknowledges and agrees that Investor may suffer irreparable harm in the event that Company fails to perform any material provision of this Agreement or any of the other Transaction Documents in accordance with its specific terms. It is accordingly agreed that Investor shall be entitled to one or more injunctions to prevent or cure breaches of the provisions of this Agreement or such other Transaction Document and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which Investor may be entitled under the Transaction Documents, at law or in equity. Company specifically agrees that: (a) following an Event of Default (as defined in the Notes) under either Note, Investor shall have the right to seek and receive injunctive relief from a court prohibiting Company from issuing any of its common or preferred stock to any party unless all proceeds from the sale of such common or preferred stock are paid first to SVB until all outstanding obligations to SVB are paid off and then any remaining proceeds to Investor once SVB has been paid in full; and (b) following a breach of Section 4(v) above, Investor shall have the right to seek and receive injunctive relief from a court invalidating such lock-up. Company specifically acknowledges that Investor's right to obtain specific performance constitutes bargained for leverage and that the loss of such leverage would result in irreparable harm to Investor. For the avoidance of doubt, in the event Investor seeks to obtain an injunction from a court against Company or specific performance of any provision of any Transaction Document, such action shall not be a waiver of any right of Investor under any Transaction Document, at law, or in equity. In the event Company sells common or preferred stock and fails to distribute the proceeds in accordance with clause (a) above within five (5) Trading Days, then Investor shall have the right to seek and receive injunctive relief prohibiting Company from issuing any if its common or preferred stock.

8.3. Calculation Disputes. In the case of a dispute as to any determination or arithmetic calculation under the Transaction Documents, including without limitation, calculating the Outstanding Balance, Conversion Price, Conversion Shares, or VWAP (as defined in the Notes) (each, a "**Calculation**"), Company or Investor (as the case may be) shall submit any disputed Calculation via email or facsimile with confirmation of receipt (i) within two (2) Trading Days after receipt of the applicable notice giving rise to such dispute to Company or Investor (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after Investor learned of the circumstances giving rise to such dispute. If Investor and Company are unable to agree upon such Calculation within two (2) Trading Days of such disputed Calculation being submitted to Company or Investor (as the case may be), then Investor will promptly submit via email or facsimile the disputed Calculation to Unkar Systems Inc. ("**Unkar Systems**"). Investor shall cause Unkar Systems to perform the Calculation and notify Company and Investor of the results no later than ten (10) Trading Days from the time it receives such disputed Calculation. Unkar Systems' determination of the disputed Calculation shall be binding upon all parties absent demonstrable error. Unkar Systems' fee for performing such Calculation shall be paid by the incorrect party, or if both parties are incorrect, by the party whose Calculation is furthest from the correct Calculation as determined by Unkar Systems. In the event Company is the losing party, no extension of the Delivery Date (as defined in the Notes) shall be granted and Company shall incur all effects for failing to deliver the applicable shares in a timely manner as set forth in the Transaction Documents. Notwithstanding the foregoing, Investor may, in its sole discretion, designate an independent, reputable investment bank or accounting firm other than Unkar Systems to resolve any such dispute and in such event, all references to "Unkar Systems" herein will be replaced with references to such independent, reputable investment bank or accounting firm so designated by Investor.

8.4. Tax Treatment. The parties hereto agree that the indebtedness evidenced by the Notes shall be treated as debt for U.S. federal and other applicable income tax purposes. The parties hereto expect that (a) the Notes will not be treated as "contingent payment debt instruments" within the meaning of Section 1275(d) of the Internal Revenue Code of 1986 (the "**Code**") and the U.S. Treasury Regulations (the "**Regulations**) thereunder, including Section 1.1275-4 of the Regulations and (b) solely for purposes of determining the issue price, amount of original issue discount, issue date, and yield to maturity of each Note under Sections 1272 through 1274 of the Code and the Regulations thereunder, the rules of Regulations Section 1.1272-1(c) will be applied by assuming that Investor will exercise the each redemption option described in Section 3.2 of each Note in the Maximum Monthly Redemption Amount (as defined in the Notes) on each Redemption Date (as defined in the Notes) and that Company will pay such amounts in cash, including by treating each Note as retired and reissued if applicable for purposes of making any "subsequent adjustment" (as described in Regulation Section 1.1272-1(c)(6)); provided, however, that notwithstanding the foregoing, the parties may mutually agree to make such determinations in a different manner in accordance with applicable law.

8.5. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. The words "execution," "signed," "signature" and words of like import in any Transaction Document shall be deemed to include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, ".pdf", ".tif", or ".jpg") and other electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

8.6. Headings. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

8.7. Severability. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

8.8. Entire Agreement. The Transaction Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Transaction Documents merge into the Transaction Documents.

8.9. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both parties hereto.

8.10. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer named below or such officer's successor, or by facsimile (with successful transmission confirmation which is kept by sending party), (ii) the earlier of the date delivered or the third Trading Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the third Trading Day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereunto entitled at the following addresses (or at such other addresses as such party may designate by five (5) calendar days' advance written notice similarly given to each of the other parties hereto):

If to Company:

Biodesix, Inc.
2970 Wilderness Place, Suite 100
Boulder, Colorado 80301

If to Investor:

Streeterville Capital, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

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

Hansen Black Anderson Ashcraft PLLC
3051 West Maple Loop Drive, Suite 325
Lehi, Utah 84043

8.11. Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Company may not assign this Agreement or any rights or obligations under it without Investor's prior written consent (which may be granted or withheld in Investor's discretion). Investor has the right, without the consent of or notice to Company, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Investor's obligations, rights, and benefits under this Agreement and the other Transaction Documents; provided, that so long as an Event of Default (as defined in the Notes) has not occurred and is not continuing, Investor shall endeavor to provide Company contemporaneous notice of any such sale, transfer, assignment, or participation hereunder, but the failure of Investor to provide such notice shall not be deemed a breach of this Agreement by Investor; provided further that, Investor shall only sell, transfer, assign, negotiate, or grant a participation hereunder to a person or entity that will provide Company with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and on or prior to the date that Investor or

any person or entity acquires an interest in the Notes, Investor or such person or entity (as applicable) shall provide Company with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and any other tax forms, certifications and/or information reasonably requested by Company. Company shall maintain a register for the recordation of the names and addresses of each Investor, and the principal amounts (and stated interest) of the Notes owing to each Investor pursuant to the terms hereof from time to time (the "**Register**"). Each Investor agrees to notify Company of any transfer of an interest in a Note for recordation in the Register. The entries in the Register shall be conclusive absent manifest error, and Company and each Investor shall treat each person or entity whose name is recorded in the Register pursuant to the terms hereof as an Investor hereunder for all purposes of this Agreement. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Investor shall not assign its interest in the Transaction Documents to any Person who in the reasonable estimation of Investor is (a) a direct competitor of Company, or (b) a vulture fund or distressed debt fund.

8.12. Survival; Indemnification. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all obligations have been satisfied. Company agrees to indemnify, defend and hold Investor and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Investor (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Transaction Documents; and (ii) all losses or expenses (including Investor's Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Investor and Company (including reasonable and documented out-of-pocket attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's bad faith, gross negligence or willful misconduct.

8.13. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.14. Investor's Rights and Remedies Cumulative. All rights, remedies, and powers conferred in this Agreement and the Transaction Documents are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Investor may have, whether specifically granted in this Agreement or any other Transaction Document, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Investor may deem expedient.

8.15. Attorneys' Fees and Cost of Collection. In the event any suitor action is filed by either party against the other to interpret or enforce any of the Transaction Documents, the unsuccessful party to such action agrees to pay to the prevailing party all reasonable and documented out-of-pocket costs and expenses, including all reasonable and documented out-of-pocket attorneys' fees incurred therein, including the same with respect to an appeal. The "prevailing party" shall be the party in whose favor a judgment is entered, regardless of whether judgment is entered on all claims asserted by such party and regardless of the amount of the judgment; or where, due to the assertion of counterclaims, judgments are entered in favor of and against both parties, then the judge shall determine the "prevailing party" by taking into account the relative dollar amounts of the judgments or, if the judgments involve nonmonetary relief, the relative importance and value of such relief. Nothing herein shall restrict or impair a court's power to award fees and expenses for frivolous or bad faith pleading. If there occurs any bankruptcy, reorganization, receivership of Company or other proceedings affecting Company's creditors' rights and involving a claim

under the Note; then Company shall pay the reasonable and documented out-of-pocket costs incurred by Investor for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, reasonable and documented out-of-pocket attorneys' fees, expenses, deposition costs, and disbursements.

8.16. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

8.17. Waiver of Jury Trial. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, COMPANY AND INVESTOR EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL**.

8.18. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement and the other Transaction Documents.

8.19. Voluntary Agreement. Company has carefully read this Agreement and each of the other Transaction Documents and has asked any questions needed for Company to understand the terms, consequences and binding effect of this Agreement and each of the other Transaction Documents and fully understand them. Company has had the opportunity to seek the advice of an attorney of Company's choosing, or has waived the right to do so, and is executing this Agreement and each of the other Transaction Documents voluntarily and without any duress or undue influence by Investor or anyone else.

8.20. Document Imaging. Investor shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of Company's loans, including, without limitation, this Agreement and the other Transaction Documents, and Investor may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Investor produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Investor is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, emailed, or other imaged copy of this Agreement or any other Transaction Document shall be deemed to be of the same force and effect as the original manually executed document.

8.21. Interpretation. Unless otherwise specified or the context otherwise requires, all references in this Agreement or any other Transaction Document to (a) a "Section," "subsection," "Exhibit," "Annex," or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement or the applicable Transaction Document, (b) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, replace, refinanced, supplemented or otherwise modified and (c) to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall,

unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, the undersigned Investor and Company have caused this Agreement to be duly executed as of the date first above written.

INVESTOR:

STREETERVILLE CAPITAL, LLC

By: /s/ John M. Fife
John M. Fife, President

COMPANY:

BIODESIX, INC.

By: /s/ Scott Hutton
Scott Hutton, Chief Executive Officer

ATTACHED EXHIBITS:

Exhibit A	Note #1
Exhibit B	Note #2
Exhibit C	Security Agreement
Exhibit D	SVB Subordination Agreement
Exhibit E	Indi Subordination Agreement
Exhibit F	Irrevocable Transfer Agent Instructions
Exhibit G	Officer’s Certificate
Exhibit H	Share Issuance Resolution

EXHIBIT A

SECURED CONVERTIBLE PROMISSORY NOTE #1

For purposes of sections 1272, 1273, and 1275 of the Internal Revenue Code of 1986, as amended, this note is being issued with an original issue discount. Borrower agrees to provide promptly to the holder of this Note, upon written request, the issue price, amount of original issue discount, issue date, and yield to maturity. Any such written request should be made pursuant to Section 8.9 of the Purchase Agreement (as defined below) pursuant to which this Note was issued.

SECURED CONVERTIBLE PROMISSORY NOTE #1

Effective Date: May 9, 2022 U.S. $16,025,000.00

9. FOR VALUE RECEIVED, BIODESIX, INC., a Delaware corporation ("**Borrower**"), promises to pay to STREETERVILLE CAPITAL, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), $16,025,000.00 and any interest, fees, charges, and late fees accrued hereunder on the date that is twenty-four (24) months after the Purchase Price Date (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of six percent (6%) per annum from the Purchase Price Date until the same is paid in full. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. This Secured Convertible Promissory Note #1 (this "**Note**") is issued and made effective as of the date set forth above (the "**Effective Date**"). This Note is issued pursuant to that certain Securities Purchase Agreement dated May 9, 2022, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

10. This Note carries an original issue discount ("**OID**") of $1,000,000.00. In addition, Borrower agrees to pay $25,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"), in an amount equal to $250,000.00, all of which amount is fully earned and included in the initial principal balance of this Note. The purchase price for this Note shall be $15,000,000.00 (the "**Purchase Price**"), computed as follows: $16,025,000.00 original principal balance, less the OID, less the Transaction Expense Amount. The Purchase Price shall be payable by Lender by wire transfer of immediately available funds.

1. Payment; Prepayment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, Borrower shall have the right to prepay all or any portion of the Outstanding Balance (less such portion of the Outstanding Balance for which Borrower has received a Redemption Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered). If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 110% multiplied by the portion of the Outstanding Balance Borrower elects to prepay.

2. Security. This Note is secured by that certain Security Agreement of even date herewith, as the same may be amended from time to time (the "**Security Agreement**"), executed by Borrower in favor of Lender encumbering certain of Borrower's assets, as more specifically set forth in the Security Agreement, all the terms and conditions of which are hereby incorporated into and made a part of this Note.

3. Redemptions.

3.1. Redemption Conversion Price. Subject to the adjustments set forth herein, the conversion price for each Redemption Conversion shall be the Redemption Conversion Price.

3.2. Redemptions. Beginning on the date that is nine (9) months from the Purchase Price Date, Lender shall have the right, exercisable at any time in its sole and absolute discretion, to redeem all or any portion of the Note (such amount, the "**Redemption Amount**"), up to the Maximum Monthly Redemption Amount, by providing Borrower with a notice substantially in the form attached hereto as Exhibit A (each, a "**Redemption Notice**", and each date on which Lender delivers a Redemption Notice, a "**Redemption Date**"). For the avoidance of doubt, Lender may submit to Borrower one (1) or more Redemption Notices in any given calendar month; provided that the aggregate Redemption Amounts in such calendar month do not exceed the Maximum Monthly Redemption Amount. Payments of each Redemption Amount may be made (a) in cash, or (b) by converting such Redemption Amount into Common Stock (each, a "**Redemption Conversion**") per the following formula: the number of Conversion Shares equals the portion of the applicable Redemption Amount being converted divided by the Redemption Conversion Price (the "**Conversion Shares**"), or (c) by any combination of the foregoing, so long as the cash is delivered to Lender on the third (3rd) Trading Day immediately following the applicable Redemption Date and the Conversion Shares are delivered to Lender on or before the applicable Delivery Date (as defined below). Notwithstanding the foregoing, Borrower will not be entitled to elect a Redemption Conversion with respect to any portion of any applicable Redemption Amount and shall be required to pay the Redemption Amount in cash, if on the applicable Redemption Date there is an Equity Conditions Failure, and such failure is not waived in writing by Lender. Notwithstanding that failure to repay this Note in full by the Maturity Date is a Trigger Event, the Redemption Dates shall continue after the Maturity Date pursuant to this Section 3.2 until the Outstanding Balance is repaid in full. Notwithstanding anything herein to the contrary, in the event Borrower pays any redemption amount in cash, a six percent (6%) exit fee (the "**Exit Fee**") shall be applied to such payment. For example, in the event Borrower elects (or is obligated) to pay a $100,000.00 Redemption Amount in cash, Borrower would have to pay $106,000.00 in order to satisfy the payment of such Redemption Amount and have the Outstanding Balance reduced by $100,000.00. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, in the event that Borrower cannot effect any partial or complete conversion of this Note because such conversion would cause Lender to beneficially own a number shares of Common Stock that exceeds the Maximum Percentage as set forth in Section 10, the portion of the Redemption Amount paid in cash will not be subject to the Exit Fee, provided that Borrower first delivers the maximum number of Redemption Conversion Shares allowable under the Ownership Limitation.

3.3. Allocation of Redemption Amounts. Following its receipt of a Redemption Notice, Borrower may either ratify Lender's proposed allocation in the applicable Redemption Notice or elect to change the allocation by written notice to Lender by email to the officers of Borrower specified in Section 8.9 of the Purchase Agreement within one (1) Trading Day of its receipt of such Redemption Notice, so long as the sum of the cash payments and the amount of Redemption Conversions equal the applicable Redemption Amount. If Borrower fails to notify Lender of its election to change the allocation prior to the deadline set forth in the previous sentence, it shall be deemed to have ratified and accepted the allocation set forth in the applicable Redemption Notice prepared by Lender. Borrower acknowledges and agrees that the amounts and calculations set forth thereon are subject to correction or adjustment because of error, mistake, or any adjustment resulting from an Event of Default or other adjustment permitted under the Transaction Documents (an "**Adjustment**"). Furthermore, no error or mistake in the preparation of such

notices, or failure to apply any Adjustment that could have been applied prior to the preparation of a Redemption Notice may be deemed a waiver of Lender's right to enforce the terms of any Note, even if such error, mistake, or failure to include an Adjustment arises from Lender's own calculation in the absence of gross negligence or willful misconduct from Lender. Borrower shall deliver the Conversion Shares from any Redemption Conversion to Lender in accordance with Section 7 below on or before each applicable Delivery Date.

4. Trigger Events, Defaults and Remedies.

4.1. Trigger Events. The following are trigger events under this Note (each, a "**Trigger Event**"): Borrower fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; Borrower makes a general assignment for the benefit of creditors; Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); an involuntary bankruptcy proceeding is commenced or filed against Borrower and is not dismissed or stayed within forty five (45) days; Borrower fails to observe or perform any covenant set forth in Section 4 of the Purchase Agreement and such failure shall continue for a period of five (5) Trading Days following the date of notice thereof from Lender; the occurrence of a Fundamental Transaction without Lender's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned; provided, however Lender may withhold its consent for any Fundamental Transaction that it believes after consultation with Borrower would detrimentally affect Borrower's creditworthiness which determination of creditworthiness may be made in Lender's sole and absolute discretion); Borrower fails to establish or maintain the Share Reserve; Borrower fails to deliver any Conversion Shares in accordance with the terms hereof; Borrower defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document in any material respect, other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement and such failure shall continue for a period of ten (10) Trading Days following the date of notice thereof from Lender; any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; Borrower fails to be DWAC Eligible; or under any agreement to which Borrower is a party with a third party or parties, or any default resulting in a right by such third party or parties, whether or not exercised, after giving effect to any grace or notice period, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000).

4.2. Trigger Event Remedies. At any time following the occurrence and during the continuance of any Trigger Event, Lender may, at its option and following prior written notice to Borrower, increase the Outstanding Balance by applying the Trigger Effect (subject to the limitation set forth below).

4.3. Defaults. At any time following the occurrence and during the continuance thereof of a Trigger Event, Lender may, at its option, send written notice to Borrower demanding that Borrower cure the Trigger Event within five (5) Trading Days. If Borrower fails to cure the Trigger Event within the required five (5) Trading Day cure period, Lender may, at its option, send written notice to Borrower that the Trigger Event, as of the date of such notice, has become an event of default hereunder (each, an "**Event of Default**").

4.4. Default Remedies. At any time and from time to time following the occurrence and during the continuance of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, upon the occurrence of any Trigger Event described in clauses (b) - (f) of Section 4.1, an Event of Default will be deemed to have occurred and the Outstanding Balance as of the date of the occurrence of such Trigger Event shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender for the Trigger Event to become an Event of Default. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of twelve percent (12%) per annum or the maximum rate permitted under applicable law for the first three (3) months following the occurrence of such Event of Default, and at an interest rate equal to the lesser of fifteen percent (15%) per annum or the maximum rate permitted under applicable law thereafter ("**Default Interest**"). For the avoidance of doubt, Lender may continue making Redemption Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.4. No such rescission or annulment shall affect any subsequent Trigger Event or Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Note as required pursuant to the terms hereof.

Notwithstanding the foregoing, for purposes of this Note, if a Trigger Event has been cured by Borrower or waived by Lender or an Event of Default has been waived by Lender, then, unless otherwise agreed to by Lender and Borrower, Lender shall no longer have any rights or remedies granted to it upon the occurrence of a Trigger Event or an Event of Default hereunder (except for any Trigger Effect that has already been applied and will remain in effect).

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Redemption Conversions called for herein in accordance with the terms of this Note.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following each Redemption Date (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, such Conversion Shares are eligible for delivery via DWAC, and Lender (or its broker) has initiated a request for delivery of such Conversion Shares via DWAC, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Redemption Notice. If Borrower is not DWAC Eligible or such Conversion Shares are not eligible for delivery via DWAC, it shall cause its transfer agent to issue the applicable Conversion Shares via DRS, registered in the name of Lender or its designee, subject to Lender

(or its broker) providing Borrower's transfer agent with the applicable legal name, address, and tax identification number of the applicable registered holder. Moreover, and notwithstanding anything to the contrary herein or in any other Transaction Document, in the event Borrower or its transfer agent refuses to deliver any Conversion Shares without a restrictive securities legend to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 7. In conjunction therewith, Borrower will also deliver to Lender a written explanation from its counsel or its transfer agent's counsel opining as to why the issuance of the applicable Conversion Shares violates Rule 144.

8. Conversion Delays. If Borrower fails to deliver Conversion Shares by the Delivery Date and Lender (or its broker) has either initiated a request for delivery of such Conversion Shares via DWAC or provided Borrower's transfer agent with the applicable legal name, address, and tax identification number required for issuance of such Conversion Shares via DRS, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date, a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of $100.00 but with a floor of $500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date until Conversion Share delivery is made; and such late fees will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**").

9. Issuance Cap. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower and Lender agree that the total cumulative number of shares of Common Stock issued to Lender hereunder and under Note #2, may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("**Nasdaq 19.99% Cap**"), except that such limitation will not apply following Approval (defined below). Should Borrower desire to issue Redemption Conversion Shares in excess of the Nasdaq 19.99% Cap, Borrower, at its sole discretion, may seek to obtain stockholder approval of the issuance of additional Redemption Conversion Shares, if necessary, in accordance with the requirements of Nasdaq Listing Rule 5635(d), to enable Borrower to issues shares of Common Stock pursuant to this Note and Note #2 (the "**Approval**"). If Borrower is unable to deliver Redemption Conversion Shares as a result of not obtaining the Approval, then any remaining Outstanding Balance of this Note must be repaid in cash.

10. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower shall not effect any conversion of this Note to the extent that after giving effect to such conversion would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the Common Stock issuable upon such issuance) (the "**Maximum Percentage**"). For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

11. Revenue Milestone. In the event that Borrower does not achieve Revenue Milestone 1, the Outstanding Balance will automatically be increased by ten percent (10%), which increase will be effective as of the January 31, 2023. In the event that Borrower achieves Revenue Milestone 1 but not Revenue

Milestone 2, the Outstanding Balance will automatically be increased by five percent (5%), which increase will be effective as of January 31, 2023. For the avoidance of doubt, Borrower's failure to achieve either Revenue Milestone 1 or Revenue Milestone 2 shall not be considered a Trigger Event.

12. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel.

13. Governing Law; Venue. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

14. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

15. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

16. Assignments. This Note binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Note or any rights or obligations under it without Lender's prior written consent (which may be granted or withheld in Lender's discretion). Lender has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Lender's obligations, rights, and benefits under this Note; provided, that so long as an Event of Default has not occurred and is not continuing, Lender shall endeavor to provide Borrower contemporaneous notice of any such sale, transfer, assignment, or participation hereunder, but the failure of the Investor to provide such notice shall not be deemed a breach of this Note by Borrower; provided further that, Secured Party shall only sell, transfer, assign, negotiate, or grant a participation hereunder to a person or entity that will provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and on or prior to the date that any person or entity acquires an interest in the Note, such person or entity shall provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and any other tax forms, certifications and/or information reasonably requested by Borrower. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Lender shall not assign its interest in this Note to any Person who in the reasonable estimation of Lender is (a) a direct competitor of the Company, or (b) a vulture fund or distressed debt fund.

17. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

18. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

19. Severability. Each provision of this Note is severable from every other provision in determining the enforceability of any provision.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date.

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

STREETERVILLE CAPITAL, LLC

By: _____
John M. Fife, President

BORROWER:

BIODESIX, INC.

By: _____
Scott Hutton, Chief Executive Officer

ATTACHMENT 1
DEFINITIONS

Capitalized terms used but not defined in this Note shall have the meanings given to them in the Purchase Agreement or the Security Agreement, as applicable. In addition, for purposes of this Note, the following terms shall have the following meanings:

"**Closing Bid Price**" and "**Closing Trade Price**" means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

"**DTC**" means the Depository Trust Company or any successor thereto.

"**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program.

"**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

"**DWAC Eligible**" means that (a) Borrower's Common Stock is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system; (b) Borrower has been approved (without revocation) by DTC's underwriting department; (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program; (d) the Conversion Shares are otherwise eligible for delivery via DWAC; and (e) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

"**Equity Conditions Failure**" means that any of the following conditions has not been satisfied on any given Redemption Date: (a) with respect to the applicable date of determination all of the Conversion Shares would be (i) registered for trading under applicable federal and state securities laws, (ii) freely tradable under Rule 144, or (iii) otherwise freely tradable without the need for registration under any applicable federal or state securities laws; (b) there are no restrictions in place that would prevent Lender from selling the Conversion Shares; (c) no Trigger Event shall have occurred and be continuing; (d) the average and median daily dollar volume of the Common Stock on its principal market for the previous twenty (20) and two hundred (200) Trading Days shall be greater than $500,000.00; (e) the five (5) day VWAP of the Common Stock is greater than or equal to $1.00; and (f) the Common Stock is trading on Nasdaq or NYSE.

"**Fundamental Transaction**" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without

limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower's Common Stock, or (b) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower. Notwithstanding the foregoing or anything to the contrary contained in this Note or the other Transaction Documents, the definition of a "Fundamental Transaction" shall not include, nor shall it prohibit Borrower from undertaking, incurring or consummating, any Permitted Indebtedness, Permitted Investment, Permitted Lien, Permitted Transfer, Permitted Restricted Payments, Permitted Restricted Debt Payments, or Permitted Affiliate Transactions.

"**Major Trigger Event**" means any Trigger Event occurring under Sections 4.1(a) - 4.1(i).

"**Mandatory Default Amount**" means the Outstanding Balance following the application of the Trigger Effect.

"**Maximum Monthly Redemption Amount**" means $1,425,000.00 per calendar month.

"**Minor Trigger Event**" means any Trigger Event that is not a Major Trigger Event.

"**Outstanding Balance**" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, the Transaction Expense Amount, the OID, accrued but unpaid interest, collection and enforcements costs (including reasonable and documented out-of-pocket attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

"**Permitted Affiliate Transaction**" means (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than could reasonably be obtained in an arm's length transaction with a non-affiliated Person, (b) customary compensation and indemnification of, and other employment arrangements approved by Borrower's board of directors with, directors, officers and employees of Borrower or any of its Subsidiaries in the ordinary course of business, (c) subject to limitations set forth in this Agreement regarding the payment of directors fees, reasonable and customary director, officer and employee compensation (including bonuses and stock option programs) and benefits arrangements, in each case, in the ordinary course of business and approved by the board of directors (or equivalent managing body) (or a committee thereof) of Borrower; and (d) transactions constituting Permitted Restricted Payments, to the extent permitted thereunder

"**Permitted Restricted Debt Payment**" means (a) any payment on any Subordinated Debt, to the extent permitted under the terms of the subordination, intercreditor or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Secured Obligations owed to Lender.

"**Permitted Restricted Payment**" means, with respect to the payment of any dividends, or making of any distribution or the payment, redemption, retirement or purchase of any capital stock:

(i) Borrower may convert any of its convertible securities or Subordinated Debt into other securities pursuant to the terms of such convertible securities or Subordinated Debt or otherwise in exchange thereof;

(ii) Borrower or any Subsidiary may pay dividends solely in equity interests of Borrower or Subsidiary, and any Subsidiary may pay cash distributions to Borrower or any other Subsidiary;

(iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars ($100,000) per fiscal year;

(iv) Borrower or any Subsidiary may make cash payments in lieu of fractional shares;

(v) Borrower may purchase, redeem, retire, or otherwise acquire its equity interests with the proceeds received from a substantially concurrent issue of new equity interests, provided that no Event of Default has occurred or would result therefrom;

(vi) Borrower may additionally purchase, redeem, retire, or otherwise acquire its equity interests in an amount necessary to satisfy its obligation under the Integrated Diagnostics APA; or

(vii) Borrower may repurchase from managers, officers or employees pursuant to the terms of share purchase plans, restricted share purchase agreements or other similar agreements in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in any fiscal year.

"**Purchase Price Date**" means the date the Purchase Price is delivered by Lender to Borrower.

"**Redemption Conversion Price**" means eighty-five percent (85%) multiplied by the lowest daily VWAP during the ten (10) Trading Days immediately preceding the date the applicable Redemption Notice is delivered.

"**Trading Day**" means any day on which Borrower's principal market is open for trading.

"**Trigger Effect**" means multiplying the Outstanding Balance as of the date the applicable Trigger Event occurred by (a) ten percent (10%) for each occurrence of any Major Trigger Event, or (b) five percent (5%) for each occurrence of any Minor Trigger Event, and then adding the resulting product to the Outstanding Balance as of the date the applicable Trigger Event occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Trigger Event occurred; provided that the Trigger Effect may only be applied three (3) times hereunder with respect to Major Trigger Events and three (3) times hereunder with respect to Minor Trigger Events; and provided further that the Trigger Effect shall not apply to any Trigger Event pursuant to Section 4.1(j) hereof. In the event Lender has applied three (3) Trigger Effects for Major Trigger Events, then any subsequent Major Trigger Events will be considered Minor Trigger Effects for purposes of the Trigger Effect.

"**VWAP**" means the volume weighted average price of the Common Stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

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EXHIBIT A

Streeterville Capital, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Biodesix, Inc.
2970 Wilderness Place, Suite 100
Boulder, Colorado 80301

Date: _____

REDEMPTION NOTICE

The above-captioned Lender hereby gives notice to Biodesix, Inc., a Delaware corporation (the "**Borrower**"), pursuant to that certain Secured Convertible Promissory Note #1 made by Borrower in favor of Lender on May 9, 2022 (the "**Note**"), that Lender elects to redeem a portion of the Note in Conversion Shares or in cash as set forth below. In the event of a conflict between this Redemption Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Redemption Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

REDEMPTION INFORMATION

A. Redemption Date: _____, 202_
B. Redemption Amount: _____
C. Portion of Redemption Amount to be Paid in Cash: _____
D. Portion of Redemption Amount to be Converted into Common Stock: _____ (B minus C)
E. Redemption Conversion Price: _____
F. Conversion Shares: _____ (D divided by E)
G. Remaining Outstanding Balance of Note: _____ *

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Redemption Notice and such Transaction Documents.

Please transfer the Conversion Shares, if applicable, electronically (via DWAC) to the following account:
Broker: _____ Address: _____
DTC#: _____ _____
Account #: _____ _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Redemption Notice (by facsimile transmission or otherwise) to:

_____
_____
_____

Sincerely,

Lender:

Streeterville Capital, LLC

By: _____
John M. Fife, President

EXHIBIT B

SECURED CONVERTIBLE PROMISSORY NOTE #2

For purposes of sections 1272, 1273, and 1275 of the Internal Revenue Code of 1986, as amended, this note is being issued with an original issue discount. Borrower agrees to provide promptly to the holder of this Note, upon written request, the issue price, amount of original issue discount, issue date, and yield to maturity. Any such written request should be made pursuant to Section 8.9 of the Purchase Agreement (as defined below) pursuant to which this Note was issued

SECURED CONVERTIBLE PROMISSORY NOTE #2

Effective Date: January 31, 2023 U.S. $10,250,000.00

FOR VALUE RECEIVED, BIODESIX, INC., a Delaware corporation ("**Borrower**"), promises to pay to STREETERVILLE CAPITAL, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), $10,250,000.00 and any interest, fees, charges, and late fees accrued hereunder on the date that is twenty-four (24) months after the Purchase Price Date (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of six percent (6%) per annum from the Purchase Price Date until the same is paid in full. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. This Secured Convertible Promissory Note #2 (this "**Note**") is issued and made effective as of the date set forth above (the "**Effective Date**"). This Note is issued pursuant to that certain Securities Purchase Agreement dated May 9, 2022, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Note carries an original issue discount ("**OID**") of $250,000.00. The purchase price for this Note shall be $10,000,000.00 (the "**Purchase Price**"), computed as follows: $10,250,000.00 original principal balance, less the OID. The Purchase Price shall be payable by Lender by wire transfer of immediately available funds.

1. Payment; Prepayment; Balance Adjustment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, Borrower shall have the right to prepay all or any portion of the Outstanding Balance (less such portion of the Outstanding Balance for which Borrower has received a Redemption Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered). If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 110% multiplied by the portion of the Outstanding Balance Borrower elects to prepay.

1.3. Balance Adjustment. In the event Borrower fails to achieve Revenue Milestone 2 (as defined in the Purchase Agreement), then on the Purchase Price Date the Outstanding Balance will automatically be increased by $512,500.00.

2. Security. This Note is secured by that certain Security Agreement of even date herewith, as the same may be amended from time to time (the "**Security Agreement**"), executed by Borrower in favor of Lender encumbering certain of Borrower's assets, as more specifically set forth in the Security Agreement, all the terms and conditions of which are hereby incorporated into and made a part of this Note.

3. Redemptions.

3.1. Redemption Conversion Price. Subject to the adjustments set forth herein, the conversion price for each Redemption Conversion shall be the Redemption Conversion Price.

3.2. Redemptions. Beginning on the date that is nine (9) months from the Purchase Price Date, Lender shall have the right, exercisable at any time in its sole and absolute discretion, to redeem all or any portion of the Note (such amount, the "**Redemption Amount**"), up to the Maximum Monthly Redemption Amount, by providing Borrower with a notice substantially in the form attached hereto as Exhibit A (each, a "**Redemption Notice**", and each date on which Lender delivers a Redemption Notice, a "**Redemption Date**"). For the avoidance of doubt, Lender may submit to Borrower one (1) or more Redemption Notices in any given calendar month; provided that the aggregate Redemption Amounts in such calendar month do not exceed the Maximum Monthly Redemption Amount. Payments of each Redemption Amount may be made (a) in cash, or (b) by converting such Redemption Amount into Common Stock (each, a "**Redemption Conversion**") per the following formula: the number of Conversion Shares equals the portion of the applicable Redemption Amount being converted divided by the Redemption Conversion Price (the "**Conversion Shares**"), or (c) by any combination of the foregoing, so long as the cash is delivered to Lender on the third (3rd) Trading Day immediately following the applicable Redemption Date and the Conversion Shares are delivered to Lender on or before the applicable Delivery Date (as defined below). Notwithstanding the foregoing, Borrower will not be entitled to elect a Redemption Conversion with respect to any portion of any applicable Redemption Amount and shall be required to pay the Redemption Amount in cash, if on the applicable Redemption Date there is an Equity Conditions Failure, and such failure is not waived in writing by Lender. Notwithstanding that failure to repay this Note in full by the Maturity Date is a Trigger Event, the Redemption Dates shall continue after the Maturity Date pursuant to this Section 3.2 until the Outstanding Balance is repaid in full. Notwithstanding anything herein to the contrary, in the event Borrower pays any redemption amount in cash, a six percent (6%) exit fee (the "**Exit Fee**") shall be applied to such payment. For example, in the event Borrower elects (or is obligated) to pay a $100,000.00 Redemption Amount in cash, Borrower would have to pay $106,000.00 in order to satisfy the payment of such Redemption Amount and have the Outstanding Balance reduced by $100,000.00. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, in the event that Borrower cannot effect any partial or complete conversion of this Note because such conversion would cause Lender to beneficially own a number shares of Common Stock that exceeds the Maximum Percentage as set forth in Section 10, the portion of the Redemption Amount paid in cash will not be subject to the Exit Fee, provided that Borrower first delivers the maximum number of Redemption Conversion Shares allowable under the Ownership Limitation.

3.3. Allocation of Redemption Amounts. Following its receipt of a Redemption Notice, Borrower may either ratify Lender's proposed allocation in the applicable Redemption Notice or elect to change the allocation by written notice to Lender by email to the officers of Borrower specified in Section 8.9 of the Purchase Agreement within one (1) Trading Day of its receipt of such Redemption Notice, so long as the sum of the cash payments and the amount of Redemption Conversions equal the applicable Redemption Amount. If Borrower fails to notify Lender of its election to change the allocation prior to the deadline set forth in the previous sentence, it shall be deemed to have ratified and accepted the allocation

set forth in the applicable Redemption Notice prepared by Lender. Borrower acknowledges and agrees that the amounts and calculations set forth thereon are subject to correction or adjustment because of error, mistake, or any adjustment resulting from an Event of Default or other adjustment permitted under the Transaction Documents (an "**Adjustment**"). Furthermore, no error or mistake in the preparation of such notices, or failure to apply any Adjustment that could have been applied prior to the preparation of a Redemption Notice may be deemed a waiver of Lender's right to enforce the terms of any Note, even if such error, mistake, or failure to include an Adjustment arises from Lender's own calculation in the absence of gross negligence or willful misconduct from Lender. Borrower shall deliver the Conversion Shares from any Redemption Conversion to Lender in accordance with Section 7 below on or before each applicable Delivery Date.

4. Trigger Events, Defaults and Remedies.

4.1. Trigger Events. The following are trigger events under this Note (each, a "**Trigger Event**"): Borrower fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; Borrower makes a general assignment for the benefit of creditors; Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); an involuntary bankruptcy proceeding is commenced or filed against Borrower and is not dismissed or stayed within forty five (45) days; Borrower fails to observe or perform any covenant set forth in Section 4 of the Purchase Agreement and such failure shall continue for a period of five (5) Trading Days following the date of notice thereof from Lender; the occurrence of a Fundamental Transaction without Lender's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned; provided, however Lender may withhold its consent for any Fundamental Transaction that it believes after consultation with Borrower would detrimentally affect Borrower's creditworthiness which determination of creditworthiness may be made in Lender's sole and absolute discretion); Borrower fails to establish or maintain the Share Reserve; Borrower fails to deliver any Conversion Shares in accordance with the terms hereof; Borrower defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document in any material respect, other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement and such failure shall continue for a period of ten (10) Trading Days following the date of notice thereof from Lender; any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; Borrower fails to be DWAC Eligible; or under any agreement to which Borrower is a party with a third party or parties, or any default resulting in a right by such third party or parties, whether or not exercised, after giving effect to any grace or notice period, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000).

4.2. Trigger Event Remedies. At any time following the occurrence and during the continuance of any Trigger Event, Lender may, at its option and following prior written notice to Borrower, increase the Outstanding Balance by applying the Trigger Effect (subject to the limitation set forth below).

4.3. Defaults. At any time following the occurrence and during the continuance thereof of a Trigger Event, Lender may, at its option, send written notice to Borrower demanding that Borrower

cure the Trigger Event within five (5) Trading Days. If Borrower fails to cure the Trigger Event within the required five (5) Trading Day cure period, Lender may, at its option, send written notice to Borrower that the Trigger Event, as of the date of such notice, has become an event of default hereunder (each, an "**Event of Default**").

4.4. Default Remedies. At any time and from time to time following the occurrence and during the continuance of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, upon the occurrence of any Trigger Event described in clauses (b) - (f) of Section 4.1, an Event of Default will be deemed to have occurred and the Outstanding Balance as of the date of the occurrence of such Trigger Event shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender for the Trigger Event to become an Event of Default. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of twelve percent (12%) per annum or the maximum rate permitted under applicable law for the first three (3) months following the occurrence of such Event of Default, and at an interest rate equal to the lesser of fifteen percent (15%) per annum or the maximum rate permitted under applicable law thereafter ("**Default Interest**"). For the avoidance of doubt, Lender may continue making Redemption Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.4. No such rescission or annulment shall affect any subsequent Trigger Event or Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Note as required pursuant to the terms hereof.

Notwithstanding the foregoing, for purposes of this Note, if a Trigger Event has been cured by Borrower or waived by Lender or an Event of Default has been waived by Lender, then, unless otherwise agreed to by Lender and Borrower, Lender shall no longer have any rights or remedies granted to it upon the occurrence of a Trigger Event or an Event of Default hereunder (except for any Trigger Effect that has already been applied and will remain in effect).

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Redemption Conversions called for herein in accordance with the terms of this Note.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following each Redemption Date (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, such Conversion Shares are eligible for delivery via DWAC, and Lender (or its

broker) has initiated a request for delivery of such Conversion Shares via DWAC, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Redemption Notice. If Borrower is not DWAC Eligible or such Conversion Shares are not eligible for delivery via DWAC, it shall cause its transfer agent to issue the applicable Conversion Shares via DRS, registered in the name of Lender or its designee, subject to Lender (or its broker) providing Borrower's transfer agent with the applicable legal name, address, and tax identification number of the applicable registered holder. Moreover, and notwithstanding anything to the contrary herein or in any other Transaction Document, in the event Borrower or its transfer agent refuses to deliver any Conversion Shares without a restrictive securities legend to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 7. In conjunction therewith, Borrower will also deliver to Lender a written explanation from its counsel or its transfer agent's counsel opining as to why the issuance of the applicable Conversion Shares violates Rule 144.

8. Conversion Delays. If Borrower fails to deliver Conversion Shares by the Delivery Date and Lender (or its broker) has either initiated a request for delivery of such Conversion Shares via DWAC or provided Borrower's transfer agent with the applicable legal name, address, and tax identification number required for issuance of such Conversion Shares via DRS, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date, a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of $100.00 but with a floor of $500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date until Conversion Share delivery is made; and such late fees will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**").

9. Issuance Cap. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower and Lender agree that the total cumulative number of shares of Common Stock issued to Lender hereunder and under Note #1, may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("**Nasdaq 19.99% Cap**"), except that such limitation will not apply following Approval (defined below). Should Borrower desire to issue Redemption Conversion Shares in excess of the Nasdaq 19.99% Cap, Borrower, at its sole discretion, may seek to obtain stockholder approval of the issuance of additional Redemption Conversion Shares, if necessary, in accordance with the requirements of Nasdaq Listing Rule 5635(d), to enable Borrower to issues shares of Common Stock pursuant to this Note and Note #1 (the "**Approval**"). If Borrower is unable to deliver Redemption Conversion Shares as a result of not obtaining the Approval, then any remaining Outstanding Balance of this Note must be repaid in cash.

10. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower shall not effect any conversion of this Note to the extent that after giving effect to such conversion would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the Common Stock issuable upon such issuance) (the "**Maximum Percentage**"). For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the

61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

11. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel.

12. Governing Law; Venue. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

13. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

14. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

15. Assignments. This Note binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Note or any rights or obligations under it without Lender's prior written consent (which may be granted or withheld in Lender's discretion). Lender has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Lender's obligations, rights, and benefits under this Note; provided, that so long as an Event of Default has not occurred and is not continuing, Lender shall endeavor to provide Borrower contemporaneous notice of any such sale, transfer, assignment, or participation hereunder, but the failure of the Investor to provide such notice shall not be deemed a breach of this Note by Borrower; provided further that, Secured Party shall only sell, transfer, assign, negotiate, or grant a participation hereunder to a person or entity that will provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and on or prior to the date that any person or entity acquires an interest in the Note, such person or entity shall provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and any other tax forms, certifications and/or information reasonably requested by Borrower. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Lender shall not assign its interest in this Note to any Person who in the reasonable estimation of Lender is (a) a direct competitor of the Company, or (b) a vulture fund or distressed debt fund.

16. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

17. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

18. Severability. Each provision of this Note is severable from every other provision in determining the enforceability of any provision.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date.

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:

STREETERVILLE CAPITAL, LLC

By: _____
John M. Fife, President

BORROWER:

BIODESIX, INC.

By: _____
Scott Hutton, Chief Executive Officer

ATTACHMENT 1
DEFINITIONS

Capitalized terms used but not defined in this Note shall have the meanings given to them in the Purchase Agreement, the Security Agreement, or Note #1, as applicable. In addition, for purposes of this Note, the following terms shall have the following meanings:

"**Closing Bid Price**" and "**Closing Trade Price**" means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

"**DTC**" means the Depository Trust Company or any successor thereto.

"**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program.

"**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

"**DWAC Eligible**" means that (a) Borrower's Common Stock is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system; (b) Borrower has been approved (without revocation) by DTC's underwriting department; (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program; (d) the Conversion Shares are otherwise eligible for delivery via DWAC; and (e) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

"**Equity Conditions Failure**" means that any of the following conditions has not been satisfied on any given Redemption Date: (a) with respect to the applicable date of determination all of the Conversion Shares would be (i) registered for trading under applicable federal and state securities laws, (ii) freely tradable under Rule 144, or (iii) otherwise freely tradable without the need for registration under any applicable federal or state securities laws; (b) there are no restrictions in place that would prevent Lender from selling the Conversion Shares; (c) no Trigger Event shall have occurred and be continuing; (d) the average and median daily dollar volume of the Common Stock on its principal market for the previous twenty (20) and two hundred (200) Trading Days shall be greater than $500,000.00; (e) the five (5) day VWAP of the Common Stock is greater than or equal to $1.00; and (f) the Common Stock is trading on Nasdaq or NYSE.

"**Fundamental Transaction**" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity

whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower's Common Stock, or (b) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower. Notwithstanding the foregoing or anything to the contrary contained in this Note or the other Transaction Documents, the definition of a "Fundamental Transaction" shall not include, nor shall it prohibit Borrower from undertaking, incurring or consummating, any Permitted Indebtedness, Permitted Investment, Permitted Lien, Permitted Transfer, Permitted Restricted Payments, Permitted Restricted Debt Payments, or Permitted Affiliate Transactions.

"**Major Trigger Event**" means any Trigger Event occurring under Sections 4.1(a) - 4.1(i).

"**Mandatory Default Amount**" means the Outstanding Balance following the application of the Trigger Effect.

"**Maximum Monthly Redemption Amount**" means $950,000.00 per calendar month.

"**Minor Trigger Event**" means any Trigger Event that is not a Major Trigger Event.

"**Outstanding Balance**" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, the OID, accrued but unpaid interest, collection and enforcements costs (including reasonable and documented out-of-pocket attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

"**Permitted Affiliate Transaction**" means (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than could reasonably be obtained in an arm's length transaction with a non-affiliated Person, (b) customary compensation and indemnification of, and other employment arrangements approved by Borrower's board of directors with, directors, officers and employees of Borrower or any of its Subsidiaries in the ordinary course of business, (c) subject to limitations set forth in this Agreement regarding the payment of directors fees, reasonable and customary director, officer and employee compensation (including bonuses and stock option programs) and benefits arrangements, in each case, in the ordinary course of business and approved by the board of directors (or equivalent managing body) (or a committee thereof) of Borrower; and (d) transactions constituting Permitted Restricted Payments, to the extent permitted thereunder

"**Permitted Restricted Debt Payment**" means (a) any payment on any Subordinated Debt, to the extent permitted under the terms of the subordination, intercreditor or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Secured Obligations owed to Lender.

"**Permitted Restricted Payment**" means, with respect to the payment of any dividends, or making of any distribution or the payment, redemption, retirement or purchase of any capital stock:

(i) Borrower may convert any of its convertible securities or Subordinated Debt into other securities pursuant to the terms of such convertible securities or Subordinated Debt or otherwise in exchange thereof;

(ii) Borrower or any Subsidiary may pay dividends solely in equity interests of Borrower or Subsidiary, and any Subsidiary may pay cash distributions to Borrower or any other Subsidiary;

(iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars ($100,000) per fiscal year;

(iv) Borrower or any Subsidiary may make cash payments in lieu of fractional shares;

(v) Borrower may purchase, redeem, retire, or otherwise acquire its equity interests with the proceeds received from a substantially concurrent issue of new equity interests, provided that no Event of Default has occurred or would result therefrom;

(vi) Borrower may additionally purchase, redeem, retire, or otherwise acquire its equity interests in an amount necessary to satisfy its obligation under the Integrated Diagnostics APA; or

(vii) Borrower may repurchase from managers, officers or employees pursuant to the terms of share purchase plans, restricted share purchase agreements or other similar agreements in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in any fiscal year.

"**Purchase Price Date**" means the date the Purchase Price is delivered by Lender to Borrower.

"**Redemption Conversion Price**" means eighty-five percent (85%) multiplied by the lowest daily VWAP during the ten (10) Trading Days immediately preceding the date the applicable Redemption Notice is delivered.

"**Trading Day**" means any day on which Borrower's principal market is open for trading.

"**Trigger Effect**" means multiplying the Outstanding Balance as of the date the applicable Trigger Event occurred by (a) ten percent (10%) for each occurrence of any Major Trigger Event, or (b) five percent (5%) for each occurrence of any Minor Trigger Event, and then adding the resulting product to the Outstanding Balance as of the date the applicable Trigger Event occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Trigger Event occurred; provided that the Trigger Effect may only be applied three (3) times hereunder with respect to Major Trigger Events and three (3) times hereunder with respect to Minor Trigger Events; and provided further that the Trigger Effect shall not apply to any Trigger Event pursuant to Section 4.1(j) hereof. In the event Lender has applied three (3) Trigger Effects for Major Trigger Events, then any subsequent Major Trigger Events will be considered Minor Trigger Effects for purposes of the Trigger Effect.

"**VWAP**" means the volume weighted average price of the Common Stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

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EXHIBIT A

Streeterville Capital, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Biodesix, Inc.
2970 Wilderness Place, Suite 100
Boulder, Colorado 80301

Date: _____

REDEMPTION NOTICE

The above-captioned Lender hereby gives notice to Biodesix, Inc., a Delaware corporation (the "**Borrower**"), pursuant to that certain Secured Convertible Promissory Note #2 made by Borrower in favor of Lender on January 31, 2023 (the "**Note**"), that Lender elects to redeem a portion of the Note in Conversion Shares or in cash as set forth below. In the event of a conflict between this Redemption Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Redemption Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

REDEMPTION INFORMATION

A. Redemption Date: _____, 202_
B. Redemption Amount: _____
C. Portion of Redemption Amount to be Paid in Cash: _____
D. Portion of Redemption Amount to be Converted into Common Stock: _____ (B minus C)
E. Redemption Conversion Price: _____
F. Conversion Shares: _____ (D divided by E)
G. Remaining Outstanding Balance of Note: _____ *

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Redemption Notice and such Transaction Documents.

Please transfer the Conversion Shares, if applicable, electronically (via DWAC) to the following account:
Broker: _____ Address: _____
DTC#: _____ _____
Account #: _____ _____
Account Name: _____

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Redemption Notice (by facsimile transmission or otherwise) to:

_____
_____
_____

Sincerely,

Lender:

Streeterville Capital, LLC

By: _____
John M. Fife, President

EXHIBIT C

SECURITY AGREEMENT

Security Agreement

This Security Agreement (this "**Agreement**"), dated as of April __, 2022, is executed by Biodesix, Inc., a Delaware corporation ("**Debtor**"), in favor of Streeterville Capital, LLC, a Utah limited liability company ("**Secured Party**").

A. Debtor has issued to Secured Party (a) that certain Secured Convertible Promissory Note #1 in the original principal amount of $16,025,000.00 ("**Note #1**"), and (b) subject to the satisfaction of certain purchase conditions, that certain Secured Convertible Promissory Note #2 in the original principal amount of $10,250,000.00 ("**Note #2**," and together with Note #1, the "**Notes**").

B. In order to induce Secured Party to extend the credit evidenced by the Notes, Debtor has agreed to enter into this Agreement and to grant Secured Party a security interest in the Collateral (as defined below).

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

Definitions and Interpretation. When used in this Agreement, the following terms have the following respective meanings:

"**Collateral**" has the meaning given to that term in Section 2 hereof.

"**Intellectual Property**" means all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, know-how, inventions, discoveries, studies, data, experimental results, published and unpublished works of authorship, processes, any and all other proprietary rights, and all rights corresponding to all of the foregoing throughout the world, now owned and existing or hereafter arising, created or acquired.

"**Lien**" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"**Obligations**" means (a) all loans, advances, future advances, debts, liabilities and obligations, howsoever arising, owed by Debtor or any of its affiliates and/or subsidiaries to Secured Party or any affiliate of Secured Party of every kind and description, now existing or hereafter arising, created by the Notes, this Agreement, that certain Securities Purchase Agreement of even date herewith, entered into by and between Debtor and Secured Party (the "**Purchase Agreement**"), any other Transaction Documents (as defined in the Purchase Agreement), any other agreement between Debtor or any affiliate or subsidiary of Secured Party) and Secured Party (or any affiliate of Secured Party) or any other promissory note issued by Debtor (or any affiliate or subsidiary of Debtor) in favor of Secured Party (or any affiliate of Secured Party), any modification or amendment to any of the foregoing, guaranty of payment or other contract or

by a quasi-contract, tort, statute or other operation of law, whether incurred or owed directly to Secured Party or as an affiliate of Secured Party or acquired by Secured Party or an affiliate of Secured Party by purchase, pledge or otherwise, (b) all costs and expenses, including attorneys' fees, reasonably incurred by Secured Party or any affiliate of Secured Party in connection with the Notes or in connection with the collection or enforcement of any portion of the indebtedness, liabilities or obligations described in the foregoing clause (a), (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Agreement, and (d) the performance of the covenants and agreements of Debtor (or any of its affiliates or subsidiaries) contained in this Agreement and all other Transaction Documents.

"**Permitted Liens**" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established, (b) purchase money Liens incurred in connection with the acquisition of any Collateral in the ordinary course of business, (c) licenses of intellectual property in connection with joint ventures and other strategic transactions, (d) leases entered into in the ordinary course of business, (e) Liens in favor of Secured Party, and (f) Liens in favor of Silicon Valley Bank.

"**UCC**" means the Uniform Commercial Code as in effect in the state whose laws would govern the security interest in, including without limitation the perfection thereof, and foreclosure of the applicable Collateral.

Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

Grant of Security Interest. As security for the Obligations, Debtor hereby pledges to Secured Party and grants to Secured Party a security interest in all right, title, interest, claims and demands of Debtor in and to the property described in Schedule A hereto, and all replacements, proceeds, products, and accessions thereof (collectively, the "**Collateral**").

Authorization to File Financing Statements. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction or other jurisdiction of Debtor or its subsidiaries any financing statements or documents having a similar effect and amendments thereto that provide any other information required by the Uniform Commercial Code (or similar law of any non-United States jurisdiction, if applicable) of such state or jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.

General Representations and Warranties. Debtor represents and warrants to Secured Party that (a) Debtor is the owner of the Collateral and that no other person has any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens, (b) upon the filing of UCC-1 financing statements with the appropriate state office (or an equivalent in the appropriate foreign office), Secured Party shall have a perfected second-position security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens, (c) Debtor has received at least a reasonably equivalent value in exchange for entering into this Agreement, (d) Debtor is not insolvent, as defined in any applicable state or federal statute, nor will Debtor be rendered insolvent by the execution and delivery of this Agreement to Secured Party; and (e) as such, this Agreement is a valid and binding obligation of Debtor.

Additional Covenants. Debtor hereby agrees:

to perform all acts that may be necessary to maintain, preserve, protect and perfect in the Collateral, the Lien granted to Secured Party therein, and the perfection and priority of such Lien;

to procure, execute (including endorse, as applicable), and deliver from time to time any endorsements, assignments, financing statements, certificates of title, and all other instruments, documents and/or writings reasonably deemed necessary or appropriate by Secured Party to perfect, maintain and protect Secured Party's Lien hereunder and the priority thereof;

to provide at least fifteen (15) calendar days prior written notice to Secured Party of any of the following events: (a) any changes or alterations of Debtor's name, (b) any changes with respect to Debtor's address or principal place of business, (c) the formation of any subsidiaries of Debtor; or (d) any changes in the location of the Collateral;

upon the occurrence of an Event of Default (as defined in the Notes) under the Notes and, thereafter, at Secured Party's request, to endorse (up to the outstanding amount under such promissory notes at the time of Secured Party's request), assign and deliver any promissory notes and all other instruments, documents, or writings included in the Collateral to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify;

to the extent the Collateral is not delivered to Secured Party pursuant to this Agreement, to keep the Collateral at the principal office of Debtor (unless otherwise agreed to by Secured Party in writing), and not to relocate the Collateral to any other locations without the prior written consent of Secured Party;

not to sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein (other than inventory in the ordinary course of business);

not to, directly or indirectly, allow, grant or suffer to exist any Lien upon any of the Collateral, other than Permitted Liens; and

at any time amounts paid by Secured Party under the Transaction Documents are used to purchase Collateral, Debtor shall perform all acts that may be necessary, and otherwise fully cooperate with Secured Party, to cause (a) any such amounts paid by Secured Party to be disbursed directly to the sellers of any such Collateral, (b) all certificates of title pertaining to such Collateral (as applicable) to be properly filed and reissued to reflect Secured Party's Lien on such Collateral, and (c) all such reissued certificates of title to be delivered to and held by Secured Party.

Authorized Action by Secured Party. Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact (which appointment is coupled with an interest) and agrees that Secured Party may perform (but Secured Party shall not be obligated to and shall incur no liability to Debtor or any third party for failure so to do) any act which Debtor is obligated by this Agreement to perform, and to exercise such rights and powers as Debtor might exercise with respect to the Collateral, including the right to (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral; (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral; (c) make any compromise or settlement, and take any action Secured Party deems advisable, with respect to the Collateral; (d) file a copy of this Agreement with any governmental agency, body or authority, at the sole cost and expense of Debtor; (e) insure, process and preserve the Collateral; (f) pay any indebtedness of Debtor relating to the Collateral; (g) execute and file UCC financing statements and other documents, certificates, instruments and

agreements with respect to the Collateral or as otherwise required or permitted hereunder; and (h) take any and all appropriate action and execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement; *provided, however*, that Secured Party shall not exercise any such powers granted pursuant to clauses (a) through (c) above prior to the occurrence of an Event of Default. The powers conferred on Secured Party under this Section 6 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither Secured Party nor any of its stockholders, directors, officers, managers, employees or agents shall be responsible to Debtor for any act or failure to act, except with respect to Secured Party's own gross negligence or willful misconduct. Nothing in this Section 6 shall be deemed an authorization for Debtor to take any action that it is otherwise expressly prohibited from undertaking by way of other provision of this Agreement.

Default and Remedies.

Default. Debtor shall be deemed in default under this Agreement upon the occurrence of an Event of Default.

Remedies. Upon the occurrence of any such Event of Default, Secured Party shall have the rights of a secured creditor under the UCC, all rights granted by this Agreement and by law, including, without limiting the foregoing, (a) the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party, and (b) the right to take possession of the Collateral, and for that purpose Secured Party may enter upon premises on which the Collateral may be situated and remove the Collateral therefrom. Debtor hereby agrees that fifteen (15) days' notice of a public sale of any Collateral or notice of the date after which a private sale of any Collateral may take place is reasonable. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, Secured Party's right following an Event of Default to take immediate possession of Collateral and to exercise Secured Party's rights and remedies with respect thereto. Secured Party may also have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all rights of Secured Party under this Agreement. Secured Party may exercise any of its rights under this Section 7.2 without demand or notice of any kind. The remedies in this Agreement, including without limitation this Section 7.2, are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. No failure or delay on the part of Secured Party in exercising any right, power, or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. All of Secured Party's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or document shall be cumulative and may be exercised singularly or concurrently.

Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party (a) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Debtor, for

expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

Marshalling. Secured Party shall not be required to marshal any present or future Collateral for, or other assurances of payment of, the Obligations or to resort to such Collateral or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such Collateral and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of Collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

Application of Collateral Proceeds. The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by Secured Party at the time of, or received by Secured Party after, the occurrence of an Event of Default) shall be paid to and applied as follows:

First, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by Secured Party;

Second, to the payment to Secured Party of the amount then owing or unpaid on the Notes (to be applied first to accrued interest and fees and second to outstanding principal) and all amounts owed under any of the other Transaction Documents or other documents included within the Obligations; and

Third, to the payment of the surplus, if any, to Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

In the absence of final payment and satisfaction in full of all of the Obligations, Debtor shall remain liable for any deficiency.

Miscellaneous.

Notices. Any notice required or permitted hereunder shall be given in the manner provided in the subsection titled "Notices" in the Purchase Agreement, the terms of which are incorporated herein by this reference.

Non-waiver. No failure or delay on Secured Party's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

Amendments and Waivers. This Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Debtor and Secured Party. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

Assignment. This Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; *provided, however*, that Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of Secured Party.

Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any applicable law, rule or regulation of any governmental authority, or the Notes, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's rights hereunder. Debtor waives any right to require Secured Party to proceed against any person or entity or to exhaust any Collateral or to pursue any remedy in Secured Party's power.

Partial Invalidity. If any part of this Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect.

Expenses. Debtor shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by Secured Party in connection with the custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which are not performed as and when required by this Agreement.

Entire Agreement. This Agreement, the Notes, and the other Transaction Documents, taken together, constitute and contain the entire agreement of Debtor and Secured Party with respect to this particular matter and supersede any and all prior agreements, negotiations, correspondence, understandings and communications between the parties, whether written or oral, respecting the subject matter hereof.

Governing Law; Venue. Except as otherwise specifically set forth herein, the parties expressly agree that this Agreement shall be governed solely by the laws of the State of Utah, without giving effect to the principles thereof regarding the conflict of laws; *provided, however*, that enforcement of Secured Party's rights and remedies against the Collateral as provided herein will be subject to the UCC. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS

WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

Purchase Agreement; Arbitration of Disputes. By executing this Agreement, each party agrees to be bound by the terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one instrument. Any electronic copy of a party's executed counterpart will be deemed to be an executed original.

Further Assurances. Debtor shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as Secured Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Time of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Secured Party and Debtor have caused this Agreement to be executed as of the day and year first above written.

SECURED PARTY:

STREETERVILLE CAPITAL, LLC

By: _____
John M. Fife, President

DEBTOR:

BIODESIX, INC.

By: _____
Scott Hutton, Chief Executive Officer

SCHEDULE A
TO SECURITY AGREEMENT

All right, title, interest, claims and demands of Debtor in and to all of Debtor's assets owned as of the date hereof and/or acquired by Debtor at any time while the Obligations are still outstanding, including without limitation, the following property:

1. All equity interests in all wholly- or partially-owned subsidiaries of Debtor.

2. All customer accounts, insurance contracts, and clients underlying such insurance contracts.

3. All goods and equipment now owned or hereafter acquired, including, without limitation, all laboratory equipment, growing equipment, computer equipment, office equipment, machinery, containers, fixtures, vehicles, and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

4. All inventory now owned or hereafter acquired, including, without limitation, all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Debtor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Debtor's books relating to any of the foregoing;

5. All accounts receivable, contract rights, general intangibles, healthcare insurance receivables, legal claims, payment intangibles and commercial tort claims, now owned or hereafter acquired, including, without limitation, all software and computer programs including source code, methods, goodwill, license agreements, information, any and all other proprietary rights, franchise agreements, blueprints, drawings, purchase orders, customer lists, route lists, infringements, claims, computer programs, computer disks, computer tapes, literature, reports, catalogs, design rights, income tax refunds, payments of insurance and rights to payment of any kind and whether in tangible or intangible form or contained on magnetic media readable by machine together with all such magnetic media, and all rights corresponding to all of the foregoing throughout the world, now owned and existing or hereafter arising, created or acquired.

6. All now existing and hereafter arising accounts, contract rights and all other forms of obligations owing to Debtor arising out of the sale or lease of goods or the rendering of services by Debtor (subject, in each case, to the contractual rights of third parties to require funds received by Debtor to be expended in a particular manner), whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Debtor and Debtor's books relating to any of the foregoing;

7. All documents, cash, deposit accounts, letters of credit, letter of credit rights, supporting obligations, certificates of deposit, instruments, chattel paper, electronic chattel paper, tangible chattel paper and investment property, including, without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts, and all financial assets held in any securities account or otherwise, wherever located, now owned or hereafter acquired and Debtor's books relating to the foregoing;

8. All other assets, goods and personal property of Debtor, wherever located, whether

tangible or intangible, and whether now owned or hereafter acquired; and

9. Any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds and products thereof, including, without limitation, insurance, condemnation, requisition or similar payments and the proceeds thereof.

Notwithstanding the foregoing, and for the avoidance of doubt, the foregoing shall expressly exclude all Intellectual Property of Debtor.

EXHIBIT D

SVB SUBORDINATION AGREEMENT

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made as of May 9, 2022, by and between each of the undersigned creditors (each a "Creditor" and collectively "Creditors"), and **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 ("Bank").

Recitals

A. **BIODESIX, INC** ., a Delaware corporation ("Borrower"), has requested and/or obtained certain loans or other credit accommodations from Streeterville which are or may be from time to time secured by assets and property of Borrower.

B. Creditor has extended loans or other credit accommodations to Borrower or is otherwise entitled to receive certain payments from Borrower, and/or may extend loans or other credit accommodations to Borrower from time to time.

C. To induce Streeterville to extend credit to Borrower and, at any time or from time to time, at Streeterville's option, to make such further loans, extensions of credit, or other accommodations to or for the account of Borrower, or to purchase or extend credit upon any instrument or writing in respect of which Borrower may be liable in any capacity, or to grant such renewals or extension of any such loan, extension of credit, purchase, or other accommodation as Streeterville may deem advisable, Creditor is willing to subordinate, subject to the terms of this Agreement: (i) all of Borrower's indebtedness and obligations to Creditor (including, without limitation, principal, premium (if any), interest, fees, charges, expenses, costs, professional fees and expenses, and reimbursement obligations), plus any dividends and/or distributions or other payments pursuant to call, put, or conversion features in connection with equity securities of Borrower issued to or held by Creditor, whether presently existing or arising in the future (the "Subordinated Debt") to all of Borrower's indebtedness and obligations to Streeterville; and (ii) all of Creditor's security interests, if any, to all of Streeterville's security interests in Borrower's property.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Each Creditor subordinates to Bank any security interest or lien that such Creditor may have in any property of Borrower. Notwithstanding the respective dates of attachment or perfection of the security interests of such Creditor and the security interests of Bank, all now existing and hereafter arising security interests of Bank in any property of Borrower and all proceeds thereof (the "Collateral"), including, without limitation, the "Collateral", as defined in that certain Loan and Security Agreement dated as of March 19, 2021 (as the same may from time to time be amended, modified, supplemented or restated, including, without limitation, by that certain First Amendment to Loan and Security Agreement dated as of September 30, 2021, by that certain Consent and Second Amendment to Loan and Security Agreement dated as of December 31, 2021, that certain letter agreement re "Loan and Security Agreement dated as of March 19, 2021" dated as of April 1, 2022 and that certain Consent and Third Amendment to Loan and Security Agreement dated as of April 7, 2022, collectively, the "Loan Agreement") shall at all times be senior to the security interests of such Creditor. Each Creditor hereby (a) acknowledges and consents to (i) Borrower granting to Bank a security interest in the Collateral, (ii) Bank filing any and all financing statements and

other documents as deemed necessary by Bank in order to perfect Bank's security interest in the Collateral, and (iii) the entering into of the Loan Agreement and all documents in connection therewith by Borrower, (b) acknowledges and agrees that the Senior Debt, the entering into of the Loan Agreement and all documents in connection therewith by Borrower, and the security interest granted by Borrower to Bank in the Collateral shall be permitted under the provisions of the Subordinated Debt documents (notwithstanding any provision of the Subordinated Debt documents to the contrary), (c) acknowledges, agrees and covenants that no Creditor shall contest, challenge or dispute the validity, attachment, perfection, priority or enforceability of Bank's security interest in the Collateral, or the validity, priority or enforceability of the Senior Debt, and (d) acknowledges and agrees that the provisions of this Agreement will apply fully and unconditionally even in the event that Bank's security interest in the Collateral (or any portion thereof) shall be unperfected.

2. All Subordinated Debt is subordinated in right of payment to all obligations of Borrower to Bank now existing or hereafter arising, including, without limitation, the Obligations (as defined in the Loan Agreement), together with all costs of collecting such obligations (including attorneys' fees), including, without limitation, all obligations under any agreement in connection with the provision by Bank to Borrower of products and/or credit services facilities, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding (such obligations, collectively, the "Senior Debt").

3. No Creditor will demand or receive from Borrower (and Borrower will not pay to any Creditor) all or any part of the Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will any Creditor exercise any remedy with respect to any property of Borrower, nor will any Creditor accelerate the Subordinated Debt, or commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower, until such time as (a) the Senior Debt has been fully paid in cash, (b) Bank has no commitment or obligation to lend any further funds to Borrower, and (c) all financing agreements between Bank and Borrower are terminated. Nothing in the foregoing paragraph shall prohibit: (w) Borrower from making any payments in equity securities of Borrower to a Creditor when and as required by the Subordinated Debt, (x) the exchange at any time by a Creditor and Borrower of all or any portion of the Subordinated Debt for equity securities of Borrower pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, (y) Creditor, following an event of default under the Subordinated Debt, from seeking and receiving injunctive relief from a court prohibiting Borrower from issuing any of its common or preferred stock to any party unless all proceeds from the sale of such common or preferred stock are paid first to Bank until all outstanding obligations owing from Borrower to Bank are satisfied in full in cash and then any remaining proceeds may be distributed to Creditor, and/or (z) a Creditor from converting all or any part of the Subordinated Debt into equity securities of Borrower, provided that, if such securities have any call, put or other conversion features that would obligate Borrower to declare or pay dividends, make distributions, or otherwise pay any money or deliver any other securities or consideration to the holder, each Creditor hereby agrees that Borrower may not declare, pay or make such dividends, distributions or other payments to such Creditor, and such Creditor shall not accept any such dividends, distributions or other payments.

4. Each Creditor shall promptly deliver to Bank in the form received (except for endorsement or assignment by such Creditor where required by Bank) for application to the Senior Debt any payment, distribution, security or proceeds received by such Creditor with respect to the Subordinated Debt other than in accordance with this Agreement.

5. In the event of Borrower's insolvency, reorganization or any case or proceeding under any bankruptcy or insolvency law or laws relating to the relief of debtors, including, without limitation, any

voluntary or involuntary bankruptcy, insolvency, receivership or other similar statutory or common law proceeding or arrangement involving Borrower, the readjustment of its liabilities, any assignment for the benefit of its creditors or any marshalling of its assets or liabilities (each, an "Insolvency Proceeding"), (a) this Agreement shall remain in full force and effect in accordance with Section 510(a) of the United States Bankruptcy Code, (b) the Collateral shall include, without limitation, all Collateral arising during or after any such Insolvency Proceeding, and (c) Bank's claims against Borrower and the estate of Borrower shall be paid in full before any payment is made to any Creditor.

6. Each Creditor shall give Bank prompt written notice of the occurrence of any default or event of default under any document, instrument or agreement evidencing or relating to the Subordinated Debt, and shall, simultaneously with giving any notice of default to Borrower, provide Bank with a copy of any notice of default given to Borrower. Each Creditor acknowledges and agrees that any default or event of default under the Subordinated Debt documents shall be deemed to be a default and an event of default under the Senior Debt documents.

7. Until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, Each Creditor irrevocably appoints Bank as such Creditor's attorney-in-fact, and grants to Bank a power of attorney with full power of substitution, in the name of such Creditor or in the name of Bank, for the use and benefit of Bank, without notice to such Creditor, to perform at Bank's option the following acts in any Insolvency Proceeding involving Borrower:

a) To file the appropriate claim or claims in respect of the Subordinated Debt on behalf of such Creditor if such Creditor does not do so prior to 30 days before the expiration of the time to file claims in such Insolvency Proceeding and if Bank elects, in its sole discretion, to file such claim or claims; and

b) To accept or reject any plan of reorganization or arrangement on behalf of such Creditor and to otherwise vote such Creditor's claims in respect of any Subordinated Debt in any manner that Bank deems appropriate for the enforcement of its rights hereunder.

In addition to and without limiting the foregoing: (x) until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, no Creditor shall commence or join in any involuntary bankruptcy petition or similar judicial proceeding against Borrower, and (y) if an Insolvency Proceeding occurs: (i) no Creditor shall assert, without the prior written consent of Bank, any claim, motion, objection or argument in respect of the Collateral in connection with any Insolvency Proceeding which could otherwise be asserted or raised in connection with such Insolvency Proceeding, including, without limitation, any claim, motion, objection or argument seeking adequate protection or relief from the automatic stay in respect of the Collateral, (ii) Bank may consent to the use of cash collateral on such terms and conditions and in such amounts as it shall in good faith determine without seeking or obtaining the consent of any Creditor as (if applicable) holder of an interest in the Collateral, (iii) if use of cash collateral by Borrower is consented to by Bank, no Creditor shall oppose such use of cash collateral on the basis that such Creditor's interest in the Collateral (if any) is impaired by such use or inadequately protected by such use, or on any other ground, and (iv) no Creditor shall object to, or oppose, any sale or other disposition of any assets comprising all or part of the Collateral, free and clear of security interests, liens and claims of any party, including such Creditor, under Section 363 of the United States Bankruptcy Code or otherwise, on the basis that the interest of such Creditor in the Collateral (if any) is impaired by such sale or inadequately protected as a result of such sale, or on any other ground (and, if requested by Bank, such Creditor shall affirmatively and promptly consent to such sale or disposition of such assets), if Bank has consented to, or supports, such sale or disposition of such assets.

8. Each Creditor represents and warrants that such Creditor has provided Bank with true and correct copies of all of the documents evidencing or relating to the Subordinated Debt. Each Creditor shall immediately affix a legend to the instruments evidencing the Subordinated Debt stating that the instruments are subject to the terms of this Agreement. By the execution of this Agreement, each Creditor hereby authorizes Bank to amend any financing statements filed by such Creditor against Borrower as follows: "In accordance with a certain Subordination Agreement by and among the Secured Party, the Debtor and Silicon Valley Bank, the Secured Party has subordinated any security interest or lien that Secured Party may have in any property of the Debtor to the security interest of Silicon Valley Bank in all assets of the Debtor, notwithstanding the respective dates of attachment or perfection of the security interest of the Secured Party and Silicon Valley Bank."

9. No amendment of the documents evidencing or relating to the Subordinated Debt shall directly or indirectly modify the provisions of this Agreement in any manner which might terminate or impair the subordination of the Subordinated Debt or the subordination of the security interests or liens that Creditors may have in any property of Borrower. By way of example, such instruments shall not be amended to (a) increase the rate of interest with respect to the Subordinated Debt, or (b) accelerate the payment of the principal or interest or any other portion of the Subordinated Debt. Bank shall have the sole and exclusive right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of property of Borrower except in accordance with the terms of the Senior Debt. Upon written notice from Bank to Creditors of Bank's agreement to release its lien on all or any portion of the Collateral in connection with the sale, transfer or other disposition thereof by Bank (or by Borrower with consent of Bank), each Creditor shall be deemed to have also, automatically and simultaneously, released its lien on the Collateral, and each Creditor shall upon written request by Bank, immediately take such action as shall be necessary or appropriate to evidence and confirm such release. All proceeds resulting from any such sale, transfer or other disposition shall be applied first to the Senior Debt until payment in full thereof, with the balance, if any, to the Subordinated Debt, or to any other entitled party. If any Creditor fails to release its lien as required hereunder, such Creditor hereby appoints Bank as attorney in fact for such Creditor with full power of substitution to release such Creditor's liens as provided hereunder. Such power of attorney being coupled with an interest shall be irrevocable.

10. All necessary action on the part of each Creditor, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of such Creditor hereunder has been taken. This Agreement constitutes the legal, valid and binding obligation of each Creditor, enforceable against each Creditor in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by each Creditor will not (a) result in any material violation or default of any term of any of such Creditor's charter, formation or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (b) violate any material applicable law, rule or regulation.

11. If, at any time after payment in full of the Senior Debt any payments of the Senior Debt must be disgorged by Bank for any reason (including, without limitation, any Insolvency Proceeding), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and each Creditor shall immediately pay over to Bank all payments received with respect to the Subordinated Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to any Creditor, Bank may take such actions with respect to the Senior Debt as Bank, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Borrower, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction

shall impair or otherwise affect Bank's rights hereunder. Each Creditor waives any benefits of California Civil Code Sections 2809, 2810, 2819, 2845, 2847, 2848, 2849, 2850, 2899 and 3433.

12. This Agreement shall bind any successors or assignees of Creditors and shall benefit any successors or assigns of Bank, provided, however, each Creditor agrees that, prior and as conditions precedent to each Creditor assigning all or any portion of the Subordinated Debt: (a) each Creditor shall give Bank prior written notice of such assignment, and (b) such successor or assignee, as applicable, shall execute a written agreement whereby such successor or assignee expressly agrees to assume and be bound by all terms and conditions of this Agreement with respect to such Creditor. This Agreement shall remain effective until terminated in writing by Bank. This Agreement is solely for the benefit of Creditors and Bank and not for the benefit of Borrower or any other party. Each Creditor further agrees that if Borrower is in the process of refinancing any portion of the Senior Debt with a new lender, and if Bank makes a request of Creditors, Creditors shall agree to enter into a new subordination agreement with the new lender on substantially the terms and conditions of this Agreement.

13. Each Creditor hereby agrees to execute such documents and/or take such further action as Bank may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Bank.

14. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

15. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth/State of California, without giving effect to conflicts of laws principles. Creditors and Bank submit to the exclusive jurisdiction of the state and federal courts located in Santa Clara County, California in any action, suit, or proceeding of any kind, against it which arises out of or by reason of this Agreement. CREDITORS AND BANK WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and order applicable to judicial proceedings in

the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to the California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

16. This Agreement represents the entire agreement with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and commitments. No Creditor is relying on any representations by Bank or Borrower in entering into this Agreement, and each Creditor has kept and will continue to keep itself fully apprised of the financial and other condition of Borrower. This Agreement may be amended only by written instrument signed by Creditors and Bank.

17. In the event of any legal action to enforce the rights of a party under this Agreement, the party prevailing in such action shall be entitled, in addition to such other relief as may be granted, all reasonable costs and expenses, including reasonable attorneys' fees, incurred in such action.

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IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

"Bank"

SILICON VALLEY BANK

By:_____

Name:_____

Title:_____

"Creditor"

STREETERVILLE CAPITAL, LLC, a Utah limited liability company

By: _____
John M. Fife, President

The undersigned approves of the terms of this Agreement.

"Borrower"

BIODESIX, INC.

By:_____

Name:_____

Title:_____

JOINDER TO SUBORDINATION AGREEMENT

The undersigned hereby agrees to become a party in the capacity of a "**Creditor**" to that certain Subordination Agreement dated as of _____, 2022, by and among **SILICON VALLEY BANK**, a California corporation ("**Bank**"), and the parties identified on the signature pages thereto as Creditors with respect to debt owing to Bank and Creditors by BIODESIX, INC., a Delaware corporation (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Subordination Agreement**"), and to be bound by the terms and conditions thereof in such capacity effective as of the date thereof. The undersigned hereby makes all representations and warranties contained in the Subordination Agreement to Bank as of the date hereof. The undersigned hereby authorizes this Joinder to be attached as a counterpart signature page to the Subordination Agreement and hereby designates the address below as the undersigned's notice for address under the Subordination Agreement.

"Creditor"

By:
Address:
Attention:
Phone:
Fax:
Email:
Date of Signature:

EXHIBIT E

INDI SUBORDINATION AGREEMENT

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made as of May 9, 2022, by and between **INTEGRATED DIAGNOSTICS, INC.**, a Delaware corporation (the "Creditor"), and **STREETERVILLE CAPITAL, LLC**, a Utah limited liability company, with its principal place of business at 303 East Wacker Drive, Suite 1040, Chicago, Illinois 60601 ("Streeterville").

Recitals

A. **BIODESIX, INC**., a Delaware corporation ("Borrower"), has requested and/or obtained certain loans or other credit accommodations from Streeterville which are or may be from time to time secured by assets and property of Borrower.

B. Creditor has extended loans or other credit accommodations to Borrower or is otherwise entitled to receive certain payments from Borrower, and/or may extend loans or other credit accommodations to Borrower from time to time.

C. To induce Streeterville to extend credit to Borrower and, at any time or from time to time, at Streeterville's option, to make such further loans, extensions of credit, or other accommodations to or for the account of Borrower, or to purchase or extend credit upon any instrument or writing in respect of which Borrower may be liable in any capacity, or to grant such renewals or extension of any such loan, extension of credit, purchase, or other accommodation as Streeterville may deem advisable, Creditor is willing to subordinate, subject to the terms of this Agreement: (i) all of Borrower's indebtedness and obligations to Creditor (including, without limitation, principal, premium (if any), interest, fees, charges, expenses, costs, professional fees and expenses, and reimbursement obligations), plus any dividends and/or distributions or other payments pursuant to call, put, or conversion features in connection with equity securities of Borrower issued to or held by Creditor, whether presently existing or arising in the future (the "Subordinated Debt") to all of Borrower's indebtedness and obligations to Streeterville; and (ii) all of Creditor's security interests, if any, to all of Streeterville's security interests in Borrower's property.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Creditor subordinates to Streeterville any security interest or lien that Creditor may have in any property of Borrower. Notwithstanding the respective dates of attachment or perfection of the security interests of Creditor and the security interests of Streeterville, all now existing and hereafter arising security interests of Streeterville in any property of Borrower and all proceeds thereof (the "Collateral"), including, without limitation, the "Collateral", as defined in that certain Security Agreement by and between Streeterville and Borrower, entered into in connection with that certain Securities Purchase Agreement, a Secured Convertible Promissory Note #1 in the original principal amount of $16,025,000.00, subject to the satisfaction of certain purchase conditions, a Secured Convertible Promissory Note #2 in the original principal amount of $10,250,000.00, a Subordination Agreement by and between Silicon Valley Bank and Streeterville, this Agreement, all dated as of April __, 2022, and all other agreements, certificates, instruments and documents being or to be executed and delivered under or in connection therewith (collectively, the "Transaction Documents") shall at all times be senior to the security interests of Creditor. Creditor hereby (a) acknowledges and consents to (i) Borrower granting to Streeterville a security interest

in the Collateral, (ii) Streeterville filing any and all financing statements and other documents as deemed necessary by Streeterville in order to perfect Streeterville's first position security interest in the Collateral, and (iii) the entering into of the Transaction Documents and all documents in connection therewith by Borrower, (b) acknowledges and agrees that the Senior Debt (defined below), the entering into of the Transaction Documents and all documents in connection therewith by Borrower, and the security interest granted by Borrower to Streeterville in the Collateral shall be permitted under the provisions of the Subordinated Debt documents (notwithstanding any provision of the Subordinated Debt documents to the contrary), (c) acknowledges, agrees and covenants that Creditor shall not contest, challenge or dispute the validity, attachment, perfection, priority or enforceability of Streeterville's security interest in the Collateral, or the validity, priority or enforceability of the Senior Debt, and (d) acknowledges and agrees that the provisions of this Agreement will apply fully and unconditionally even in the event that Streeterville's security interest in the Collateral (or any portion thereof) shall be unperfected. For the avoidance of doubt, nothing in this Agreement shall prohibit Borrower from granting to Creditor a security interest in the Collateral, provided that such security interest is subject to the terms of this Agreement, and Streeterville hereby (a) acknowledges and consents to (i) Borrower granting to Creditor a security interest in the Collateral, (ii) Creditor filing any and all financing statements and other documents as deemed necessary by Creditor in order to perfect Creditor's security interest in the Collateral, and (iii) the entering into of any documents in connection therewith by Borrower, (b) acknowledges and agrees that the Subordinated Debt and the security interest granted by Borrower to Creditor in the Collateral shall be permitted under the provisions of the Senior Debt documents (notwithstanding any provision of the Senior Debt documents to the contrary), and (c) acknowledges, agrees and covenants that Streeterville shall not contest, challenge or dispute the validity, attachment, perfection or enforceability of Creditor's security interest in the Collateral, or the validity or enforceability of the Subordinated Debt.

2. All Subordinated Debt is subordinated in right of payment to all obligations of Borrower to Streeterville now existing or hereafter arising, including without limitation under the Transaction Documents, together with all costs of collecting such obligations (including attorneys' fees), including, without limitation, all obligations under any agreement in connection with the provision by Streeterville to Borrower of products and/or credit services facilities, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding (such obligations, collectively, the "Senior Debt"). Notwithstanding any provision in this Agreement or any of the Senior Debt documents to the contrary, Creditor is permitted to receive the Installment Payments (under and as defined in Amendment No. 3 to Asset Purchase Agreement and Plan of Reorganization, entered into as of April 7, 2022, amending that certain Asset Purchase Agreement and Plan of Reorganization, dated June 30, 2018, by and among Borrower, Creditor, and IND Funding LLC ("Amendment No. 3")), the schedule of which is set forth on **Exhibit A** hereto (the "Indi Payment Schedule"), provided that Borrower is not in default under any of the Transaction Documents and any payments made to Creditor by Borrower do not exceed the amounts set forth in the Indi Payment Schedule. Neither Borrower nor Creditor may make any changes to the Indi Payment Schedule without the prior written consent of Streeterville.

3. With the exception of payments set forth on the Indi Payment Schedule, Creditor will not demand or receive from Borrower (and Borrower will not pay to any Creditor) all or any part of the Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will any Creditor exercise any remedy with respect to any property of Borrower, nor will any Creditor accelerate the Subordinated Debt, or commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower, until such time as (a) the Senior Debt has been fully paid in cash, (b) Streeterville has no commitment or obligation to lend any further funds to Borrower, and (c) all financing agreements between Streeterville and Borrower are terminated. Nothing in the foregoing

paragraph shall prohibit filing any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of Creditor, including any claims secured by the Collateral, if any, in each case in accordance with the terms of this Agreement.

4. Creditor shall promptly deliver to Streeterville in the form received (except for endorsement or assignment by Creditor where required by Streeterville) for application to the Senior Debt any payment, distribution, security or proceeds received by Creditor with respect to the Subordinated Debt other than in accordance with this Agreement. For the avoidance of doubt, the preceding sentence shall not apply to payments set forth on the Indi Payment Schedule.

5. In the event of Borrower's insolvency, reorganization or any case or proceeding under any bankruptcy or insolvency law or laws relating to the relief of debtors, including, without limitation, any voluntary or involuntary bankruptcy, insolvency, receivership or other similar statutory or common law proceeding or arrangement involving Borrower, the readjustment of its liabilities, any assignment for the benefit of its creditors or any marshalling of its assets or liabilities (each, an "Insolvency Proceeding"), (a) this Agreement shall remain in full force and effect in accordance with Section 510(a) of the United States Bankruptcy Code, (b) the Collateral shall include, without limitation, all Collateral arising during or after any such Insolvency Proceeding, and (c) Streeterville's claims against Borrower and the estate of Borrower shall be paid in full before any payment is made to any Creditor.

6. Creditor shall give Streeterville prompt written notice of the occurrence of any default or event of default under any document, instrument or agreement evidencing or relating to the Subordinated Debt, and shall, simultaneously with giving any notice of default to Borrower, provide Streeterville with a copy of any notice of default given to Borrower. Creditor acknowledges and agrees that any default or event of default under the Subordinated Debt documents shall be deemed to be a default and an event of default under the Senior Debt documents.

7. Until the Senior Debt has been fully paid and Streeterville's agreements to lend any funds to Borrower have been terminated, Creditor irrevocably appoints Streeterville as Creditor's attorney-in-fact, and grants to Streeterville a power of attorney with full power of substitution, in the name of Creditor or in the name of Streeterville, for the use and benefit of Streeterville, to file the appropriate claim or claims in any Insolvency Proceeding in respect of the Subordinated Debt on behalf of Creditor if Creditor does not do so prior to 15 days before the expiration of the time to file claims in such Insolvency Proceeding and if Streeterville elects, in its sole discretion, to file such claim or claims. In addition to and without limiting the foregoing, until the Senior Debt has been fully paid in cash and Streeterville's agreements to lend any funds to Borrower have been terminated: (x) Creditor shall not commence or join in any involuntary bankruptcy petition or similar judicial proceeding against Borrower, and (y) if an Insolvency Proceeding occurs: (i) Creditor shall not assert, without the prior written consent of Streeterville, any claim, motion, objection or argument in respect of the Collateral in connection with any Insolvency Proceeding which could otherwise be asserted or raised in connection with such Insolvency Proceeding, including, without limitation, any claim, motion, objection or argument seeking adequate protection or relief from the automatic stay in respect of the Collateral, (ii) Streeterville may consent to the use of cash collateral on such terms and conditions and in such amounts as it shall in good faith determine without seeking or obtaining the consent of any Creditor as (if applicable) holder of an interest in the Collateral, (iii) if use of cash collateral by Borrower is consented to by Streeterville, Creditor shall not oppose such use of cash collateral on the basis that Creditor's interest in the Collateral (if any) is impaired by such use or inadequately protected by such use, or on any other ground, and (iv) Creditor shall not object to, or oppose, any sale or other disposition of any assets comprising all or part of the Collateral, free and clear of security interests, liens and claims of any party, including Creditor, under Section 363 of the United States Bankruptcy Code or otherwise, on the basis that the interest of Creditor in the Collateral (if any) is impaired

by such sale or inadequately protected as a result of such sale, or on any other ground (and, if requested by Streeterville, Creditor shall affirmatively and promptly consent to such sale or disposition of such assets), if Streeterville has consented to, or supports, such sale or disposition of such assets. Notwithstanding anything to the contrary herein, in any Insolvency Proceeding, (w) if Streeterville is granted adequate protection consisting of additional collateral (with replacement liens on such collateral) and/or superpriority claims in connection with any financing or use of cash collateral, then in connection with such financing or use of cash collateral Creditor may seek or accept adequate protection consisting solely of (i) a replacement lien on the same additional collateral, subordinated to Streeterville's liens on the same basis as Creditor's liens are subordinated to Streeterville's liens under this Agreement, (ii) superpriority claims junior in all respects to the superpriority claims of Streeterville, and (iii) cash payments with respect to current fees and expenses, provided that (A) Streeterville is also granted cash payments with respect to current fees and expenses and (B) Streeterville may object to the amounts of fees and expenses sought by Creditor; (x) Streeterville agrees that Creditor shall have the right to credit bid under Section 363(k) of the Bankruptcy Code with respect to any disposition of Collateral, provided that the Senior Debt is paid in cash in full in connection with any such credit bid by Creditor; (y) Creditor retains the right to object to any provision in any financing that requires specific and material terms of a plan of reorganization other than terms for a sale, liquidation or other disposition of Collateral; and (z) Creditor may otherwise exercise rights and remedies as an unsecured creditor in accordance with the terms of the Subordinated Debt and applicable law, in each case subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on Creditor imposed hereby.

8. Creditor represents and warrants that Creditor has provided Streeterville with true and correct copies of all of the documents evidencing or relating to the Subordinated Debt. Creditor shall immediately affix a legend to the instruments evidencing the Subordinated Debt stating that the instruments are subject to the terms of this Agreement. By the execution of this Agreement, Creditor hereby authorizes Streeterville to amend any financing statements filed by Creditor against Borrower as follows: "In accordance with a certain Subordination Agreement by and among the Secured Party, the Debtor and Streeterville Capital, LLC ("Streeterville"), the Secured Party has subordinated any security interest or lien that Secured Party may have in any property of the Debtor to the security interest of Streeterville in all assets of the Debtor, notwithstanding the respective dates of attachment or perfection of the security interest of the Secured Party and Streeterville."

9. No amendment of the documents evidencing or relating to the Subordinated Debt shall directly or indirectly modify the provisions of this Agreement in any manner which might terminate or impair the subordination of the Subordinated Debt or the subordination of the security interests or liens that Creditor may have in any property of Borrower. By way of example, such instruments shall not be amended to (a) increase the rate of interest with respect to the Subordinated Debt, or (b) accelerate the payment of the principal or interest or any other portion of the Subordinated Debt. Streeterville shall have the sole and exclusive right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of property of Borrower except in accordance with the terms of the Senior Debt. Upon written notice from Streeterville to Creditor of Streeterville's agreement to release its lien on all or any portion of the Collateral in connection with the sale, transfer or other disposition thereof by Streeterville (or by Borrower with consent of Streeterville), Creditor shall be deemed to have also, automatically and simultaneously, released its lien on the Collateral, and Creditor shall upon written request by Streeterville, immediately take such action as shall be necessary or appropriate to evidence and confirm such release. All proceeds resulting from any sale, transfer or other disposition shall be applied first to the Senior Debt until payment in full thereof, with the balance, if any, to the Subordinated Debt, or to any other entitled party. If Creditor fails to release its lien as required hereunder, Creditor hereby appoints Streeterville as attorney in fact for Creditor with full power of substitution to release Creditor's liens as provided hereunder. Such power of attorney being coupled with an interest shall be irrevocable.

10. All necessary action on the part of Creditor, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of Creditor hereunder has been taken. This Agreement constitutes the legal, valid and binding obligation of Creditor, enforceable against Creditor in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Creditor will not (a) result in any material violation or default of any term of any of Creditor's charter, formation or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (b) violate any material applicable law, rule or regulation.

11. If, at any time after payment in full of the Senior Debt any payments of the Senior Debt must be disgorged by Streeterville for any reason (including, without limitation, any Insolvency Proceeding), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and Creditor shall immediately pay over to Streeterville all payments received with respect to the Subordinated Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to any Creditor, Streeterville may take such actions with respect to the Senior Debt as Streeterville, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Borrower, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction shall impair or otherwise affect Streeterville's rights hereunder. Creditor waives any benefits of California Civil Code Sections 2809, 2810, 2819, 2845, 2847, 2848, 2849, 2850, 2899 and 3433 or any other similar sections under Utah law.

12. This Agreement shall bind any successors or assignees of Creditor and shall benefit any successors or assigns of Streeterville, provided, however, Creditor agrees that, prior and as conditions precedent to Creditor assigning all or any portion of the Subordinated Debt: (a) Creditor shall give Streeterville prior written notice of such assignment, and (b) such successor or assignee, as applicable, shall execute a written agreement whereby such successor or assignee expressly agrees to assume and be bound by all terms and conditions of this Agreement with respect to Creditor. This Agreement shall remain effective until terminated in writing by Streeterville. This Agreement is solely for the benefit of Creditor and Streeterville and not for the benefit of Borrower or any other party. Creditor further agrees that if Borrower is in the process of refinancing any portion of the Senior Debt with a new lender, and if Streeterville makes a request of Creditor, Creditor shall agree to enter into a new subordination agreement with the new lender on substantially the terms and conditions of this Agreement.

13. Creditor hereby agrees to execute such documents and/or take such further action as Streeterville may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Streeterville.

14. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to conflicts of laws principles. Creditor and Streeterville submit to the exclusive jurisdiction of the state and federal courts located in Salt Lake County, Utah in any action, suit, or proceeding of any kind, against it which arises out of or by reason of this Agreement. CREDITOR AND STREETERVILLE WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

16. This Agreement represents the entire agreement with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and commitments. No Creditor is relying on any representations by Streeterville or Borrower in entering into this Agreement, and Creditor has kept and will continue to keep itself fully apprised of the financial and other condition of Borrower. This Agreement may be amended only by written instrument signed by Creditor and Streeterville.

17. In the event of any legal action to enforce the rights of a party under this Agreement, the party prevailing in such action shall be entitled, in addition to such other relief as may be granted, all reasonable costs and expenses, including reasonable attorneys' fees, incurred in such action.

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IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

"Streeterville"

STREETERVILLE CAPITAL, LLC

By: _____
John M. Fife, President

"Creditor"

INTEGRATED DIAGNOSTICS, INC.

By:_____

Name:_____

Title:_____

The undersigned approves of the terms of this Agreement.

"Borrower"

BIODESIX, INC.

By:_____

Name:_____

Title:_____

EXHIBIT A

[Indi Payment Schedule]

- The first Installment Payment, in the amount of $4,625,000, shall be payable on January 3, 2022.
- The next five Installment Payments, in the amounts of $2,000,000 each, shall be payable on the first business day of each of the next five calendar quarters, beginning on April 1, 2022.
- The next three Installment Payments, in the amounts of $3,000,000 each, shall be payable on the first day of each of the next three calendar quarters, beginning on July 1, 2023.
- The next Installment Payment, in the amount of $5,000,000, shall be payable on April 1, 2024.
- The next Installment Payment, in the amount of $8,374,872.57 shall be payable on July 1, 2024.
- The last Installment Payment, in the amount of $6,075,000 shall be payable on October 1, 2024.

All payments shall accrue interest at a stated rate of 10% on the unpaid balance of each payment, as set forth in Amendment No. 3.

EXHIBIT F

IRREVOCABLE TRANSFER AGENT INSTRUCTIONS

On file with Investor.

EXHIBIT G

OFFICER'S CERTIFICATE

On file with Investor.

EXHIBIT H

SHARE ISSUANCE RESOLUTION

On file with Investor.

For purposes of sections 1272, 1273, and 1275 of the Internal Revenue Code of 1986, as amended, this note is being issued with an original issue discount. Borrower agrees to provide promptly to the holder of this Note, upon written request, the issue price, amount of original issue discount, issue date, and yield to maturity. Any such written request should be made pursuant to Section 8.9 of the Purchase Agreement (as defined below) pursuant to which this Note was issued.

SECURED CONVERTIBLE PROMISSORY NOTE #1

Effective Date: May 9, 2022 U.S. $16,025,000.00

FOR VALUE RECEIVED, BIODESIX, INC., a Delaware corporation ("**Borrower**"), promises to pay to STREETERVILLE CAPITAL, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), $16,025,000.00 and any interest, fees, charges, and late fees accrued hereunder on the date that is twenty-four (24) months after the Purchase Price Date (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance at the rate of six percent (6%) per annum from the Purchase Price Date until the same is paid in full. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. This Secured Convertible Promissory Note #1 (this "**Note**") is issued and made effective as of the date set forth above (the "**Effective Date**"). This Note is issued pursuant to that certain Securities Purchase Agreement dated May 9, 2022, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Note carries an original issue discount ("**OID**") of $1,000,000.00. In addition, Borrower agrees to pay $25,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"), in an amount equal to $250,000.00, all of which amount is fully earned and included in the initial principal balance of this Note. The purchase price for this Note shall be $15,000,000.00 (the "**Purchase Price**"), computed as follows: $16,025,000.00 original principal balance, less the OID, less the Transaction Expense Amount. The Purchase Price shall be payable by Lender by wire transfer of immediately available funds.

1. Payment; Prepayment.

1.1. Payment. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address or bank account furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal.

1.2. Prepayment. Notwithstanding the foregoing, Borrower shall have the right to prepay all or any portion of the Outstanding Balance (less such portion of the Outstanding Balance for which Borrower has received a Redemption Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered). If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 110% multiplied by the portion of the Outstanding Balance Borrower elects to prepay.

2. Security. This Note is secured by that certain Security Agreement of even date herewith, as the same may be amended from time to time (the "**Security Agreement**"), executed by Borrower in favor of Lender encumbering certain of Borrower's assets, as more specifically set forth in the Security Agreement, all the terms and conditions of which are hereby incorporated into and made a part of this

Note.

3. Redemptions.

3.1. Redemption Conversion Price. Subject to the adjustments set forth herein, the conversion price for each Redemption Conversion shall be the Redemption Conversion Price.

3.2. Redemptions. Beginning on the date that is nine (9) months from the Purchase Price Date, Lender shall have the right, exercisable at any time in its sole and absolute discretion, to redeem all or any portion of the Note (such amount, the "**Redemption Amount**"), up to the Maximum Monthly Redemption Amount, by providing Borrower with a notice substantially in the form attached hereto as Exhibit A (each, a "**Redemption Notice**", and each date on which Lender delivers a Redemption Notice, a "**Redemption Date**"). For the avoidance of doubt, Lender may submit to Borrower one (1) or more Redemption Notices in any given calendar month; provided that the aggregate Redemption Amounts in such calendar month do not exceed the Maximum Monthly Redemption Amount. Payments of each Redemption Amount may be made (a) in cash, or (b) by converting such Redemption Amount into Common Stock (each, a "**Redemption Conversion**") per the following formula: the number of Conversion Shares equals the portion of the applicable Redemption Amount being converted divided by the Redemption Conversion Price (the "**Conversion Shares**"), or (c) by any combination of the foregoing, so long as the cash is delivered to Lender on the third (3rd) Trading Day immediately following the applicable Redemption Date and the Conversion Shares are delivered to Lender on or before the applicable Delivery Date (as defined below). Notwithstanding the foregoing, Borrower will not be entitled to elect a Redemption Conversion with respect to any portion of any applicable Redemption Amount and shall be required to pay the Redemption Amount in cash, if on the applicable Redemption Date there is an Equity Conditions Failure, and such failure is not waived in writing by Lender. Notwithstanding that failure to repay this Note in full by the Maturity Date is a Trigger Event, the Redemption Dates shall continue after the Maturity Date pursuant to this Section 3.2 until the Outstanding Balance is repaid in full. Notwithstanding anything herein to the contrary, in the event Borrower pays any redemption amount in cash, a six percent (6%) exit fee (the "**Exit Fee**") shall be applied to such payment. For example, in the event Borrower elects (or is obligated) to pay a $100,000.00 Redemption Amount in cash, Borrower would have to pay $106,000.00 in order to satisfy the payment of such Redemption Amount and have the Outstanding Balance reduced by $100,000.00. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, in the event that Borrower cannot effect any partial or complete conversion of this Note because such conversion would cause Lender to beneficially own a number shares of Common Stock that exceeds the Maximum Percentage as set forth in Section 10, the portion of the Redemption Amount paid in cash will not be subject to the Exit Fee, provided that Borrower first delivers the maximum number of Redemption Conversion Shares allowable under the Ownership Limitation.

3.3. Allocation of Redemption Amounts. Following its receipt of a Redemption Notice, Borrower may either ratify Lender's proposed allocation in the applicable Redemption Notice or elect to change the allocation by written notice to Lender by email to the officers of Borrower specified in Section 8.9 of the Purchase Agreement within one (1) Trading Day of its receipt of such Redemption Notice, so long as the sum of the cash payments and the amount of Redemption Conversions equal the applicable Redemption Amount. If Borrower fails to notify Lender of its election to change the allocation prior to the deadline set forth in the previous sentence, it shall be deemed to have ratified and accepted the allocation set forth in the applicable Redemption Notice prepared by Lender. Borrower acknowledges and agrees that the amounts and calculations set forth thereon are subject to correction or adjustment because of error, mistake, or any adjustment resulting from an Event of Default or other adjustment permitted under the Transaction Documents (an "**Adjustment**"). Furthermore, no error or mistake in the preparation of such notices, or failure to apply any Adjustment that could have been applied prior to the preparation of a Redemption Notice may be deemed a waiver of Lender's right to enforce the terms of any Note, even if such error, mistake, or failure to include an Adjustment arises from Lender's own calculation in the absence of gross negligence or willful misconduct from Lender. Borrower shall deliver the Conversion Shares from any Redemption Conversion to Lender in accordance with Section 7 below on or before each applicable

Delivery Date.

4. Trigger Events, Defaults and Remedies.

4.1. Trigger Events. The following are trigger events under this Note (each, a "**Trigger Event**"): (a) Borrower fails to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; (b) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; (c) Borrower becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; (d) Borrower makes a general assignment for the benefit of creditors; (e) Borrower files a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); (f) an involuntary bankruptcy proceeding is commenced or filed against Borrower and is not dismissed or stayed within forty five (45) days; (g) Borrower fails to observe or perform any covenant set forth in Section 4 of the Purchase Agreement and such failure shall continue for a period of five (5) Trading Days following the date of notice thereof from Lender; (h) the occurrence of a Fundamental Transaction without Lender's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned; provided, however Lender may withhold its consent for any Fundamental Transaction that it believes after consultation with Borrower would detrimentally affect Borrower's creditworthiness which determination of creditworthiness may be made in Lender's sole and absolute discretion); (i) Borrower fails to establish or maintain the Share Reserve; (j) Borrower fails to deliver any Conversion Shares in accordance with the terms hereof; (k) Borrower defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document in any material respect, other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement and such failure shall continue for a period of ten (10) Trading Days following the date of notice thereof from Lender; (l) any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note is false, incorrect, incomplete or misleading in any material respect when made or furnished; (m) Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; (n) any money judgment, writ or similar process is entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $500,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; (o) Borrower fails to be DWAC Eligible; or (p) under any agreement to which Borrower is a party with a third party or parties, or any default resulting in a right by such third party or parties, whether or not exercised, after giving effect to any grace or notice period, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000).

4.2. Trigger Event Remedies. At any time following the occurrence and during the continuance of any Trigger Event, Lender may, at its option and following prior written notice to Borrower, increase the Outstanding Balance by applying the Trigger Effect (subject to the limitation set forth below).

4.3. Defaults. At any time following the occurrence and during the continuance thereof of a Trigger Event, Lender may, at its option, send written notice to Borrower demanding that Borrower cure the Trigger Event within five (5) Trading Days. If Borrower fails to cure the Trigger Event within the required five (5) Trading Day cure period, Lender may, at its option, send written notice to Borrower that the Trigger Event, as of the date of such notice, has become an event of default hereunder (each, an "**Event of Default**").

4.4. Default Remedies. At any time and from time to time following the occurrence and during the continuance of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, upon the occurrence of any Trigger Event described in clauses (b) - (f) of Section 4.1, an Event of Default will be deemed to have occurred and the Outstanding

Balance as of the date of the occurrence of such Trigger Event shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender for the Trigger Event to become an Event of Default. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of twelve percent (12%) per annum or the maximum rate permitted under applicable law for the first three (3) months following the occurrence of such Event of Default, and at an interest rate equal to the lesser of fifteen percent (15%) per annum or the maximum rate permitted under applicable law thereafter ("**Default Interest**"). For the avoidance of doubt, Lender may continue making Redemption Conversions at any time following an Event of Default until such time as the Outstanding Balance is paid in full. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.4. No such rescission or annulment shall affect any subsequent Trigger Event or Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Note as required pursuant to the terms hereof.

Notwithstanding the foregoing, for purposes of this Note, if a Trigger Event has been cured by Borrower or waived by Lender or an Event of Default has been waived by Lender, then, unless otherwise agreed to by Lender and Borrower, Lender shall no longer have any rights or remedies granted to it upon the occurrence of a Trigger Event or an Event of Default hereunder (except for any Trigger Effect that has already been applied and will remain in effect).

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Redemption Conversions called for herein in accordance with the terms of this Note.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following each Redemption Date (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, such Conversion Shares are eligible for delivery via DWAC, and Lender (or its broker) has initiated a request for delivery of such Conversion Shares via DWAC, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Redemption Notice. If Borrower is not DWAC Eligible or such Conversion Shares are not eligible for delivery via DWAC, it shall cause its transfer agent to issue the applicable Conversion Shares via DRS, registered in the name of Lender or its designee, subject to Lender (or its broker) providing Borrower's transfer agent with the applicable legal name, address, and tax identification number of the applicable registered holder. Moreover, and notwithstanding anything to the contrary herein or in any other Transaction Document, in the event Borrower or its transfer agent refuses to deliver any Conversion Shares without a restrictive securities legend to Lender on grounds that such issuance is in violation of Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**"), Borrower shall deliver or cause its transfer agent to deliver the applicable Conversion Shares to Lender with a restricted securities legend, but otherwise in accordance with the provisions of this Section 7. In conjunction

therewith, Borrower will also deliver to Lender a written explanation from its counsel or its transfer agent's counsel opining as to why the issuance of the applicable Conversion Shares violates Rule 144.

8. Conversion Delays. If Borrower fails to deliver Conversion Shares by the Delivery Date and Lender (or its broker) has either initiated a request for delivery of such Conversion Shares via DWAC or provided Borrower's transfer agent with the applicable legal name, address, and tax identification number required for issuance of such Conversion Shares via DRS, Lender may at any time prior to receiving the applicable Conversion Shares rescind in whole or in part such Conversion, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144). In addition, for each Conversion, in the event that Conversion Shares are not delivered by the Delivery Date, a late fee equal to 2% of the applicable Conversion Share Value rounded to the nearest multiple of $100.00 but with a floor of $500.00 per day (but in any event the cumulative amount of such late fees for each Conversion shall not exceed 200% of the applicable Conversion Share Value) will be assessed for each day after the Delivery Date until Conversion Share delivery is made; and such late fees will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**").

9. Issuance Cap. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower and Lender agree that the total cumulative number of shares of Common Stock issued to Lender hereunder and under Note #2, may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("**Nasdaq 19.99% Cap**"), except that such limitation will not apply following Approval (defined below). Should Borrower desire to issue Redemption Conversion Shares in excess of the Nasdaq 19.99% Cap, Borrower, at its sole discretion, may seek to obtain stockholder approval of the issuance of additional Redemption Conversion Shares, if necessary, in accordance with the requirements of Nasdaq Listing Rule 5635(d), to enable Borrower to issues shares of Common Stock pursuant to this Note and Note #2 (the "**Approval**"). If Borrower is unable to deliver Redemption Conversion Shares as a result of not obtaining the Approval, then any remaining Outstanding Balance of this Note must be repaid in cash.

10. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, Borrower shall not effect any conversion of this Note to the extent that after giving effect to such conversion would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the Common Stock issuable upon such issuance) (the "**Maximum Percentage**"). For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

11. Revenue Milestone. In the event that Borrower does not achieve Revenue Milestone 1, the Outstanding Balance will automatically be increased by ten percent (10%), which increase will be effective as of the January 31, 2023. In the event that Borrower achieves Revenue Milestone 1 but not Revenue Milestone 2, the Outstanding Balance will automatically be increased by five percent (5%), which increase will be effective as of January 31, 2023. For the avoidance of doubt, Borrower's failure to achieve either Revenue Milestone 1 or Revenue Milestone 2 shall not be considered a Trigger Event.

12. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel.

13. Governing Law; Venue. This Note shall be construed and enforced in accordance with, and

all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

14. Cancellation. After repayment or conversion of the entire Outstanding Balance, this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

15. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

16. Assignments. This Note binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Note or any rights or obligations under it without Lender's prior written consent (which may be granted or withheld in Lender's discretion). Lender has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Lender's obligations, rights, and benefits under this Note; provided, that so long as an Event of Default has not occurred and is not continuing, Lender shall endeavor to provide Borrower contemporaneous notice of any such sale, transfer, assignment, or participation hereunder, but the failure of the Investor to provide such notice shall not be deemed a breach of this Note by Borrower; provided further that, Secured Party shall only sell, transfer, assign, negotiate, or grant a participation hereunder to a person or entity that will provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and on or prior to the date that any person or entity acquires an interest in the Note, such person or entity shall provide Borrower with a properly completed and executed IRS Form W-9 certifying an exemption from any tax withholding requirements, and any other tax forms, certifications and/or information reasonably requested by Borrower. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and is continuing, Lender shall not assign its interest in this Note to any Person who in the reasonable estimation of Lender is (a) a direct competitor of the Company, or (b) a vulture fund or distressed debt fund.

17. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

18. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

19. Severability. Each provision of this Note is severable from every other provision in determining the enforceability of any provision.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective Date.

BORROWER:
BIODESIX, INC.

By: /s/ SCOTT HUTTON
Scott Hutton, Chief Executive Officer

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:
STREETERVILLE CAPITAL, LLC

By: /s/ JOHN FIFE
John M. Fife, President

[Signature Page to Secured Convertible Promissory Note #1]

ATTACHMENT 1 DEFINITIONS

Capitalized terms used but not defined in this Note shall have the meanings given to them in the Purchase Agreement or the Security Agreement, as applicable. In addition, for purposes of this Note, the following terms shall have the following meanings:

A1. "**Closing Bid Price**" and "**Closing Trade Price**" means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

A2. "**DTC**" means the Depository Trust Company or any successor thereto.

A3. "**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program. A4. "**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

A5. "**DWAC Eligible**" means that (a) Borrower's Common Stock is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system; (b) Borrower has been approved (without revocation) by DTC's underwriting department; (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program; (d) the Conversion Shares are otherwise eligible for delivery via DWAC; and (e) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A6. "**Equity Conditions Failure**" means that any of the following conditions has not been satisfied on any given Redemption Date: (a) with respect to the applicable date of determination all of the Conversion Shares would be (i) registered for trading under applicable federal and state securities laws, (ii) freely tradable under Rule 144, or (iii) otherwise freely tradable without the need for registration under any applicable federal or state securities laws; (b) there are no restrictions in place that would prevent Lender from selling the Conversion Shares; (c) no Trigger Event shall have occurred and be continuing; (d) the average and median daily dollar volume of the Common Stock on its principal market for the previous twenty (20) and two hundred (200) Trading Days shall be greater than $500,000.00; (e) the five (5) day VWAP of the Common Stock is greater than or equal to $1.00; and (f) the Common Stock is trading on Nasdaq or NYSE.

A7. "**Fundamental Transaction**" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of

authorized shares of Borrower's Common Stock, or (b) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower. Notwithstanding the foregoing or anything to the contrary contained in this Note or the other Transaction Documents, the definition of a "Fundamental Transaction" shall not include, nor shall it prohibit Borrower from undertaking, incurring or consummating, any Permitted Indebtedness, Permitted Investment, Permitted Lien, Permitted Transfer, Permitted Restricted Payments, Permitted Restricted Debt Payments, or Permitted Affiliate Transactions.

A8. "**Major Trigger Event**" means any Trigger Event occurring under Sections 4.1(a) - 4.1(i).

A9. "**Mandatory Default Amount**" means the Outstanding Balance following the application of the Trigger Effect.

A10. "**Maximum Monthly Redemption Amount**" means $1,425,000.00 per calendar month. A11. "**Minor Trigger Event**" means any Trigger Event that is not a Major Trigger Event.

A12. "**Outstanding Balance**" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, the Transaction Expense Amount, the OID, accrued but unpaid interest, collection and enforcements costs (including reasonable and documented out-of-pocket attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

A13. "**Permitted Affiliate Transaction**" means (a) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than could reasonably be obtained in an arm's length transaction with a non-affiliated Person, (b) customary compensation and indemnification of, and other employment arrangements approved by Borrower's board of directors with, directors, officers and employees of Borrower or any of its Subsidiaries in the ordinary course of business, (c) subject to limitations set forth in this Agreement regarding the payment of directors fees, reasonable and customary director, officer and employee compensation (including bonuses and stock option programs) and benefits arrangements, in each case, in the ordinary course of business and approved by the board of directors (or equivalent managing body) (or a committee thereof) of Borrower; and (d) transactions constituting Permitted Restricted Payments, to the extent permitted thereunder

A14. "**Permitted Restricted Debt Payment**" means (a) any payment on any Subordinated Debt, to the extent permitted under the terms of the subordination, intercreditor or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Secured Obligations owed to Lender.

A15. "**Permitted Restricted Payment**" means, with respect to the payment of any dividends, or making of any distribution or the payment, redemption, retirement or purchase of any capital stock:

(i) Borrower may convert any of its convertible securities or Subordinated Debt into other securities pursuant to the terms of such convertible securities or Subordinated Debt or otherwise in exchange thereof;

(ii) Borrower or any Subsidiary may pay dividends solely in equity interests of Borrower or Subsidiary, and any Subsidiary may pay cash distributions to Borrower or any other Subsidiary;

(iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars ($100,000) per fiscal year;

(iv) Borrower or any Subsidiary may make cash payments in lieu of fractional shares;

(v) Borrower may purchase, redeem, retire, or otherwise acquire its equity interests with the proceeds received from a substantially concurrent issue of new equity interests, provided that no Event of Default has occurred or would result therefrom;

(vi) Borrower may additionally purchase, redeem, retire, or otherwise acquire its equity interests in an amount necessary to satisfy its obligation under the Integrated Diagnostics APA; or

(vii) Borrower may repurchase from managers, officers or employees pursuant to the terms of share purchase plans, restricted share purchase agreements or other similar agreements in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in any fiscal year.

A16. "**Purchase Price Date**" means the date the Purchase Price is delivered by Lender to Borrower.

A17. "**Redemption Conversion Price**" means eighty-five percent (85%) multiplied by the lowest daily VWAP during the ten (10) Trading Days immediately preceding the date the applicable Redemption Notice is delivered.

A18. "**Trading Day**" means any day on which Borrower's principal market is open for trading.

A19. "**Trigger Effect**" means multiplying the Outstanding Balance as of the date the applicable Trigger Event occurred by (a) ten percent (10%) for each occurrence of any Major Trigger Event, or (b) five percent (5%) for each occurrence of any Minor Trigger Event, and then adding the resulting product to the Outstanding Balance as of the date the applicable Trigger Event occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Trigger Event occurred; provided that the Trigger Effect may only be applied three (3) times hereunder with respect to Major Trigger Events and three (3) times hereunder with respect to Minor Trigger Events; and provided further that the Trigger Effect shall not apply to any Trigger Event pursuant to Section 4.1(j) hereof. In the event Lender has applied three (3) Trigger Effects for Major Trigger Events, then any subsequent Major Trigger Events will be considered Minor Trigger Effects for purposes of the Trigger Effect.

A20. "**VWAP**" means the volume weighted average price of the Common Stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

[Remainder of page intentionally left blank]

EXHIBIT A

Streeterville Capital, LLC
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Biodesix, Inc. Date: ___
2970 Wilderness Place, Suite 100
Boulder, Colorado 80301

REDEMPTION NOTICE

The above-captioned Lender hereby gives notice to Biodesix, Inc., a Delaware corporation (the "**Borrower**"), pursuant to that certain Secured Convertible Promissory Note #1 made by Borrower in favor of Lender on May 9, 2022 (the "**Note**"), that Lender elects to redeem a portion of the Note in Conversion Shares or in cash as set forth below. In the event of a conflict between this Redemption Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Redemption Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

REDEMPTION INFORMATION

A. Redemption Date: _, 202_
B. Redemption Amount: ____
C. Portion of Redemption Amount to be Paid in Cash: ___
D. Portion of Redemption Amount to be Converted into Common Stock: ____(B minus C)
E. Redemption Conversion Price: ___
F. Conversion Shares: ____(D divided by E)
G. Remaining Outstanding Balance of Note: ___*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Redemption Notice and such Transaction Documents.

Please transfer the Conversion Shares, if applicable, electronically (via DWAC) to the following account:
Broker: Address:
DTC#:
Account #:
Account Name:

To the extent the Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Redemption Notice (by facsimile transmission or otherwise) to:

Sincerely, Lender:

STREETERVILLE CAPITAL, LLC

By: _____

John M. Fife, President

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Scott Hutton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Biodesix, 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: May 11, 2022

By: /s/ Scott Hutton

Scott Hutton
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Robin Harper Cowie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Biodesix, 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: May 11, 2022

By: /s/ Robin Harper Cowie

Robin Harper Cowie
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Biodesix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2022

By: /s/ Scott Hutton
Scott Hutton
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Biodesix, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2022

By: /s/ Robin Harper Cowie
Robin Harper Cowie
Chief Financial Officer